Nel ASA

Annual Report 2025

nel

Title:

Nel ASA Annual Report 2025

Published date:
26 February 2026

Karenslyst allé 49, PB 199 Skøyen,
0212 Oslo, Norway

The publication can be downloaded on nelhydrogen.com

Table of contents

Annual Report 2025

Letter from the CEO – the Way Ahead

It is easy to remember the negatives… but 2025 was also a year of positives

2025 was a demanding year. Yet it was far from a lost year. In many respects it became a turning point. While the media headlines focused on project delays and external uncertainties, inside Nel we saw something different: steady progress where it mattered, closer collaboration with key partners, and technology advances that bring competitive clean hydrogen within reach.

Our financial performance in 2025 reflected the market we operate in. Final investment decisions took longer, project milestones shifted, and revenue declined compared to last year. At the same time, production capacity and operating expenses were reduced early on so we ended the year with a solid cash position that allows us to stay focused on monetizing our innovations rather than adapting to short-term market fluctuations. 2025 was a year with steady, disciplined work. Much of it invisible. Much of it not fun. But all of it necessary for long-term success.

Commercially, 2025 had a mixed rhythm. Some quarters were quieter than we would have preferred, while others showed how quickly momentum can return. A clear example is the fourth quarter of 2025, when we secured a 40-megawatt PEM order from HYDS for deployment across two sites in Norway. This contract represents the largest PEM order in Nel's history and the company's second largest order ever in terms of value. All in all, this win created a strong finish to the year and brought quarterly order intake close to an all-time high.

Throughout the year, the level of activity in front-end engineering and design (FEED) work remained high. This signals that the underlying interest in electrolyser deployment is real, particularly among high quality industrial partners preparing large scale projects. Early-stage commitments such as FEED studies may not immediately translate into significant revenue, but they often form the basis for firm orders in the future and keep us closely connected to the companies that are shaping the future of hydrogen.

The most important development in 2025 was probably our steady progress on the next generation of electrolyser platforms. The new pressurized alkaline system progressed as planned and is on track for commercial launch in the first half of 2026. It is designed to do what customers have asked for: reduce total investment cost, deliver higher energy efficiency, and offer a simpler and more practical setup. In short, our clients will get more for less without compromising on quality or safety.

While the pressurized alkaline platform has looked strong on paper for a while, the full-scale testing of a system in Norway was even more convincing. The prototype performs well beyond expectations and gives me confidence in the platform itself. It also highlights the exceptional quality and dedication of Nel's employees.

Based on the encouraging test results, and with support from the EU Innovation Fund, Nel has taken the final investment decision to establish one gigawatt of production capacity at Herøya, Norway for the new pressurized alkaline platform. It reflects our belief that continued investment in new technology is the right path forward for clean hydrogen, even if some parts of the industry have decided to take a more cautious approach. Nel will remain focused on delivering high quality with low total cost of ownership at industrial scale.

In addition to advancing the pressurized alkaline platform towards commercial launch, we also matured Nel's next generation PEM program substantially in 2025. This future solution aims at performance targets way beyond today's benchmarks.

We continued to work closely with major industrial partners that see hydrogen as an integral part of their long-term strategies. One of the most significant developments in 2025 was the signing of a strategic EPC partnership with SAMSUNG E&A, combined with their decision to become the largest single shareholder of Nel. For partners of this scale, trust matters. It is built on nearly a century of electrolyser experience and it reflects confidence not only in what we have achieved, but in our ability build on our experience and continue improving.

The reports of the hydrogen industry's death are greatly exaggerated

There has been a lot of discussion about the state of the hydrogen industry in 2025, and phrases such as cancellations, delays, and even bankruptcies have appeared frequently in the public debate. In my view, these descriptions do not capture the full picture. The conversation around hydrogen has continued to swing between extreme enthusiasm and pessimism. A few years ago, the narrative was all about the promise of the industry's rapid expansion potential, while these last years it has turned toward doubt. In my opinion the reality lies somewhere in between.

A more objective perspective can be found in the data. The Hydrogen Council's Global Hydrogen Compass 2025 reports that the global pipeline of clean hydrogen projects has grown to more than 1,700 projects. More than 500 of these are either already operating, under construction, or have taken a final investment decision. Committed investments now exceed 110 billion dollars. These figures show that companies continue to invest in hydrogen and that the sector is still advancing and maturing.

It is true that the past year included cancellations and delays, but this is a natural part of building a new industry. Hydrogen is not the right solution for every application, and distinguishing between strong and weak business cases is essential for creating a stable and healthy ecosystem. What matters now is understanding which projects and use cases are emerging and why leading companies believe in them. Progress is shaped by facts, data, and real industrial needs, not by isolated headlines.

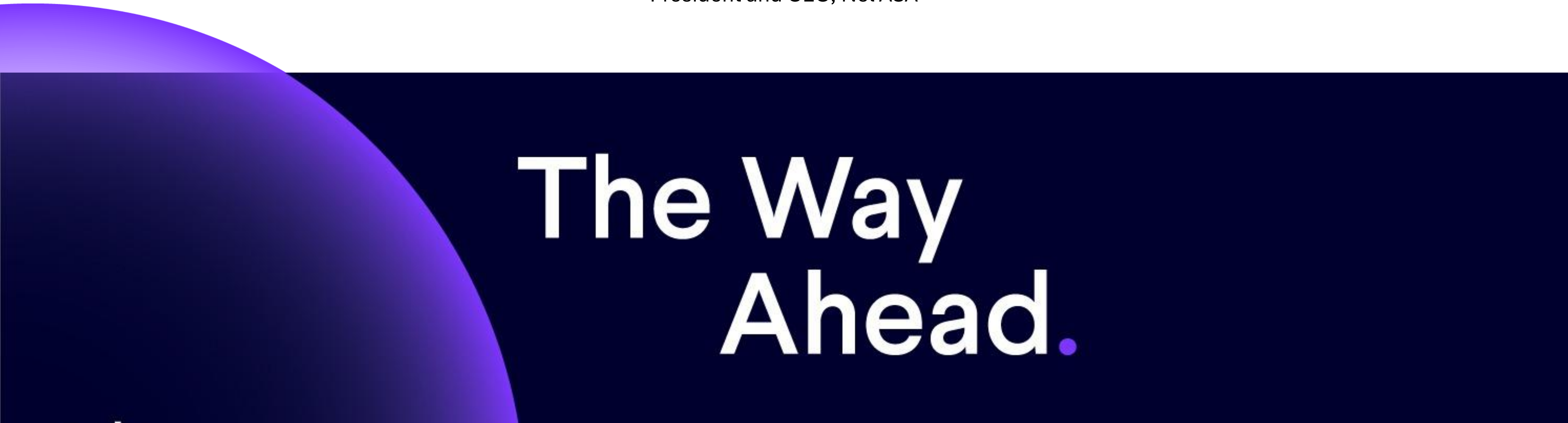
The industry is moving through its reality check and emerging stronger for it. As we look toward 2026, the focus should remain on the continued development of projects that make economic and strategic sense for the companies behind them. The work done in 2025 has laid important foundations, and many people across the value chain deserve recognition for their commitment to moving hydrogen forward. Their efforts give us reason to be optimistic about the year ahead.

Looking into 2026, the opportunity pipeline continues to improve and mature. High quality companies and dedicated teams are working steadily to move projects forward, even if the exact timing of equipment orders remains uncertain. Most importantly, we now stand on the brink of introducing technology that can materially improve the economics of sustainable hydrogen production. That represents a significant shift for both Nel and the broader industry.

We enter the coming year with discipline, excitement, momentum, and determination. Our mission remains unchanged: to enable a cost competitive, large-scale transition to renewable hydrogen. With solid financial resources, transformative technology, and a committed global team, we are well positioned to seize the opportunities ahead. This is what we call “the Way Ahead”.

Thank you to all our employees, customers, partners, and shareholders for your continued trust and support.

Håkon Volldal
President and CEO, Nel ASA



Vision

Abundant clean energy for all

As the world's population grows, everyone should have the opportunity to enjoy a high quality of life. Achieving this without increasing carbon emissions requires clean, thriving industries powered by renewable energy and hydrogen. Our vision is a society with abundant clean energy for all.

Board of Directors and Management

MEMBERS OF THE BOARD

ARVID MOSS, CHAIR OF THE BOARD

Mr. Moss (born 1958), is an experienced executive who has been a member of Norsk Hydro's corporate management board since 2008. Moss served as EVP for the Business Area Energy between 2010-2024. Since mid 2024 he is special advisor to Hydro's CEO and chair of Hydro REIN, the renewable company owned by Hydro and Macquarie Asset Management. Since 2022 Mr. Moss also is the Chair of the Board in Norway's Export Council (Norsk Eksportråd). In Norsk Hydro, he has been responsible for strategy and business development in the aluminium area and on the corporate level for several periods. He also led the process that resulted in the oil and gas merger between Norsk Hydro and Statoil in 2006. Mr. Moss also served as State Secretary and Chief of staff in the Norwegian Prime Minister's office (1989-1990). Mr. Moss has a MSc in Economics and Business Administration (siviløkonom), Norwegian School of Economics (NHH). He has been a member of the board since 2023 and holds no shares directly and/or indirectly in Nel ASA.

HANNE BLUME, BOARD MEMBER

Ms. Blume (born 1968) is Executive Vice President and Group CHRO in the Danish DLG Group. Hanne Blume has a Master of Science degree in Business Administration and Commercial Law from Aarhus School of Business. She has also supplementary leadership training from international schools INSEAD, IMD, London Business School and Wharton. She has management experience and board experience from both listed and private companies. Ms. Blume is a Danish citizen and lives in Juelsminde in Denmark. She has been a member of the board since 2019 and holds no shares directly and/or indirectly in Nel ASA.

CHARLOTTA FALVIN, BOARD MEMBER

Ms. Falvin (born 1966) serves as a board member in several listed companies within the technology and communication industries. She has previous management positions e.g. as CEO in The Astonishing Tribe AB which were sold to Blackberry in 2010. Charlotta Falvin has a Master of Science degree in Business Administration and Economics from University of Lund. She is appointed Honorary Doctor at the Faculty of Engineering of the University of Lund. Ms. Falvin is a Swedish citizen and lives in Genarp, Sweden. She has been a member of the board since 2020 and holds 46,000 shares directly and/or indirectly in Nel ASA.

GYUYEON KANG, BOARD MEMBER

Mr. Kang (born 1965) is Executive Vice President, Sales & Business Development Division at SAMSUNG E&A. He has more than 30 years of international experience in corporate finance, treasury and business development, having held successive senior positions at Samsung E&A, including Head of Strategic Finance and Head of Finance & Accounting, as well as earlier finance leadership roles at Chanel Korea and Samsung Construction Co., Ltd. in Singapore. Mr. Kang holds a B.Sc. in Applied Statistics from Yonsei University and is a graduate of Choong Ang High School. A South Korean citizen residing in Seoul, he joined the Board of Directors of Nel ASA in 2025. Mr. Kang holds no shares directly in Nel ASA, but is related to SAMSUNG E&A holding 167,148,210 shares.

BEATRIZ MALO DE MOLINA, BOARD MEMBER

Beatriz Malo de Molina (1972) has had a 30 year career in M&A, finance and capital markets, beginning in 1994 with EY and including positions in Alvarez & Marsal, Orkla, Kistefos, McKinsey, and Goldman Sachs. Beatriz has held board positions in Norwegian and international companies, publicly listed and private, as independent director and as chair. Beatriz graduated summa cum laude from Georgetown University in Washington D.C., and has a Master's degree from the University of Oslo. Ms. Malo de Molina is a Spanish citizen and has been a resident of Norway since 2006. She has been a member of the board since 2017 and holds no shares directly and/or indirectly in Nel ASA.

TOM RØTJER, BOARD MEMBER

Mr. Røtjer (born 1953), former Senior Vice President, Head of Projects in Norsk Hydro ASA until 2018. He served as Executive Vice President Projects (member of Corporate Management Board) in Norsk Hydro from 2007-2012. He has held previous board positions in Aibel AS , Hæhre & Isachsen Gruppen AS (Akh Gruppen AS), Det norske oljeselskap ASA (Aker BP ASA), Qatalum Ltd., and Green Energy Geothermal Ltd. Mr. Røtjer holds a master's degree in Mechanical Engineering from the University of Trondheim, Norway. He is a Norwegian citizen and resides in Oslo, Norway. He has been a member of the board since 2020 and holds no shares directly and/or indirectly in Nel ASA.

JENS BJØRN STAFF, BOARD MEMBER

Mr. Staff (born 1967) is the Group CEO in Skagerak Energi, a Norwegian utility company, since 2020. Mr. Staff has broad executive experience from Orkla where he served as Group CFO for 6 years and Statkraft where he was Group CFO for 3 years. He has also had several executive positions in Statoil over the course of 6 years. He has previously held board positions in Isola Holding AS, Statoil, Orkla and corporate assembly in Jotun. Mr. Staff holds an MBA from the Norwegian School of Economics (2002) and an BA from the Norwegian Business School. In addition to International Directors Program from INSEAD (2022) and the Advanced Valuation program at NYU Stern School of Business (2023). Mr. Staff holds no shares directly and/or indirectly in Nel ASA.

MANAGEMENT

HÅKON VOLLDAL, CHIEF EXECUTIVE OFFICER

Håkon Volldal was appointed CEO effective 1 July 2022. Mr. Volldal has previous experience as Executive Vice President at TOMRA, and later as President and CEO of Q-Free ASA, creating intelligent technology solutions for efficient, safe, and sustainable transportation. Mr Volldal holds an MSc in Industrial Economics and Technology Management (civil engineering) from the Norwegian University of Science and Technology (NTNU).

KJELL CHRISTIAN BJØRNSEN, CHIEF FINANCIAL OFFICER

Kjell Christian Bjørnsen was appointed CFO effective 1 March 2020. Mr. Bjørnsen came from a position as Chief Financial Officer (CFO) of the Kavli Group, and has, prior to that, held positions within business development, strategy, and finance in several global industrial companies, including the CFO position of REC ASA. Mr. Bjørnsen holds a MSc in Chemical Engineering from the Norwegian University of Science and Technology (NTNU).

MARIUS LØKEN, CHIEF TECHNOLOGY OFFICER

Marius Løken assumed his role as Chief Technical Officer (CTO) of Nel ASA in June 2023. Prior to this, he honed his leadership at TOMRA Systems ASA, ascending through positions like Head of Europe Asia Pacific, Head of Technology, and Head of Product Management. In total, Marius spent over 23 years at TOMRA, making significant contributions across various technological and commercial facets. His academic foundation is rooted in a Master of Science in Mechanical from the Norwegian University of Science and Technology (NTNU), with the master thesis conducted at Michigan Technological University.

BIRGITTE NORDVIK, CHIEF PROJECT OFFICER

Birgitte Nordvik was appointed Chief Project Officer of Nel ASA December 2025. She brings extensive experience from the energy sector, where she has held a variety of senior leadership roles, focusing on procurement, contract management and project deliveries in large scale energy projects. Prior to joining Nel, Ms. Nordvik was the Vice President of Contract and Procurement management at Aker Energy, Vice President of Global Procurement at Petroleum Geo-Services and Vice President of Strategic Supply Management at Aker Solutions. Her career also includes significant management positions at BW Offshore, Renewable Energy Corporation, Norsk Hydro, Statoil (now Equinor) and Norske Shell. Ms. Nordvik holds a Master's degree in Petroleum Economics, Project-, and Contract Management from the University of Stavanger (UiS).

ANNE LIBERG, CHIEF HUMAN RESOURCES OFFICER

Anne Liberg became CHRO on 2 April 2024. A Norwegian citizen, she has extensive leader experience from McKinsey & Company (1995-2016) spanning from IT-Management to leading the Administration in the Oslo Office. She holds a Computer & Information Sciences degree from the Norwegian School of Information Technology. After leaving McKinsey in 2016, she was a part of the founding team at Arundo Analytics, serving first as Chief of Staff, then as CHRO, contributing to its strategic HR development. Her tenure at Arundo has been marked by significant contributions to the company's strategic growth and HR strategy, focusing on building a global organization from a people perspective.

STEIN OVE ERDAL, CHIEF LEGAL OFFICER

Stein Ove Erdal is Chief Legal Officer and joined Nel in May 2019. Erdal comes from a position as an Associate General Counsel in Nexans Norway AS where he worked for nine years with complex offshore EPCI and EPC projects. He also has experience from working as a lawyer in the oil and gas division of Arntzen de Besche, as a deputy judge and as a defence counsel. Erdal holds a Cand. Jur. (Qualifying law degree) from the University of Oslo.

TODD CARTWRIGHT, CHIEF COMMERCIAL OFFICER

Todd Cartwright joined Nel as Chief Commercial Officer, effective January 2nd, 2024. A US citizen with a BS in Mechanical Engineering, he brings over 30 years of energy sector experience. Mr. Cartwright has held key roles at CB&I and Technip Energies, notably as Commercial Vice President at the latter. In this role, he led business development, key account management, and strategic partnerships, and was responsible for commercial leadership of strategic projects across legacy and energy transition markets such as CCUS, Hydrogen, Ammonia, BioFuels, LNG, and Circularity.

TUSHAR GHUWALEWALA, SVP PEM OPERATIONS

Tushar Ghuwalewala assumed the role of Vice President of Operations for the PEM Division in April 2020, and assumed full responsibility for PEM Operations in October 2024. Since joining Nel in 2000, Mr. Ghuwalewala has held positions across Engineering, Technical Service, and various Leadership roles. Prior to his tenure at Nel, he contributed to projects supporting NASA at ABB Lummus Global. Mr. Ghuwalewala holds both a Bachelor of Science and a Master's degree in Mechanical Engineering from Tulane University (US), and is a US citizen.

MATS BOHMAN, VP ALKALINE OPERATIONS

Mats Bohman joined Nel in 2023 and was appointed VP Alkaline Operations in December 2025. Prior to this role, he served as Manufacturing Expansion Director for Nel's Alkaline division, where he led the establishment of electrode manufacturing processes and development of next-generation electrolyser production equipment. Before joining Nel, Mats held senior leadership positions at Veoneer and Autoliv, including General Manager and Plant Manager roles with full P&L responsibility and oversight of several hundred employees. He also served as Corporate Indirect Purchasing Director at Veoneer, leading a global team across Europe, North America, and Asia. Mats holds a Master of Science in Mechanical Engineering from Chalmers University of Technolgy.

Values

We are bold

We lead the way in our industry, dare to place calculated bets and turn what used to be impossible into reality

We are honest

We do what we say and are open about what we do, share knowledge and experiences with our colleagues and customers, and hold ourselves accountable if we make mistakes

We keep it simple

We always focus on our core business targets, develop simple and time-efficient processes, and move forward at great speed

nel

Report from the Board of Directors

Table of contents

Report from the Board of Directors

Highlights

- Revenue of NOK 963 million, a decline of 31% compared to 2024
- Year-end cash balance of NOK 1 617 million (2024: 1 876)
- Order intake of NOK 1 126 million (2024: NOK 977 million) which resulted in an order backlog at end of 2025 of NOK 1 319 million, down 18% from 2024
- PEM electrolyser received an equipment order of more than USD 50 million for projects in Norway
- Received the third purchase order for a containerized PEM solution from H2 Energy
- Received a purchase order for approximately USD 7 million from steel producer in the U.S
- Received a purchase order for approximately USD 6 million to be used by the U.S. Navy
- Adjusted capacity to demand by reducing workforce and temporarily halting production at the Alkaline production facility in Herøya, Norway
- Signed EPC collaboration agreement and conducted a NOK 353 million private placement with Samsung E&A
- Strengthened its industry leadership as the final investment decision was taken to industrialize the Next Generation Pressurized Alkaline platform

Key figures

Performance measures	**2025**	**2024**	**2023**
Revenue	963	1 390	1 350
EBITDA	-275	-173	-272
Operating loss	-1 365	-389	-444
Pre-tax income (loss)	-1 296	-264	-574
Net income (loss)	-1 265	-258	-566
Net cash flow from operating activities	-261	-242	-670
Cash balance end of period	1 617	1 876	3 363
Order intake	1 126	977	1 140
Order backlog	1 319	1 614	2 093
TRIR[1]	6.1	5.2	19.6
LTIR[2]	0.0	2.7	11.2
Number of fatal accidents	0	0	0
Number of employees	346	409	418
Women in executive management	22.2%	11.1%	11.1%
GHG intensity	5.82	17.47	22.81
Alkaline OEE[3]	N/A	65%	67%
Alkaline stack yield[4]	N/A	97%	99%
PEM stack yield[5]	96%	99%	94%

[1] Total recordable injuries rate (TRIR) is measured as total recordable injuries per million hours worked.

[2] Total recordable injuries rate (TRIR) is measured as total recordable injuries per million hours worked.

[3] Overall equipment effectiveness (OEE) considers all of availability, performance and quality. Not reported in 2025 due to halted production

[4] Yield is defined as a complete product that is quality approved (without repair and rework) and ready for the customer. Material from a not approved product is reused. Not reported in 2025 due to halted production

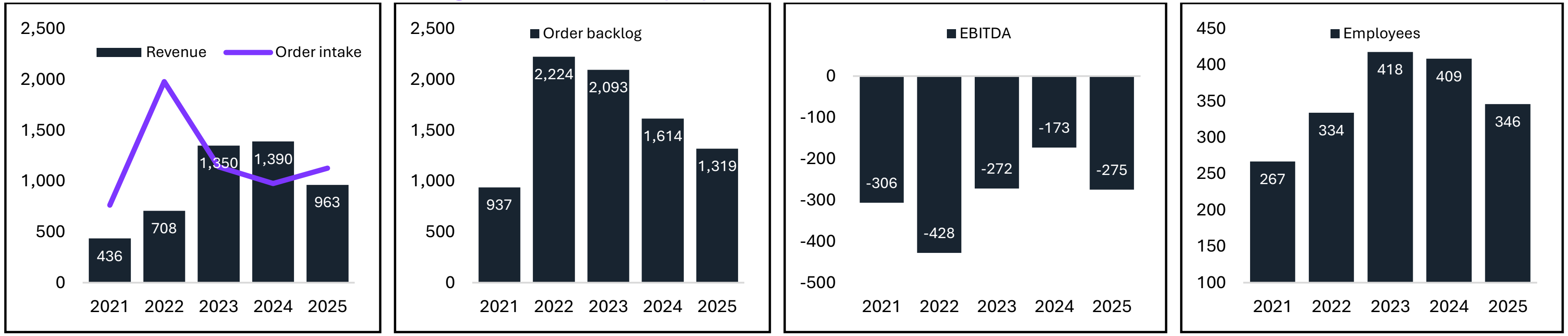
[5] Yield is defined as a complete product that is quality approved (without repair and rework) and ready for the customer. Platinum is recovered.

Group

Financial review

Amounts in NOK million	2025	2024	Change
Revenue	963	1 390	-31%
EBITDA	-275	-173	
Order intake	1 126	977	15%
Order backlog	1 319	1 614	-18%
Number of employees	346	409	-15%
Total assets	4 957	6 304	-21%

Revenue & Order intake, order backlog, EBITDA and employees



Income statement

(comparable amounts in brackets, in NOK million)

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 and Nel in the last years, as well as delays and cancellations of already signed projects. Nel did therefore in 2025 have lower revenues than in the previous two years. As a result of lower activity, Nel adjusted its organizational and production capacity to meet expected market growth, while continuing to invest in next generation technologies. Nel does depend on increasing revenues to achieve profitability.

Nel reported revenue in 2025 of NOK 963 million, a 31% decline from NOK 1 390 million in 2024. The decline is driven by 44 % revenue decrease in Nel Alkaline Electrolyser, offset by an 5% increase in Nel PEM Electrolyser.

Order intake in 2025 was NOK 1 126 million (977) which resulted in an order backlog at end of 2025 of NOK 1 319 million, down 18% from 2024. The decrease in backlog has been impacted by cancellations during the year as the order intake is in excess of revenue. The backlog only includes firm purchase orders with agreed price, volume, timing and terms and conditions. The note on Alternative Performance Measures quantifies the distribution of backlog over time and quantifies the risk in the backlog. The decrease in order backlog is mainly explained by terminations and cancellations, as order intake for the year exceeds revenue.

Raw materials expenses totalled NOK 401 million (504), a decrease of 21% from 2024. The decrease is driven by lower volume sold, revenue with no delivery of equipment (cancellation fees and engineering hours). Raw materials in % of revenue is 42% in 2025 compared to 36% in 2024.

Personnel expenses amounted to NOK 569 million (646). The number of employees went down from beginning to end of 2025, the average number of full-time employees went down from 423 employees in 2024 to 370 in 2025. Other operating expenses also decreased 22% and totalled NOK 405 million (518) for the year. The high level of personnel and other operating costs are the results of Nel's decision to continue to invest in growth.

EBITDA ended at NOK -275 million (-173).

Depreciation, amortisation and impairment increased to NOK 1 090 million (216). Prototype testing of the next-generation pressurized alkaline electrolyser in the year confirmed that the technology will take a market leading position. Construction of a 1 GW production line at Herøya has been initiated and commercial launch is planned in the first half of 2026. As the next generation technology is likely to negatively influence the market outlook for current platforms, Nel recognized impairment losses of NOK 361 million related to part of the production equipment at Herøya, Norway, and impairment losses of NOK 439 million related goodwill and intangible technology assets resulting from the acquisition of what is now Nel PEM electrolyser in 2016.

As a result of all the above, the operating loss amounted to NOK -1 365 million (-389).

Net financial items amounted to NOK 69 million (125). Nel received NOK 93 million in interest from banks in the current year in comparison to NOK 128 million in 2024, a reduction caused by the lower cash balance and decreased NOK interest rates. Pre-tax loss totalled NOK -1 296 million (-264) and the net loss for the year was NOK -1 265 million, compared to a loss of NOK -258 million in 2024.

Financial position

Total assets were NOK 4 957 million at the end of 2025, a decrease from NOK 6 304 million reported at the end of 2024. Total equity at year end amounted to NOK 3 933 million, resulting in an equity ratio of 79%. The reduction in total assets was primarily influenced by the impairment of production equipment within Alkaline operations and goodwill and technology assets in PEM, which together totalled NOK 800 million. This impairment of technology led to a decrease in the recognised deferred tax liability, reducing its book value by NOK 27 million. Furthermore, currency translation effects arising from the conversion of USD-denominated subsidiaries to NOK resulted in a reduction in equity of NOK 134 million, reflecting the weakening of the USD relative to NOK.

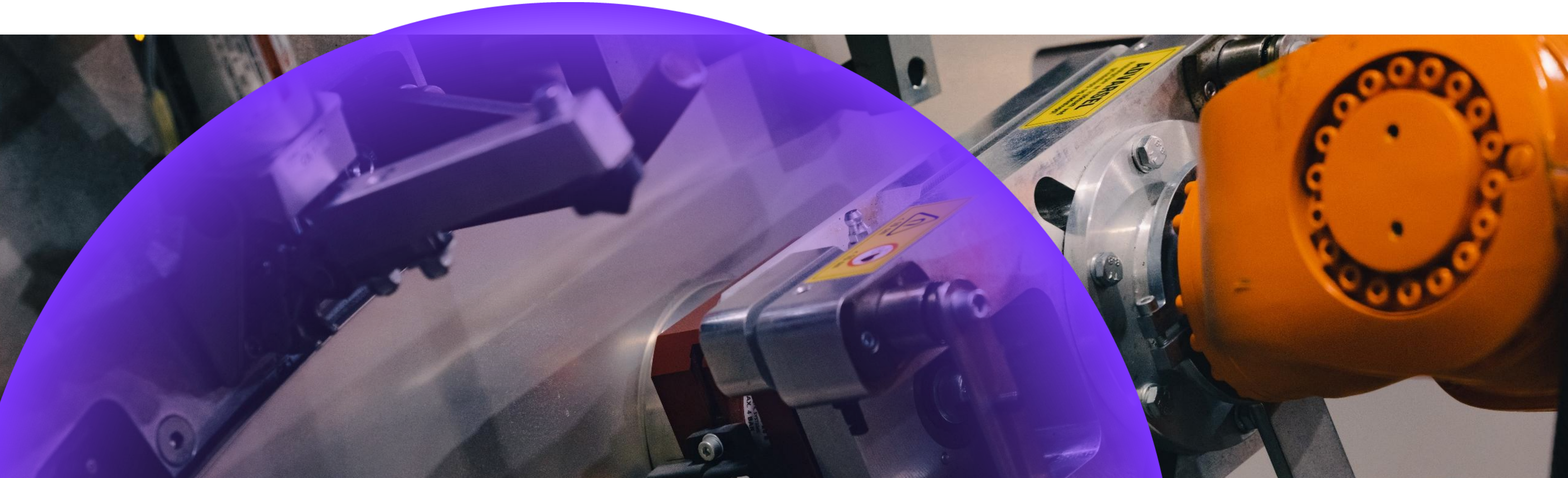
The financial position was also affected by a customer defaulting on payment. Nel accepted previously delivered goods as settlement for the outstanding receivables, which led to a decrease in trade receivables and a corresponding increase in inventory by approximately NOK 362 million. These goods remain unsold and continue to be held in inventory at the end of 2025.

Cash flow

Net cash flow from operating activities in 2025 was NOK -253 million, compared to NOK -242 million in 2024. The development is negatively impacted by the decreased volumes sold, partly offset by lower personnel expenses. Net cash flow from investing activities was NOK -305 million (-548). Nel has purchased property, plant and equipment for NOK 145 (527) million in 2025, mainly related to the PEM expansion in Wallingford.

Nel's cash balance at the end of 2025 was NOK 1 617 million (1 876). The decrease from end of 2024 of NOK 258 million is a result of negative cash flow from operations and continuing investments in technology and production capacity, partially balanced by issuance of equity.

The company estimates it has sufficient working capital for the 12 months following the balance sheet date. In accordance with section 3(3a) of the Norwegian Accounting Act, the board of directors, therefore, confirms that the financial statements have been prepared on the assumption of a going concern.

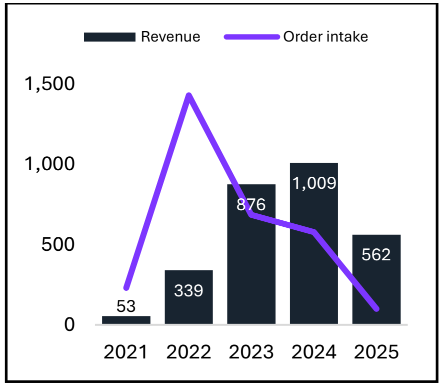


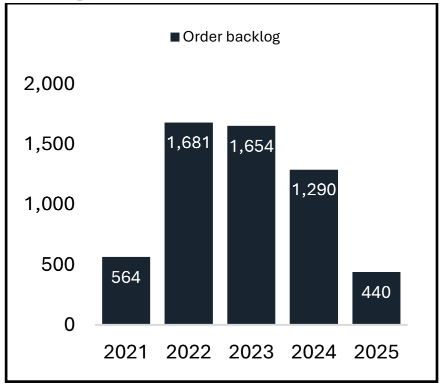
Nel Alkaline Electrolyser

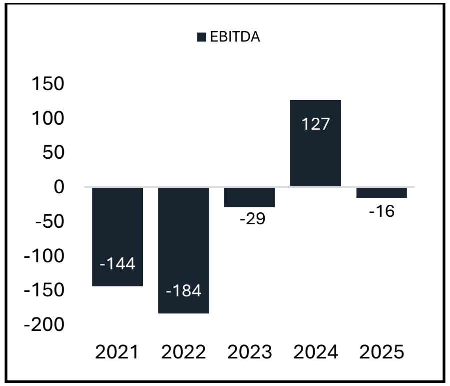
Financial review

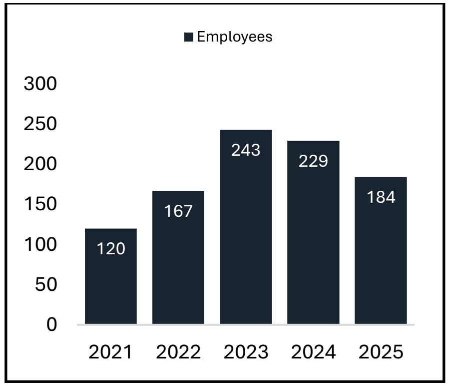
Amounts in NOK million	2025	2024	Change
Revenue	562	1 009	-44%
EBITDA	-16	127	
Order intake	99	577	-83%
Order backlog	440	1 290	-66%
Number of employees	184	229	-20%
Total assets	2 048	2 508	-18%

Revenue & Order intake, order backlog, EBITDA and employees









Nel Alkaline Electrolyser revenues are 44% lower than in 2024. Nel achieved major milestone deliveries on contracts in the backlog, and experienced cancellations resulting in the order backlog for Alkaline Electrolyser ending at NOK 440 million. The note on Alternative Performance Measures quantifies the distribution of backlog over time and quantifies the risk in 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.

In 2023, 2024 and 2025 order intake was low as final investment decisions on large target customer projects were pushed to future periods.

As a result of renewable hydrogen projects taking longer time to reach final investment decision than anticipated and existing contracts being significantly delayed or cancelled as customers fail to secure funding, Nel has a larger inventory of finished goods and lower backlog for 2026 delivery. Nel's cost structure and the utilization of the Herøya production capacity (temporarily idled) are therefore being adjusted to market demand. Nel has recognised impairment expenses of NOK 361 million in 2025 for idle production lines for current technology. Number of employees decreased to 184, compared to 229 at the end of last year.

EBITDA for the year was NOK -16 million compared to 127 last year. The decline in EBITDA compared to last year is a result of low order intake over several periods which have led to a lower volume of customer deliveries. Project margins are generally up compared to previous years as project execution has improved. EBITDA includes R&D expenses of NOK 81 million (103) in 2025.

Due to the anticipated impact of next-generation technology on the market outlook for existing platforms, the likelihood of restarting line 1 or constructing line 3 has decreased by the end of 2025. Consequently, Nel has recognised a full impairment loss on assets associated with line 1 at Herøya, amounting to NOK 291 million, as these assets became idle during the year. Furthermore, the planned expansion of line 3 - which currently comprises acquired long-lead items not yet installed and classified under assets under construction - has been fully impaired in the amount of NOK 70 million. In total, Nel has recognised impairment expenses of NOK 361 million in 2025 for idle production lines for current technology in Alkaline segment.

Technology development

As the renewable hydrogen industry continues to develop, Nel is at the forefront of the industrialization of electrolyser production and of product development within several electrolyser technologies. Nel is continuing to invest in the development of large-scale industrialisation of electrolyser products. In addition, Nel is working to develop a pressurized alkaline electrolyser. All of these development activities target increases in functionality and decreases in levelized cost of hydrogen for our current and future customers and are intended to increase demand for our products globally.

Nel has been developing its next-generation pressurized alkaline technology for more than seven years. The technology is currently being prototyped with promising results, and the potential industrialization is planned at Herøya, Norway. Total technology spend for 2025 in Alkaline was NOK 162 million (225), of which NOK 81 million (121) and NOK 81 million (103) has been capitalised and expensed, respectively.

Production capacity development

Production lines at Herøya, Norway, are idled due to low order intake in recent periods, and delays and cancellations of projects in the order backlog.

For the industrialization of this next-generation pressurized alkaline technology, Nel has been selected for a grant from the EU Innovation Fund of up to EUR 135 million. The support will be phased with Nel's own investments for up to 4 GW of capacity for pressurized electrolyser equipment in Norway. During 2025, Nel strengthened its industry leadership as the final investment decision was taken to industrialize the Next Generation Pressurized Alkaline platform and invest in 1GW of production capacity. Decision to further expand the capacity depends on achieving successful testing, market acceptance of the new technology and overall market development. There are no contractual commitments beyond December 2025 for the Herøya production lines.

Key commercial activities

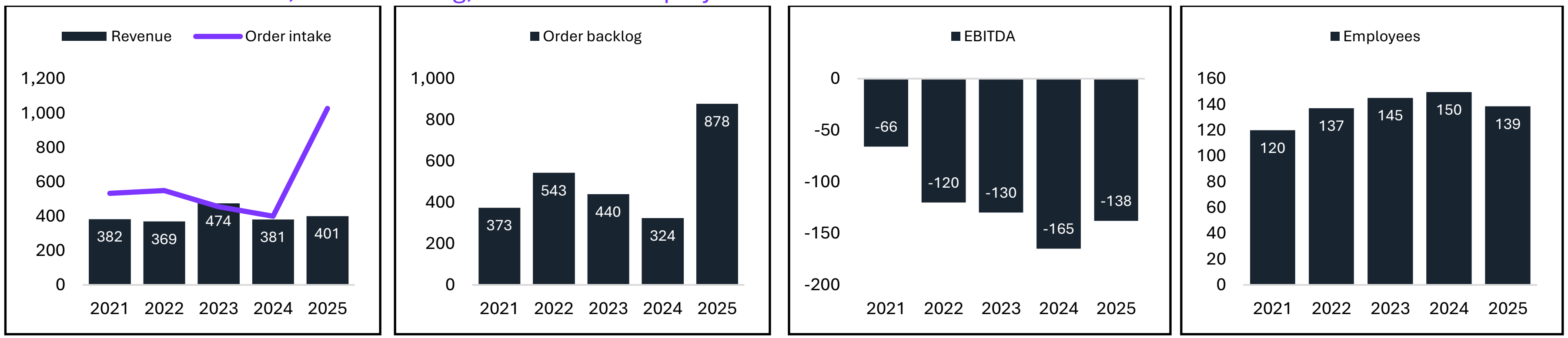
- Order intake in 2025 was NOK 99 million (2024: 557) which resulted in an order backlog at the end of 2025 of NOK 440 million, down 66% from 2024.
- Signed EPC collaboration agreement with Samsung E&A.

Nel PEM Electrolyser

Financial review

Amounts in NOK million	2025	2024	Change
Revenue	401	381	5%
EBITDA	-138	-165	
Order intake	1 027	400	157%
Order backlog	878	324	171%
Number of employees	139	150	-7%
Total assets	1 661	1 755	-5%

Revenue & Order intake, order backlog, EBITDA and employees



Nel PEM Electrolyser revenue in 2025 was 5% higher than in 2024 driven by sales of containerized PEM products.

The PEM segment has a record high order backlog of NOK 878 million, following the high order intake of NOK 1 027 million in the period. The overall demand for PEM has increased for 2-20MW projects.

The 500 MW expansion program for Wallingford facilities remains on plan and the facility is expected to be fully operational in 2026. The increased capacity will allow for a significant continued growth in revenues and a significant decrease in production cost per unit over time. Actual capacity utilization depends on order intake.

EBITDA for the year was NOK -138 million (-165). As for the alkaline segment, project margins are in general up compared to previous years due to improved execution of production and projects. EBITDA includes R&D expenses of NOK 154 million (126) in 2025.

Prototype testing of the next-generation pressurized alkaline electrolyser in the year confirmed that the technology will take a market leading position. The next generation technology is likely to negatively influence the market outlook for current platforms. The results of the annual impairment test for the PEM segment conclude impairment expense of NOK 439 million which has been allocated NOK 311 million to goodwill and NOK 128 million to technology. Both the goodwill and technology impaired in 2025 were initially recognised as allocated purchase price from the 2016 acquisition of PEM.

Technology development

In order to meet new large-scale opportunities within the PEM portfolio, Nel is developing a next generation PEM platform. These development activities target increases in functionality and decrease in levelized cost of hydrogen for our current and future customers and are intended to increase demand for our products globally.

Total technology spend for 2025 in PEM was NOK 218 million (140), of which NOK 64 million (15) and NOK 154 million (126) has been capitalised and expensed, respectively.

Key commercial activities

- Order intake in 2025 was NOK 1 027 million (2024: 400) which resulted in an order backlog at the end of 2025 of NOK 878 million, up 171% from 2024.
- PEM electrolyser received an equipment order of more than USD 50 million for projects in Norway.
- Signed EPC collaboration agreement with Samsung E&A.
- Received the third purchase order for a containerized PEM solution from H2 Energy.
- Received a purchase order for approximately USD 7 million from steel producer in the U.S.
- Received a purchase order for approximately USD 6 million to be used by the U.S. Navy.
- Other purchase orders include multiple smaller containerized electrolysers, and industrial products.

Corporate developments

- Nel raised NOK 353 million in gross proceeds through a private placement in March 2025

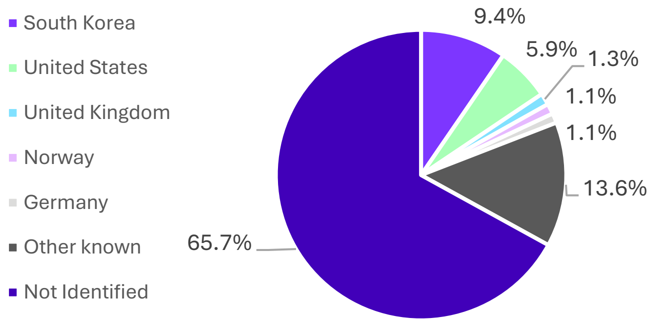
Shareholders and financing

Nel's shares are listed on the Oslo Stock Exchange under the ticker "NEL". At the end of 2025, the company had 1 838 457 834 issued shares, each with a nominal value of NOK 0.20 per share. This comprised 1 838 039 801 outstanding shares and 418 033 treasury shares.

Euronext VPS recorded 27 526 known shareholders as of 31 December 2025. In addition, a substantial number of unknown shareholders owning shares through custodians, such as Clearstream Banking. The list of known shareholders includes a considerable number of Nordic institutional investors and private investors. Regarding the unknown shareholders, Nel's last investigation of investors owning shares through custodians indicated a large number of the shareholder base was located in Continental Europe. A detailed shareholder overview will be available no later than six weeks before the annual general meeting and can be requested via the company's website.

According to FactSet, who monitors filings from institutional investors (not always visible on Euronext VPS), the following is the top 20 shareholder overview (on an ultimate parent level) as of 31 December 2025.

Country of known institutional shareholders/insiders according to FactSet



Source: FactSet as of 29.01.2026

Distribution of known institutional shareholders

	Top 20 Institutional shareholders	% of shares outstanding
1	Samsung E&A Co., Ltd.	9.09
2	The Vanguard Group, Inc.	3.47
3	Folketrygdfondet	0.95
4	Van Eck Associates Corp.	0.75
5	green benefit AG	0.64
6	Global X Management Co. LLC	0.60
7	Legal & General Investment Management Ltd.	0.56
8	Invesco Capital Management LLC	0.47
9	Montpensier Arbevel SAS	0.39
10	Global X Management Co. (UK) Ltd.	0.24
11	Dimensional Fund Advisors LP	0.20
12	Charles Schwab Investment Management, Inc.	0.19
13	LLB Invest Kapitalanlagegesellschaft mbH	0.19
14	Storebrand Asset Management AS	0.15
15	Hanwha Asset Management Co., Ltd.	0.15
16	Renta 4 Gestora SGIIC SA	0.15
17	KB Asset Management Co. Ltd.	0.15
18	Vanguard Fiduciary Trust Co.	0.10
19	Raiffeisen Kapitalanlage-Gesellschaft mbH	0.10
20	Global X Management (AUS) Ltd.	0.10

Source: FactSet, as of 31.12.2025

The company has placed considerable emphasis on providing shareholders, capital market participants and other stakeholders with timely and relevant information about the company and its activities in compliance with applicable laws and regulations. Nel is committed to increasing awareness of the share in Norway and abroad and believe in a transparent and honest communication with the market.

Strategy

Nel has a history tracing back to 1927 and is today a leading pure play hydrogen technology company. Nel's business model is built on enabling the transition to a low-carbon energy system through developing, producing and delivering technology for sustainable hydrogen production. Nel develops and manufactures alkaline and proton exchange membrane (PEM) electrolyser technologies to help decarbonizing hard-to-electrify industries such as steel, ammonia, refining, and heavy-duty transport.

Nel operates in B2B markets, supplying industrial customers and energy providers with equipment and services for renewable hydrogen production, grid balancing, and energy storage. Nel operates in a global market, with main focus on Europe and North America, with opportunities also in Asia, the Middle East, and Australia. Nel's global reach is strengthened by a partnership strategy and an international network of agents, enabling the company to service various geographical markets effectively.

Nel is a leading global electrolyser supplier, offering both AWE (alkaline water electrolysis) and PEM (proton exchange membrane) technology globally. Nel's investment in next-generation technologies aims to enhance efficiency, reduce capital expenditure, and simplify deployment, making hydrogen projects more viable and cost-effective. Automated manufacturing facilities, supported by initiatives such as the EU Innovation Fund, position Nel to set industry standards for performance and cost competitiveness. The company's modular, safety-focused platforms are designed to facilitate large-scale adoption and commercial validation, reinforcing Nel's leadership in the global energy transition.

Governments and companies continue to focus on their energy transition and greenhouse gas reduction roadmaps. For many, renewable hydrogen is an integral part of the strategy. The company's market analysis aligns with broader industry trends, suggesting that investments in electrolyser projects will continue to rise significantly in the coming years. While Europe's largest existing hydrogen plants currently have capacities of around 20 MW, future facilities are expected to scale up to hundreds of MW and eventually reach gigawatt (GW) size. Nel aims to capture large-scale contracts by adopting a broad-based market approach.

For projects requiring greater capacity, Nel is refining its scope by focusing on the supply of high-efficiency, low-cost cell stacks and gas separation units. By working closely with selected engineering, procurement and construction (EPC) firms, energy providers, and downstream technology partners, Nel can meet customer needs that fall outside its standard offerings. This targeted approach allows the company to deliver tailored solutions for larger and more complex projects.

Climate-related scenario resilience in Nel’s strategy

Considering that 100 % of Nel’s revenue comes from renewable hydrogen technology, the resilience of Nel’s strategy within the different climate-related scenarios is robust. Key considerations are how fast our customers’ industries will grow and develop, how complex and price competitive this sustainable technology will be, and developments within renewable energy and the related grid. Nel’s strategy is stress-tested against different scenarios to assess parity with both fossil energy, grey and blue hydrogen. Although the hydrogen market is already substantial, only a fraction is currently served by water electrolysis, presenting significant opportunities for further renewable adoption. In addition, there are regulations supporting the transition across the globe. Growth is expected not only to come from industrial applications, but also from currently transitioning diesel-based heavy-duty transportation, maritime and other hard-to-electrify applications into zero-emission hydrogen.

There is significant uncertainty associated with the timing and pace of the growth expected in the hydrogen industry as it relates to renewable energy (as storage or carrier) and the decarbonization of industrial activity (such as refinery, steel or fertilizer production) and transportation (airline, marine, vehicles). There is a risk that Nel is moving either too quickly or too slowly, meaning the company are either over- or under investing in assets, technology and/or human capital development. Nevertheless, the global focus on addressing climate change through decarbonization is the megatrend that underpins our current strategy.

Strategic alliances

Cooperation is vital in a rapidly growing renewable hydrogen industry. Combining resources, expertise and knowledge is a key enabler that allows Nel to improve its entire value chain effectively and rapidly, from engineering and procurement through installation, service, commissioning and aftersales. Strategic alliances can help shorten the timeline to achieving full competitiveness for Nel's technologies. The company is engaged in numerous strategic alliances, both domestically and internationally, with partners that share the same values and commitment to customer dedication. Nel is actively pursuing new alliances in all areas of the business.

Some of Nel's alliances include:

- EPC-partners: Enabling turnkey solutions for large scale hydrogen production facilities with predictable project execution.
- Energy sources: Working with solar, wind and other technology providers to optimize the interface between renewable energy and electrolysis and optimizing the cost of renewable hydrogen production through seamless operation between the power supply and the electrolysis process.
- Downstream technology partners: Optimizing the total offering through technical collaboration with specialists in key customer segments such as ammonia, methanol and local back-up power.

Memberships and associations

Nel is member of several associations with a national, European and global footprint. The presence in these associations enables the company to communicate Nel's position, market its technologies and support the development of appropriate hydrogen legislation and regulation.

Some of the memberships include:

Membership and Association	Role
Hydrogen Europe (EU)	Corporate member
Fuel Cell & Hydrogen Energy Association, FCHEA (US)	Corporate Member
Hydrogen Council (International)	Corporate member
Norsk Hydrogenforum (Norwegian Hydrogen Association)	Corporate member
Renewable Hydrogen Alliance (US)	Corporate member
Clean Hydrogen Futures Coalition, CHFC (US)	Corporate member
California Hydrogen Business Council, CHBC (US)	Corporate member
Ammonia Energy Association (US)	Corporate member

Risks and opportunities

Nel's regular business activities entail exposure to various types of risk. The company proactively manages such risks, and the board of directors regularly analyses its operations, and potential risk factors and takes steps to reduce risk exposure.

Nel places strong emphasis on quality assurance and has implemented quality-assurance systems in line with the requirements applicable to its business operations.

Nel is operating in a fast-growing emerging market, with a long list of potential customers in many regions. The need to address growth opportunities and make investments ahead of actual market demand and revenue recognition, balanced with the need to appropriately allocate capital and demonstrate a viable business model, is a continual challenge.

In this phase of fast growth, the risks associated with technological change are higher than in more mature industries. Other technologies under development could potentially make renewable hydrogen less relevant for the future. Additionally, if competitors gain advantages in the development of alternative electrolyser technologies, this could affect the competitive position of the group.

Nel's ability to grow depends to a substantial degree on its ability to successfully win new customers, and to maintain and grow its relationships with existing customers. Several of Nel's existing and potential customers are themselves planning for substantial growth, and should these customers fail to succeed with their business plans or fail to fulfil their contracts with Nel, Nel's sales to such customers may be adversely affected.

Nel is also to a certain degree dependent on a limited number of third-party suppliers for key components for its electrolyser products. To reduce the sourcing risk Nel's supply chain strategy is to have dual supply chains. 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. Nel currently has few components with single source and is at the risk of temporary supply chain disruptions should one or more suppliers fail to deliver. Another supply chain risk is whether the suppliers can follow the expected growth of the industry. In addition to making its current supply chain more robust, Nel is working to facilitate increasing volumes from important sub-suppliers. The timing of addressing such elements and risks is important. Moving too fast could result in an unnecessarily high cost level, with cash requirements beyond the current financing plan.

CLIMATE-RELATED RISK FACTORS

Nel assesses climate transition risks into two major categories: (1) risks related to the transition to a low-carbon economy and (2) risks related to the physical impacts of climate change. No significant climate related risk has been identified to affect our physical assets or operations in the short and mid-term. Climate event risks are not considered to have a severe impact to our operations, although consideration shall be taken for alternative sources of water in water stressed regions (such as water desalination) or selective product safety adaptions in regions prone to events such as flooding and earthquake.

The climate transition will create a market for several competitors, allowing customers to select the product technology that better suit their need. Due to the rapid growth of the industry, there is an increased risk related to product failure and technology obsolescence. The reputational damage risk from product failure and failure to meet high expectation from our customers may affect the eligibility of our equipment technology. Nel prioritizes investments in R&D, allocating resources to meet regulation and market demands.

Lastly, the local authorities and governments have an important role in the renewable hydrogen sector by enacting legislations that support research and innovation and scalable investments in production and infrastructure. Reduced and/or delayed support from governments will delay the developments of the renewable hydrogen industry. Political incentive schemes are expected to be important contributors to developing the industry.

Outlook

Sustainability future prospect

The urgency of shifting to a low-carbon economy is a high priority for several governments. Being accountable for the company's environmental footprint is emerging as a pivotal component in corporate transparency, and Nel aims to provide information as expected by its key stakeholders. Nel, supported by a wide body of research, strongly believes that the renewable hydrogen market has a large potential. Virtually every industry needs to realign their energy mix to stand a chance of achieving the UN Sustainable Development Goals. Renewable hydrogen will have to be a part of the mix that enables the transition. With an ambitious strategy of drastically reducing the levelized cost of hydrogen (LCOH) to customers, Nel has established a solid framework for its technology, engineering and production activities for the years to come. The company must ensure that sustainable business practices are guiding the operations, with scalability, cost-leadership and world-class safety at the core. During the ramp-up stage of Nel's business, taking a precautionary principal approach is necessary to promote sustainability within the organization. Moving forward, Nel's global presence, coupled with strong financing, will help Nel remain the preferred partner.

Financial outlook

Nel's strategy is to deliver reliable and energy-efficient electrolyser stacks and balance of stack systems to customer projects globally. 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 continues to make significant investments in improving the performance of current technology 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 and cancellations of 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. Nel has a solid cash balance that, in combination with adjustments to the cost base and capacity utilization, allows the company to fund its operations, investment in technology development and to be ready to return to its growth strategy when the market returns.

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. Nel has for years served various applications for local hydrogen production, defence and other specialty segments, and this remains a viable segment. Nel has demonstrated segment profitability in quarters with solid capacity utilisation, and expects to achieve profitability for the whole business once the market develops into solid growth.

Responsibility statement

We confirm that, to the best of our knowledge, the financial statements for the period from 1 January 2025, up to and including 31 December 2025, have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and that the directors' report includes a fair review of the development and performance of the business and the position of the company as a whole together with a description of the principal risks and uncertainties the company faces.

Oslo, 25 February 2026

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)	

Mission

Make renewable hydrogen easy

While some industries can decarbonize with clean electricity, sectors like steel, refinery, and ammonia production face greater challenges. These hard-to-electrify industries rely on renewable hydrogen to reduce emissions. Nel's customers are game hangers leading this transition, and our mission is to make their shift to renewable hydrogen easy.

ESG Report

General information

B1 - Basis for preparation

Nel reports on sustainability matters at group level and discloses relevant metrics and targets in the group's integrated annual report, prepared in accordance with the Voluntary Sustainability Reporting Standard (VSME). Nel has chosen to apply both the Basic and Comprehensive Modules of the standard. While the company was previously expected to report in accordance with the Corporate Sustainability Reporting Directive (CSRD), this requirement no longer applies following the adoption of the EU "Stop-the-Clock" directive.

The report implements considerations found in the Norwegian Accounting Act, Task Force on Climate-Related Financial Disclosures (TCFD), Euronext ESG Guidelines for listed companies, UN Guiding Principles on Business and Human rights, the UN Global Compact and the OECD's Guidelines for Multinational Enterprises.

The scope of the report covers Nel ASA and all subsidiaries consolidated into the Group's financial statements. All operational sites and offices are included in the environmental and social disclosures unless otherwise stated.

At the end of 2025, total assets amounted to NOK 4 957 and total revenue was NOK 963 million. Further information on the Group's financial position is provided in the 2025 financial statements. The Nel Group employed 346 employees (headcount) at year-end.

NACE-Code	Description
28.99	Manufacture of other special-purpose machinery n.e.c.
72.19	Other research and experimental development on natural sciences and engineering
71.12	Engineering activities and related technical consultancy
33.20	Installation of industrial machinery and equipment

The country of primary operations and location of significant assets are Norway and the United States of America.

Sites	Address	Postal Code	City	Country	Coordinates
Corporate headquarters	Karenslyst Allè 49	0279	Oslo	Norway	59.92128, 10.68205
Electrolysers	Heddalsvegen 11	3674	Notodden	Norway	59.55637, 9.26179
Electrolysers	10 Technology Drive	06492	Wallingford, CT	United States	41.49198,-72.76059
Electrolyser Manufacture	Tormond Gjestlands Veg 29	3936	Porsgrunn	Norway	59.11624, 9.63746

C1 – Strategy: Business model and sustainability – related initiatives

Nel's business model is built on enabling the transition to a low-carbon energy system through developing, producing and delivering technology for sustainable hydrogen production. Nel develops and manufactures alkaline and proton exchange membrane (PEM) electrolyser technologies to help decarbonizing hard-to-electrify industries such as steel, ammonia, refining, and heavy-duty transport.

Nel is investing aggressively in next-generation technologies across both of its core platforms: PEM and alkaline electrolysers. The company's focus is on innovations that enable more viable business cases by reducing capital expenditure, increasing efficiency, and simplifying transport and installation. These advancements will make hydrogen projects easier to deploy and more cost-effective, unlocking opportunities that were previously difficult to realize without significant public support. Through this commitment to R&D, Nel aims to accelerate the global transition to renewable hydrogen and reinforce its position as a technology leader.

The company operates in B2B markets, supplying industrial customers and energy providers with equipment and services for renewable hydrogen production, grid balancing, and energy storage. Nel operates in a global market, with main focus on Europe and North America, with opportunities also in Asia, the Middle East, and Australia.

Nel collaborates across the value chain, working with EPC contractors, renewable energy developers, and technology partners to deliver integrated hydrogen solutions. Nel source key components from suppliers mainly in Europe and North America, complemented by Asia, and apply integrity due diligence and supplier assessments to ensure quality and sustainability.

Innovation and industrialization are core to the company's strategy. Nel operates automated manufacturing facilities with a combined annual capacity of about 1.5 GW and is advancing next-generation alkaline technology with support from the EU Innovation Fund. These initiatives aim to make renewable hydrogen more accessible and cost-competitive, strengthening our role in the global energy transition.

Market development

The hydrogen industry's forward momentum is clear. According to Hydrogen Council's Global Hydrogen Compass 2025, the global clean hydrogen project pipeline grew to more than 1,700 projects in 2025. Over 500 projects are already in operation, under construction, or have passed final investment decision, and committed investments now exceed $110 billion, signalling strong confidence in hydrogen as a cornerstone of the energy transition.

At the same time, the market faces structural challenges identified in the IEA *Global Hydrogen Review 2025*. Deployment has been slower than expected, with project cancellations, delays and fewer final investment decisions as developers reassessed commercial conditions, renewable power availability and regulatory requirements. Low-emission hydrogen accounted for less than one percent of global supply, and projects struggled to secure long-term offtake, contributing to cautious purchasing behaviour among electrolyser customers.

This dual reality underscores that technology leadership depends not only on innovation, but on the ability to translate new technologies into commercially viable solutions. Nel's next-generation platforms are engineered with a strong emphasis on safety, modularity, and operational simplicity, aiming to reduce upfront complexity and ease deployment across projects. These design choices have the potential to improve project economics and reduce reliance on public subsidies over time. However, the development and roll out of new technology platforms require commercial validation. While Nel's next-generation platforms represent a significant technological advancement, a transitional period with continued risk-mitigation is expected until performance and cost assumptions are proven at scale.

Important policy steps improved visibility for future investments

Public support remains critical for projects to reach investment decisions. In 2025, several important schemes were finalized, such as the United States finalized guidance for the 45V tax credit, and the European Union advanced the second round of the Renewable Hydrogen Bank. Several countries also launched targeted auctions and industrial decarbonization programs, at the same time, competition intensified globally, with China expanding its lead in electrolyser installations.

Growth in demand remained concentrated in established sectors such as refining and fertilizer production, while large-scale projects in emerging markets largely stayed in early planning. The IEA emphasizes the need for faster policy implementation and coordinated infrastructure planning to deliver a 1.5°C-aligned transition.

Double materiality

Although the VSME standard does not require a double materiality assessment, this approach has been continued as it provides valuable input to sustainability work and strategic direction. The double materiality assessment carried out in 2024 has been carried forward to ensure consistency in the approach. During 2025, the assessment has been further refined and developed, building on the process established in previous years based on EFRAG's implementation guidance.

Double materiality assessment methodology

Understand	Identify	Decide	Approve
Understanding the context The process started with mapping Nel's activities and value chain, defining the scope and time horizons of the assessment, and identifying relevant stakeholder groups that may be affected by the company's activities.	**Identify impacts, risks and opportunities** Potential impacts on people and the environment, as well as sustainability-related risks and opportunities for the business, were identified through a qualitative assessment covering Nel's own operations and relevant upstream value chain activities, primarily based on internal knowledge of first-tier suppliers.	**Assess and determine material topics** The identified matters were assessed at a high level based on their relative significance. The assessment considered the severity of impacts (including how serious and widespread they may be and whether they can be mitigated or remediated), the likelihood of potential impacts and risks, and their potential relevance to the company's financial performance and position.	**Anchor the results** The results of the assessment were reviewed internally and form the basis for the sustainability topics presented in this report. The outcomes were approved by management.

Stakeholder engagement

Nel's double materiality assessment is based on stakeholder dialogue and a due diligence process of the impacts, risks and opportunities created by Nel and the company's value chain. The preferred channels to engage with stakeholders in 2025 were meetings, conferences, media and publications, and quarterly results reports and presentations. The table below summarizes key methods used to engage with stakeholders in 2025.

Stakeholder group:	Topics of importance	Methods of engagement:
Customers	• Product reliability and lifetime performance • Energy efficiency and cost of ownership • Safety and responsible supply chains • Project execution and support	• Project-based communication and meetings throughout project • Site tours and audits • Tender responses and presentations • Conferences, trade shows and other sales and marketing events
Suppliers	• Quality, cost and delivery performance • ESG expectations and responsible business conduct • Compliance with laws and standards • Capacity and ability to scale with Nel	• Screening and qualification processes • Supplier audits and ESG assessments • Regular meetings on quality, delivery and improvement measures • Site visits
Employees	• Occupational health and safety • Career development and training • Equal treatment, inclusion and anti-discrimination • Transparent and timely communication • Code of conduct and compliance	• Performance dialogues and reviews • Town hall meetings • Culture engagement surveys • Negotiation with employee representatives (labour unions or equivalents) • Code of conduct and compliance training
Shareholders and capital market participants	• Responsible operations • Financial performance and profitability • Reliability and long-term value creation • Sustainability and risk management	• Quarterly results presentations and reports • Annual report • Capital market days • Conferences, ad hoc meetings, and site visits • Stock exchange filings, press releases
Governments and authorities	• Regulatory compliance • Grant schemes and funding criteria • Energy-transition roadmaps and policy requirements • Safety, reporting and industry standards	• Meetings and consultations • Compliance-related reporting and documentation • Participation in policy dialogues and industry forums • Engagement related to public funding and Innovation Fund grants
Partners	• Technology development and performance • Project execution and innovation	• Joint projects • Multi-stakeholder collaboration forums

Results

Material

Impacts on the environment and society (impact materiality), as well as sustainability-related risks and opportunities affecting financial performance (financial materiality), have been assessed. The results, aggregated at ESRS topic level, indicate that Climate change (E1), Pollution (E2), Resource use and circular economy (E5), Own workforce (S1), and Workers in the value chain (S2) are the most material sustainability matters, alongside the entity-specific topics of innovation and R&D, sustainability in electrolyser production, and cyber security. Environmental impacts and risks under E1 and E5 are closely linked to the scaling of electrolyser manufacturing to enable renewable hydrogen production; while this contributes positively to climate mitigation, it requires significant inputs of renewable energy and raw materials, resulting in indirect environmental impacts across the value chain and financial exposure. Social impacts and risks primarily relate to health and safety, working conditions and labour rights in own operations and key parts of the supply chain.

Not material

Affected communities, water, biodiversity and ecosystems, and consumers and end-users have been assessed but are not considered material at this stage. The company's own operations are primarily located in developed industrial areas with established infrastructure and regulatory oversight. Operations are not situated in areas subject to water stress, near nor adjacent to biodiversity sensitive areas. In addition, the company's business model is predominantly business-to-business, operating under established contractual, technical and regulatory frameworks, which limits direct impacts on consumers and end-users.

Based on the current scale, nature and geographic footprint of operations, as well as the assessed severity and likelihood of impacts and financial risks, these topics do not meet the thresholds for materiality at present. The company will continue to monitor these areas as part of its ongoing due diligence and double materiality process.

Source of estimate or uncertainty

Stakeholder feedback for double materiality assessment

The double materiality assessment is based on feedback from selected key stakeholders representing their respective stakeholder groups. As this approach relies on a sample, there is an inherent risk of misrepresentation. To address this, Nel uses additional feedback channels, such as grievance mechanisms and the investor relations function, to identify potential material discrepancies. A summary of the stakeholder feedback and assessment results were reviewed by employees with regular external stakeholder contact and by senior management.

Key accounting estimates and judgements

Certain ESG data points, including selected KPIs and Scope 3 emissions, are based on estimates and professional judgement. These estimates are reassessed as reporting practices and data quality improve. Changes are recognised in the period in which they are revised, and judgement is applied when assessing the need for restatement of previously reported data.

Measurement of greenhouse emissions

Nel applies the Greenhouse gas protocol to account for greenhouse gas emissions. For some categories, such as transportation and business travelling, Nel relies on CO_2 emissions directly converted by vendors. In some instances, Nel does not have access to the methodology applied by vendors to convert its CO_2 emissions.


nel

ENVIRONMENT

Strategic role of renewable hydrogen

Nel enables the decarbonization of sectors where direct electrification is not feasible. As a pure-play electrolyser technology company, Nel's core value proposition aligns directly with climate transition objectives. Global hydrogen demand reached approximately 100 million tonnes in 2024, yet less than 1% was supplied from low-emissions hydrogen[1]. Hydrogen production today is associated with nearly 1.3 billion tonnes of CO_2 equivalents annually[2]. Renewable-powered water electrolysis offers a scalable pathway to avoid these emissions.

C4 - Climate-related risks and opportunities

Opportunities

Climate opportunity underpins Nel’s business model. All strategic decisions, investments, R&D activities and operations are focused on enabling renewable hydrogen production and reducing reliance on fossil energy. Demand is driven by strengthened climate targets, expanded renewable capacity and decarbonisation needs in hard-to-abate sectors such as ammonia, refining and shipping. Nel’s Alkaline and PEM technologies support this transition through scalable and efficient electrolyser solutions. Hydrogen also enhances energy resilience through storage and grid stability, while evolving regulatory frameworks, including carbon pricing and renewable fuel requirements, improve the competitiveness of renewable hydrogen and support customer decarbonisation efforts.

Project spotlight: Swiss Green Hydrogen Ecosystem (Nether Gerskin)

The construction and ongoing operation of H2 Energy’s hydrogen production plant in Nether Gerskin (Kubo) represents a critical step in decarbonizing essential logistics and transportation processes in Switzerland. This facility is designed to produce green hydrogen utilizing a direct electrical connection to the Alpiq hydropower plant, ensuring that production is based solely on renewable electricity. This sustainable approach offers a robust alternative to conventional fuel sources for heavy-duty and light-duty fuel cell electric vehicles.

Environmental and operational impact:

The Nether Gerskin plant is a cornerstone of the Swiss hydrogen infrastructure, being the main producer supplying green hydrogen to fuel stations across Switzerland. The green hydrogen supports logistics companies and food retailers committed to decarbonizing their operations.

Operationally, the plant offers invaluable learning; the site has over five years of experience running the electrolyser, compressor, and logistics, highlighting a high learning curve in the pioneer phase of the hydrogen economy. Furthermore, the project demonstrates a model for market replication, built through strong partnerships with H2 Energy (the ecosystem architect), Hyundai (truck provider), and Hydrospider (hydrogen distributor). New applications, such as fueling waste collection trucks running on hydrogen, continue to emerge from this collaboration.

Nel has supplied its PEM electrolyser technology for the site, which is described as a core element of the entire system. This technology allows customers to convert renewable energy into green hydrogen molecules for various applications across the value chain. The close collaboration between Nel and H2 Energy has focused on resolving issues and improving systems, providing confidence to deliver turnkey power plants based on this experience.

[1] International Energy Agency (IEA). *Global Hydrogen Review 2025*. Global Hydrogen Review 2025 – Analysis - IEA

[2] IEA (2025), *Breakthrough Agenda Report 2025*, IEA, Paris, Breakthrough Agenda Report 2025 – Analysis - IEA

Risks

As a company Nel has assessed climate-related risks by identifying both physical hazards and transition events that could affect its operations, value chain and long-term competitiveness. Physical hazards considered include acute events such as extreme weather, flooding and heatwaves, as well as chronic conditions related to rising temperatures. These events may disrupt production, affect workforce safety, delay customer deliveries or damage leased facilities. Transition-related risks are tied to evolving climate policies, carbon pricing mechanisms, regulations on critical minerals and potential restrictions on PFAS, which are essential to the production of PEM electrolysers.

To evaluate the exposure and sensitivity to these risks, Nel uses climate scenarios based on the IPCC RCP 8.5 high-emission pathway. The analysis indicates that workforce access, facility availability, and supply chain resilience represent the most significant dependencies in a physical climate event. Nel did not identify chronic climate risks that would require long-term relocation of assets, and current facilities are leased with termination options around 2030, providing flexibility if unprecedented events arise. Transition risks could influence the availability and cost of key materials such as Iridium and fluoropolymers, although ongoing programs to reduce precious metal use, expand recycling and participate in research initiatives help mitigate these exposures.

Nel assesses climate risks within defined time horizons, aligned with expected developments in the hydrogen market. Short-term risks cover 2026, medium-term risks cover 2027–2031, and long-term risks extend from 2031 to 2041. Short- and medium-term risks are incorporated into the company's Enterprise Risk Management framework, while long-term results are used primarily for strategic planning and technology development. The company has taken steps to adapt to potential climate impacts. A catastrophe insurance policy is in place to safeguard assets and manage potential losses from acute physical events. Nel also works actively to reduce its dependence on vulnerable supply chains, including lowering precious metal loadings in PEM technology, increasing recycling efforts, and contributing to research initiatives that support long-term material resilience. The company monitors regulatory developments related to carbon pricing and PFAS restrictions and engages with industry partners to ensure that regulatory proposals recognise the role of clean-tech materials in achieving climate goals.

Although climate scenarios carry significant uncertainty, Nel expects that the most material implications for the company relate not only to potential physical and regulatory impacts but also to the opportunity to provide technology that supports global industrial decarbonisation.

Project Spotlight: Climate Park Rame Dynamic Green Ammonia Plant (Denmark)

The construction of Skovgaard Energy's dynamic ammonia plant at Climate Park Rame represents a critical step in decarbonizing essential industrial processes. This facility, developed in collaboration with the Danish Energy Technology Development and Demonstration Programme (EUDP), Vestas and Haldor Topsøe, is designed to produce green ammonia utilizing only green electrons, water, and air, offering a sustainable alternative to current ammonia production methods which primarily rely on unsustainable sources like natural gas and coal.

Environmental and Operational Impact:

The project features a revolutionary dynamic design that addresses the challenges of integrating renewable energy into the ammonia process. Unlike conventional ammonia plants that require two to three days to start up, the Climate Park Rame facility is electrically driven and can be stopped and started within 10-15 minutes. This unparalleled flexibility also allows the plant to function as a crucial stabilizer for the power grid, helping Denmark, a region with high contribution from available renewable energy, integrate even more green power.

Nel has supplied its well-proven alkaline electrolyser technology for the site, which splits water into hydrogen and oxygen. By demonstrating how this flexible consumer can balance energy supply, this project sets an important precedent for accelerating the use of renewable energy globally.


nel
THE NEXT GENERATION IS COMING
DSV

Practices, policies and future initiatives for transitioning towards a more sustainable economy

B2/C2	Practices, policies/future initiatives	Publicly available	Targets
Climate change	**Practices:** Nel monitors GHG emissions across Scope 1, Scope 2 and material Scope 3 and tracks GHG intensity in relation to sold volumes. Climate considerations are integrated into strategic and operational decision-making. **Policies:** Nel has a Board-approved ESG Policy that defines the company's climate ambition, establishes intensity-based GHG reduction targets, and sets principles for scope coverage, monitoring and the avoidance of carbon offsetting. **Future initiatives:** Nel expects to further improve data quality and reporting for material GHG emissions and to continue integrating climate and resource considerations into business decisions.	Yes. ESG-policy is available on Nel's website.	Yes. GHG reduction targets per product for 2030, 2035 and 2050.

B3 - Energy and greenhouse gas emissions

Nel strives to be transparent regarding its environmental impact and aims to continuously improve its internal processes for collecting and analysing emissions data. Greenhouse gas (GHG) emissions are calculated using a combination of supplier-reported data, in-house conversions based on activity metrics, and spend-based estimates where primary data is unavailable. Nel's GHG accounting is aligned with the principles of the GHG Accounting Protocol.

Greenhouse gas accounting

The GHG emissions disclosed in this report are consolidated using the control approach, under which Nel accounts for 100% of emissions from operations over which it has operational control. Subsidiaries with fewer than 50 employees are excluded, as their combined emissions are assessed to be immaterial, representing less than 1% of total GHG emissions. Based on this approach, Nel estimates total CO_2 emissions for the reporting period as follows:

Greenhouse Gas emissions in ktCO2e	2025	2024	Change
Scope 1	0.4	0.2	+0.2
Scope 2 (location-based)	1.4	0.9	+0.5
Scope 3	3.8	23.2	-19,4
Total	**5.6**	**24.4**	**-18.8**

Nel's total energy consumption in MWh is presented in the table below.

		Renewable	Non-renewable	Total
Electricity	Scope 2	12 105 MWh	5 370 MWh	17 475 MWh
Fuels	Scope 1		2 413 MWh	2 413 MWh

Scope 1

Scope 1 emissions primarily arise from fuel consumption for company vehicles, forklifts, and from facility heating.

Scope 2

Scope 2 emissions of 1 390 tCO_2e primarily relate to electricity consumption at grid-connected, owned or leased production facilities, including energy used for product testing prior to delivery. Absolute emissions are expected to vary with activity levels and production capacity. Nel's objective is to reduce the CO_2 footprint per unit produced through improved process stability, scalability, increased electrification, and the use of renewable energy where available.

Emissions are calculated by applying grid-specific emission factors to electricity consumption at each location. In Norway, emissions are measured using a Nordic electricity mix reflecting cross-border power flows, while in Connecticut, United States, emissions are based on a grid mix dominated by fossil fuels with a lower share of renewables. Emission factors are location- and market-based and are updated regularly by the source providers.

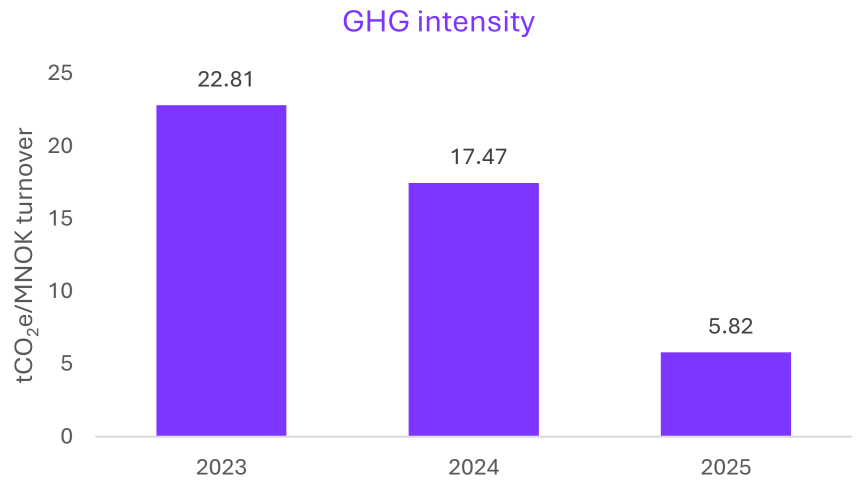
Scope 3

The material scope 3 categories are Business Travel, Capital Goods, Waste, purchased goods and services, Transportation and distribution and Use of sold products. Scope 3 emissions primarily arise from purchased goods, including metals such as steel, nickel, platinum, and iridium. Transportation emissions mainly relate to shipments within Europe and the United States, with rail and maritime transport prioritised where possible. Emissions from capital goods are associated with factory expansions and are estimated using spend-based emission factors, resulting in potential emission peaks during periods of capacity expansion. Nel's alkaline and PEM electrolysers have no direct emissions in use when operated on renewable electricity, and Scope 3 emissions from use of sold products are therefore assumed to be zero.

Total Scope 3 emissions amounted to 3,748 tCO_2e, representing a significant decrease compared to 2024. Scope 3 emissions are closely linked to production volumes, and the reduction primarily reflects lower activity in Purchased Goods and Services, as well as reduced emissions from Capital Goods following the completion of the factory expansion in 2024.

GHG intensity

In previous years, scope 3 emissions were excluded from Nel's GHG intensity due to limitations in data completeness and year-to-year comparability. As data coverage and quality have improved, scope 3 emissions are now considered sufficiently complete and are therefore included. The GHG intensity is presented including scope 3, providing a more comprehensive representation of Nel's total emission intensity.



The GHG intensity decreased in 2025 compared to prior years, primarily due to lower production volumes, which directly reduced scope 3 emissions. For the calculation of GHG intensity, turnover is defined as revenue from customer contracts, as recognized in the income statement in accordance with IFRS 15.

C3 – GHG reduction targets and climate transition

Nel has GHG reduction targets as part of its ESG Policy and long-term climate transition strategy. The targets reflect Nel's role as a manufacturer of electrolyser technology for renewable hydrogen and the current stage of industrial scaling, where future production volumes are subject to significant uncertainty. As a result, Nel has adopted intensity-based GHG reduction targets rather than absolute emission reduction targets.

Nel's climate transition strategy is underpinned by continuous improvements in energy efficiency, manufacturing processes, material use and supply chain decarbonisation, while enabling customers to reduce emissions through the deployment of renewable hydrogen technology.

GHG reduction targets

Nel has committed to reducing greenhouse gas emissions per produced unit compared to a defined base year. The targets are set out in the group's ESG Policy.

Target year	Base year	Reduction target
2030	2020	25% reduction per product
2035	2020	50% reduction per product
2050	2020	100% reduction per product

The base year serves as the reference point for all subsequent reductions under the climate transition plan. Nel has not established absolute emission reduction targets expressed in tonnes of CO_2e, as absolute emissions are expected to fluctuate with production volumes during the scale-up of electrolyser manufacturing. Progress will be tracked with enhanced reporting and data quality for scope 1, 2 and 3 emissions, in line with Science Based Target initiative (SBTi) and the GHG Protocol.

Climate transition actions

To achieve the GHG reduction targets, Nel focuses on the following main actions:

- Nel is committed to fostering a culture of energy and carbon savings, which further underpins sustainable innovation in Nel's businesses.
- Nel will operate within the guidelines of the EU Taxonomy as adopted by the Norwegian government to ensure that the company contributes to climate change mitigation. Nel will strive towards full alignment with the principle of "do no significant harm" and comply with the minimum safeguards as set out in the classification system.
- Nel will incorporate its procedures for identifying and managing sustainability impacts, risks, and opportunities into the Enterprise Risk Management (ERM) process.
- Nel will ensure that any scale-up in production capacity is supported by sustainable benchmark production facilities.
- Nel will develop and implement policies focused on advancing the circular economy and promoting recycling initiatives

All these actions are stated in Nel's ESG policy.

Sustainability and resilience in electrolyser production

Nel is committed, through the company ESG Policy, to developing and operating state-of-the-art, sustainable production facilities across current operations, committed expansions, and any potential future scale-up. In recent years Nel expanded production capacity both at Herøya, Norway and in Wallingford, US. These expansions were designed with a high degree of automation to support efficient, scalable, and cost-effective production of electrolysers. In 2025, a new water treatment facility was constructed at Herøya, significantly reducing pollution from water discharges.

Over the full product lifecycle, including hydrogen output and production efficiency, hydrogen-based solutions significantly reduce environmental impact compared to traditional energy sources. Electrolysers enable hydrogen production without direct greenhouse gas emissions during operation. However, production and transportation of equipment generate associated emissions, and hydrogen solutions are therefore not entirely carbon neutral.

Nel is certified to ISO 9001, ISO 14001 and ISO 45001 within the Alkaline business unit, covering Technology R&D, Product Development, Procurement, Inbound and Outbound Logistics, Manufacturing, Sales, Delivery Projects, Installation, Commissioning, and Servicing of Atmospheric Alkaline Water Electrolysers and Hydrogen Plant System Solutions.

Nel is also certified to ISO 9001, ISO 14001, and ISO 45001 within the PEM business unit, covering the design, manufacture, and servicing of Proton Exchange Membrane Electrolysis Systems.

Innovation and technology

Financial investment contribution (NOK million)

		Alkaline	PEM	Group
2025	Research and maintenance	81	154	235
	Capitalised development	81	64	145
	Total R&D spend (NOK millions)	**162**	**218**	**380**
	R&D spend in % of annual revenue and other income	**29%**	**54%**	**39%**
2024	Research and maintenance	103	126	229
	Capitalised development	121	15	136
	Total R&D spend (NOK millions)	**225**	**140**	**365**
	R&D spend in % of annual revenue and other income	**22%**	**29%**	**24%**

At Nel, being “number one by nature” remains the strategic ambition, and continuous R&D is essential to maintain and strengthen this position. The technology portfolio includes several development programs for current and future generations of electrolysers on the highest technology and safety standards.

Nel has an active IP protection strategy and has more than 100 active patents. Nel’s IPR strategy is managed and further developed by a Nel IPR committee that works across the organization and meets bi-weekly.

B4 – Pollution of air, water and soil

Practices, policies and future initiatives for transitioning towards a more sustainable economy

B2/C2	Practices/policies/future initiatives	Publicly available	Targets
Pollution	**Practices:** **Air:** Air filtering systems for chemical baths and mandatory use of safety equipment for employees exposed to hazardous substances. **Water:** Wastewater treatment plants at relevant sites, approved discharge points, and continuous monitoring of water quality. **Soil:** Waste management procedures to ensure proper disposal and recycling of non-hazardous waste; hazardous waste is managed through certified external partners. **Policies:** • Wastewater Treatment policy • Local permits and procedures for wastewater and waste treatment. **Future initiatives:** • Periodic review of air filtration effectiveness in chemical baths.	Policies not publicly available.	Yes. Maintain discharge parameters within permit limits.

Nel complies with the environmental laws and regulations in the countries where its facilities are located, working to prevent that air, noise, and water pollution can affect local communities, partners, or its workforce. Nel's facilities have local environmental policies for management of water discharge and waste treatment.

Pollution of water

Water pollution risks are managed through monitoring, internal controls and treatment of water prior to discharge. Water discharge from Nel's facilities is monitored before release, and where relevant, wastewater treatment plants are in place to ensure compliance with discharge permits and internal thresholds set below regulatory limits.

These preventive measures are intended to identify deviations in water quality at an early stage and reduce the risk of environmental incidents. Nel facilities have an appointed QHSE director reporting to the management about compliance and efficiency of environmental policies. Both the Alkaline and PEM divisions are certified according to ISO 14001, supporting a systematic and consistent approach to water pollution prevention.

Nel ensures an appropriate discharge of the water consumed in the operation with its Wastewater Treatment Plants installed in Herøya, Norway and Wallingford, United States. The QHSE department performs periodical water sampling and laboratorial sampling to control the pollutants level on the discharged water. Nel's QHSE team works on the assumption of best available technique to ensure the correct monitoring and treatment of pollutants.

Nickel Particles in water (g/year)	Herøya	Wallingford	Total	Permit
2024	49.0	-	n.a.**	<300g/year
2025	6.1	-	n.a.**	<300g/year

**Below 0.01 Nickel Particles per µg/m3*
*** Not applicable*

Nel's target is to stay way below the requirements in the company's pollution permit from the Norwegian Environment Agency. In 2025, Nel released 6.1 grams of Nickel to water, significantly below the limit of 300g per year. There has been a significant reduction from 2024 to 2025, mainly due to the reduction in production volumes.

Pollution of air

Nel works to limit air emissions from its operations by applying pollution management measures where relevant, including the use of air filtration systems in production processes involving chemical baths. These measures are designed to ensure that emissions remain within permitted levels and do not adversely affect the surrounding environment. Currently, Nel's operations are well below the requirements in the permit.

Environmental assessments conducted by Nel did not identify material air pollution impacts neither within nor outside the industrial areas where its facilities are located. Employees working in environments with potential exposure to airborne pollutants or elevated noise levels are required to use appropriate personal protective equipment as part of standard health and safety procedures.

B7 – Resource use, circular economy and waste management

Practices, policies and future initiatives for transitioning towards a more sustainable economy

B2/C2	Practices/policies/ future initiatives	Publicly available	Targets
Circular Economy	**Practices:** Circular economy principles are applied through product design, material selection and end-of-life considerations. Key materials used in electrolysers, including steel, nickel and precious metals, are recyclable, and products are designed for long operational lifetimes. **Policies:** Circular economy considerations are included in Nel's ESG Policy and product development practices. No standalone circular economy policy is in place. **Future Initiatives:** Nel will develop and implement policies focused on advancing the circular economy and promoting circular economy practices.	Yes. ESG Policy available on Nel's website.	Year-on-year improvement of recycling rates.

Nel is committed to efficient use of resources and responsible waste management by applying circular economy principles across its operations, with the objective of minimizing waste, increasing recycling and reuse, and improving material efficiency in electrolyser production.

Application of circular economy principles

Nel applies circular economy principles through eco-design, lifetime extension of products, and recycling of key materials used in electrolyser manufacturing. The company has conducted analyses for existing products and products under development, covering end-of-life treatment and recyclability of significant bill of material items.

Nel's alkaline electrolysers are primarily composed of nickel-coated steel plates, which are recyclable using established recycling processes. Nel's PEM electrolysers contain precious metals such as platinum and iridium, which can be recovered and recycled at end of life.

All Nel electrolysers are designed for an operational lifetime of seven years or more, depending on usage patterns, while the surrounding plant typically has a longer lifetime. At the end of the stack's economic life, customers may replace stacks with new or refurbished units or extend operational life by replacing selected components. Nel has a long-standing practice of supporting customers with repairs, replacements, and life-extension solutions across all product platforms and continues to develop its after-sales services to enable more efficient use of equipment over time.

Nel's approach supports the principle of decoupling economic activity from resource consumption by increasing material efficiency and recycling rates. By promoting recycling of metals such as steel and precious metals, the company contributes to reduced demand for virgin raw materials, lower energy use compared to primary material production and reduced environmental impacts.

End-of-life handling of electrolysers is supported through customer guidance and established recycling pathways. For alkaline electrolysers, Nel currently assesses that commercially available recycling and waste handling providers offer appropriate end-of-life solutions. For PEM electrolysers, recycling of certain materials, in particular iridium, has improved over the past year. Nel therefore offers take-back of core components for end-of-life treatment and recycling and participates in industry initiatives aimed at strengthening recycling solutions and material recovery within the electrolyser value chain.

Annual generation of waste

Nel monitors waste generation across its operations and classifies waste as hazardous and non-hazardous.

Waste generated in tonnes			
	Total waste	Waste diverted to recycle or reuse	Waste directed to disposal
Non-hazardous waste	136.2	86.6	49.6
Hazardous waste	663.3	N/A	N/A

The majority of waste generated in 2025 was classified as hazardous waste, reflecting the nature of alkaline electrolyser manufacturing and associated materials and chemicals. All hazardous waste is handled by certified external partners in accordance with applicable regulations. Non-hazardous waste recycling remains at the same level compared to the previous year, resulting in a recycling rate of 63%.

Annual mass-flow of relevant materials used

As a manufacturing company within the electrolyser industry, Nel operates with significant material flows. Key materials used include steel, nickel, and precious metals such as platinum and iridium, which are essential for

electrolyser component.

Annual mass-inflow	In kg
Steel	189 608
Copper	1 036
Nickel	9 413
PGM	13

SOCIAL

Nel's activities rely on a skilled workforce, responsible business conduct and constructive relationships with customers, suppliers and local communities. Social considerations are integrated into daily operations and governance processes, with a focus on employee well-being, safety, human rights and a responsible value-chain management.

B8/C5 – Workforce – General Characteristics

Practices, policies and future initiatives for transitioning towards a more sustainable economy

B2/C2	Practices, policies and future initiatives for transitioning towards a more sustainable economy	Publicly available	Targets
Own Workforce	**Practices:** Nel applies structured workforce practices covering health and safety, working conditions, competence development, and employee engagement. Measures include training programs, performance reviews, and mechanisms for employee feedback. **Policies:** Nel has policies covering labour rights, health and safety, diversity and inclusion, and ethical conduct. **Future Initiatives:** Nel expects to continue strengthening workforce competence, safety performance, and employee engagement in line with organisational growth, including improved trainings, increased leadership development initiatives and targeted efforts to support diversity and recruitment.	Yes. Nel's Code of Conduct is available on company website.	Yes. Nel has set targets related to operational health and safety, training programs and diversity.

In 2025, Nel employed a workforce across engineering, manufacturing, project management and corporate functions. Employees are located primarily in Europe and North America.

Nel aims to maintain a balanced workforce with respect to competence, experience and background. Recruitment and talent development are guided by business needs and long-term growth ambitions, with emphasis on attracting and retaining qualified personnel across technology development, production and commercial roles.

Absolute number and rate of employment

Permanent and temporary employees, by region and gender

Permanent employees, by region and gender	Female	Male	Not specified	Total	Women (%)
Norway	44	160	0	204	22%
United States	35	97	4	136	26%
Other	1	5	0	6	17%
Total	80	262	4	346*	23%

Permanent employees: Employees under work contracts that are renewed before a notice of termination.

Temporary employees, by region and gender	Female	Male	Not specified	Total	Women (%)
Norway	1	8	5	14	7%
United States	0	4	0	4	0%
Other	0	4	2	6	0%
Total	1	16	7	24*	4%

Temporary employees: Employees with fixed-term work contracts, including consultants (from staffing agencies, independent or from entity).

Nel strives to increase the gender balance across the different locations; and has a focus on diversity through recruitment ensuring that the company offers equal opportunity to all relevant applicants.

Women represent 22.2% of executive management and 42.9% in the Board of Directors.

Employee turnover

Turnover among permanent employees decreased from 2024 to 2025, indicating more stable retention.

Turnover rates	Permanent	
	2025	2024
Employee turnover rate	15%	17%

Movement in employee headcount by gender

The decline in headcount aligns with the reduced turnover and indicates a deliberate workforce resizing or fewer new hires relative to departures.

Movement in employee headcount by gender	Female	Male	Not specified	Total
Total headcount end of 2025	80	262	4	346
Opening count 2025	90	307	4	401*
Rate of change	-11%	-15%	0%	-14%

**Based on permanent employees*

.


OP80
HMI
SIEMENS

B9 – Workforce – Health & Safety

At Nel, Health and Safety remain a top priority. Nel's focus on safety is integrated in the company-wide culture program to foster a zero-tolerance attitude towards QHSE incidents.

Throughout 2025, Nel maintained health and safety as its foremost operational priority and continued to focus efforts on improving safety performance. The overall objective was to significantly reduce the number of lost-time injuries and recordable safety incidents across the organization.

- During 2025, Nel achieved a significant improvement in lost-time injury performance. The Lost Time Injury Rate (LTIR) was reduced to zero, meaning no incidents resulted in time away from work throughout the year. This reflects the company's continued focus on preventive measures, strengthened safety culture and improved monitoring practices.

Nel recognises that ensuring **i)** workplace, **ii)** stakeholder and **iii)** product safety in a diligent manner is a license to operate within the Hydrogen industry.

The above three categories will have the following focus areas:

1. Transition to a "HSE-first" mindset and development of a commitment culture

2. Ongoing development and implementation of a Nel HSE management system

3. Standardization of programme activities where relevant throughout the organization

4. Training and evaluation of the organization and system effectiveness

- The Total Recordable Incident Rate (TRIR), encompassing includes lost-time injuries, restricted work cases and medical treatment cases, increased to 6.09 in 2025, compared to 5.2 in 2024.

Key performance indicators related to health and safety

Key Performance Indicators	Unit of measurement	2025	2024	2026 targets
Percentage of employees covered by Nel's health and safety systems	%	100%	100%	100%
Total recordable injuries rate (TRIR)	TRI per 1M hours worked	6.09	5.2	<4
Lost time injury rate (LTIR)	LTI per 1M hours worked	0	2.7	0
Fatality rate	Recordable events in the last 12 months	Zero	Zero	Zero
Sick leave		1.90% *		

** Sick leave figures are reported for 2025 only, as a more aligned calculation approach across Norway, Europe and the US was introduced this year.*

Product safety

Product safety is a core priority at Nel and an integral part of the overall health and safety approach. Management and employees are strongly committed to delivering safe and reliable products, with the clear objective of achieving zero product-related incidents, including at customer sites where Nel equipment is installed and operated. Preventing incidents ranging from near misses to major accidents related to product malfunction, installation, operation or maintenance is fundamental to our license to operate.

Responsibility for product safety is embedded across the organization. Each business unit and legal entity is responsible for developing, implementing and maintaining appropriate risk management frameworks within their areas of expertise. Safety requirements, applicable standards and regulatory obligations are strictly applied throughout product development, manufacturing and delivery, supporting Nel's ambition to be recognized as a safety leader in the hydrogen and electrolyser industry.

Nel applies Failure Mode, Effects and Criticality Analysis (FMECA) at product level and Hazard and Operability Analysis (HAZOP) at system level. Engineering teams in each business unit are responsible for product design and safety, supported by the QHSE and Product Compliance functions to ensure code-compliant and safe product development.

Product safety incidents and potential defects are investigated by dedicated QHSE resources, with corrective actions implemented where necessary and reported to the VP of Operations. A cross-functional QHSE committee, with representatives from all legal entities and corporate functions, supports knowledge sharing and continuous improvement across the organization. Where relevant, third-party certification, external subject matter experts and regular emergency response testing are used to strengthen product safety and prevent serious incidents.

In 2025, Nel launched and implemented Nel's 9 life-saving rules throughout the company as a way to raise safety awareness, ensure best practices and to prevent incidents during production and operation. Ongoing R&D efforts focus on design improvements and safety features to reduce risks such as hydrogen leakage or explosion. Additionally, Nel further strengthened its product safety program through continued collaboration between R&D, Engineering and QHSE functions, including more rigorous and structured reviews to identify improvement opportunities and further reduce product-related risk.

Nel's products are certified against relevant standards, including ISO 22734:2019 for hydrogen generators using water electrolysis for the M-Series PEM electrolysers.

B10 – Workforce – renumeration, collective bargaining and training

Nel seeks to offer remuneration and employment terms that are competitive and aligned with local market conditions and applicable legislation. Compensation structures are designed to support the attraction, retention and motivation of employees with the skills and experience required for Nel's operations and long-term development. All Nel employees receive pay that is equal or above applicable minimum wage requirements.

Employee remuneration and working conditions are governed by local labour laws and, where applicable, collective bargaining agreements. Nel respects employees' rights to freedom of association and collective bargaining in accordance with national legislation.

In accordance with Section 13-4 of the Norwegian Working Environment Act, employers are prohibited from collecting information about employees' membership in trade unions. To comply with this legal requirement, we do not record or process individual union membership data. In the United States and other regions, collective bargaining agreements are not commonly applied.

Nel monitors pay levels across the organisation to support fair and non-discriminatory remuneration practices and to identify structural differences related to roles, responsibilities and seniority.

The gender pay gap is defined as the difference between the average gross earnings of male and female employees, expressed as a percentage of the average gross earnings of male employees.

Male-female pay gap	2025	2024
Norway	12%	10%
United States	19%	16%

The calculation is based on permanent employees only. This ensures consistency and comparability, as temporary often have short-term or variable contracts that can distort averages and do not reflect long-term pay structure or seniority distribution.

To provide transparency on remuneration distribution, Nel reports the ratio between the remuneration of the highest-paid individual and the median remuneration of permanent employees (excluding the highest-paid individual). The figures are presented in the table below.

Remuneration ratio	2025	2024
Pay gap to highest paid individual and the median remuneration for permanent employees (excluding highest paid individual)	464%	473%

Average number of annual training hours per employee, broken down by gender

Training and competence development are considered important to support operational performance, safety and professional growth. Employees are offered training opportunities relevant to their roles, including onboarding, technical training and role-specific development initiatives. Training needs are assessed on an ongoing basis and aligned with business priorities.

Average training time decreased in 2025 compared with 2024, largely due to fewer large-scale training programs and a shift toward team-based and on-the-job training.

Average training hours, per employee	2025	2024
Male	04:06	06:40
Female	04:06	06:40

C6 – Additional own workforce information – Human Rights policies and processes

Nel is committed to respecting internationally recognised human rights and to conducting its operations in accordance with fundamental principles related to human dignity, equality and safe working conditions. These commitments apply to Nel's own workforce across all operating locations and are reflected in internal policies and procedures.

Nel has a Code of Conduct and a Human Rights policy that applies to its own workforce. These policies define expectations for ethical behaviour, compliance with labour standards and respect for human rights, and are communicated to employees as part of the employee onboarding process and mandatory compliance training.

The Code of Conduct and Human Rights policy cover:

Policies	Yes/No	Confirmed incidents in own workforce?	Confirmed incidents in the value chain, affected communities, consumers and end-users?
Child labour	Yes	No	No
Forced labour	Yes	No	No
Human trafficking	Yes	No	No
Discrimination	Yes	No	No
Accident prevention	Yes	No	No

Complaints – handling and grievance mechanisms

Nel has established formal complaints-handling and grievance mechanisms for its own workforce. Employees can raise concerns through both direct and anonymous channels, including an external whistleblowing channel. These mechanisms are intended to ensure confidentiality, protect against retaliation, and enable appropriate investigation and follow-up of reported concerns.


nel

Responsible supply chain

Practices, policies and future initiatives for transitioning towards a more sustainable economy

B2/C2	Practices/policies/future initiatives	Publicly available	Targets
Workers in the Value Chain	**Practices:** Nel considers labour and working-condition risks in its supply chain through supplier screening and contractual requirements. Relevant risks are addressed as part of supplier selection and ongoing supplier relationships. **Policies:** Expectations related to labour rights and ethical conduct in the value chain are set out in Nel's Code of Conduct and Human rights policy. **Future Initiatives:** Nel expects to continue developing its approach to supplier due diligence and engagement in line with business growth and evolving regulatory expectations.	Yes. Nel's Code of Conduct is available on the company website.	Yes. 100% of active suppliers shall have IDDs performed. Conduct 20 supplier audits.

A responsible and resilient supply chain is essential to Nel's business continuity and sustainability objectives. Operating in a global and complex market, Nel seeks to balance supply security with high standards of business integrity and respect for human rights across its value chain.

Nel conducts due diligence in accordance with the Norwegian Transparency Act. The Transparency Act statement is included in the Appendix.

Nel applies a risk-based approach to supply chain due diligence in line with the Norwegian Transparency Act. The Supply Chain department, supported by Legal and Compliance, conducts integrity due diligence (IDD) and supplier self-assessments as part of supplier pre-qualification and ongoing monitoring. Suppliers are classified based on business criticality and replaceability, and enhanced due diligence, including targeted supplier audits, is performed where elevated risk is identified.

Expectations related to business integrity, human rights, health and safety, and legal compliance are communicated through Nel's Code of Conduct, Human Rights Policy, Supplier Declaration, and, where relevant, a Supplier QHSE Manual. Strategic suppliers are subject to a risk-based audit programme covering human rights, business integrity, health and safety, and operational matters. Overall, Nel's suppliers are predominantly located in jurisdictions with well-established governance and labour standards. While some suppliers operate in higher-risk countries, these relationships are monitored through due diligence, site visits, and supplier audits. No violations of labour rights, the Code of Conduct, or Nel's Human Rights Policy were identified during the reporting period, and no whistleblowing reports related to the value chain were received.

Top five country expenditure in 2025

The table below provides an overview of Nel's top five countries by expenditure in 2025, together with key indicators on governance and labour rights. The Corruption Perceptions Index (CPI), published by Transparency International, reflects perceived levels of public-sector corruption, where a higher score indicates lower corruption risk.[3] The ITUC Global Rights Index assesses the degree of respect for workers' rights in law and practice, with classifications indicating the severity of labour rights violations.[4] Together, these indicators provide contextual insight into the institutional and social risk environment in which Nel's spending is concentrated.

Country of incorporation	%	Corruption index (CI)	CI Rank	ITUC
United States	47%	65	28	4 – Systematic violations of rights
Norway	26%	81	5	1 – Sporadic violations of rights
Sweden	6%	80	8	1 – Sporadic violations of rights
Denmark	3%	90	1	1 – Sporadic violations of rights
Germany	8%	75	15	1 – Sporadic violations of rights
Top five representation	90%			

Labour rights

Some of Nel's strategic suppliers operate in countries classified with systematic violations or regular violations of labour rights in accordance with the ITUC. Employees in our value chain working in these specific countries have a higher risk of being employed in companies that do not comply with the minimal requirements required in Nel's Human Rights policy for employment security and reasonable working hours. Nel monitors its value chain with site visits to strategic suppliers and educates its value chain with policies and supplier declarations.

Conflict minerals

Nel's Alkaline electrolysers contain steel and nickel, the PEM electrolyser contain steel, aluminium, nickel, copper, platinum, titanium and iridium. Although none of these minerals are on the European Union list of conflict minerals, Nel understands that the value chain of mineral and steel suppliers has complexity due to a complex cross border process of production and transportation of minerals to Europe and United States. These suppliers are continuously monitored by our integrity due diligence checks.

Overall assessment

No case of violation to Labour Rights, Code of Conduct or Nel's Human Rights policy have been identified in the due diligence procedure performed during 2025.

Duty to provide information

Nel has a whistleblowing channel where concerns related to our value chain can be submitted anonymously for investigation. Contact details / instructions for how to report a concern are found on our website's Ethics and Compliance section. No report was received in 2025.

[3] Transparency International, *Corruption Perceptions Index 2024*: https://www.transparency.org/en/cpi/2024/index/nor

[4] International Trade Union Confederation (ITUC), *Global Rights Index*: https://www.ituc-csi.org/global-rights-index

Key performance indicators for responsible supply chain:

Key Performance Indicator	Unit of measurement	2025	2024	Change	KPI target for 2026
Supplier audits concluded within the fiscal year	Supplier audits completed during the reporting period	11	20	-9	20
Site visits during supplier audit program	Reportable event	5	20	-15	
Number of suppliers not renewed due to breaches to compliance policy	Number of contracts not renewed due to breaches of compliance	None	None		
Integrity due diligences ("IDD") performed in suppliers with active contracts	IDD performed	90%	80%		100% of active suppliers shall have IDDs performed in 2026.
Total suppliers with active contracts*	Suppliers with active expenditure during the year	**905**	**1 430**	**-525**	

**With spend above 100kNOK*

In 2025, the number of supplier audits conducted, and the number of active suppliers decreased compared to the previous year. This development reflects lower production volumes in the alkaline operations, which resulted in reduced procurement activity and a more limited active supplier base during the reporting period.

GOVERNANCE

Practices, policies and future initiatives for transitioning towards a more sustainable economy

B2/C2	Practices/policies/future initiatives	Publicly available	Targets
Business conduct	**Practices:** Nel promotes responsible business conduct through established governance structures, internal controls, and compliance processes. This includes ethics training, whistleblowing mechanisms, conflict-of-interest management, and procedures to prevent bribery, corruption, and other forms of misconduct. **Policies:** Nel has publicly available policies covering anti-bribery and corruption as well as a Code of Conduct applicable to employees and relevant third parties. Nel has additional governance-policies available to employees such as competition law and inside information. **Future Initiatives:** Nel expects to continue strengthening the group's compliance framework, training activities, and internal awareness of ethical standards in line with organisational growth and evolving regulatory requirements.	Yes. Anti-bribery and corruption and Code of Conduct is available on Nel's website.	Zero incidents of corruption or bribery.

B11 – Convictions and fines for corruption and bribery

During the 2025 reporting period, Nel was not subject to any convictions or fines related to violations of anti-corruption or anti-bribery laws. Accordingly, the number of convictions was zero and the total amount of fines incurred was NOK 0.

Nel maintains a structured framework to prevent, detect and address corruption and bribery across its operations. This framework is anchored in the Code of Conduct, which applies to all employees, members of executive management, and the Board of Directors. The Code of Conduct sets clear expectations for ethical business behaviour, zero tolerance for corruption and bribery, management of conflicts of interest, and compliance with applicable laws and regulations.

Implementation of the anti-corruption framework is supported by internal controls, risk-based procedures, and regular training and awareness activities. The company has established whistleblowing and grievance mechanisms that allow employees and external stakeholders to report suspected misconduct confidentially and, where permitted by law, anonymously. Reported concerns are assessed and handled in accordance with defined procedures to ensure impartial investigation, confidentiality, and protection against retaliation.

Additionally, Nel integrates anti-corruption considerations into all its business relationships, including supplier and partner engagement, as part of the broader risk management and compliance processes. Through these measures Nel aims to promote transparency, accountability, and responsible business conduct throughout its operations and value chain.

C9 – Gender diversity ratio in the governance body

Nel has a governance body in place in the form of a Board of Directors. As of the reporting date, the Board consists of seven members, of whom three are women and four are men. This corresponds to a gender diversity ratio of approximately 43% women and 57% men.

Information Security

Practices, policies and future initiatives for transitioning towards a more sustainable economy

	Practices/policies/future initiatives	Publicly available	Targets
Information security	**Practices:** Established a comprehensive information security program with advanced security controls, continuous monitoring and proactive risk management. **Policies**: Information Security Policy Other internal security policies: • Data Protection Policy • Acceptable use of Assets Policy • Identity and Access Management Policy • Incident Response and Recovery Policy • Physical and Environmental Protection Policy • Configuration Management Policy • System Security Policy • Enterprise Risk Management Policy • Information Security Management System (ISMS) **Future Initiatives:** Maintain ISO27001 Security Certification	Information Security Policy is publicly available	A 100% participation rate for Nel's security awareness program.

Cybersecurity threats have increased significantly in both scale and sophistication in recent years. Nel Hydrogen has established a comprehensive information security program designed to safeguard the confidentiality, integrity and availability of data across its operations. The program is built on recognised industry best practices and is supported by advanced security controls, continuous monitoring and proactive risk management, helping to protect critical systems and maintain stakeholder trust.

To stay ahead of evolving cyber threats, Nel regularly assesses and enhances its security measures. Ongoing investments in advanced technologies and regular audits ensure defences remain resilient. This proactive strategy has been instrumental in maintaining a record of zero data breaches, even as global cyberattacks continue to rise. In 2025, Nel achieved ISO/IEC 27001:2022 certification, reflecting the formalizing of controls, governance, and risk management practices across the information systems. To support customers with NIS2 compliance, all security measures have been implemented in alignment with NIS2 requirements.

Responding to information security threats

Acknowledging that some attacks may be unavoidable, Nel Hydrogen has partnered with an industry-leading incident response provider to ensure swift and effective handling of any potential incidents. This collaboration gives us access to cutting-edge expertise and tools, enabling rapid detection, containment, and investigation of security events. Such measures are key to minimizing impact and ensuring a swift recovery.

Culture and training

Nel emphasizes the importance of human vigilance in its security efforts. Nel Hydrogen's security awareness program achieves a participation rate of over 97%, reflecting its effectiveness in fostering a culture of security. Regular training ensures employees are equipped to recognize and respond to potential threats, reinforcing defences at every level of the organization.

Looking ahead, the company is committed to increasing adherence to industry standards, such as ISO 27001 and IEC 62443, to further strengthen its cybersecurity framework.

Appendix

Transparency Act

Scope and responsibility

Nel ASA is subject to the Norwegian Transparency Act, which entered into force on 1 July 2022. The Act requires companies to conduct due diligence related to fundamental human rights and decent working conditions in their own operations and supply chains, and to provide transparency regarding identified risks, measures and outcomes.

This statement covers the reporting period 1 January–31 December 2025 and describes Nel's due diligence processes, identified risks, mitigating measures and results.

Organisation, operations and supply chain

Nel concentrates its supply chain close to its production facilities and primarily within Norway, the European Union and the United States, where business governance frameworks and human rights practices are generally well developed and widely implemented.

Nel's principal exposure to risks related to human rights and decent working conditions is located in its upstream supply chain, including suppliers of metals, components and industrial services.

Due diligence process

Nel carries out due diligence in accordance with OECD Guidelines for Multinational Enterprises:

1. Embed responsible business conduct into policies and management systems
2. Identify and assess adverse impacts in operations, supply chains and business relationships
3. Cease, prevent or mitigate adverse impacts
4. Track implementation and results
5. Communicate how impacts are addressed

Nel has embedded responsible business conduct into policies and management systems through polices such as Nel's Code of Conduct, Human Rights Policy, and supplier manuals that are distributed to business partners as well as being publicly available on Nel's website. Nel expects all suppliers to adhere to the requirements set in these policies.

Before entering contractual relationships with new suppliers, Nel performs a pre-qualification process that includes an integrity due diligence check and a review of a supplier self-assessment. The performance of an integrity due diligence is mandatory for all new contractual relationships.

Findings are assessed jointly by the supply chain and compliance departments. If there are severe findings, the procurement process may be stopped and the supplier disqualified. Where the procurement process is not stopped, appropriate mitigation measures are implemented to prevent, reduce or manage identified risks.

Suppliers with whom Nel does substantial business during the reporting period are required to sign a supplier declaration, formalising minimum requirements related to respect for fundamental human rights, decent working conditions, business integrity, and compliance with laws, regulations, and health and safety requirements. These obligations apply in addition to contractual requirements and are expected to be cascaded throughout the supplier's value chain where relevant.

Risk assessment and findings

Nel performs a general supply chain risk assessment considering country risk, supplier dependency, and availability of alternative suppliers. Suppliers are classified as non-critical, bottleneck, leverage or strategic. High-risk suppliers within any of the aforementioned categories are subject to an enhanced due diligence process and may be subject to audits.

Country risk assessments show that Nel's supply chain is predominantly located in low-risk jurisdictions. Approximately 90 percent of Nel's supplier expenditure is concentrated within five countries. Based on this overall assessment, the risk of violations of fundamental human rights and decent working conditions in Nel's supply chain is considered low.

Some strategic suppliers operate in countries classified by the International Trade Union Confederation as having systematic or regular violations of labour rights. Workers in these value chains may face increased risk related to employment security and working hours. These risks are mitigated through Nel's supplier management process.

Nel's alkaline electrolysers contain steel and nickel, while PEM electrolysers contain steel, aluminium, nickel, copper, platinum, titanium and iridium. Although these minerals are not listed as conflict minerals under EU regulation, Nel recognises the complexity of mineral supply chains and monitors relevant suppliers through its integrity due diligence processes.

Own operations

Nel's production facilities and majority of its employees are located in Norway and the United States, both considered low-risk operating environments. Internal risk assessments have identified opportunities for improvement to further strengthen workplace safety and culture.

Health and safety risks are managed through local QHSE organisations and monitored using Lost Time Incident Rate and Total Recordable Injury Rate indicators.

Results and remediation

No cases of violations of fundamental human rights, decent working conditions, or Nel's Code of Conduct or Human Rights Policy were identified during the reporting period, either in Nel's own operations or in its supply chain.

Whistleblowing and duty to provide information

Nel has established a whistleblowing channel through which employees and external stakeholders can report concerns related to human rights, working conditions or business conduct, anonymously if desired. Instructions are available on Nel's website. No reports related to human rights or supply chain issues were received during the reporting period.

EU Taxonomy

Substantial contribution to climate mitigation

The EU Taxonomy is the cornerstone of EU's sustainable finance framework and an important market transparency tool to channel capital towards climate-friendly investments. The Norwegian Parliament resolved to include the EU Taxonomy Regulation in the EEA Agreement on 29 April 2022. The Norwegian government established the regulation as part of Norwegian law as of 1 January 2023.

While the EU Taxonomy reporting requirements are not mandatory for Nel, the Company has chosen to apply the framework on a voluntary basis, Nel has conducted a thorough assessment of revenue, operational expenditure and capital expenditure to identify the percentage of its operations aligned (contributing) to the EU Taxonomy goals and complying with the EU Taxonomy safeguards.

The EU Taxonomy is organized by economic activities where revenue, operational expenditure and capital expenditure are assessed if Taxonomy-aligned, Taxonomy-eligible, or not eligible. The pivotal criteria to qualify the revenue streams is to have substantial contribution in at least one of the six environmental objectives listed in the Taxonomy without cause significant harm to the criteria not addressed. Moreover, the Taxonomy has safeguards related to human rights, tax policy and fair competition.

Nel manufacture electrolysers for hydrogen production, which is classified within EU Taxonomy economic activity 3.2 "Manufacture of equipment for the production and use of hydrogen". To achieve the criteria for this activity type, Nel's equipment must provide technology where the hydrogen for the production of which equipment is manufactured complies with the technical screening criteria[5] resulting in life cycle GHG emissions lower than 3 tCO2e/tH2. Life-cycle emissions are defined in the second act as well-to-gate emissions and emissions from transportation type used for delivery of hydrogen.

Nel's electrolyser equipment produces hydrogen from water electrolysis resulting in nearly nil emissions from the utilization of the equipment when connected to renewable energy sources and therefore demonstrating potential to the substantial contribution to the requirement of life-cycle emissions lower than 3 tCO2e/tH2. The GHG emissions in the production of renewable hydrogen is mainly linked to the type of energy source used as electricity to operate the hydrogen production plant and eventual CO2 emitted during transportation of final goods (e.g., fuel, chemicals, fertilizers) to end-users. Nel's technology for electrolysers have nearly no GHG emissions for hydrogen production and therefore contributes to climate change adaption providing equipment that enable hydrogen production without emitting CO2 in the production process.

In addition, Nel provides engineering services in form of FEED ("Front-End Engineering Design") and pre-FEED studies assisting customers in the development of Engineering, Procurement and Construction ("EPC") and Balance-of-Plant activities for a complete renewable hydrogen plant. Nel provides FEED studies to projects with installation of Alkaline or PEM electrolysers. These scopes set the boundaries for consulting projects with renewable hydrogen production. Nel concludes that its FEED studies comply with the activity "*9.1. Engineering activities and related technical consultancy dedicated to adaptation to climate change*".

[5] Technical screening criteria in hydrogen economic activity 3.10: The life cycle GHG emissions savings requirement of 73.4 % [resulting in life-cycle GHG emissions lower than 3 tCO2e/tH2] and of 70% for hydrogen-based synthetic fuels relative to a fossil fuel comparator of 94g CO2e/MJ in analogy to the approach set out in Article 25(2) of and Annex V to Directive (EU) 2018/2001 of the European Parliament and of the Council.

Climate change adaptation

Nel's manufacturing facilities are in industrial parks with lease term expiring in between 5 to 7 years. Nel have assessed and confirmed resilience towards different chronic and extreme climate hazards and their future development. Nel does not forecast climate change risks affecting its operation within this timeframe for its locations. It is also possible to reallocate the assets and operations, should the risk become material, to areas with lower climate risk, or negotiation with building owners to implement climate security measures in accordance with most recent climate forecast for the lease term. Facilities located close to the sea have increased risk of flooding in case the precipitation pattern suffers substantial increase in the coming years. For now, the precipitation forecast does not outcome in major risks of flooding, however, Nel has in place an emergency policy for incident handling in case of an acute climate catastrophe.

Nel did not identify any significant harm to the climate change adaptation objective in accordance with the criteria described in the EU Taxonomy. It is assessed that all relevant eligible activities comply with the criteria set out in appendix A to annex I of the Climate Delegated Act.

Sustainable use and protection of water and marine resources

Nel has a Wastewater Treatment policy in place aimed to make the best possible usage of water resources and ensure that its Wastewater Treatment Plants manage water discharge within unharmful levels of contamination in line with local laws, regulations and permits. Nel's Wastewater Treatment policy is mentioned in the criteria for "pollution prevention and control". Nel's QHSE team has a thorough process of water monitoring in place with periodical testing of water samples in laboratorial analysis.

Nel does not have operational facilities in water-stressed regions.

Nel did not identify any significant harm to the sustainable use and protection of water and marine resources objective in accordance with the criteria described in the EU Taxonomy. It is assessed that all relevant eligible activities comply with the criteria set out in appendix B to annex I of the Climate Delegated Act.

Transition to a circular economy

Nel's technologies are developed prioritizing the lifetime of the equipment, as well as applying state of art techniques when applying raw materials and resources onto the manufacturing of equipment. Nel's electrolysers equipment have a lifetime estimated between 7-10 years. The estimated lifetime is factored in Nel's Research and Development ("R&D") process as an important assumption for a net zero benefit to customers and the environment. Nel is constantly working to increase the durability and recyclability of its products.

Nel's Technology department aims to optimize products for highest performance efficiency with reduced consumption of raw materials and minerals, and optimal land utilization. Nel's products have steel as its primarily raw material which have an active market for recycling. Nel encourages customers to return end-of-life equipment for thorough recycling process and R&D initiatives on the end-of-life cycle supporting a circular economy.

Nel did not identify any significant harm to the transition to a circular economy objective in accordance with the criteria described in the EU Taxonomy. It is assessed that all relevant eligible activities comply with the criteria set out in appendix C to annex I of the Climate Delegated Act.

Pollution prevention and control

Nel complies with the environmental laws and regulations in the countries where its facilities are located, working to prevent that air, noise, and water pollution can affect local communities, partners, or its workforce. Nel's facilities have local environmental policies for management of water discharge and waste treatment. Nel's QHSE teams implement thresholds below the requirement imposed by local environmental authorities aimed to preventively identify deviations in water quality prior major catastrophes. Nel's environmental policies require application of best available techniques to mitigate risks of major disasters in a preventive manner.

Nel understands that the correct workforce to monitor and prevent harmful release of pollutants is an important part of the process to implement the correct environmental policies and procedures. Nel facilities have an appointed QHSE director reporting to the management about the compliance and efficiency of environmental policies. Nel's Alkaline and PEM divisions are certified with ISO 14001.

Water discharge points have approval from environmental authorities before release. Where relevant, Nel has in place a Wastewater Treatment Plants to manage the water quality prior the discharge points. Nel's environmental assessment did not identify material soil and noise pollution risks, such that could affect local communities or neighbours outside the industrial parks where our factories are located. Where Nel operates chemical baths for production, a policy for air pollution management is in place ensuring an appropriate process for air filtering. Nel workforces must work with safety equipment to protect from loud machinery or hazardous in the workplace.

The waste management process in Nel has in place procedures to log and dispose waste accordingly to the waste type. Local QHSE teams have in place procedures to maximize the recycling of non-hazardous waste. The management of hazardous waste is outsourced with environmental certified partners.

Waste Management recommendations are sent to customers, including classification of substances and mixtures in the product based on the Classification, Labelling and Packaging regulations in the EU.

Nel did not identify any significant harm to the pollution prevention and control in accordance with the criteria described in the EU Taxonomy. It is assessed that all relevant eligible activities comply with the criteria set out in appendix C to annex I of the Climate Delegated Act.

Protection and restoration of biodiversity and ecosystems

Nel's facilities are in industrial parks selected due to their location outside conservation areas, complying with environmental laws and regulations. Nel does not operate in locations within the red list from the International Union for Conservation of Nature's Red List of Threatened Species ("IUCN") or in natural areas protected by the UNESCO's World Heritage list. In addition, the environmental impact assessment performed by the NGI ("Norwegian Geotechnical Institute") have not identified specific risks to biodiversity and ecosystem in Herøya, Norway. Nel's factories are in industrial parks preventively located in areas outside of critical biodiversity and ecosystems.

Nel did not identify any significant harm the protection and restoration of biodiversity and ecosystems objective in accordance with the criteria described in the EU Taxonomy. It is assessed that all relevant eligible activities comply with the criteria set out in appendix D to annex I of the Climate Delegated Act.

Minimum safeguards

Human Rights

The Norwegian Transparency Act entered into force in July 2022 to establish and promote enterprises' respect to fundamental human rights and decent working conditions. Nel has in-place a Human Rights Policy reassuring its commitment to the most established Human Rights framework, including UN Guiding Principles on Business and Human Rights and OECD's guidelines for multinational enterprises, including the principles of the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights, both in our own operations and supply chain.

Nel's supply chain teams, with support from the compliance team, carefully screen suppliers and business partners before engaging in commercial partnerships. Nel's integrity due diligence check is a continuous process aimed to identify risks and implement suitable measures to prevent adverse impacts based on the most established Human Right's frameworks. The complete list of Human Right's framework can be found in the Human Right's policy available in the Ethics and Compliance page of Nel's website.

Nel believes to be compliant with the minimum safeguard for Human Rights aligned to the EU taxonomy.

Corruption
Nel Anti-Bribery and Corruption Policy set out requirements and responsibilities relating to the prevention of bribery and corruption in Nel's business dealings. Employees and representatives are obliged to follow the strictest anti-bribery and corruption standards when making their business decisions. Nel does not tolerate corruption in any form, and we are committed to conduct our business in an honest and ethical manner in accordance with applicable law. The purpose of our Anti-Bribery and Corruption Policy is to prevent bribery and corruption throughout Nel's business activities, and it applies to all employees and business partners working for or on behalf of Nel. To foster a culture of zero tolerance against bribery and corruption, Nel has in-place an annual wheel of compliance training's that includes modules to increase awareness and prevention in this area. Nel also have available an ethics hotline and a whistleblowing channel where internal and external stakeholders can anonymously report the cases of concern for investigation.

Nel believes to be compliant with the minimum safeguard for corruption aligned to the EU taxonomy.

Tax
Nel has an international presence delivering projects in Europe, Asia, Africa, and North America. Nel adopts a responsible approach to taxation implementing its Tax Policy in compliance with the local tax regulation and where applicable, aligned with OECD Transfer Pricing guidelines. In the fiscal year that ended 31 December 2025, Nel did not operate in tax heavens nor countries where the domestic legislation is not consistent with the OECD Transfer Pricing guidelines. Moreover, Nel has a centralized tax accounting team implementing tax risk strategies and processes aimed at mitigating the risk of non-compliance with tax legislation of countries where Nel's holds employment, revenue, or operations.

Nel believes to be compliant with the minimum safeguard for tax aligned to the EU taxonomy.

Fair Competition

Nel carries out its activities in a manner consistent with all applicable competition laws and regulations, complying with the requirements in the jurisdictions of commercial activity. Nel requires all employees to read and comply with its Code of Conduct which, inter alia, addresses fair competition in such a way to foster in the corporate culture the best behaviour towards business practice. Management prohibits all type of anti-competitive practices, including agreements on prices between competitors, bid rigging/market sharing, or to limit or restrict supply to customers.

Nel believes to be compliant with the minimum safeguard for fair competition aligned to the EU taxonomy.

Turnover

EU Taxonomy eligible

Nel manufactures of PEM Electrolysers and Alkaline Water Electrolysers (collectively “Electrolysers”) for the production of renewable hydrogen. The technology of these equipment enables the climate mitigation with supply of renewable hydrogen.

The manufacture of electrolysers is assessed as EU Taxonomy eligible under activity 3.2 Manufacture of equipment for the production and use of hydrogen, applying the relevant screening criteria, due to its substantial contribution to the climate mitigation of energy-intense industries.

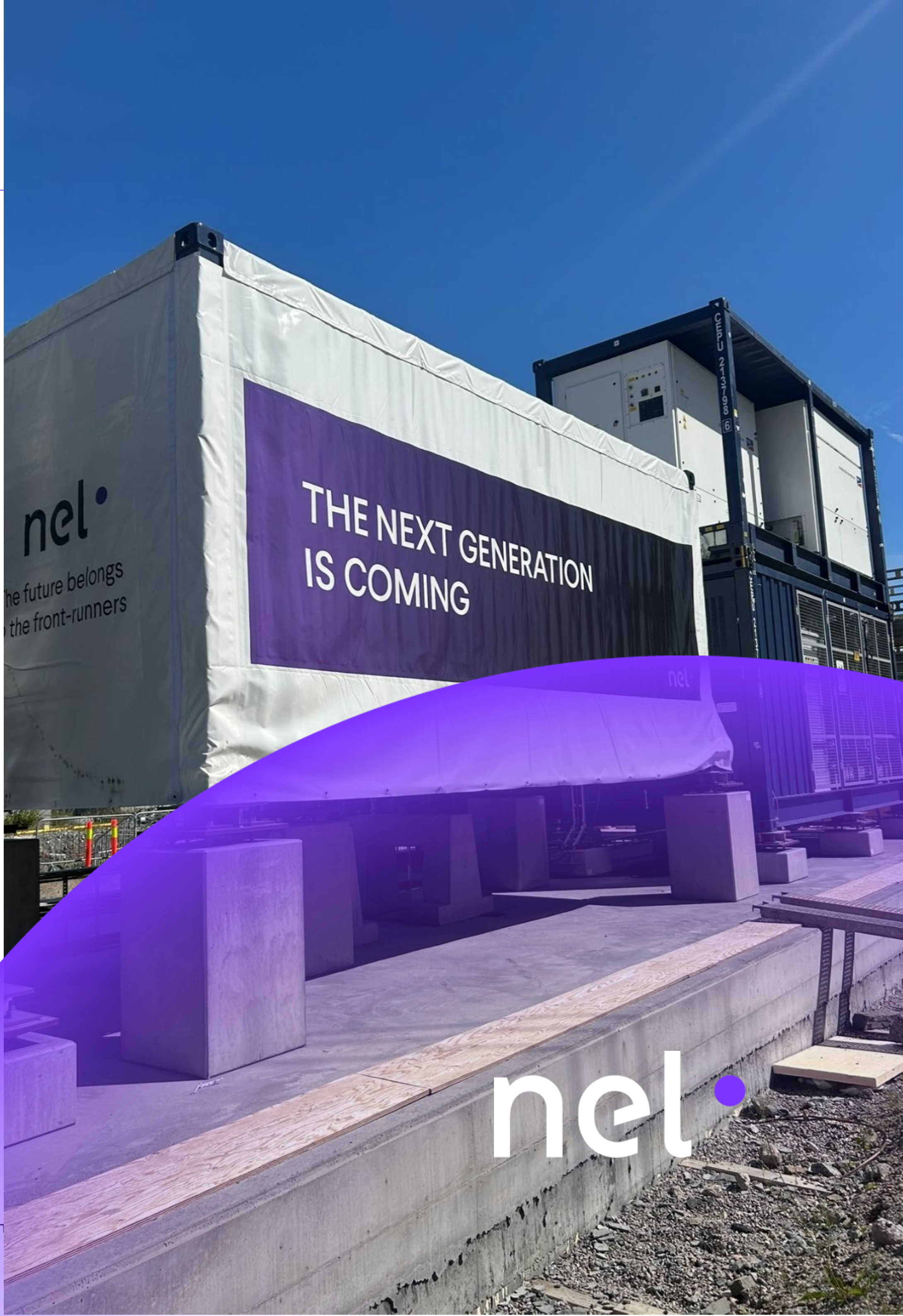
In addition, Nel provides engineering and consulting services related to the design and development of renewable hydrogen projects. The revenue from these services is assessed as EU Taxonomy-eligible under 9.1 *Engineering activities and related technical consultancy dedicated to adaptation to climate change* dedicated to adaptation to climate change.

EU Taxonomy non-eligible

Nel sub-leases idle spaces in some of its leased facilities to third parties. Nel did not identify this activity in the EU Taxonomy, concluding therefore this is not eligible.

Turnover numerator

The turnover numerator has been determined excluding non-operational activities listed as eligible by the EU Taxonomy.



Proportion of turnover from products or services associated with taxonomy-aligned economic activities

				Substantial contribution criteria						DNHS criteria								
	Code(s)	Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimal safeguards	Taxonomy aligned proportion of material turnover	Category (enabling activity)
		NOK	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	E
A: TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1 Environmentally sustainable activities (Taxonomy- aligned)																		
3.2 Manufacture of equipment for production and use of renewable hydrogen		873,264,766	94.8%	100%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	94.8%	E
9.1. Engineering activities and related technical consultancy dedicated to adaptation to climate change		45,604,808	5.0%	-	100%	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	5.%	E
Total turnover of Taxonomy-eligible activities		**918,869,574**	**99.8%**														99.8%	99.8%
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																		
Turnover of Taxonomy non-eligible activities (B)		1,843,584	0.2%															
Total (A+B)		**920,713,18**	**96%**															
Non-material revenue		42,401,124	**4,6%**															
Total revenue ref Group Accounts Note 2.3		963,114,282	**100%**															

Capital expenditure (CapEx) and operating expenditure (OpEx)

The EU Taxonomy defines the methodology for calculating the proportion of capital expenditure (CapEx) and operating expenditure (OpEx) that is associated with EU Taxonomy-aligned economic activities). In accordance with this methodology, Nel allocates CapEx and OpEx to EU Taxonomy-aligned activities where such expenditure is directly attributable to, or supports, activities intended to be marketed as EU Taxonomy-aligned.

CapEx and OpEx that cannot be directly linked to EU Taxonomy-aligned activities, or that relate to activities not covered by the EU Taxonomy, are reported as non-eligible.

Operating expenditure (OpEx)

The OpEx denominator comprises operating expenses as defined under the EU Taxonomy and includes non-capitalised is research and development expenses, as well as expenses related to building renovation, short-term leases, maintenance and repair, and other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment to ensure the continued and effective functioning of such assets.

Expenditures directly related to the sale of equipment or services, as well as depreciation of assets are excluded from the OpEx denominator to avoid double counting of cost already reflected in revenue or reported under the CapEx KPI.

The OpEx numerator includes expenditures that are directly associated with assets or processes linked to Taxonomy-aligned economic activities. This includes non-capitalised research and development expenditure and training costs where such expenditures are directly attributable to the development, operation and maintenance of Taxonomy-aligned assets or processes.

Corporate expenses related to sales activities, general administration or travel are excluded from the OpEx numerator, as such costs cannot be directly allocated to specific Taxonomy-aligned assets or processes.

Capital expenditure (CapEx)

The CapEx denominator covers additions to property, plant and equipment, as well as intangible assets, including internally generated intangible assets and right-of-use assets recognized under IFRS 16. The denominator covers additions to tangible and intangible assets resulting from business combinations. The additions should reconcile to intangible assets in note 3.1, property, plant and equipment in note 3.2 and right-of-use assets in note 3.3.

The CapEx numerator includes capital expenditure directly associated with EU Taxonomy-aligned economic activities, as well as capitalised expenditure that supports the expansion, upgrading or future alignment of such activities. This includes investments in production facilities, manufacturing equipment and capitalised expenditure related to the development and quality enhancement of product related technologies.

Proportion of OpEx from products or services associated with taxonomy-aligned economic activities

		Substantial contribution criteria								DNHS criteria								
	Code(s)	Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimal safeguards	Taxonomy aligned proportion of OpEx	Category (enabling activities)
		NOK	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	E
A: TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
3.2 Manufacture of equipment for the production and use of hydrogen		384,854,184	73%	100%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	73%	E
9.1 Engineering activities and related technical consultancy dedicated to adaptation to climate change		1,120,009	0,1%	-	100%	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	0,1%	E
Total OpEx of Taxonomy-eligible activities (A.1 + A.2)		**385,974,193**	**73%**														**73%**	**73%**
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																		
OpEx of Taxonomy non-eligible activities (B)		143,176,182	27%															
Total (A+B)		**529,150,375**	**100%**															

Proportion of CapEx from products or services associated with taxonomy-aligned economic activities

				Substantial contribution criteria						DNHS criteria								
	Code(s)	Absolute CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimal safeguards	Taxonomy aligned proportion of CapEx	Category (enabling activities)
		NOK	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	E
A: TAXONOMY-ELIGIBLE ACTIVITIES																		
3.2 Manufacture of equipment for the production and use of hydrogen		286,291,957	99%	-	100 %	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	99%	E
Total CapEx of Taxonomy-eligible activities (A.1 + A.2)		**286,291,957**	**99%**														99%	99%
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																		
CapEx of Taxonomy non-eligible activities (B)		4,186,012	1%															
Total (A+B)		**290,477,968**	**100%**															
Total additions in Group Accounts Note 3.1 & 3.2		**290,477,968**																

NUES report

Board of Directors’ report in relation to the Norwegian Code of practice for corporate governance

1. Report on corporate governance

The Board of Directors (also, the board) and management of Nel are committed to maintaining high ethical standards and promoting good corporate governance. The company believes that good corporate governance builds confidence among shareholders, employees, partners, customers, and other stakeholders, and thereby supports sustainable value creation over time. The equal treatment of all shareholders lies at the heart of the company’s corporate governance policy.

Nel’s Corporate Governance Report is based on the Norwegian Code of Practice for Corporate Governance (“the code” from NUES), dated 17 October 2018 and its amendments. The code is available on www.nues.no

Observance of the recommendations is based on the “comply or explain” principle. Nel’s board and management have resolved to follow the recommendations of the Code to the extent deemed reasonable in view of the company’s size and stage of development.

2. Business

Nel ASA’s business purpose is defined in the company’s Articles of Association, section 3: “The Company’s business is, directly or indirectly, through investments or ownership, to engage in activities related to the production and sale of hydrogen plants and/or other hydrogen-related products or services, or associated activities.”

Nel is a leading pure play hydrogen technology company with a global footprint, developing optimal solutions to produce, store and distribute hydrogen from renewable energy. Our hydrogen solutions cover important parts of the value chain: enabling decarbonization of industries such as cement, steel and fertilizer production, while also providing fuel cell electric vehicles with the same fast fueling and long driving range as fossil-fuelled vehicles - without any emissions. Nel is committed to create value for shareholders in a sustainable manner.

3. Capital and dividend

The company’s registered share capital as of 31 December 2025 consisted of 1 838 457 834 shares, including both outstanding shares and treasury shares, with a par value of NOK 0.20 per share.

The company has in place a shareholder return policy. The distribution of dividends and repurchase of shares are subject to the discretion of the Board of Directors at Nel ASA. Nel ASA is currently in a growth phase, with substantial investments directed towards capacity expansions and organizational development. Considering the company's state, shareholder returns in the form of dividends or share buy-backs are currently not prioritized.

4. Equal treatment of shareholders and transactions with related parties

All shares in Nel carry one vote, and the shares are freely transferable. The company has only one share class, and all shareholders have equal rights. Existing shareholders are given priority in the event of share capital increases unless special circumstances warrant deviation from this principle.

At the annual general meeting on 10 April 2025, the board was granted authorisation to increase the share capital with up to NOK 36 769 157 through one or several capital increases. In addition, a separate authorisation to increase the share capital of up to NOK 3 676 916 for issue of shares in connection with incentive programs for employees. The board has also been granted authorisation to acquire shares in Nel on behalf of the company, for a total nominal value not exceeding 9% of the share capital at any given time.

Transactions between the company and related parties, including members of the board or persons employed by the company either personally or through companies belonging to related parties, must be based on terms achievable in an open, free and independent market, or on a third-party valuation.

Major transactions with related parties must be approved by the general meeting.

5. Free transferability

The company's shares are listed on the Oslo Stock Exchange under the ticker "NEL" and are freely transferable. The Articles of Association contain no restrictions on transferability.

6. General meeting

Shareholders can exercise their rights at general meetings, and the company wants general meetings to be a meeting place for shareholders and the board. The company will seek to enable as many shareholders as possible to participate in general meetings. Meeting documents will be published on the company's website no later than 21 days before a general meeting. The company endeavours to ensure that meeting documents are sufficiently detailed to enable shareholders to take a view on all matters to be considered. The deadline for notifying attendance at a general meeting is set as close to the meeting as possible.

Shareholders who are unable to participate themselves may vote by proxy. The proxy form will be designed so that it can be used to vote on all matters up for consideration, and on candidates for election.

In 2025, the annual general meeting was held on 10 April, and 14.09 percent of the total share capital was represented. The annual general meeting was conducted digitally, with a live webcast and electronic voting on each item. An extraordinary general meeting was held on 26 May 2025, and 13.47 percent of the total share capital was represented. The extraordinary was conducted digitally, with a live webcast and electronic voting on each item.

The company encourages board members and nomination committee to attend general meetings. The external auditors are also invited to attend.

In accordance with the articles of association, general meetings are chaired by the board chair if no-one else is elected to do so. Minutes of general meetings are published in the form of stock exchange notifications and on the company's website.

7. Nomination committee

In accordance with Nel's articles of association, the general meeting shall establish a nomination committee comprising of three to five members. These must be shareholders or representatives of shareholders. The nomination committee evaluates and proposes board members to the general meeting and makes recommendations on director remuneration. No board members or representatives of company management are members of the nomination committee. Nomination committee members are elected for a one-year term. At the general meeting on 10 April 2025, the following persons were elected to the nomination committee and serve until the 2026 annual general meeting:

- Øyvind Hasaas, chair
- Mai-Lill Ibsen, member
- Andreas Poole, member
- Nanna Sjaastad, member

8. Board composition and independence

The board members and chair of the board are elected by the general meeting. The board's composition is designed both to represent the interests of all shareholders and meet the company's need for expertise, capacity, and balanced decision-making. The board should function as an effective collegiate body.

The board is elected for a one-year term, and board members may stand for re-election. The CEO is not a member of the board. According to its articles of association, Nel's board must have between four and seven members.

At the annual general meeting 10 April 2025, Arvid Moss was elected as chair of the board. Hanne Blume, Beatriz Malo de Molina, Charlotta Falvin, Tom Røtjer, and Jens Bjørn Staff were all re-elected to the board. Gyuyeon Kang was elected as new member of the board on an extraordinary general meeting held 26 May 2025.

Each of the board members are considered independent from the company's day-to-day management. The board is qualified to assess the day-to-day management and significant contracts entered into by the company on an independent basis.

See also note 7.4 (group) and note 12 (parent company) for transactions with related parties.

9. The work of the Board

A plan for the boards' work is prepared every year. The board has also adopted instructions for the board and CEO, detailing the work and responsibilities of the board and CEO, respectively. The board ensures the company's business is properly organised and that plans and budgets are prepared. The board's plans and rules of procedure ensure the board is kept informed of the company's financial position and that the business, asset management, and accounts are subject to controls.

Nel's Code of Conduct includes guidelines for how conflicts of interests that may arise should be handled with. The code applies to all members of the board and employees of Nel. The board are not aware of any transactions that were material between the group and its shareholders, board members, executive management or related parties in 2025, save any listed under item 8 independence.

The chair of the board ensures the proper functioning of the board. The chair of the board leads the board meetings and prepares board matters in cooperation with the CEO. The CFO keeps minutes of board meetings, which are approved and signed by all board members. In addition to ordinary board meetings, annual strategy meetings are held, devoted to the in-depth assessment of major challenges and opportunities for the company. The board manages the company's strategic planning and assesses its strategy regularly.

The board evaluates its composition and the board work at least once per year. The evaluation may also cover the way in which the board functions, at both individual and group level, in relation to the objectives that have been set for its work. The evaluation reports are presented to the nomination committee.

In 2025, the board conducted 11 board meetings with 100% meeting attendance, except for one ad hoc meeting where Board member Staff was unable to partiicipate due to a prior commitment. He shared his inputs with the Chair of the Board prior to the meeting. The meetings were held at group headquarters in Oslo, one meeting at the Norwegian subsidiary and/or virtual meetings due to travel convenience, and also treated a number of issues by circulation of documents.

The company has an audit committee consisting of 3 members from the board, which is governed by the Norwegian Public Limited Liability Companies Act. The audit committee assist the board in exercising its oversight responsibility with respect to the integrity of the company's financial statements, financial reporting processes and internal controls, risk management, compliance system and the company's environmental, social and governance ("ESG") reporting. With the broader mandate, the committee is referred to as Board Audit, Risk and Sustainability Committee. The members of the audit committee are appointed by and from the members of the board, and currently consist of Beatriz Malo de Molina as chair, and Charlotta Falvin and Jens Bjørn Staff as member. Current members are independent of the company's management. The audit committee conducted 7 meetings with 100% meeting attendance in 2025.

The company has a remuneration committee, which consist of 2 members from the board. The committee shall assist the board in exercising its oversight responsibility, in particular to compensation matters pertaining to the CEO and other members of the executive management, compensation issues of principal importance and strategic people process in the company, in particular related to succession, recruitment, talent and diversity and inclusion. The committee currently consist of Hanne Blume as chair and Arvid Moss as member. The committee has held 4 meeting with 100% meeting attendance in 2025. The committee was also involved in discussions related to the recruitment of strategic positions for Nel and key organisational adjustments through the year.

10. Risk management and internal controls

Risk management and internal controls are important to Nel. They enable the company to achieve its strategic objectives, and are an integral part of management decision-making processes, the organisational structure, and internal procedures and systems.

Nel’s enterprise risk management process is value driven and aims to identify, assess and manage risk factors that could impact the value of the company. The process is to mitigate potential damages and loss, and to explore business opportunities.

The enterprise risk management function has the responsibility to facilitate the legal and operational risk management activities and develop risk policies and tools as well as maintaining an aggregated view of risk exposure. The function reports to the CFO, with active involvement by Nel’s General Counsel.

Risk management and internal control requirements have been evaluated by management and the board, and a set of appropriate procedures and our established framework is inspired by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) ERM framework and the ISO 31000 risk management standard. The materiality of each risk factor is determined by assessing the likelihood and consequence. Risks are evaluated to determine whether the level is acceptable or unacceptable and to prioritise those that have the greatest potential to impact our value. We implement mitigating strategies to ensure that each risk is optimally managed. Risk mitigation plans are based on evaluations of the cost of control and potential impacts relative to the benefits of reducing the risk. The operating segments are responsible to maintain business continuity plans. The post-mitigation residual risks are continually monitored by the operating segments. The mitigation strategies, residual risks and risk appetite are reviewed and updated by the executive management during bi-yearly dedicated business review meetings. The board believes that expressing the company’s risk appetite within important areas of its business activity helps to convey how the company approaches and evaluates risk to investors, customers and society at large. The audit committee performs ongoing evaluations of the Company’s Enterprise Risk Management process.

In this context, emphasis is also given to ensuring that the company operates in accordance with accepted ethical guidelines and values, including guidelines on how employees can communicate matters relating to illegal or unethical behaviour on the company’s part to the board. Nel believes that its values and control procedures meet requirements found within the environmental, social, and governance domain, and are proportionate to the scope and nature of its business.

Nel’s regular business activities entail exposure to various types of risk. The company proactively manages such risks, and the board regularly analyses its operations and potential risk factors and takes steps to reduce risk exposure. Nel places a strong emphasis on quality assurance, and has quality systems implemented, or under implementation, in line with the requirements applicable to its business operations.

The full range of risk factors is discussed in more detail in the notes 6.1-6.4 to the annual accounts.

The company’s financial reporting complies with the laws and regulations applicable to companies listed on the Oslo Stock Exchange. The board reviews the company’s financial position frequently through reporting and reviews at board meetings and reviews the financial statements at the end of every quarter. At least once per year, the board assesses the company’s risk profile by reference to strategic, operational, and transactional factors.

As a listed company, Nel has a special responsibility relating to the insider trading rules, the provision of information, and share trading. The company has guidelines to ensure board members, senior management, and other insiders comply with relevant legislation and rules relating to insider trading in the company’s shares.

11. Board remuneration

Nel's general meeting determines the remuneration of the board based on a recommendation by the nomination committee. Board remuneration must reflect the board's expertise and time investment, as well as the complexity of the business and the fact that Nel is a listed company. Remuneration takes the form of a fixed annual amount and is not tied to the company's performance or share price.

An assessment regarding the independence of the directors and chair of the board is set out in section 8 above.

The board remuneration for 2025 is outlined in note 7.4 to the annual accounts.

12. Remuneration of senior management

The board prepares guidelines on the remuneration of the company's senior management. These guidelines, as well as details of the remuneration packages and incentive schemes of the CEO and other senior executives, are set out in the note 7.2 to the annual accounts.

The guidelines on the remuneration of senior management must be submitted to the general meeting. The remuneration policy was approved by the shareholders at the general meeting held in 2025. The board considers that the remuneration paid to senior management reflects market practice and that the remuneration packages do not include any unreasonable terms, for example in connection with resignation or termination of employment.

In accordance with section 6-16b of the Norwegian Public Limited Liability Companies Act, the board has prepared a report on salary and other remuneration to the executive management. The remuneration report for 2025 will be presented to the general meeting in 2026 for an advisory vote. The remuneration report will become available during March 2026, on www.nelhydrogen.com.

The shareholdings of executive management are outlined in note 7.2 (group).

13. Information and communication

The company publishes a financial calendar on an annual basis, which includes the dates of general meetings and dates for the presentation of interim reports. Presentation of the quarterly reports are broadcasted through webcasts. Press releases and stock exchange notifications are typically posted on the company's website, www.nelhydrogen.com. All stock exchange notifications are also available at www.newsweb.no.

The company complies with all applicable disclosure laws and practice, including equal treatment requirements. The ability to provide information about the company in addition to published reports is restricted under stock exchange regulations. Inside information is only released to persons other than primary insiders when the company considers it necessary, and then only in accordance with a system of insider declarations and insider lists. The insider lists are maintained by the CFO.

Notice to general meetings of shareholders is sent directly to shareholders with known addresses unless they have consented to receive these documents electronically. All information sent to the shareholders is made available on www.nelhydrogen.com when distributed.

Nel wishes to maintain a constructive, open dialogue with its shareholders, analysts, and the stock market in general. The company holds regular presentations for investors, analysts, and shareholders. The company's CEO is responsible for external communication and investor relations. The CEO and chair of the board are both authorised to speak on behalf of the company and may delegate their authority in this regard as they consider appropriate.

14. Company takeovers

In the event of a takeover situation, the company's board and management will endeavour to ensure the equal treatment of shareholders. The board will ensure that shareholders are given information and time to evaluate any bona fide bid and will endeavour to provide a recommendation to shareholders as to whether or not the bid should be accepted. The board and management will help ensure that there are no unnecessary disruptions to the business in the event of a takeover. Moreover, such a situation will be governed by the provisions applicable to listed companies.

15. Auditor

The external auditor attends the board meeting at which the annual financial statements are approved. As part of the approval, the board should at least once a year review the company's internal control procedures with the external auditor, including weaknesses identified by the auditor and proposals for improvement. The external auditor participates in all meetings of the audit committee. The auditor presents an annual audit plan to the audit committee.

The board has adopted guidelines on management's use of the auditor for services other than auditing. The Public Audit Act entered into force on January 1, 2021. Extended tasks including purchase of non-audit services and follow-up of the external auditor are considered by the audit committee. Non-audit services are subject to pre-approval as defined by the audit committee. The fee payable to the auditor is specified in note 7.3 to the annual accounts and is categorised under the items statutory audit, attestation and non-auditing services. The board submits proposals regarding the fees payable for the statutory audit to the general meeting for approval.

Oslo, 25 February 2026

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)	

Consolidated financial statements - Nel group

Contents

Consolidated statement of comprehensive income

(Amounts in NOK thousands)	NOTE	2025	2024
Revenue from contracts with customers	2.1, 2.3	963 114	1 389 909
Other income	2.2	137 074	105 024
Total revenue and income		**1 100 188**	**1 494 933**
Raw materials	2.4	400 626	503 976
Personnel expenses	2.5	569 244	645 586
Depreciation and amortisation	3.1, 3.2	290 470	216 486
Impairment of tangible and intangible assets	3.1, 3.2	799 410	0
Other operating expenses	2.6	405 105	518 313
Total operating expenses		**2 464 855**	**1 884 361**
Operating loss		**-1 364 667**	**-389 428**
Finance income	2.7	105 015	132 076
Finance costs	2.7	-41 027	-6 833
Share of profit (loss) from associates and joint ventures	3.4	4 527	0
Pre-tax income (loss)		**-1 296 152**	**-264 185**
Tax expense (-income)	2.8	-31 035	-6 554
Net income (loss) from continuing operation		**-1 265 117**	**-257 631**
Net income (loss) from discontinued operation	2.0	0	13 289
Net income (loss) attributable to equity holders of the company		**-1 265 117**	**-244 342**
Other comprehensive income that are or may subsequently be reclassified to profit or loss (net of tax)			
Currency translation differences		-133 829	92 554
Cash flow hedges, effective portion of changes in fair value	6.5	2 821	-52 108
Cash flow hedges, reclassified	6.5	809	43 244
Comprehensive income attributable to equity holders of the company		**-1 395 316**	**-160 652**
Earnings per share (NOK) attributable to Nel shareholders	2.9	-0.70	-0.15
Diluted earnings per share (NOK) attributable to Nel shareholders	2.9	-0.70	-0.15

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of financial position as of 31 December

Amounts in NOK thousands	NOTE	2025	2024
Non-current assets			
Technology	3.1	523 087	617 420
Goodwill	3.1	61 364	411 753
Property, plant and equipment	3.2, 3.3	1 190 233	1 664 079
Non-current restricted cash	3.6	155 027	158 750
Investments in associates and joint ventures	3.4	0	100
Non-current financial assets	3.5	40 303	44 419
Total non-current assets		**1 970 014**	**2 896 521**
Current assets			
Inventories	4.1	918 794	531 748
Trade receivables	4.2	240 913	700 679
Contract assets	2.1	67 204	24 155
Other current assets	4.3	142 449	273 269
Current restricted cash	3.6	0	2 260
Cash and cash equivalents	4.4	1 617 458	1 875 580
Total current assets		**2 986 818**	**3 407 691**
TOTAL ASSETS		**4 956 832**	**6 304 212**

Amounts in NOK thousands	NOTE	2025	2024
Equity			
Share capital	5.1	367 692	334 265
Treasury shares	5.1	-84	-84
Share premium	5.1	7 914 367	7 598 563
Other capital reserves	5.1	70 639	68 647
Retained earnings	5.1	-4 507 460	-3 242 343
Other components of equity	5.1	88 029	218 228
Total equity		**3 933 183**	**4 977 276**
Non-current liabilities			
Deferred tax liabilities	2.8	0	34 813
Lease liabilities	3.3	190 185	215 523
Deferred income	5.3	60 488	69 279
Other non-current liabilities	5.4	8 251	5 263
Total non-current liabilities		**258 924**	**324 878**
Current liabilities			
Trade payables		126 796	110 742
Lease liabilities	3.3	42 961	44 479
Contract liabilities	2.1	372 420	583 392
Other current liabilities	5.4	127 304	173 795
Provisions	5.5	95 244	89 650
Total current liabilities		**764 725**	**1 002 058**
Total liabilities		**1 023 649**	**1 326 936**
TOTAL EQUITY AND LIABILITIES		**4 956 832**	**6 304 212**

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of cash flows

Amounts in NOK thousands	NOTE	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Pre-tax income (loss)		-1 296 152	-264 185
Net income (loss) from discontinued operation	2.0	0	13 289
Effects from discontinued operation	2.0	0	-172 034
Adjustments for interest expense	2.7	16 672	16 171
Depreciation, amortisation and impairment	3.1, 3.2	1 089 880	216 486
Change in fair value equity instruments	2.7, 4.3	6 219	2 650
Equity-settled share-based compensation expense	2.5	2 012	2 718
Change in provisions	5.5	5 594	-3 966
Change in inventories	4.1	-387 046	-144 064
Change in trade receivables and contract balances	2.1, 4.2	205 745	117 774
Change in trade payables		16 054	-56 029
Changes in other balances	4.3, 5.4	88 227	29 609
Net cash flow from operating activities		**-252 795**	**-241 581**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3.2	-145 159	-527 337
Payments for capitalised technology	3.1	-145 248	-119 241
Cash flows from (used in) decrease (increase) in restricted cash	4.3	33 451	-18 236
Purchase of other investments	3.5, 4.3	-17 952	0
Investments in other financial assets	3.5	-35 000	0
Investments in associates and joint ventures	3.4	4 527	0
Proceeds from sales of other investments	3.5, 4.3	0	116 632
Effects from discontinued operation	2.0	0	-33 728
Net cash flow from investing activities		**-305 381**	**-581 910**
CASH FLOWS FROM FINANCING ACTIVITIES			
Interests paid	2.7	-16 672	-16 166
Gross cash flow from share issues	5.1	353 070	0
Transaction costs from share issues	5.1	-3 840	0
Dividends paid (spin-off)	2.0	0	-625 420
Payment of lease liabilities	3.3	-29 455	-20 943
Effects from discontinued operation	5.2	0	-3 459
Net cash flow from financing activities		**303 103**	**-665 988**
Effect of exchange rate changes on cash		**-3 049**	**1 628**
Net change in cash and cash equivalents		**-258 122**	**-1 487 851**
Cash balance as of 01.01	4.4	1 875 580	3 363 431
Cash balance as of 31.12	**4.4**	**1 617 458**	**1 875 580**

Consolidated statement of changes in equity

	Share capital	Treasury shares	Share premium	Other reserve	Retained earnings	Currency translation difference	Hedging reserve	Total equity
Equity as of 31.12.2023	**334 265**	**-84**	**8 661 090**	**65 928**	**-2 998 001**	**127 259**	**7 279**	**6 197 736**
Total comprehensive income					-244 342	92 554	-8 864	**-160 652**
Increase of capital 2024								**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**	**-84**	**7 598 563**	**68 647**	**-3 242 343**	**219 813**	**-1 585**	**4 977 276**
Total comprehensive income					-1 265 117	-133 829	3 630	**-1 395 316**
Increase of capital 2025	33 427		315 804					**349 231**
Options and share program				1 992				**1 992**
Equity as of 31.12.2025	**367 692**	**-84**	**7 914 367**	**70 639**	**-4 507 460**	**85 984**	**2 045**	**3 933 183**

Oslo, 25 February 2026

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)

Notes to the consolidated financial statements

1.1 Corporate information

Nel ASA (Nel) is a global, dedicated hydrogen company, delivering optimal solutions to produce, store and distribute hydrogen from renewable energy. The company is domiciled in Norway. The company specializes in electrolyser technology for production of renewable hydrogen. Nel's product offerings are key enablers for a renewable hydrogen economy, making it possible to decarbonize various industries such as transportation, refining, steel, and ammonia.

The group has two divisions: Nel Alkaline Electrolyser and Nel PEM Electrolyser.

The ultimate parent of the group Nel ASA (org. no 979 938 799) was formed in 1998, incorporated in Norway. Nel ASA is a Norwegian public limited liability company listed on the Oslo Stock Exchange. The group's head office is in Karenslyst allé 49, N-0279 Oslo, Norway.

1.2 Basis of preparation

The group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). Accounts are based on the principle of historical cost, except for certain financial instruments, which are measured at fair value. The consolidated financial statements are presented in Norwegian kroner (NOK). The functional currency of Nel ASA is NOK. All values are rounded to the nearest thousand, unless when indicated otherwise. As a result of rounding differences numbers or percentages may not add up to the total. The financial statements are prepared based on a going concern assumption. The consolidated financial statements were approved by the Board of Directors and the Chief Executive Officer on February 25, 2026.

Definition and applying of materiality judgements in preparation of these consolidated financial statements

These consolidated financial statements aim to provide useful financial information which increase the understandability of Nel and its performance. To meet the information needs of its primary users, Nel apply materiality judgments which are necessary to meet this objective, and Nel has made such judgments related to recognition, measurement, presentation and disclosures. Within these consolidated financial statements information is considered material if omitting, misstating or obscuring it could reasonably be expected to influence decisions taken by primary users based on the information provided. In practice this will lead to Nel omitting certain information if it is assessed it will obscure the material information. The materiality judgments are reassessed at each reporting date and updated based on changed facts and Nel specific circumstances.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries as of 31 December 2024. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Control is achieved if, and only if, the group has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the group has less than a majority of the voting or similar rights of an investee, the group considers all relevant facts and circumstances in assessing whether it has power over an investee, including: i) The contractual arrangement with the other vote holders of the investee, ii) Rights arising from other contractual arrangements and iii) The group's voting rights and potential voting rights.

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the group gains control until the date the group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the group. There are no non-controlling interests in the Group as all subsidiaries are 100 % owned. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are fully eliminated upon consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities and other components of equity while any transaction gain or loss is recognised in the statement of comprehensive income.

Foreign exchange and currency

Transactions in foreign currencies are converted to functional currency to the exchange rate on the transaction date. Exchange rate gains and losses are recognised within 'finance cost' in the profit or loss. Foreign currency monetary items are translated into functional currency using the balance sheet closing rates. Non-monetary items that are measured in terms of historical cost in a foreign currency continue to be translated using the exchange rate that prevailed at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates that prevailed at the date when the fair value was measured.

All foreign currency translations are recognised in profit or loss as finance cost except for foreign currency translations where a hedging relationship exists, and hedge accounting has been applied. Additional information is provided in note 6.2 and 6.5.

Consolidation of subsidiaries

The individual financial statements of a subsidiary are prepared in the subsidiary's functional currency. In preparing the consolidated financial statements, the statement of comprehensive income items from the subsidiaries are converted to NOK using the respective monthly average exchange rates, while statement of financial position items is converted using the rate at year-end. Exchange rate gains and losses are recognised net within Other comprehensive income and accumulated in Currency translation differences in 'Other components of equity'.

Statement of comprehensive income

The Group present a single statement of 'Consolidated statement of comprehensive income' which comprise all components of profit or loss, OCI and the comprehensive income for the period.

Statement of cash flows

The Group uses the indirect method for the presentation of the cash flow statement.

1.3 Significant accounting policies

Accounting policies and estimate uncertainty are largely incorporated into the individual notes as listed in table of contents below.

1.4 Changes in accounting policies

A few amendments to IFRS have been issued and effective January 1, 2025. These are implemented for the first time in the current year:

Amendments to IAS 21— The effects of Changes in Foreign Exchange Rates

The amendments to IAS 21 clarify when a currency is exchangeable into another currency and how a company estimates a spot rate when a currency lacks exchangeability.

The adoption of the amendments to IAS 21 did not have any material impact in the group consolidated financial statements.

1.5 Significant accounting judgements and estimation uncertainty

The preparation of financial statements requires management to make judgements and estimates that influence amounts recognised in certain accounts for assets, liabilities, income and expenses. The actual results may deviate from such assumptions. Estimates and underlying assumptions are subject to continuous assessment.

Judgements

The following are Nel's accounting policies that involves significant judgement and complexity which have most significant effect on the amounts recognised in the consolidated financial statements, including reference to where it is discussed:

Revenue recognition	2.1
Deferred tax assets	2.8
Development costs	3.1
Leases	3.3

Assumptions and estimation uncertainty

Revenue recognition	2.1
Share-based payments	2.5
Impairment of goodwill and intangible assets	3.1
Inventories	4.1

2.1 Revenue from contracts with customers

The revenue in Nel is from sale of hydrogen electrolyser equipment including installation, commissioning, and long-term service agreements. Additionally, Nel earns revenue from replacement parts and accessories in the aftermarket, and from engineering studies. Project execution is key in Nel's large construction projects.

The group's revenues result from the sale of goods or services and reflect the consideration to which the group is and expect to be entitled. IFRS 15 requires the group to assess revenue recognition based on a five-step model. For its customer contracts, the group identifies the performance obligations (goods or services), determines the transaction price, allocates the contract transaction price to the performance obligations, and recognises the revenue when (or as) the performance obligations are satisfied.

Revenue recognition is determined on a contract-by-contract basis by determining the terms and performance obligations given in a specific contract. Based on the specific contract and its obligations, revenue under IFRS 15 is either recognised at a point in time or over time, 28% (31%) and 72% (69%) of revenue in 2025 (2024), respectively. Revenue is recognised over-time using the method that best depicts the pattern of the transfer of control over time. The method applied is the cost-to-cost input method, adjusted as time and goods are delivered to the customer. Contract costs are expensed as incurred.

Significant accounting judgements – revenue recognition

The Group applied the following judgements that significantly affect the determination of the timing of revenue from contracts with customers:

Performance obligations

In determining whether revenue from a specific contract can be classified as customised and in turn recognised using a progress-based measurement, several criteria must be evaluated. The first criterion is related to alternative use. Manufacturing a customised product or piece of equipment for a specific customer that would require significant cost to modify to be able to transfer it to another customer, then the contract would likely meet the criteria of no alternative use. The other important criterion is that an enforceable right to payment exists in the contract between the group and the customer. Right to payment entails that the group has a right to receive payment from the customer if the contract would be terminated. Upon termination at a certain time, the group should be able to recover costs incurred and a reasonable margin.

Determining whether revenue from a contract should be recognised over time or at point in time could have a significant effect on the financial statements and is to some extent dependent upon judgements from management.

Estimation uncertainty – revenue recognition

The Group applied the following estimations that significantly affect the determination of the i) timing and ii) amount of revenue from contracts with customers:

i) Timing

Total contract costs

In a customised customer project, Nel uses cost-to-cost input method when measuring progress; thus, the total cost estimates can significantly impact measured progress and revenue recognition. The total project cost comprises estimates on the ability to execute the planned engineering and design phase, the availability of skilled resources, performance of subcontractors, commodity prices, foreign currency and Nel's manufacturing capacity, productivity and quality.

ii) Amount

Liquidated damages (LDs)

LDs are pre-defined penalties for breaches of contract. LDs are most commonly used with respect to delay. As the payment to the customer is not in exchange for a distinct good or service that transfers to Nel, LD's must be accounted for as a reduction of revenue. If a project does not meet the defined milestone in a contract, a provision reducing the transaction price is made unless it is highly probable that LD will not be imposed. The estimated LD provision is highly judgmental. The assessment of the LD provision is based on experience from similar LD situations in addition to client relationship, contractual position and status on negotiations. Nel estimates variable consideration using the most likely amount.

Type of goods or services

The group generates revenue from customer contracts from two principal sources: i) Equipment and projects and ii) Service and aftermarket. The equipment and projects sales are generated from both standard and customised equipment.

Standard equipment

The group recognises revenue at the point in time at which it satisfies a performance obligation by transferring the control of a good or service to the customer, generally this upon agreed incoterms, which is mainly at shipment. The customer has control of a good or service when it has the ability to direct the use of and obtain substantially all of the remaining benefits from the good or service. If customer acceptance of products is not assured, revenue is recorded only upon formal customer acceptance. The point in time measurement basis for standard equipment has been the main method of recognising revenue in PEM US division and the aftermarket segment in the Electrolyser Norway division.

Customised equipment

Most of Nel's revenue stems from standard equipment, however, in certain contracts the customisation required qualifies customised equipment. Customised equipment occurs when Nel is creating a good that it cannot sell to another customer without significant re-work and Nel would incur significant economic losses to direct the asset for another use. Such sale of customised equipment is recognised as revenue over-time if Nel has an enforceable right to payment for performance completed to date.

Projects

The project contracts typically comprise

- equipment (standard product or customised),
- supervision of installation and commissioning of the equipment
- engineering services, sold separately or part of the project

Most projects are determined to be a bundle of goods where all of the components constitute the combined output, i.e. one performance obligation. The performance obligation is satisfied over time and Nel recognise revenue over the period the performance obligation is satisfied, using a cost-to-cost input method that best depicts the pattern of the transfer of control over time. The contracts have mainly firm contract price including clauses for penalties (LDs). Additionally, contracts usually include service agreement and extended warranty for a specific period. Both service and extended warranty are separate performance obligations satisfied over 12 months or more, refer service and aftermarket.

The progress-based measurement of revenue has been the main method of recognising revenue from electrolyser projects of large-scale electrolyser systems.

Service and aftermarket

Service and aftermarket comprise operations and maintenance (O&M), extended warranty, repair, replacement parts and accessories.

For separately sold operating and maintenance contracts where the group has agreed to provide routine maintenance services over a period of time for a fixed price, revenue is recognised on a straight-line basis over the contract period as the stand-ready obligation is time elapsed.

For sales of replacement cell stacks and accessories, revenue is recognised when performance obligation is satisfied, generally upon delivery of the replacement parts and accessories.

The following table show the revenue from contracts with customers by type of goods or service:

	2025			2024		
Segments	PEM	Alkaline	Total	PEM	Alkaline	Total
Type of goods or service						
Equipment and projects	332 425	493 357	**825 782**	315 593	970 461	**1 286 054**
Service and aftermarket	68 406	68 926	**137 332**	64 956	38 898	**103 855**
TOTAL Revenue from contracts with customers	**400 831**	**562 283**	**963 114**	**380 549**	**1 009 360**	**1 389 909**
Timing of revenue recognition						
Revenue recognised at point in time	204 956	68 926	**273 882**	252 419	181 731	**434 150**
Revenue recognised over time	195 875	493 357	**689 232**	128 130	827 629	**955 759**
TOTAL Revenue from contracts with customers	**400 831**	**562 283**	**963 114**	**380 549**	**1 009 360**	**1 389 909**

Onerous contracts. In the circumstance that the unavoidable costs directly related to project is expected to exceed the economic benefits expected to be received under the contract, the estimated loss on the contract will be recognised in its entirety in the period when such loss is identified. Additional information for onerous contracts is disclosed in note 5.5 'Provisions'.

Contract balances

Equipment contracts with a customer will have milestone payments with variable structures. The contract price will be invoiced when certain criteria are met. A typical payment structure could be at the milestones; contract acceptance, placement of major supplier purchases, prior to delivery/shipment of equipment and complete installation and commissioning. The payment structure of the contracts typically results in advance payments and progress billings exceed the satisfaction of performance obligations in progress. Consequently, creating a net contract liability. In certain circumstances based on the order value, credit worthiness of geographic location, the group may require payment in advance of shipment. Expect for performance requirements, agreed liquidated damages and warranty, the group does not accept returns of product or provide customers refunds or other similar concessions.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. As of the balance sheet date, the cumulative costs incurred plus recognised profit (less recognised loss) on each contract is compared against the advances and progress billings. Where the cumulative costs incurred plus the recognised profits (less recognised losses) exceed advances and progress billings, the balance is presented as due from customers on construction contracts within "contract assets". When the contract assets become an unconditional right to consideration they are reclassified and presented separately as trade receivables, usually when invoices are issued to the customers.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the group performs under the contract. Where advances and progress billings exceed the cumulative costs incurred plus recognised profits (less recognised losses), the balance is presented as due to customers on construction contracts within "contract liabilities".

	2025			2024		
CONTRACT BALANCES	CONTRACT ASSETS	CONTRACT LIABILITIES	Total	CONTRACT ASSETS	CONTRACT LIABILITIES	Total
Rights to consideration on contracts in progress	186 504	778 952	**965 456**	381 457	1 392 099	**1 773 556**
Less - advances and progress billings	-119 301	-1 151 372	**-1 270 673**	-357 303	-1 975 491	**-2 332 794**
TOTAL Contract assets (liabilities)	**67 204**	**-372 420**		**24 155**	**-583 392**	

CONTRACT LIABILITIES	2025	2024
Balance as of 01.01.	-583 392	-715 288
Revenue from amounts included in contract liabilities at the beginning of the period	381 591	419 690
Billings and advances received not recognised as revenue in the period	-173 480	-460 192
Discontinued operation	0	119 764
Basis adjustment - effect of hedge accounting	2 861	52 634
Balance as of 31.12.	**-372 420**	**-583 392**

CONTRACT ASSETS	2025	2024
Balance as of 01.01.	24 155	49 767
Transfers from contract assets recognised at the beginning of the period to receivables	-13 695	-35 778
Increases due to measure of progress in the period	57 705	22 175
Revenue recognised in the period from performance obligations satisfied in previous periods	0	-4 312
Discontinued operation	0	-10 325
Revaluation	-961	2 627
Balance as of 31.12.	**67 204**	**24 155**

Order backlog

The performance obligations in contracts with customers vary from a few months to 4 years. The order backlog as of December 31, 2025, was NOK 1 319 (1 614) million. The order backlog in Alkaline and PEM is NOK 440 million and NOK 878 million, respectively. Refer to the "Alternative performance measures" section for full definitions of backlog and reconciliations. The transaction price allocated to the remaining performance obligations is illustrated in table below:

as of 31.12.2025	2026	2027	2028	Total backlog	PEM	Alkaline
Partly unsatisfied performance obligations	283 748	731 128	7 664	**1 022 540**	782 152	240 388
Unsatisfied performance obligations	96 223	75 570	124 485	**296 278**	96 223	200 055
TOTAL backlog	**379 972**	**806 698**	**132 148**	**1 318 818**	**878 375**	**440 443**

as of 31.12.2024	2025	2026	2027 or later	Total backlog	PEM	Alkaline
Partly unsatisfied performance obligations	484 893	361 123	446 173	**1 292 189**	208 770	1 083 419
Unsatisfied performance obligations	115 408	0	206 413	**321 821**	115 408	206 413
TOTAL backlog	**600 301**	**361 123**	**652 586**	**1 614 010**	**324 178**	**1 289 832**

2.2 Other income

(Amounts in NOK thousands)	2025	2024
Government grants	15 005	4 570
Research and design study reports	93 887	93 593
Insurance compensation	21 321	0
Other income	6 861	6 861
TOTAL Other income	**137 074**	**105 024**

Research and design study reports comprise contracts with Department of Energy in the PEM electrolyser segment. The performance is delivery of research reports and has been assessed as not part of ordinary course of business selling electrolyser equipment. While the income from such services can increase and decrease based on contracts and has been somewhat recurring over several years, it does not have the same characteristics as equipment sale and related services. Therefore, the income is reported as other income.

Government grants within 'other operating income'

Segment	Country	2025	2024
Nel Alkaline Electrolyser	Norway	15 005	4 570
TOTAL		**15 005**	**4 570**
Government grants related to assets, amortised		15 005	4 570
TOTAL		**15 005**	**4 570**

2.3 Segment information

Nel operates within two operating segments, Nel Alkaline Electrolyser and Nel PEM Electrolyser. The identification of segments in the group is made based on the different products the division offers as well as geographical areas the divisions have their production facilities and majority of employees in.

The executive management group is the chief operating decision maker (CODM) and monitors the operating results of its operating segments 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.

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

Nel Alkaline Electrolyser

The Nel Alkaline Electrolyser division is a global supplier of hydrogen production equipment based on alkaline water electrolysis technology. Nel Alkaline Electrolyser currently has production facilities in Herøya, Norway.

Nel PEM Electrolyser

The Nel PEM Electrolyser division is a global supplier of hydrogen production equipment based on PEM water electrolysis technology. Nel PEM Electrolyser currently has production facilities in Wallingford, Connecticut, USA.

2025	Operating segments			
(Amounts in NOK thousands)	**PEM**	**Alkaline**	**Other [1)]**	**Total**
Revenues by geographic region based on customer location				
Norway	2 916	94 835	0	97 752
United States	193 146	312 088	0	505 234
North America ex United States	8 440	0	0	8 440
Asia	33 723	44 321	0	78 044
Europe ex Norway	100 739	90 560	0	191 299
Middle East	4 591	0	0	4 591
Africa	2 747	10 763	0	13 510
South America	491	9 716	0	10 207
Oceania	54 038	0	0	54 038
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS	**400 831**	**562 283**	**0**	**963 114**
Other operating income	104 416	16 059	16 599	137 074
Operating expenses excluding depreciation, amortisation and impairment	-643 206	-593 951	-137 818	-1 374 975
EBITDA	**-137 959**	**-15 609**	**-121 219**	**-274 787**
Depreciation and amortisation	-120 209	-166 233	-4 028	-290 470
Impairment of tangible and intangible assets	-445 983	-353 427	0	-799 410
OPERATING LOSS	**-704 151**	**-535 269**	**-125 247**	**-1 364 667**
Finance income	178	728	104 109	105 015
Finance costs	-4 826	-16 772	-19 429	-41 027
Share of loss from associates and joint ventures	0	783	3 744	4 527
Tax income (expense)	31 035	0	0	31 035
NET INCOME (LOSS)	**-677 764**	**-550 530**	**-36 823**	**-1 265 117**
TOTAL ASSETS	**1 149 377**	**2 048 170**	**1 759 285**	**4 956 832**
TOTAL LIABILITIES	**387 387**	**580 141**	**56 121**	**1 023 649**
Capital expenditures	**126 412**	**163 995**	**0**	**290 407**

1) Other comprises parent company, holding entity, excess values on intangible assets and related depreciation and tax expense (income) derived from the consolidation of the financial statements not allocated to the operating segments.

In 2025, revenue from single customers above 10% of total revenues include NOK 264 million in revenues from a single customer, related to delivery of Alkaline Electrolysers.

In 2024, the group recognised revenue from three single customers which individually each is above 10% of total revenues. The amounts recognised from the three customers are NOK 339 million, NOK 145 million and NOK 144 million, all related to delivery of Alkaline Electrolysers.

2024	Operating segments			
(Amounts in NOK thousands)	PEM	Alkaline	Other [1)]	Total
Revenues by geographic region based on customer location				
Norway	1 983	34 759	0	36 743
United States	155 866	0	0	155 866
North America ex United States	8 245	500 262	0	508 507
Asia	52 935	142 621	0	195 556
Europe ex Norway	95 604	319 380	0	414 984
Middle East	9 771	0	0	9 771
Africa	1 798	6 544	0	8 341
South America	2 136	5 793	0	7 930
Oceania	52 210	0	0	52 210
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS	**380 549**	**1 009 360**	**0**	**1 389 909**
Other operating income	99 655	3 177	2 192	105 024
Operating expenses excluding depreciation, amortisation and impairment	-645 088	-885 865	-136 922	-1 667 875
EBITDA	**-164 884**	**126 672**	**-134 730**	**-172 942**
Depreciation and amortisation	-99 045	-110 188	-7 253	-216 486
Impairment of tangible and intangible assets	0	0	0	0
OPERATING LOSS	**-263 929**	**16 484**	**-141 983**	**-389 428**
Finance income	354	775	130 947	132 076
Finance costs	-3 662	-6 572	3 401	-6 833
Share of loss from associates and joint ventures	0	0	0	0
Tax income (expense)	5 861	0	693	6 554
NET INCOME (LOSS)	**-261 376**	**10 687**	**-6 942**	**-257 631**
TOTAL ASSETS	**1 755 003**	**2 508 284**	**2 040 925**	**6 304 212**
TOTAL LIABILITIES	**404 971**	**854 859**	**67 106**	**1 326 936**
Capital expenditures	**225 506**	**421 038**	**0**	**646 544**

1) Other comprises parent company, holding entity, excess values on intangible assets and related depreciation and tax expense (income) derived from the consolidation of the financial statements not allocated to the operating segments.

2.4 Raw materials

(Amounts in NOK thousands)	2025	2024
Raw material	400 080	503 355
Freight expense	546	572
Other consumables	0	48
TOTAL	**400 626**	**503 976**

In addition to products produced internally, Nel also delivers equipment produced using Nel's design or sourced based on a functional design. The ratio of raw material expense to revenues will depend not only on improvements leading to lower raw material spend or on the cost price of raw materials used in production, but also on the share of revenue generated by equipment sourced from third parties.

2.5 Personnel expenses

(Amounts in NOK thousands)	2025	2024
Salaries	489 117	545 753
Social security tax	57 668	67 757
Pension expense	23 443	26 710
Other payroll expenses[1)]	39 117	34 925
Capitalised salary to technology development	-40 101	-29 559
TOTAL	**569 244**	**645 586**
Average number of full time employees	370	423
Hereof women	86	90

1) Expenses of NOK 2.0 million (2.7 in 2024) related to the Group's share option program are included in 'other payroll expenses'.

Share option program

All options have only service-time based vesting conditions. Vesting requires the option holder still to be an employee in the company. Specifically, options do not vest after the date the employee serves his or her notice to terminate the engagement with the company or has been notified in writing of the termination of employment by the company. The strike price is a premium of 8 % over the highest of the closing share price on grant date and the volume-weighted average price over the past 5 preceding trading days.

Options granted 2023:

Options were awarded in 2023 based on 2022 employment for a selection of employees. A total of 1.4 million share options were granted, with a 3-year vesting period, 5-year expiry and a cap on gain per option of 10 NOK per share.

Options granted 2024:

Options were awarded in 2024 based on 2023 employment for a selection of employees. A total of 1.65 million share options were granted, with a 3-year vesting period, 5-year expiry and a cap on gain per option of 10 NOK per share.

Options granted 2025:

Options were awarded in 2025 based on 2024 employment for a selection of employees. A total of 3.05 million share options were granted, with a 3-year vesting period, 5-year expiry and a cap on gain per option of 10 NOK per share.

CEO options

The CEO was awarded 500.000 options in each of 2023, 2024 and 2025. Each option vests after three years of grant and may, subject to continued employment, be exercised over a two-year period thereafter. Each option entitles him to acquire one new share of the Company at an exercise price equal to the listed price at the date of grant plus 10%. A maximum profit level has been implemented which limits the accumulated profit for all options to NOK 25 million, and to NOK 30 per option.

Assumptions, costs and social security provisions

The Group uses the Black-Scholes-Merton option pricing model at time of grant to determine the impact of stock option grants in accordance with IFRS 2 - Share-based payment. The model utilises the following parameters as input:

- the company's share price
- the strike price of the options
- the expected lifetime of the options
- the risk-free interest rate equalling the expected lifetime
- the volatility associated with the historical price development of the underlying share

As all employee options granted are "non-transferable", and the gains are taxed with personal income tax (higher), whereas gains on ordinary shares are taxed with capital gains tax (lower), it is reasonable to assume that participants tend to exercise early. Hence estimated lifetime of the options is expected to be shorter than the time from grant until expiry. However, exercise patterns are monitored and expected option lifetime for future grants will reflect exercise behaviour.

To estimate the volatility in the option pricing model comparable companies have been used. Nel has been through a rapid development in recent years, and the assumption made at grant was that traded history the previous years was not the best estimate for the future years. Hence, volatility input to the Black-Scholes-Merton model is based on a group of peer companies.

Further the total fair value of the share-based instruments is amortised over the vesting period of the instrument. IFRS 2 presumes that the fair value of the services expected to be received is the same as the fair value of the equity instruments granted at grant date. Therefore, although the services are recognised over the vesting period, they are measured only once, at grant date, unless the arrangement is modified.

Social security tax provisions are accrued on a quarterly basis and becomes payable at exercise of the options. The social security tax provisions are estimated based on the gain on the share-based instruments multiplied with the relevant social security tax rate.

The total expense recognised for the share-based programs, excluding social security, during 2025 was NOK 2 (3) million. The total social security accruals at the end of the year are NOK 0 (0) million (social security costs are zero because none of the options are in-the-money at the end of 2025). The total intrinsic value of the company's share-based instruments is NOK 0 (0) million as of 31 December 2025.

Key assumptions option pricing model per share option program

	2025	2024
Volatility	66.41%	65.86%
Interest rate	3.57%	3.72%
Dividend	0.00	0.00

ESTIMATION UNCERTAINTY - Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate evaluation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The groups' equity-settled share-based payments are measured at fair value at the grant date.

Overview of share options per program, as potential shares, outstanding as of 31 December 2025

Share option program	Opening balance	Granted	Exercised	Forfeited	Closing balance	Strike price	Value[1)]	Remaining contractual life
2021 Share Option Plan	3 405	0	0	-3 405	0	15.13	0	0
2023 Share Option Plan	730	0	0	-190	540	17.02	0	2.17
2024 Share Option Plan	1 200	0	0	-200	1 000	5.32	0	3.16
2025 Share Option Plan	0	3 050	0	-600	2 450	2.60	0	4.16
2023 CEO	500	0	0	0	500	13.85	0	2.50
2024 CEO	500	0	0	0	500	6.16	0	3.50
2025 CEO	0	500	0	0	500	2.77	0	4.50
TOTAL	**6 335**	**3 550**	**0**	**-4 395**	**5 490**			

1) The value of the share options equals share price less strike price, capped at NOK 10 for 2023. 2024, 2025 and NOK 30 for CEO program.

[2)]All share options are granted, vested and expired at the beginning of March in a given fiscal year, except for and CEO program which is July.

[3)] Cost of period does not include social security. The total social security accruals at the end of the year are NOK 0 (0) million as none of the options are in-the-money.

Pensions

The group has defined contribution pension scheme for its employees. This scheme is funded through payments to insurance companies. A defined contribution plan is one under which the group pays fixed contributions to a separate legal entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. For defined contribution plans, the group pays contribution to publicly or privately administered pension insurance plans on an obligatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as a salary expense when they fall due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The parent company and the Norwegian subsidiaries have pension plans that meet the requirements of the Pension Act of Norway. The US subsidiary have pension plans that meet their respective requirements.

2.6 Other operating expenses

(Amounts in NOK thousands)	2025	2024
Research and development expenditure	42 164	41 589
Utilities	25 669	21 344
Professional fees	50 735	98 919
Travel expenses	18 463	24 554
IT and communication costs	47 237	45 252
Changes in provisions	11 889	63 450
Repair and maintenance	7 696	13 724
Premises costs	18 691	20 125
Sub supplier services	31 345	127 699
Freight	10 219	19 433
Other expenses	140 997	42 224
TOTAL Other operating expenses	**405 105**	**518 313**

2.7 Finance income and cost

(Amounts in NOK thousands)	2025	2024
Interest income	92 661	127 764
Other finance income	12 354	4 312
Finance income	**105 015**	**132 076**
Interest expense lease liabilities	16 672	16 481
Net foreign exchange loss	16 897	-13 566
Change in fair value financial instruments	6 219	2 650
Other finance cost	1 239	1 269
Finance cost	**41 027**	**6 833**
Net finance income (cost)	**63 988**	**125 243**

2.8 Income taxes

Tax

The tax expense in the statement of comprehensive income comprises of the tax payable for the period and of the change in deferred tax. Deferred tax is calculated at the prevailing tax rate in the respective countries where the parent company and subsidiaries are tax resident. Deferred tax is calculated based on temporary differences that exist between accounting and tax values, as well as any tax loss carry forward at the end of the financial year. The deferred tax asset is recognised if it is probable that the company will have a sufficient tax profit to be able to utilise the tax asset.

Significant accounting judgements - Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The group has NOK 2 615 million of tax amounts from tax losses carried forward (2 300 in 2024). These losses relate to subsidiaries that have a history of losses, and to some extent may not be used to offset taxable income elsewhere in the group. While the losses do not expire, the group has determined that it cannot recognise deferred tax assets from the tax losses carried forward based on its history of losses. Deferred tax assets not recognised in the statement of financial statement amount to NOK 668 million in 2025 (516 in 2024).

Calculations of the tax base for the year	**2025**	**2024**
Income (loss) before tax	-1 296 152	-264 185
Permanent differences	542 399	69 312
Change in temporary differences	416 398	-170 210
Use of tax losses carried forward	-14 539	-143 540
The year's taxable income	**-351 894**	**-508 623**

Reconciliation of tax expense to Norwegian nominal statutory tax rate	2025	2024
Nominal tax rate	22%	22%
Income (loss) before tax	-1 296 152	-264 185
Tax this year's income (loss), estimated	-285 153	-58 121
Tax effect of:		
Tax rates different from Norway	2 796	2 863
Permanent differences	103 547	11 549
Change in deferred tax	-31 035	-6 554
Change in not recognized deferred tax assets (tax liabilities)	146 303	33 474
Other differences	32 507	10 235
Income tax expense	**-31 035**	**-6 554**

Income tax expense comprises	2025	2024
Income tax payable	0	0
Change in deferred tax	-31 035	-6 554
Total income tax expense (income)	**-31 035**	**-6 554**

Tax effects of temporary differences	2025	2024
Trade receivables and customers contracts	-10 809	-16 989
Intangible assets	43 539	1 158
Property, plant and equipment	-39 144	46 962
Inventories	-833	-206
Accrued warranty	-9 747	-13 217
Leases	-9 837	-9 755
Deferred income	-16 888	-17 374
Other accruals	-45 245	13 000
Tax losses carry forward	-579 303	-519 562
Deferred tax asset, net	**-668 267**	**-515 983**

Reconciliation to statement of financial position	2025	2024
Deferred tax asset, net	-668 267	-515 983
Deferred tax asset not recognised in statement of financial position	668 267	550 796
Deferred tax liability in the statement of financial position	**0**	**34 813**

Changes in recognised deferred tax liability	2025	2024
Balance as of 01.01.	34 813	38 436
Recognised in the income statement	-31 035	-6 554
Translation differences on deferred taxes	-3 778	3 652
Discontinued operation	0	-721
Balance as of 31.12.	**0**	**34 813**

Table below show net operating losses carried forward by country multiplied with the tax rate, the deferred tax asset from historical losses not recognised.

Tax losses carry forward by country	2025	2024
Norway	286 633	283 092
United States	292 670	236 471
Balance as of 31.12.	**579 303**	**519 562**

2.9 Earnings per share

Earnings per share are calculated by dividing the profit/loss for the year by the corresponding weighted average of the number of outstanding shares during the reporting period. 'Diluted earnings per share' is based on the same calculation as for earnings per share, but it also considers all potential shares with dilutive effect that have been outstanding during the period. Potential shares relate to agreements that confer the right to issue shares in future. Options are excluded if their effect would have been anti-dilutive.

Earnings per share is calculated as profit/(loss) attributable to the equity holders of the parent company divided by the average number of shares outstanding.

(Amounts in NOK thousands)	2025	2024
Net loss attributable to the equity holders of the parent company and for the purpose of basic and diluted shares	-1 265 117	-257 631
Basic earnings per share		
Issued ordinary shares as of 1 January	1 671 325	1 671 325
Share options exercised	0	0
Share issued	167 133	0
Issued ordinary shares as of 31 December	**1 838 458**	**1 671 325**
Effect of weighting (share options exercised and share issued during the year)	-32 498	0
Weighted-average number of shares outstanding for the purpose of basic earnings per share	**1 805 960**	**1 671 325**
Basic earnings per share for loss attributable to the equity holders of the parent company (NOK)	**-0.70**	**-0.15**
Diluted earnings per share		
Weighted-average number of shares outstanding for the purpose of basic earnings per share	1 805 960	1 671 325
Effect of share options on issue[1)]	0	0
Weighted-average number of shares outstanding for the purpose of diluted earnings per share	**1 805 960**	**1 671 325**
Diluted earnings per share for loss attributable to the equity holders of the parent company (NOK)	**-0.70**	**-0.15**

1) As of 31 December 2025, 5 490 000 weighted-average options were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive (earnings per share is negative).

3.1 Intangible assets

Research and development

Research

Research activities are defined as activities whose purpose is to generate new technological understanding or knowledge. Research costs are expensed as incurred.

Development

Capitalised development costs are recognised at historical cost after the deduction of accumulated amortisations and impairments. The capitalised value is amortised over the period of expected future earnings from the related project on a straight-line basis.

Technology

As an indication of the level of internal technology costs, Nel currently has 62 and 53 full time employees working directly with R&D in the Alkaline and PEM division, respectively. Nel invests in development of large-scale industrialisation of Electrolyser products.

ALKALINE

In its Alkaline division, Nel prioritizes the development of a pressurized alkaline Electrolyser targeting 1000Nm3/h single cell stack to increase product efficiency and safety. In addition, Nel's electrolyser divisions initiated the development of product concepts to larger sized projects meeting the requirements of a more sophisticated and complex electrolyser system. The Alkaline segment has recognised on the statement of financial position, capitalized technology from internal development of NOK 375 (311) million as of 31.12.2025.

PEM

In the Proton Membrane division, the R&D team focused on the collaboration with General Motors applying the know-how acquired from the development of fuel cells into the development of a new electrolyser cell stack series. The PEM segment has recognised on the statement of financial position, capitalized technology from internal development of NOK 55 million and acquired separately of NOK 93 million, as of 31.12.2025. Contractual commitments for the acquisition of intangible assets from the General Motors development agreement beyond 2025 are about NOK 50 million. The expected timing of cash outflow is beginning of 2026.

Significant accounting judgements - Development costs

Development expenditures on an individual project are recognised as an intangible asset when the group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- How the asset will generate future economic benefits
- Its intention to complete and its ability and intention to use or sell the asset
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

To demonstrate technical feasibility and availability of resources, it should be a high certainty that Nel have the intention and ability to complete. Nel categorise its intention and ability to complete in a matrix with the overarching risk to complete buckets low, medium and high. In the phase of a project where the risk of completing is medium to high, then the development costs are expensed as incurred. A capitalised development project commence amortisation when a successful pilot is demonstrated, and the asset is available for use. After a successful pilot, the technology is in the condition necessary for it to be capable of operating in the manner indented by management and enters 'ramp-up' stage. Subsequent expenditure is maintenance of existing technology (expensed).

Total technology spend for 2025 was NOK 380 (365) million, of which NOK 145 (136) million and NOK 235 (229) million has been capitalised and expensed, respectively.

Useful life, amortisation plan

- Technology has a useful life of 3-7 years
- Goodwill has indefinite life

Goodwill

Goodwill recognised in the statement of financial positions has been acquired through business combinations. Goodwill occurs as the residual in the business combination, being the excess of the aggregate of the consideration transferred and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Goodwill is initially measured at cost which is net of tax amount.

Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

(Amounts in NOK thousands)	Technology	Customer relationship	Goodwill	TOTAL
Acquisition cost as of 01.01.2024	1 041 094	100 234	672 210	1 813 538
Additions from internal development	119 194	0	0	119 194
Discontinued operation	-210 341	-3 011	0	-213 352
Currency effects	46 194	121	36 448	82 763
Acquisition cost as of 31.12.2024	**996 142**	**97 343**	**708 658**	**1 802 143**
Additions from internal development	82 238	0	0	82 238
Additions acquired separately	63 010	0	0	63 010
Currency effects	-47 081	0	-39 327	-86 408
Acquisition cost as of 31.12.2025	**1 094 309**	**97 343**	**669 330**	**1 860 983**
Accumulated amortisation and impairment as of 01.01.2024	409 572	92 013	296 905	798 491
Amortisation	72 167	7 843	0	80 010
Discontinued operation	-113 234	-2 513	0	-115 747
Currency effects	10 215	0	0	10 215
Accumulated amortisation and impairment as of 31.12.2024	**378 721**	**97 343**	**296 905**	**772 970**
Amortisation	79 668	0	0	79 668
Impairment	127 547	0	311 061	438 608
Currency effects	-14 714	0	0	-14 714
Accumulated amortisation and impairment as of 31.12.2025	**571 222**	**97 343**	**607 966**	**1 276 532**
Carrying value as of 31.12.2024	**617 420**	**0**	**411 753**	**1 029 173**
Carrying value as of 31.12.2025	**523 087**	**0**	**61 364**	**584 451**

Impairment loss NOK 439 (0) million, from categories Technology and Goodwill, is included within “Impairment of tangible and intangible assets” in profit or loss. As the next generation pressurized alkaline technology is likely to negatively influence the market outlook for current platforms, Nel recognized impairment losses of NOK 439 million in the period related goodwill and intangible technology assets resulting from the acquisition of what is now Nel PEM electrolyser in 2016. Refer to section ‘Annual impairment test – results and sensitivity’ below for details of current year’s impairment test.

(Amounts in NOK thousands)	Technology	Goodwill	TOTAL
Internal development	430 221	0	430 221
Acquired separately	92 866	0	92 866
Acquired through business combinations	0	61 364	61 364
Carrying value as of 31.12.2025	**523 087**	**61 364**	**584 451**

(Amounts in NOK thousands)	Technology	Goodwill	TOTAL
Internal development	415 880	0	415 880
Acquired separately	35 763	0	35 763
Acquired through business combinations	165 777	411 753	577 530
Carrying value as of 31.12.2024	**617 420**	**411 753**	**1 029 173**

ESTIMATION UNCERTAINTY - Impairment of goodwill and intangible assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget and strategy forecasts for the next five years and do not include restructuring activities that the group is not yet committed to or significant future investments which has not commenced that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in this note.

Goodwill and intangible assets with indefinite useful lives - impairment considerations

Goodwill, and CGUs where goodwill has been allocated, are required to be tested for impairment annually. The group performed its annual impairment test in December yearly. Impairment losses are recognised where the recoverable amount is less than the carrying amount. The Group recognised an impairment loss on goodwill of NOK 311 million in 2025 related to the PEM US CGU. The remaining goodwill as of 31 December 2025 relates to the Alkaline Norway CGU and no further impairment was recognised on this remaining goodwill.

Annual impairment test - assumptions

CGU

The annual impairment test is performed for all the Group' Cash Generating Units (CGUs). A CGU is defined as the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups thereof. The way management monitors operations assisted in the judgements of identifying the CGUs.

The Group' CGUs are

- Alkaline Norway and
- PEM US

Specification of allocated goodwill per CGU	2025	2024
PEM US	0	350 389
Alkaline Norway	61 364	61 364
Balance as of 31.12.	**61 364**	**411 753**

Market capitalisation

Market capitalisation is considered as one of several impairment indicators. As of 31 December 2025, market capitalisation was approximately equal to the book value of equity. This assessment is considered together with cash flow forecasts and other impairment indicators.

Key assumptions

The calculations of value in use are sensitive to several assumptions, the following are assessed key assumptions in the measured value:

- Revenue growth and gross margin
- EBITDA and free cash flow margins
- Discount rate / Weighted average cost of capital (WACC)

For each CGU, a recoverable amount has been measured. The impairment test has been based on the business and strategy plans approved by the Board of Directors and management's best estimate of cash flows. The recoverable amount is based on a discounted cash flow model determined value in use, which are based on the following:

i) the future expectations reflected in the current budget and strategy over the next 5-year period (forecast period); and

ii) Terminal value beyond year 2030 applying a growth rate of 2.0%

Discount rate

Discount rates represent the current market assessment of the risks, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC considers the cost of debt and equity. The cost of equity is derived from the expected return on investment by the group's investors. The cost of debt is based on the interest-bearing borrowings the group is obliged to service. Segment specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future cash flows to reflect a pre-tax nominal discount rate. Pre-tax nominal discount rate is in the range of 15.3 % to 15.8 %.

Annual impairment test – results and sensitivity

The impairment test has been prepared in accordance with IAS 36 impairment of non-financial assets following the discounted cash flow methodology for value in use within the standard. The cash flows projections relate to the cash-generating unit in the current condition which means future investments not commenced has not been included in the valuation. It excludes cash inflows and investments forecasted to meet the market demand before 2030. In addition, the standard encourages a conservative valuation to ensure that assets are not carried at more than their recoverable amount. The impairment test is performed on both CGUs, PEM US and Alkaline Norway. The impairment test for Alkaline Norway shows headroom and no impairment has been recognised.

PEM US

The impairment test concluded that an impairment charge of NOK 439 million was required for the PEM US CGU as of 31 December 2025. This impairment loss was allocated as follows:

- Goodwill: NOK 311 million
- Technology (Intangible Assets): NOK 128 million

The allocation of the impairment charge reflects the sequence required, whereby goodwill is written down in full before other intangible assets are impaired. The goodwill and technology assets impaired in 2025 were originally recognised as excess values arising from the allocation of the purchase price in the Group's acquisition of PEM US in 2016.

The following table shows the carrying value as of 31 December 2025, i.e. the assets post impairment in PEM US.

(Amounts in NOK thousands)	PEM US	Alkaline Norway
Goodwill	0	61 364
Other intangible assets	110 593	372 084
Other invested capital	644 353	1 160 124
Carrying value	**754 946**	**1 593 573**
Recoverable amount	754 946	3 088 976
Headroom	**0**	**1 495 403**
Pre-tax nominal discount rate	15.3 %	15.8 %
Terminal growth rate	2.0 %	2.0 %

PEM US

PEM US is the Group' segment for the PEM electrolyser technology. The CGU covers the production and manufacturing of PEM electrolyser equipment in Wallingford, Connecticut, US. The operations consist of both assembly of electrolyser, marketing activities and product development.

The table below show the sensitivity analysis for the range of +/-2 percentage points in WACC and +/-20 percentage in revenue.

Sensitivity in headroom amounts in NOK million		Percentage change in revenue				
		-20.0%	-10.0%	0.0%	10.0%	20.0%
Change in WACC	-2.0%	-184	40	264	487	711
	-1.0%	-269	-75	120	314	508
	0.0%	-339	-169	0*	172	343
	1.0%	-398	-247	-97	54	205
	2.0%	-448	-314	-180	-46	88

*Represents headroom in impairment calculation for the CGU. Negative numbers in the table indicate impairment.

The table below show the sensitivity analysis for the range of +/-2 percentage points in WACC and +/-4 percentage points in EBITDA margin.

Sensitivity in headroom amounts in NOK million		Percentage point change in EBITDA margin				
		-4.0%	-2.0%	0.0%	2.0%	4.0%
Change in WACC	-2.0%	-252	6	264	521	773
	-1.0%	-345	-113	120	352	578
	0.0%	-421	-210	0*	213	419
	1.0%	-485	-291	-97	97	285
	2.0%	-538	-359	-180	-1	172

*Represents headroom in impairment calculation for the CGU. Negative numbers in the table indicate impairment.

ALKALINE NORWAY

Electrolyser Norway is the Group' segment for the Alkaline electrolyser technology. The CGU covers the production, manufacturing and development of both atmospheric alkaline and pressurised alkaline electrolyser equipment in Herøya and Notodden, Norway. The operations consist of both assembly of electrolyser, marketing activities and product development.

The table below show the sensitivity analysis for the range of +/-2 percentage points in WACC and +/-4 percentage points in EBITDA margin.

Sensitivity in headroom amounts in NOK million		Percentage point change in EBITDA margin				
		-4.0%	-2.0%	0.0%	2.0%	4.0%
Change in WACC	-2.0%	858	1 660	2 461	3 238	4 016
	-1.0%	505	1 218	1 930	2 620	3 309
	0.0%	216	856	1495*	2 113	2 730
	1.0%	-25	555	1 133	1 690	2 248
	2.0%	-227	300	827	1 334	1 840

*Represents headroom in impairment calculation for the CGU. Negative numbers in the table indicate impairment.

Additional sensitivities –assumptions

The sensitivities in the table show the change in assumptions that results in zero headroom, at perpetuity growth 2.0%, all else being equal. The table shows the sensitivities for the post-tax WACC used, but also for post-tax WACC +/- one percentage point:

(Amounts in NOK thousands)	Key assumption	Assumption change
Post-tax WACC = 13.5%	Revenue growth[1)]	-1 954 million
	Gross margin[2)]	-6.1%
	Free cash flow margin[3)]	-4.7%

1) If terminal year 2031 in the impairment test is reduced by NOK 1 954 million, the headroom is 0 all other equal.
2) If the gross margin assumption in terminal year 2031 is reduced by 6.1%, the headroom is zero all other equal.
3) If the free cash flow margin assumption in terminal year 2031 is reduced by 4.7%, the headroom is zero all other equal.

The following tables show the same sensitivities in scenarios where WACC is +/- 1. Assumption changes results in zero headroom.

(Amounts in NOK thousands)	Key assumption	Assumption change
Post-tax WACC +1% = 14.5%	Revenue growth	-1674 million
	Gross margin	-5.2%
	Free cash flow margin	-4.1%
Post-tax WACC -1% = 12.5%	Revenue growth	-2 213 million
	Gross margin	-6.9%
	Free cash flow margin	-5.4%

3.2 Property, plant and equipment

Property, plant and equipment comprise owned and leased assets. Property, plant and equipment are measured using the cost model; thus, recognised at cost price after deduction for accumulated depreciation and any impairment. Cost prices include purchase price and costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended.

The assets are depreciated using the straight-line method over the expected useful life of the asset. Costs of direct maintenance on the operating assets are expensed as incurred. Additional investments and improvements are added to the asset's cost price and depreciated in line with the remaining useful life of the asset.

(Amounts in NOK thousands)	Asset under construction	Office machines and other equipment	Production equipment	Buildings	Technical installations	Right-of-use Assets (note 3.3)	TOTAL
Acquisition cost as of 01.01.2024	552 183	170 128	465 875	135 029	16 964	294 350	1 634 529
Additions	362 760	37 321	125 491	1 107	672	29 196	556 546
Disposals	0	-116	0	0	0	0	-116
Reclassification	-604 363	131 001	464 223	0	9 139	0	0
Remeasurement	0	0	0	0	0	22 353	22 353
Discontinued operation	0	-84 121	-9 638	-96 429	-546	-26 927	-217 660
Currency effects	25 550	12 004	13 366	0	0	5 691	56 611
Acquisition cost as of 31.12.2024	**336 129**	**266 217**	**1 059 318**	**39 707**	**26 229**	**324 663**	**2 052 263**
Additions	123 739	6 009	11 034	4 115	263	71	145 230
Reclassification	-203 774	-91 554	295 329	0	0	0	0
Remeasurement	0	0	0	0	0	10 781	10 781
Currency effects	-25 933	-17 954	-18 076	0	0	-6 470	-68 432
Acquisition cost as of 31.12.2025	**230 162**	**162 717**	**1 347 604**	**43 822**	**26 492**	**329 045**	**2 139 842**
Accumulated depreciation as of 01.01.2024	0	77 443	130 742	23 774	3 171	93 722	328 851
Depreciation	0	20 378	84 187	633	1 544	29 734	136 476
Discontinued operation	0	-42 860	-7 317	-19 437	-58	-14 454	-84 127
Currency effects	0	3 259	3 725	0	0	0	6 984
Accumulated depreciation as of 31.12.2024	**0**	**58 219**	**211 337**	**4 970**	**4 656**	**109 002**	**388 184**
Depreciation	0	18 178	157 972	949	2 091	31 612	210 802
Impairment	69 601	11 961	275 318	1	3 922	0	360 802
Reclassification	0	-4 208	4 208	0	0	0	0
Currency effects	0	-4 081	-6 097	0	0	0	-10 178
Accumulated depreciation as of 31.12.2025	**69 601**	**80 069**	**642 738**	**5 919**	**10 670**	**140 614**	**949 610**
Carrying value as of 31.12.2024	**336 129**	**207 997**	**847 981**	**34 737**	**21 573**	**215 662**	**1 664 079**
Carrying value as of 31.12.2025	**160 561**	**82 648**	**704 866**	**37 903**	**15 822**	**188 432**	**1 190 233**

Useful life, depreciation plan

- Office machines and other equipment have a useful life of 3-5 years
- Production equipment has a useful life of 3-8 years
- Buildings have a useful life of 30-40 years
- Technical installations have a useful life of 10-15 years
- Right of use assets has a useful life of 2-10 years

Alkaline, Next-Generation Pressurised Electrolyser platform

Nel has been selected for a grant from the EU Innovation Fund of up to EUR 135 million for industrialization of the next-generation pressurized alkaline technology. The support will be phased with Nel's own investments for up to 4 GW of capacity for pressurized electrolyser equipment in Norway. During 2025, final investment decision was taken to industrialize the Next Generation Pressurized Alkaline platform and invest in 1GW of production capacity. Decision to further expand the capacity depends on achieving successful testing, market acceptance of the new technology and overall market development. Asset under construction end of 2025 related to the commercialisation of PE 1 GW line at Herøya is NOK 67 million.

PEM Wallingford expansion

Asset under construction of NOK 94 million relates to the Wallingford expansion which is planned completed in 2026 and will then be reclassified to production equipment.

Impairment

An assessment of impairment of property, plant and equipment is made if there is an indication of impairment. If the impairment test reveals that an asset's carrying amount is higher than the recoverable amount, an impairment loss will be recognised.

Due to the anticipated impact of next-generation technology on the market outlook for existing platforms, the likelihood of restarting line 1 or constructing line 3 has become unlikely by the end of 2025. Consequently, Nel has recognised a full impairment loss on assets associated with line 1 at Herøya, amounting to NOK 291 million, as these assets became idle during the year. Furthermore, the planned expansion of line 3 - which currently comprises acquired long-lead items not yet installed and classified under assets under construction - has been fully impaired in the amount of NOK 70 million. The total impairment loss is allocated to Property, plant, and equipment as follows: NOK 70 million to assets under construction, NOK 275 million to production equipment, and NOK 16 million to office and other technical installations.

Property, plant and equipment post impairment of idle assets is included in 'other invested capital' allocated to the respective CGU's for the annual impairment test where goodwill is allocated. See note 3.1 for impairment considerations for other invested capital.

3.3 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

As a lessee

At commencement date or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on its relative stand-alone prices. The Group has not chosen to follow the practical expedient to account for the lease and non-lease components as a single component. Non-lease components are treated separately in other standards than IFRS 16.

The group recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Refer to section significant accounting judgements – estimating the incremental borrowing rate (IBR) for additional information.

Lease payments included in the measurement of the lease liability comprise the following: i) fixed payments and ii) variable lease payments that depend on an index, initially measured using the index or rate as at the commencement date. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

Payments for insurance, property tax and VAT are excluded from the lease payments amount as they are defined as variable lease payments.

The Group presents right-of-use assets in 'property, plant and equipment' and the lease liabilities within ‘lease liabilities’, divided into current and non-current portions.

Short-term leases and leases of low value assets

Nel have elected the practical expedient of treating short-term leases and low value assets outside the scope of IFRS 16

Significant accounting judgements - Estimating the incremental borrowing rate (IBR)

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions). The Group determines its incremental borrowing rate by considering various interest rates (risk free rate as 10-year government bonds, and risk premiums) and makes certain adjustments to reflect the terms of the lease, the type of the asset leased and certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Right-of-use assets

(Amounts in NOK thousands)	Manufacturing facilities	Office, warehouse and parking	Motor vehicles	Equipment	Total
As of 01.01.2024	**117 990**	**74 994**	**7 314**	**329**	**200 628**
Additions	5 137	24 059	0	0	29 196
Remeasurement	18 208	4 145	0	0	22 353
Depreciation	-15 659	-13 905	-170	0	-29 734
Discontinued operation	0	-5 368	-6 775	-329	-12 473
Translation difference	2 711	2 975	5	0	5 691
As of 31.12.2024	**128 387**	**86 900**	**375**	**0**	**215 662**
Additions	0	0	71	0	71
Remeasurement	9 627	1 155	0	0	10 781
Depreciation	-16 666	-14 797	-149	0	-31 612
Translation difference	-5 518	-949	-4	0	-6 470
As of 31.12.2025 (note 3.2)	**115 832**	**72 308**	**293**	**0**	**188 432**

The group has lease contracts for various items like manufacturing facilities, offices, warehouse, parking, vehicles and other equipment used in its operations. Leases of manufacturing facilities generally have lease terms between 10 and 15 years, while offices, warehouse and parking have about 5 years and motor vehicles, and other equipment generally have lease terms between 3 and 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. 'Manufacturing facilities' comprise the Group's two significant leases in the manufacturing facilities at Herøya (Alkaline Norway) and Wallingford (PEM US).

From June 2024, the group remeasured the lease term within the lease agreement of Wallingford (US), as the lease was extended by 7 years by exercise of options. The extension vas based on an evaluation of Nel's plan to increase the production capacity in the United States, including the budget for capital expenditure, and economic incentives to not reallocate skilled staff and its fixed assets to a new production facility. Nel has another option to further extend the lease term beyond May 2031. As of 31 December 2025, the economic incentives for the extension due in May 2031 were considered unclear and not reasonably certain due to the uncertainties about the size of the capacity expansion, total investment and location. Nel is not reasonably certain to exercise such option, and potential lease payments beyond May 2031 has not been recognised as right of use assets or lease liabilities.

Lease liabilities

The table below show the carrying amounts of lease liabilities (both current and non-current portion) and the movements during the period:

(Amounts in NOK thousands)	2025	2024
Balance as of 01.01.	260 002	237 203
Additions	71	29 196
Remeasurement	10 781	22 353
Accretion of interest	16 672	16 481
Lease payments	-46 127	-39 809
Discontinued operation	0	-11 693
Translation differences	-8 254	6 270
Balance as of 31.12.	**233 145**	**260 002**
Current	42 961	44 479
Non-current	190 185	215 523
Balance as of 31.12.	**233 145**	**260 002**

Maturity analysis of undiscounted cash flow in lease liabilities:

	2026	2027	2028	2029	>2029	Total
Lease liabilities	45 167	40 417	39 728	39 567	138 846	**303 725**

The difference between discounted cash flows and undiscounted cash flows (discount effect) is NOK 70.6 (84.5) million as of 31.12.2025. The discount effect is mainly related to manufacturing facility at Herøya, Norway, with included lease term until 2035 and manufacturing facility in Wallingford, US, with included lease term until 2031.

Reconciliation of liabilities arising from financing activities in statement of cash flows, split in cash flows and non-cash changes.

(Amounts in NOK thousands)	2025	2024
Balance as of 01.01.	260 002	237 203
Cash flows principal amount	-29 455	-23 328
Cash flows interests	-16 672	-16 481
Non-cash changes:		
Additions and remeasurements	10 852	51 549
Accretion of interest expense	16 672	16 481
Discontinued operation	0	-11 693
Foreign currency effects	-8 254	6 270
Balance as of 31.12.	**233 145**	**260 002**

Amounts recognised in profit or loss

(Amounts in NOK thousands)	2025	2024
Depreciation expense of right-of-use assets	-31 612	-29 734
Interest expense on lease liabilities	-17 901	-17 710
Expense relating to leases of low-value assets	-56	-146
Expense relating to short-term leases, excluding short-term leases of low-value assets	-1 953	-1 953
TOTAL amount recognised in profit or loss	**-51 522**	**-49 544**

Other information

	2025	2024
Total cash outflow for leases as a lessee	48 136	41 908
Weighted incremental borrowing rate used as discount rate for the measuring of lease liabilities	6.5 %	6.6 %

Extension and termination options

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

Significant accounting judgements - Determining the lease term of contracts with renewal and termination options - Group as a lessee.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

In general, the renewal periods for leases of manufacturing facilities, offices, warehouse and parking with longer non-cancellable periods (i.e. 6-10 years) are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for not more than three years and, hence is not exercising any renewal options. The periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Set out below are the material undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

(Amounts in NOK thousands)	2026	2027	2028-2030	2030<
Extension options not reasonably certain to exercise	0	3 442	11 266	60 902
Termination options expected to be exercised	0	0	0	0
TOTAL	**0**	**3 442**	**11 266**	**60 902**

As a lessor

The group have no leases as lessor except for sub-lease. All sub-leases are office space that has been presented as right-of-use assets as part of the property, plant and equipment. When considering the lease term of the sub-lease and the head lease a major part of the economic life of the asset is retained by the Group. All sub-leases have been classified as operating leases and the lease payments received is recognised on a straight-line basis over the lease term as part of 'other operating income'.

3.4 Investments in associated companies and joint ventures

An associate is an entity where the group has significant influence, but not control or joint control. A joint venture is an entity where the group has joint control contractually together with one or several other parties, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The group's investments in its associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. The statement of profit or loss reflects the group's share of the profit or loss in equity-accounted investees. Any change in OCI of those investees are presented as part of the group's OCI.

No dividends have been received during 2025 or 2024.

In 2025, Nel sold its shares in SAGIM SAS for NOK 0.8 million, which led to a gain of NOK 0.7 million from the sale of shares in the associate company. Additionally, Nel received NOK 3.7 million from selling its shares in Glomfjord Hydrogen AS, recording an equivalent gain. As of 31 December 2025, Nel no longer held any shares in associates or joint ventures.

3.5 Non-current financial assets

(amounts in NOK thousands)	2025	2024
Long-term investments	40 109	44 260
Prepayments	141	159
Other non-current financial assets	53	0
Balance as of 31.12.	**40 303**	**44 419**

Long-term investments

The balance of NOK 40 million comprises an interest-bearing co-development loan provided to a project developer. There is a co-development agreement entered into in parallel with the loan agreement. The loan has maturity date at the end of 2026, and no expected credit loss has been recognised.

3.6 Restricted cash and cash equivalents

(Amounts in NOK thousands)	2025	2024
Non-current restricted cash	155 027	158 750
Current restricted cash	0	2 260
Balance as of 31.12.	**155 027**	**161 010**

Non-current restricted cash

Nel occasionally enters contracts with customers with specific guarantee clauses that require Nel to purchase certain performance bonds or advance payment guarantee products from financial institutions. The products are secured by cash collateral.

In addition, Nel has some lease agreements which require deposits in a restricted bank account throughout the lease term.

Both cash collateral and deposits are assessed as investments (i.e. not cash or cash equivalents) as the maturity exceeds 3 months. Long-term investments include the investments that exceed 12 months.

Performance and warranty bonds

NOK 81 (96) million relates to outstanding irrevocable letters of credit used as assurance for bid and contract performance, these letters of credit mature between 31 December 2025 and 31 January 2027. As of 31 December 2025, the customers have drawn NOK 0 (0) million on the letters of credit.

Advance payment guarantee

Generally, in the contracts with customers, Nel receives advance payments. As of 31 December 2025, Nel has NOK 38 (54) million as cash collateral for irrevocable letters of credit issued for advance payment guarantees with financial institutions. As of 31 December 2025, the customers have drawn NOK 0 (0) million on the letters of credit.

Lease payments guarantee (deposits) and other collateral

Deposits for lease payments comprise security for lease payments throughout the lease terms for cars, office premises and manufacturing facilities. In addition, collateral for bank credit lines. As of 31 December 2025, the Group has NOK 27 (45) million in such deposits.

Current restricted cash

This is the short-term equivalent to long-term investments, i.e. any performance and warranty bonds, advance payment guarantee and lease payments guarantee (deposits). Current restricted cash from guarantees is NOK 0 (2) million as of 31.12.2025.

4.1 Inventories

Inventories comprise purchased raw materials, work in progress and finished goods.

Inventories are measured at the lower of cost and net realisable value (NRV) in accordance with IAS 2 Inventories. Cost comprises costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and costs necessary to make the sale. Where inventories are expected to be sold over an extended period, expected cash inflows are assessed considering the timing of sales and, where material, the time value of money.

At each reporting date, inventories are reviewed for indicators of impairment. Any write-down to NRV is recognised as an expense in the period in which the write-down occurs. Reversals of previous write-downs are recognised when the circumstances that caused the impairment no longer exist.

ESTIMATION UNCERTAINTY – Net realisable value of inventories

The valuation of inventories represents a key source of estimation uncertainty at the reporting date. Actual outcomes may differ from the estimates applied, particularly if market conditions, sales prices or order intake timing develop differently than expected. The most significant assumptions affecting NRV are:

Sales prices

Estimated selling prices are based on current market prices, recent transactions and expected discount levels required to secure future orders. A reduction in achievable sales prices would result in a lower NRV and may trigger inventory write-downs.

Timing of order intake and sales

For inventories not covered by firm sales contracts as of 31 December 2025, management estimates the expected timing of order intake and delivery. Delays in order intake or extended sales periods increase the risk that inventories may need to be sold at lower prices or that expected cash inflows should be discounted, negatively impacting NRV.

Discount rates and time value of money

Where inventories are expected to be sold over an extended timeframe, expected future cash inflows are assessed considering the time value of money. Discount rates applied reflect current market-based rates consistent with the risk profile of the expected cash flows. Changes in discount rates or in the expected sales horizon may materially affect the calculated NRV.

(Amounts in NOK thousands)	2025	2024
Finished goods	552 059	66 842
Work in progress	97 627	102 787
Raw materials	288 304	375 919
Allowance for obsolete inventory	-19 196	-13 799
Balance as of 31.12.	**918 794**	**531 748**

The amount of inventories recognised as an expense was NOK 365 (584) million during the period.

A customer defaulted on its payment, so Nel accepted the goods as settlement for the outstanding receivables. This reduced trade receivables and increased inventory by approximately NOK 362 million. These goods remain unsold and are still held in inventory at the end of 2025.

Under normal circumstances, the turnover rate for inventories is considerably shorter than twelve months, as Nel operates on a produce-to-order basis and does not manufacture goods for stock. However, due to market challenges and customer default in 2025, inventory levels have increased while order intake has remained low. Inventories in PEM equals NOK 275 million and inventory in Alkaline equals NOK 644 million. The majority of Alkaline inventory consists of finished goods, in the form of electrolyser cells and diaphragms. The inventory level differs by component, but as an order of magnitude, the Alkaline inventory at hand is equivalent to about 350 MW. Nel has conducted assessments comparing net realisable value less costs to sell against the carrying value, including consideration of the time value of money by discounting from the expected point of sale. In both 2025 and 2024, all items of inventories are measured at cost.

Sensitivity analysis for the inventory in Alkaline

The inventory valuation is sensitive to reasonably possible changes in the key assumptions described above:

- A decrease in estimated sales prices, or an increase in required discounting to secure orders, would reduce net realisable value and could lead to write-downs. A decrease in estimated sales price of about 20% would result in zero headroom, all else equal.
- A delay in expected order intake or delivery compared with management’s assumptions would increase the impact of discounting and may result in a lower NRV. A delay of 12 months compared to estimated timing of sale would result in zero headroom, all else equal.
- An increase in the discount rate applied to expected future cash inflows would reduce the present value of those cash flows and negatively impact inventory valuation. The discount rate used in the analysis equals the post-tax WACC used in the annual impairment test of CGUs for Alkaline Electrolyser of 13.6%. An increase in discount rate of about 5%-points compared to estimates would result in zero headroom, all else equal.

Market developments, customer demand and order intake patterns are continuously monitored. Where assumptions change, inventory valuations are updated accordingly in the period in which new information becomes available.

4.2 Trade receivables

Trade receivables are initially recognised at their transaction price, i.e. the amount of consideration to which Nel expects to be entitled for transferring the promised goods or services to the customer. Trade receivables are subsequently accounted for at amortised cost and are reviewed for impairment on an ongoing basis. Trade receivables are generally not discounted. Trade receivables are presented net of expected credit losses. Changes in the expected credit loss are recognised within other operating expenses in the statement of comprehensive income.

(Amounts in NOK thousands)	2025	2024
Receivables from third-party customers	290 413	777 685
Gross trade receivables	**290 413**	**777 685**
Allowance for expected credit losses	-49 501	-77 006
Balance as of 31.12.	**240 913**	**700 679**

Trade receivables are non-interest bearing and are generally on terms 30 to 60 days

Movements in the allowance for impairment in respect of trade receivables

(Amounts in NOK thousands)	2025	2024
Balance as of 01.01.	77 006	31 557
Discontinued operation	0	-22 408
Net remeasurement of loss allowance	-27 505	67 857
Balance as of 31.12.	**49 501**	**77 006**

The decrease in trade receivables is cause by Nel accepting the former delivered goods as settlement for the outstanding receivables. This reduced trade receivables and increased inventory by approximately NOK 362 million. These goods remain unsold and are still held in inventory at the end of 2025. Refer to note 4.1. The remeasurement of loss allowance current year is due to the derecognition of mentioned related gross trade receivables in the same period.

See Note 6.1 on credit risk of trade receivables, which explains how the group manages and measures expected credit loss of trade receivables that are neither past due nor impaired.

Nel recognises loss allowances for 'Expected Credit Loss' (ECL) on:

a) Financial assets measured at amortised cost; and

b) Contract assets

Loss allowance for trade receivables and contract assets is always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to Nel in accordance with the contract and the cash flows that Nel expects to receive).

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

4.3 Prepaid expenses and other current assets

(Amounts in NOK thousands)	2025	2024
VAT net receivable	20 691	32 034
Short-term investments	11 733	0
Prepayments	104 448	230 731
Other current assets	3 440	7 052
Fair value of derivatives	2 137	3 451
Balance as of 31.12.	**142 449**	**273 269**

Prepayments include payments made to suppliers in advance of receiving control of goods. The advances represent payments for purchase orders where the goods will be received in a subsequent period.

Short-term investments include shareholdings in Cavendish Hydrogen ASA. Current period include a net decline in fair value of the shareholdings of NOK 6 million.

4.4 Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and all other monetary items due within three months or less.

(Amounts in NOK thousands)	2025	2024
Cash and cash equivalents	1 610 467	1 856 388
Restricted bank deposits for employees withheld taxes at 31.12	6 991	19 193
Balance as of 31.12.	**1 617 458**	**1 875 580**

(Amounts in NOK thousands)	2025	2024
Norwegian Kroner	1 514 045	1 797 534
US Dollars	61 296	55 827
Euro	19 669	10 835
GB Pounds	22 424	11 379
Polish Zloty	24	6
Balance as of 31.12.	**1 617 458**	**1 875 580**

Cash and cash equivalents are 94% (96%) in the Norwegian Krone (NOK) at the end of 2025. NOK 1 122 million is placed in 30-days locked interest accounts in a portfolio of banks.

5.1 Share capital and shareholders

Share capital

The share capital comprises the number of shares multiplied by their par value and are classified as equity. Expenses which can be attributed directly to the issue of new shares or options (less tax) are recognised in equity as a reduction in the proceeds received.

As of 31 December 2025, the group's share capital was NOK 367.7 (334.3) million, consisting of 1 838 457 834 (1 671 325 304) shares each with a par value of NOK 0.20 (0.20).

The parent company has only one share class and no special regulations relating to the shares; thus, one share represents one vote.

As of 31 December 2025, Nel ASA owns 418 033 treasury shares which are recognised at par value NOK 0.20 within ‘treasury shares’ as a reduction of share capital and total equity.

Shareholders as of 31.12.2025	Country	Number of shares	Ownership
Samsung E&A Co., Ltd.	South Korea	167 132 530	9.09%
The Vanguard Group, Inc.	United States	63 723 459	3.47%
Folketrygdfondet	Norway	17 504 862	0.95%
Van Eck Associates Corp.	United States	13 770 033	0.75%
green benefit AG	Germany	11 701 286	0.64%
Global X Management Co. LLC	United States	10 970 647	0.60%
Legal & General Investment Management Ltd.	United Kingdom	10 206 392	0.56%
Invesco Capital Management LLC	United States	8 557 062	0.47%
Montpensier Arbevel SAS	France	7 179 070	0.39%
Global X Management Co. (UK) Ltd.	United Kingdom	4 369 215	0.24%
Dimensional Fund Advisors LP	United States	3 593 045	0.20%
Charles Schwab Investment Management, Inc.	United States	3 562 908	0.19%
LLB Invest Kapitalanlagegesellschaft mbH	Austria	3 500 000	0.19%
Storebrand Asset Management AS	Norway	2 838 805	0.15%
Hanwha Asset Management Co., Ltd.	South Korea	2 831 715	0.15%
Renta 4 Gestora SGIIC SA	Spain	2 749 713	0.15%
KB Asset Management Co. Ltd.	South Korea	2 730 526	0.15%
Vanguard Fiduciary Trust Co.	United States	1 890 334	0.10%
Raiffeisen Kapitalanlage-Gesellschaft mbH	Austria	1 764 000	0.10%
Global X Management (AUS) Ltd.	Australia	1 746 864	0.10%
Total 20 largest shareholders		**342 322 466**	**18.62%**
Total remaining shareholders		**1 496 135 368**	**81.38%**
Total number of shares		**1 838 457 834**	**100.00%**

5.2 Long-term debt

The reconciliation of lease liabilities arising from financing activities and maturity analysis for lease liabilities are disclosed in note 3.3 leases.

5.3 Deferred income

(Amount in NOK thousands)	2025	2024
Government grants	60 488	69 279
TOTAL deferred income	**60 488**	**69 279**

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grants relate to an expense item, it is normally recognised as other operating income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Grants received that relate to an acquisition or development of assets has been presented "gross" in Nel's financial statements. A gross presentation entails that the grant received is presented separately as deferred income. The deferred income is presented as a non-current liability and is amortised over the useful life of the related asset. The amortised part of the deferred income is presented as other operating income in the statement of comprehensive income.

(Amounts in NOK thousands)	2025	2024
As of 31.12.	69 279	66 243
Grants received	6 215	23 247
Income recognised within 'other income' in 2025 (note 2.2)	-15 005	-4 570
Discontinued operation	0	-15 642
As of 31.12.	**60 488**	**69 279**

The aging schedule shows the remaining governments grants divided in the year the grants was initially received.

Deferred income aging schedule	<2022	2022	2023	2024	2025	SUM
Government grants as of 31.12.2025	15 972	6 016	6 924	21 024	10 553	**60 488**
Government grants as of 31.12.2024	37 476	4 489	8 636	18 677		69 279

The table below show the split of deferred income (government grant) per operating segment.

Operating segment	Country	2025	2024
Nel Alkaline Electrolyser	Norway	60 488	69 279
Balance as of 31.12.		**60 488**	**69 279**

The group is not aware of any unfulfilled conditions associated with these grants.

5.4 Other liabilities

Other current liabilities

(Amounts in NOK thousands)	2025	2024
Vacation allowance and other salary related accruals	46 786	60 500
Public duties payable	32 705	44 462
Other current liabilities	47 685	59 596
Fair value of derivatives	128	9 237
Balance as of 31.12.	**127 304**	**173 795**

Other non-current liabilities

(Amounts in NOK thousands)	2025	2024
Other non-current liabilities	8 251	5 263
Balance as of 31.12.	**8 251**	**5 263**

5.5 Provisions

Provisions, contingent liabilities and contingent assets

The group makes provisions when a legal or constructive obligation exists as a result of past events, it is more likely than not that a transfer of financial resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated. When the group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. When the effect is significant, provisions are calculated by discounting expected cash flows at a pre-tax rate that reflects the time value of money and if appropriate the risks specific to the liability. Increase in provisions as a result of time passing, is presented as interest expense.

Information regarding significant contingent liabilities is disclosed. A contingent asset is not recognised, but information is disclosed if there is a possibility that a significant advantage will accrue to the group.

(Amounts in thousands)	Accrued warranty	Employee benefits	Onerous contracts	TOTAL
As of 01.01.2024	**59 812**	**46 458**	**25 446**	**131 717**
Additions	24 562	26 602	7 518	58 682
Used during the year	-15 721	-22 904	-18 818	-57 443
Reversal of unused provisions	0	-1 519	0	-1 519
Discontinued operation	-24 355	-14 640	-6 164	-45 159
Foreign currency translation	1 180	1 517	674	3 371
As of 31.12.2024	**45 478**	**35 515**	**8 657**	**89 650**
Additions	14 205	41 993	6 909	63 108
Used during the year	-1 238	-30 496	-4 766	-36 500
Reversal of unused provisions	-15 089	-1 549	-927	-17 565
Foreign currency translation	-1 207	-1 552	-690	-3 448
As of 31.12.2025	**42 149**	**43 912**	**9 183**	**95 244**

Accrued warranty

The groups warranty to customers is limited to replacement parts and services and generally expires one year from the date of shipment or contract completion. Such warranties are limited in time, for most products not exceeding 12 months. Warranty is based on both contractual commitments and caused by liability under background law.

Estimated warranty obligations are recorded in the period in which the related revenue is recognised or when a project is installed or commissioned. The group quantifies and records an estimate for warranty related costs, which is principally based on historical experience. The accounting for warranties requires the Group to make assumptions and apply judgments when estimating product failure rates and expected material and labour costs. The group adjusts accruals as warranty claim data and historical experience warrant. If actual results are not consistent with the assumptions and judgments used to calculate the warranty liability because either failure rates or repair costs differ from the groups assumptions, the group may be exposed to gains or losses that could be material. Accrued warranty provision is based on experience assumptions and provision comprises a percentage of revenue from contracts with customers, in the range of 3% to 5%.

Employee benefits

Nel has short term incentive bonuses in place for all employees. The provision for bonus incurred in 2025 to be finally measured and paid in 2026 is 37 NOK (36) million. Provision for termination benefits included amounts to NOK 7 million as of 31.12.2025.

In addition, the employee benefits include provision for social security on stock options for social security payable in Norway, calculated at the intrinsic value at year end. The provision fluctuates with the number of active options, timing of exercise and Nel ASA share price. See note 2.5 for further information on share option program.

Settlement and claims

Settlement and claims comprise disputes, claims and fines where cash outflow is assessed probable (more likely that not to occur). At the end of 2025, Nel have no provisions for settlement and claims.

Onerous contracts

An onerous contract is a contract in which the unavoidable costs (i.e. the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfil it) exceed the economic benefits expected to be received under the contract. For all contracts that are onerous, the present obligation under the contract is recognised and measured as a provision.

6.1 Operational risk factors

Objectives, policies and processes for managing capital

The group's objective is to manage the capital structure to safeguard its ability to continue as a going concern, develop the business to provide long-term returns for shareholders and provide benefits for other stakeholders. The group sets and adjusts the targeted size of capital based on business strategy, risk and financial market conditions. The risk assessment includes risk associated with market development, product development and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of new share issue or increase the debt by taking up loans. A failure to adequately assess the capital structure requirements of its business or inability to deliver on the targeted capital structure may have a material adverse effect on Nel.

Technological change

The renewable hydrogen industry in which Nel operates targets markets where abatement of climate emissions is hard. While many applications currently have no credible alternative for large-scale decarbonization other than using renewable hydrogen, there is a risk that other technologies may emerge that better addresses climate change. The renewable hydrogen market relies on continued availability of renewable energy at acceptable costs. Disruptions in the value chain for renewable energy assets or an insufficient build-out rate of renewable energy may significantly delay the market potential for renewable hydrogen.

Along with the significant market potential of the renewable hydrogen market comes increased competition. This also results in increased activity n research and development across the hydrogen industry. Nel’s electrolyser technology consist of both Alkaline and PEM. Currently, Nel’s Alkaline technology platform presents the advantage of having the better solution for large scale installations based on lowest cost and the highest efficiency. Nel’s PEM technology platform has the advantage of being more compact and easier to integrate into turnkey deliveries and having a dynamic response suitable for intermittent operation, making it a better solution for small- and mid-sized installations. Both technology platforms require continued development and cost reduction efforts to become commercially viable in large market segments without government incentives.

It is a risk that one or both existing technologies in Nel becomes obsolete, or that competitors develop fundamentally better versions of PEM or Alkaline technology. In addition, Nel continuously monitors the developments and possibilities of a disruptive technology emerging. Today, Anion Exchange Membrane (AEM) and Solid Oxide (SOEL) represent possible disruptors. While all technologies can potentially co-exist, the competing technology and sharing market potential, including the required investment in new technology constitutes a material risk for Nel.

There are risks associated with technological change, both related to technological elements within the field of hydrogen as well as technological elements outside the field of hydrogen that potentially could make renewable hydrogen less relevant for the future.

If any of these circumstances materialize in a negative direction, it may have a significant adverse effect on the group’s business, prospects, financial results or results of operations.

Expansion risk

The uneven pace of Nel's anticipated expansion in facilities, staff and operations may place serious demands on the group’s managerial, technical, financial, and other resources. The organisation is currently relatively small and there is no guarantee that the group will be able to build a capable organisation at a speed that is required to meet the demands of its customers or potential customers. Nel's failure to manage its growth effectively or to implement its strategy in a timely manner may significantly harm its ability to achieve profitability.

Dependence of third parties in manufacturing

The group’s electrolyser manufacturing operations rely on external subcontractors and suppliers of services and goods. This operating model inherently contains a risk to the group’s ability to deliver to customers, its goodwill and branding. If suppliers fail to deliver or to meet agreed or generally accepted standards in areas such as environmental compliance, human rights, labor relations and product quality, this could have a significant adverse effect on the group’s business, prospects, financial results and results of operations.

The company aims to address reputational risk through supplier selection. The majority of the external spending is directed towards large industrial companies with full ISO compliance and smaller vendors that are in compliance with local legislation. Further, Nel conducts regular quality reviews, including production site visits for risk assessment.

Nel is dependent on a limited number of third-party sub-suppliers for its electrolyser equipment. Contract manufactured or purchased components are designed and selected in order to reduce the risk of a critical supply situation. However, if Nel fails to develop or maintain its relationship with its suppliers or such suppliers are prevented from supplying, Nel may be unable to deliver at the agreed time, quality and cost and may experience order cancellations, additional costs, customer claims and loss of market share. To reduce the sourcing risk Nel’s supply chain strategy is to have dual supply chains on all components. Nel currently has few components with single source. Another supply chain risk is whether the suppliers can follow the expected growth of the industry. In addition to making its current supply chain more robust, Nel is working to facilitate increasing volumes from important sub-suppliers.

Project risk

Nel participates in large commercial projects. Large commercial projects are subject to risks of delay and cost overruns inherent in any large construction project from numerous factors, including:

- unexpectedly long delivery times for, or shortages of, key equipment, parts and materials;
- unforeseen design and engineering problems leading to delays;
- labor disputes and work stoppages;
- HSE accidents/incidents or other safety hazards;
- disputes with suppliers;
- last minute changes to the customer's specifications;
- adverse weather conditions or any other force majeure events; and
- inability or delay in obtaining regulatory approvals or permits

Failure to complete a commercial project on time may result in delays, renegotiation or cancellation of the contract. Further, significant delays could have a negative impact on Nel's reputation and customer relationships. Nel could also be exposed to contractual penalties for failure to complete the project and commence operations in a timely manner, all of which would aadversely affect Nel's business, financial condition and results of operations.

Key personnel

The successful development and performance of the group’s business depend on the group’s ability to attract and retain skilled professionals with appropriate experience and expertise. Further, if the group loses the service of its senior management or key personnel, it may not be able to execute its business strategy. There is no assurance that the group will be able to attract or retain such personnel on acceptable terms or at all. Any failure to attract or retain such personnel could have a material adverse effect on the group’s business and operations.

Customer risk

Nel's ability to grow and generate incremental revenue depends on its ability to successfully acquire new customers, and to maintain and grow its relationships with existing customers. There can be no assurance that Nel will be able to secure new customers, or maintain its relationship with existing customers, in the future. Further, a number of Nel's existing and potential customers are themselves planning substantial growth, and should these customers fail to succeed with their business plans or fail to fulfill their contracts with Nel, Nel's sales to such customers may be adversely affected, and Nel's revenues and results may suffer as a result.

Intellectual property rights

Nel seeks to protect important proprietary manufacturing processes, documentation and other written materials, and other intellectual property primarily under patent, trade secret and copyright laws. It also typically requires employees, consultants and companies that have access to its proprietary information to execute confidentiality agreements. The steps taken by Nel to protect its proprietary information may not be adequate to prevent misappropriation of its technology. In addition, Nel’s proprietary rights may not be adequately protected because:

- Third parties may not be deterred from misappropriating their technologies despite the existence of laws or contracts prohibiting misappropriation:
- policing unauthorised use of Nel's intellectual property is difficult, expensive and time-consuming, and the group may be unable to determine the extent of any unauthorised use; and
- the laws and legislation of countries in which the group sells or plans to sell its products may offer little or no protection for its proprietary technologies.

Unauthorised copying or other misappropriation of Nel's proprietary technologies could enable third parties to benefit from its technologies without paying for doing so. Any inability to adequately protect its proprietary rights could harm the group's ability to compete, to generate revenue and to grow its business. This could have a significant adverse effect on the group's business, prospects, financial results and results of operations.

Some of the group's patents are due to expire within the next couple of years, which means that the group will lose the sole right to certain technology in certain areas. Although the company believes that this will have little effect on the company's competitive position, no assurance can be made to this point.

The group may not obtain sufficient patent protection on the technology embodied in its products and production processes, which could significantly harm its competitive position. Patents may provide only limited protection for its technology and may not be sufficient to provide competitive advantages. For example, competitors could be successful in challenging any issued patents or, alternatively, could develop similar or more advantageous technologies on their own or design around the group's patents. Also, patent protection in certain countries may not be available, be limited in scope and/or not be readily enforceable, making it difficult for the group to effectively protect its intellectual property from misuse or infringement. Any inability to obtain and enforce intellectual property rights could have a significant adverse effect on the group's business, prospects, financial results and results of operations. In addition, given the costs of obtaining patent protection and the sometimes limited potential for protection, the group may choose not to protect certain innovations that later turn out to be important. There is also a general risk that the group receives information subject to confidentiality agreements, regarding other parties' know-how and trade secrets in relation to technology which may hinder the group from development of similar intellectual assets.

Adverse publicity and product liability

Product liability claims against the group could result in adverse publicity and potentially monetary damage. It is possible that its products could result in injury, whether by product malfunctions, defects, improper installation or other causes. The successful assertion of product liability claims against the group could result in potentially significant monetary damage, which could have a significant adverse effect on the group's business, prospects, financial results and results of operations.

6.2 Financial risk factors

The key financial risks the group is exposed to are related to liquidity, currency, interest rate, and credit risk.

Liquidity risk

Liquidity risk is the potential loss that occurs when the group fails to fulfil its contractual obligations when they fall due. Nel is operating in a fast-growing, emerging market, with a long list of initiatives in many regions. The need to address growth opportunities ahead ofactual market demand, balanced with the need to conserve cash, is a continual challenge. The timing of addressing such elements and risks is important. Moving too fast could result in an unnecessarily high cost level, with cash requirements beyond the current financing plan.

However, the group has a strong liquidity position, NOK 1 617 million, as per 31.12.2025. The strong cash position is a good basis for the group's growth strategy. The group monitors its risks associated with lack of capital up against the company's planned activities.

The group will, if necessary, attempt to raise capital through private placements, debt financing, partnerships, and strategic alliances or from other sources. The group may fail to raise capital on acceptable terms, or not do it at all, and this can result in a liquidation of the group.

Currency risk

Nel operates internationally and is subject to currency risks arising from foreign currency transactions and exposures. As the group presents its consolidated results in NOK, any change in exchange rates between NOK and its subsidiaries' functional currencies, primarily with respect to changes in USD, affects its consolidated statement of income and consolidated statement of financial position. As the group expands its operations with projects in new markets the currency risk exposure increases.

The group is on an overall level managed as a NOK company for currency risk management purposes with primary focus on NOK cash flow.

The group's gross foreign currency risk exposure is significant, with the majority of revenue and expenses denominated in foreign currency. The group mitigates the currency risk exposure by entering into forward currency contracts with financial institutions. The group has a residual net currency risk exposure considering hedging which is considered low to medium.

Currency fluctuation effects on net profit of the year:

Profit and loss			**Changes in exchange rate NOK/foreign currencies**			
Net profit in foreign currencies	**Value in currency**	**Value in NOK**	**-10%**	**-5%**	**+5%**	**+10%**
DKK	-1 668	-2 600	260	130	-130	-260
USD	-11 569	-124 293	12 429	6 215	-6 215	-12 429
SEK	-74 101	-75 390	7 539	3 770	-3 770	-7 539
GBP	1 183	16 256	-1 626	-813	813	1 626
EUR	-939	-10 915	1 091	546	-546	-1 091
Effect on net income (loss)			**19 694**	**9 847**	**-9 847**	**-19 694**

Profit and loss			Changes in exchange rate NOK/foreign currencies			
Statement of financial position						
Net receivables/liabilities in foreign currencies						
USD	1 029	11 684	-1 168	-584	584	1 168
SEK	-3 273	-3 369	337	168	-168	-337
GBP	263	3 738	-374	-187	187	374
EUR	11 664	137 581	-13 758	-6 879	6 879	13 758
Effect on net income (loss)			**-14 960**	**-7 480**	**7 480**	**14 960**
Total effect on Net income (loss) and Equity			**4 735**	**2 367**	**-2 367**	**-4 735**

The table shows the gross foreign currency exposure based on each entity in the group's functional currency, before hedging. Nel's hedging strategy and designated instruments are elaborated and disclosed in note 6.5. The figures exclude translation of intercompany loans in Nel ASA.

Interest rate risk

The group does not have any interest-bearing long-term debt. Due to the low amount of debt in the group it is assessed that a change in interest rates will not have a material effect on the financial statements.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Nel is exposed to credit risk from its operating activities (primarily trade receivables and contract assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

Expected credit loss assessment

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a factor method based on the probability of receivables progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics - geographic region, age of customer relationship and type of products purchased.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as of 31 December 2025 and 2024.

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.

2025	Weighted-average loss rate	Gross carrying amount	Loss allowance	
Current (not past due)	0.1 %	62 306	93	
1-30 days past due	0.2 %	52 469	131	
31-60 days past due	1.0 %	40 399	404	
61-90 days past due	5.0 %	836	42	
91 days to one year past due	35.8 %	129 474	46 367	
More than one year past due	50.0 %	4 929	2 464	
Total		**290 413**	**49 501**	**17.0 %**

2024	Weighted-average loss rate	Gross carrying amount	Loss allowance	
Current (not past due)	0.1 %	186 526	31 775	
1-30 days past due	0.2 %	127 316	318	
31-60 days past due	0.5 %	4 990	27	
61-90 days past due	2.0 %	4 330	89	
91 days to one year past due	30.0 %	51 269	15 381	
More than one year past due	7.3 %	403 254	29 416	
Total		**777 685**	**77 006**	**9.9 %**

The remeasurement of loss allowance current year is due to the derecognition of related gross trade receivables (more than one year past due in 2024) in the same period.

6.3 Market risk factors

Market development risk

Significant markets for renewable hydrogen products or renewable energy as a major source for hydrogen production may develop more slowly than the group anticipates. This would significantly harm Nel's revenues and may cause Nel to be unable to recover the expenditure it has incurred and expects to incur in terms of the development and industrialization of its products.

Regulatory issues

The group's operations are subject to numerous environmental requirements. Such laws and regulations govern, among other matters, air pollution emissions, wastewater discharges, solid and hazardous waste management, and the use, composition, handling, distribution and transportation of hazardous materials. Many of these laws and regulations are becoming increasingly stringent. The cost of compliance with these requirements can be expected to increase over time.

The group's electrolyser production depends on discharge permits. From time to time, breaches of the allowed emission limits set out in such permits may occur. If such limits of the relevant permits should be exceeded or the permits adjusted or revoked, this may have a significant effect on the group's operations and results, as the group may be ordered to permanently or temporarily halt production, be subject to fines and/or need to take additional costs to undertake corrective measures.

The group cannot predict the impact of new or changed laws or regulations relating to health, safety, the environment or other concerns or changes in the ways that such laws or regulations are administered, interpreted or enforced. To the extent that any of these requirements impose substantial costs or constrain the group's ability to expand or change its processes, the group's business, prospects, financial results and results of operations could suffer.

The renewable hydrogen industry is in its development phase and is not currently subject to industry specific government regulations in the European Union, Asia and the United States, as well as other jurisdictions, relating to matters such as design, storage, transportation and installation of renewable hydrogen infrastructure products. However, given that the production of electrical energy has typically been an area of significant government regulation, the Company expects it will encounter industry specific government regulations in the future in the jurisdictions and markets in which it operates. For example, regulatory approvals or permits may be required for the design, installation and operation of Nel's products. To the extent there are delays in gaining such regulatory approval, Nel's development and growth may be constrained. Nel's business will suffer if environmental policies change and no longer encourage the development and growth of clean power technologies.

Nel depends substantially on government subsidies. Political developments could lead to a material deterioration of the conditions for, or a discontinuation of, the subsidies for its technology. It is also possible that government financial support for Nel's technology will be subject to judicial review and determined to be in violation of applicable constitutional or legal requirements or be significantly reduced or discontinued for other reasons. Without government subsidies, or with reduced government subsidies, the availability of profitable investment opportunities for Nel would be significantly lower, which could have a material adverse effect on Nel's business, financial condition, results of operations and cash flows.

Competition

The group competes with a large number of competitors. Many competitors are developing and are currently producing products based on technologies that may have costs similar to, or lower than, the group's projected costs. Many of the group's existing and potential competitors may have longer operating histories, greater name recognition, structurally better cost positions through geographical location or agreements with local authorities (including direct and indirect subsidies), better access to skilled personnel, better access to research and development partners, access to larger customer bases and significantly greater financial, sales and marketing, manufacturing, distribution, technical and other resources than the group. As a result, they may be able to respond more quickly than the group to the changing customer demands or to devote greater resources to the development, promotion and sales of their products. The group's business relies on sales of its products, and competitors with more diversified product offerings may be better positioned to withstand a decline in the demand for products of the types that the group offers. It is possible that new competitors or alliances among existing competitors could emerge and rapidly acquire a significant market share, which would harm the group's business. If the group fails to compete successfully, it could have a significant adverse effect on the group's business, prospects, financial results and results of operations.

6.4 Climate-related risks and opportunities

Climate-related opportunities

Nel is a pure play renewable hydrogen company. Climate-related opportunities are the company's only opportunities. Climate-related opportunities are the driver for the revenue and activity growth included in the company's impairment tests. In addition, the climate-related opportunities also impact the assessment of probable future economic benefits from capitalised technology development.

Climate-related risks

The company pursue solely climate-related opportunities; therefore, the company does not have any transformation of any legacy business negatively impacted by the climate-related scenarios. Further analysis of the climate-related risks below:

Regulatory risks and Geopolitics

While climate change is the megatrend, the anticipated role of renewable hydrogen as a sustainable activity contributing to climate change mitigation could change. How geopolitics will impact and shape climate policies going forward constitutes a risk for Nel. We would not be significantly impacted by the introduction of a potential carbon tax or restrictions on the use of carbon-intensive assets. Further, we do not consume products from conflict areas and our consumption of rare materials is limited. However, we identify opportunities in the enactment of a low carbon economy.

Reputation Risk

Nel recognizes the importance of maintaining a strong brand in the developing renewable hydrogen industry. Reputational risk comprises: i) any damage to brand value that will cause lost opportunities, ii) challenges in recruiting and retaining talent that in turn could halt technology developments and damage customer experience, and iii) challenges in attracting investors due to damaged reputation which could affect the going concern status of the group.

Physical Risk

None of our manufacturing facilities are located in environments overly exposed to physical risks. Relatedly, our facilities are not located in the areas most exposed to sustained long-term shifts in climate patterns. However, our delivered solutions require continuous access to water and electricity, a shortage of which could impact our products' performance.

6.5 Hedge accounting

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Derivatives are both initially and subsequently to initial recognition measured at fair value, and changes therein are generally recognised in profit or loss.

The group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with firm commitments and highly probable forecast transactions arising from changes in foreign exchange rates. At the inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or a highly probable forecast transaction. Nel accounts for a hedge of foreign currency risk as a cash flow hedge, including also exposures to an unrecognised firm commitment. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The group designates the currency forward contracts on a 'forward basis', which includes both the spot element and the forward element. Then the full fair value of the hedging instrument is used in measuring ineffectiveness. The amount accumulated in the hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until it is reclassified to profit or loss in the same period or periods as the hedged expected cash flows affect profit or loss.

The Group is exposed to certain risk relating to its ongoing business operations. In 2025, foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of firm sale commitment in Euro and British pound. In addition, highly probably forecast transactions in Euro.

The foreign exchange forward contract balances vary in particular with the magnitude of firm commitment foreign currency sales and changes in foreign exchange forward rates.

As of 31 December 2025, the Group held the following instruments to hedge exposures to changes in foreign currency.

Maturity/ Hedging instruments		2026-Q1	2026-Q2	2026-Q3	2026-Q4	Total
GBP	GBP forward contracts, net	386	0	387	0	773
	Average NOK:GBP forward contracts rate	13.5	0.0	13.5	0.0	13.5
	Hedged NOK, net (nominal amount)	5 207	0	5 223	0	10 430
	Fair value GBP forward contracts	-39	0	-45	0	-83
EUR	EUR forward contracts, net	1 772	643	0	380	2 796
	Average NOK:EUR forward contracts rate	12.2	12.0	0.0	12.2	12.2
	Hedged NOK, net (nominal amount)	21 682	7 701	0	4 621	34 004
	Fair value EUR forward contracts	623	29	0	46	698
TOTAL hedged NOK, net (nominal amount)		**26 889**	**7 701**	**5 223**	**4 621**	**44 434**
TOTAL fair value, NOK		**584**	**29**	**-45**	**46**	**615**

The effects that hedge accounting has had on the statement of financial position, statement of profit or loss and OCI and statement of changes in equity

Hedging instruments are measured at fair value and recognised in the statement of financial position as either an asset or a liability depending on the whether the instrument has a positive or negative value. The fair values recognised represents unrealised gains/losses driven by the changes in foreign exchange rates.

Statement of financial position

The table below show the fair value of forward exchange contracts designated as hedging instruments in the statement of financial position.

(amounts in NOK thousands)	Current assets	Non-current assets	Other current liabilites	Non-current liabilities	TOTAL
Type of hedge items					
Revenue	3 452	0	-7 477	0	-4 025
As of 31.12.2024	**3 452**	**0**	**-7 477**	**0**	**-4 025**
Revenue	743	0	-128	0	615
As of 31.12.2025	**743**	**0**	**-128**	**0**	**615**

Profit or loss and OCI

The table below includes the reconciliation of movements in hedging reserve, cash flow hedges, in OCI during the year.

(amounts in NOK thousands)	Revenue	Raw materials	Finance costs	TOTAL
As of 01.01.2024	**13 350**	**-6 070**	**0**	**7 279**
Effective portion of changes in fair value	-47 623	10 084	-14 570	-52 108
Reclassified to profit or loss	-4 438	0	14 570	10 132
Reclassified to statement of financial positions (basis adjustment)	37 126	-4 014	0	33 112
As of 01.01.2025	**-1 585**	**0**	**0**	**-1 585**
Effective portion of changes in fair value	2 821	0	0	2 821
Reclassified to profit or loss	-9 092	0	0	-9 092
Reclassified to statement of financial positions (basis adjustment)	9 901	0	0	9 901
As of 31.12.2025	**2 045**	**0**	**0**	**2 045**

During the year, a hedging loss of NOK -5.0 (4.4) million has been realised and reclassified to profit or loss within 'Revenue from contracts with customers'. The timeline below illustrates when the unrealised changes in fair value of the foreign currency forward contracts may be reclassified to profit or loss and statement of financial position.

(amounts in NOK thousands)	2025	2026	2027	2028	TOTAL
Revenue	-1 585	0	0	0	-1 585
As of 31.12.2024					**-1 585**
Revenue		2 045	0	0	2 045
As of 31.12.2025					**2 045**

Economic relationship and effectiveness

The hedged item creates an exposure to buy a foreign currency and sell the functional currency. The forward contract is to sell foreign currency and buy the functional currency. As the hedged exposure is exactly matched by the currency leg of the forward contract (i.e. they are the same amount of currency with the same payment date), there is a clear economic relationship between the hedging instrument and the hedged item. Hedging less than 100 % is considered when natural hedge positions could occur during the hedging period, or to limit the risk of over-hedging given the inherent uncertainties in any estimated cash flow.

If there's no change in the hedge item cash magnitude (e.g. contract termination or amendment) the hedge would be effective as long as the timing of the hedge instrument and hedge item are aligned. The company has recognised ineffectiveness in the income statement in 2025 of about NOK 0 (2) million in finance costs. The Group does not have any fair value hedge or net investment hedge.

6.6 Financial instruments

Nel uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Inputs are quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2: The fair value of financial instruments that are not quoted in an active market is determined using valuation techniques which maximise the use of observable market price and rely as little as possible on entity-specific estimates.

Level 3: Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial instruments and fair values

2025	Fair value - hedging instruments	Mandatorily at FVTPL - others	Total	Level 1	Level 2	Total
ASSETS						
Financial assets measured at fair value						
Forward exchange contracts used for hedging	743		**743**		743	**743**
Financial asset - equity instruments		11 733	**11 733**	11 733		**11 733**
SUM	**743**	**11 733**	**12 476**	**11 733**	**743**	**12 476**
LIABILITIES						
Financial liabilities measured at fair value						
Forward exchange contracts	-128		**-128**		-128	**-128**
SUM	**-128**		**-128**		**-128**	**-128**

2024	Fair value - hedging instruments	Total	Level 2	Total
ASSETS				
Financial assets measured at fair value				
Forward exchange contracts	3 452	**3 452**	3 452	**3 452**
SUM	**3 452**	**3 452**	**3 452**	**3 452**
LIABILITIES				
Financial liabilities measured at fair value				
Forward exchange contracts	-7 477	**-7 477**	-7 477	**-7 477**
SUM	**-7 477**	**-7 477**	**-7 477**	**-7 477**

The management assessed that cash and short-term deposits, trade receivables, other current assets, trade payables and other current liabilities' carrying amounts is a reasonable approximation of their fair value largely due to the short-term maturities of these instruments.

Nel enters into forward exchange contracts with financial institutions, where the fair value of such instruments is based on valuation techniques including market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using net present value calculations. The models used incorporate various inputs, including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The valuation is performed by banks or external valuation providers.

For recurring fair value measurements using significant unobservable inputs (Level 3), the effect of the measurements on profit or loss for the period has been 0.0 (0.0) million.

6.7 Contractual commitments and commitments for investments

Nel is committed to future investments for PEM expansion in Wallingford, Connecticut, and Next-Generation Pressurized Alkaline Electrolyser in Herøya, Norway, see note 3.2 for additional information.

7.1 Composition of the group

The following subsidiaries are included in the consolidated financial statements:

Company	Country of incorporation	Main operations	Consolidated from:	Ownership/votes 2025	Ownership/votes 2024
Nel Hydrogen Electrolyser AS	Norway	Alkaline electrolysers	01.10.2015	100 %	100 %
Nel Fuel AS	Norway	Investment/holding	01.07.2015	100 %	100 %
Proton Energy Systems Inc	United States	PEM electrolysers	01.07.2017	100 %	100 %
Nel US Holding Inc	United States	Investment/holding	23.05.2024	100 %	100 %
Nel Hydrogen Electrolyser Germany GmbH	Germany	Electrolysers sales office	24.10.2022	100 %	100 %
Nel Hydrogen Electrolyser Belgium BV	Belgium	Electrolyser sales office	27.09.2021	100 %	100 %
Nel Hydrogen Chile SpA	Chile	Electrolyser sales office	01/06/2023	100 %	100 %
Nel Electrolyser Inc	United States	Electrolyser distributor	24.05.2024	100 %	100 %

All subsidiaries are 100 % owned. There is no uncertainty about control and no restrictions on the ability to access or use assets and settle liabilities in the group.

7.2 Executive management remuneration

Nel Executive Management Compensation and number of shares owned

Remuneration of management 2025	Salary	Bonus	Pension expense	Other remuneration 1)	Total remuneration	Number of shares	Ownership
Håkon Volldal, CEO[2)]	4 985	1 384	221	200	**6 789**	0	0.00 %
Kjell Christian Bjørnsen, CFO	3 412	863	221	0	**4 496**	20 000	0.00 %
Marius Løken, CTO	3 152	726	221	55	**4 153**	0	0.00 %
Mats Bohman, VP Alkaline operations[4)]	1 824	104	121	0	**2 049**	0	0.00 %
Kai Rune Heggland, former SVP Alkaline operations[3)]	2 239	273	100	2 856	**5 467**	na	0.00 %
Tushar Ghuwalewala, SVP PEM operations	2 909	345	87	5	**3 346**	0	0.00 %
Todd Cartwright, CCO	3 073	527	92	306	**3 999**	0	0.00 %
Birgitte Nordvik, CPO[4)]	2 291	243	221	0	**2 755**	0	0.00 %
Hans Hide, former CPO[3)]	2 531	464	221	3 064	**6 281**	na	0.00 %
Stein Ove Erdal, CLO	2 777	501	221	0	**3 499**	0	0.00 %
Anne Liberg, CHRO	2 212	347	221	0	**2 779**	0	0.00 %
TOTAL	**31 402**	**5 777**	**1 947**	**6 487**	**45 614**	**20 000**	**0.00 %**

1) Other remuneration is mainly related to severance pay for which amount presented is expense in the period (cash payment can be in subsequent period)
2) Has a six months' notice period, plus is entitled to six months' severance pay.
3) Left Nel December 2025
4) Joined executive management from December 2025

Remuneration of management 2024	Salary	Bonus	Pension expense	Other remuneration 1)	Total remuneration	Number of shares	Ownership
Håkon Volldal, CEO[2]	4 762	1 550	202	0	**6 514**	0	0.00 %
Kjell Christian Bjørnsen, CFO	3 152	933	202	0	**4 287**	20 000	0.00 %
Marius Løken, CTO	2 869	502	202	0	**3 573**	0	0.00 %
Esa Laukkanen, former COO[3]	3 130	620	0	1 639	**5 389**	0	0.00 %
Kai Rune Heggland, SVP Alkaline operations	2 104	103	115	0	**2 322**	8 766	0.00 %
Tushar Ghuwalewala, SVP PEM operations	2 609	364	78	0	**3 051**	0	0.00 %
Todd Cartwright, CCO	3 405	0	90	645	**4 140**	0	0.00 %
Hans Hide, CPO	2 362	419	202	0	**2 983**	30 000	0.00 %
Stein Ove Erdal, CLO	2 569	619	202	0	**3 390**	0	0.00 %
Anne Liberg, CHRO[4]	1 438	0	151	0	**1 589**	0	0.00 %
Caroline Duyckaerts, former CHRO[5]	1 412	348	142	1 457	**3 359**	0	0.00 %
TOTAL	**29 812**	**5 458**	**1 586**	**3 741**	**40 597**	**58 766**	**0.00 %**

1) Other remuneration is mainly related to severance pay
2) Has a six months' notice period, plus is entitled to six months' severance pay.
3) Left Nel end of October 2024
4) Employed in Nel from April 2024
5) Left Nel end of May 2024

The Board of Directors determines the remuneration of the CEO based on a proposal from the Remuneration Committee and approves the general terms of the company's incentive plans for Executive Management and other key employees. The CEO determines the compensation to the other members of Nel's Executive Management.

Nel's approach is to provide the CEO and other members of Nel's executive Management as well as employees with a market competitive offer for our renewable industry. The compensation should be:

- attractive to recruit and retain executives and other talents to Nel;
- market competitive in the respective locations but not market leading, fitting for our renewable industry;
- Support the creation of sustainable value to Nel's shareholders

Total compensation for each member of Executive Management is compared to the relevant market on a regular basis. Nel's remuneration of the Executive Management includes the Base Salary, Bonus, Share Option Program, Pension (defined contribution plans) and other compensation elements such as car, cell phone and internet connection.

7.3 External audit remuneration

Fees to the group auditor	2025	2024
Statutory auditing services	2 566	3 395
Attestation services	222	218
Non-auditing services	0	267
TOTAL	**2 788**	**3 880**

In addition to the fees included in the remuneration table above, the group incurred NOK 1.7 (1.9) million in 2025 of attestation services and non-auditing services provided by companies other than EY, the group auditor.

Fees to other auditors elected by subsidiaries	2025	2024
Statutory auditing services	0	0
Attestation services	1 720	1 909
Non-auditing services	0	0
TOTAL	**1 720**	**1 909**

7.4 Related parties

Executive management

Information on key management compensation is disclosed in note '7.2 executive management remuneration'.

Associated and joint ventures

Nel's significant transactions with associated companies and joint ventures are described in note 3.4 Investments in associated companies and joint ventures.

Transactions with related parties are at arm's length principles.

Board of Directors

Members of Nel's Board of Directors' remuneration and share ownership are disclosed in the tables below.

Board of Directors 2025	Board member	Audit committee	Remuneration committee	Total	Number of shares	Ownership
Arvid Moss - chair of the Board[1)]	650	0	47	**697**	0	0.00 %
Ole Enger - former chair of the Board	281	0	28	**309**	na	0.00 %
Tom Røtjer	431	0	0	**431**	0	0.00 %
Beatriz Malo de Molina	431	125	0	**556**	0	0.00 %
Charlotta Falvin	431	90	0	**521**	46 000	0.00 %
Hanne Blume	431	0	105	**536**	0	0.00 %
Jens Bjørn Staff	431	56	0	**488**	0	0.00 %
Gyu Yeon Kang[2)]	281	0	0	**281**	0	0.00 %
TOTAL	**3 369**	**271**	**180**	**3 820**	**46 000**	**0.00 %**

1) Elected as chair of the board on annual general meeting in 2025. Arvid was a board member prior to becoming the chair.
2) Elected as new member of the board on annual general meeting in 2025.

Board of Directors 2024	Remuneration	Audit committee	Remuneration committee	Total	Number of shares	Ownership
Ole Enger - Chair of the Board	731	0	75	**806**	149 462	0.01 %
Tom Røtjer	391	0	0	**391**	0	0.00 %
Beatriz Malo de Molina	391	125	0	**516**	0	0.00 %
Charlotta Falvin	391	90	0	**481**	46 000	0.00 %
Hanne Blume	391	0	105	**496**	0	0.00 %
Jens Bjørn Staff	391	0	0	**391**	0	0.00 %
Arvid Moss	391	0	0	**391**	0	0.00 %
TOTAL	**3 075**	**215**	**180**	**3 470**	**195 462**	**0.01 %**

7.5 Events after the balance sheet date

Information about the group's financial position that has occurred after the balance sheet date is disclosed if the information is considered to be significant for the group's current financial statements and future position.

7.6 Going concern

The financial statement is presented on the going concern assumption under International Financial Reporting Standards. As per the date of this report the group has sufficient working capital for its planned business activities over the next twelve-month period.

The Board of Directors confirmed on this basis that the going concern assumption is valid, and that financial statements are prepared in accordance with this assumption.

Financial statements – Parent company

Contents

Statement of comprehensive income

Amounts in NOK thousands	NOTE	2025	2024
Revenue from contracts with customers	3	86 856	103 396
Other operating income		16 599	2 192
Total revenue and operating income		**103 455**	**105 588**
Personnel expenses	4	75 372	75 715
Depreciation and amortisation	5	4 028	4 102
Other operating expenses	6	62 970	65 280
Total operating expenses		**142 370**	**145 097**
Operating loss		**-38 915**	**-39 509**
Finance income	7	133 993	205 145
Finance costs	7	-838 741	-876 204
Net financial items		**-704 748**	**-671 059**
Pre-tax income (loss)		**-743 663**	**-710 568**
Tax expense	9	14 648	0
Net income (loss) attributable to equity holders of the company		**-758 311**	**-710 568**
Other comprehensive income		0	0
Comprehensive income (loss) attributable to equity holders of the company		**-758 311**	**-710 568**
Appropriation of comprehensive income (loss) and equity transfers			
Dividends proposed		0	0
Retained earnings		-758 311	-710 568
Total appropriation		**-758 311**	**-710 568**

Statement of financial position as of 31 December

Amounts in NOK thousands	NOTE	2025	2024
Non-current assets			
Property, plant and equipment	5	4 014	7 949
Investments in subsidiaries	8	3 745 280	3 759 355
Non-current financial assets	10, 16, 17	146 350	158 750
Long-term receivables group	12	45 647	104 135
Total non-current assets		**3 941 291**	**4 030 189**
Current assets			
Trade receivables		1 449	10 410
Other current assets	10, 11, 16, 17	26 955	9 502
Cash and cash equivalents	13	1 555 758	1 830 512
Receivables group	12	199 680	238 913
Total current assets		**1 783 842**	**2 089 337**
TOTAL ASSETS		**5 725 133**	**6 119 526**

Amounts in NOK thousands	NOTE	2025	2024
Equity			
Paid in capital			
Share capital	14	367 692	334 265
Treasury shares	14	-84	-84
Share premium	14	7 914 366	7 598 562
Other capital reserves	14	70 637	68 645
Accumulated deficits / Retained earnings	14	-2 907 370	-2 149 059
Total equity		**5 445 240**	**5 852 330**
Non-current liabilities			
Lease liabilities	15	283	3 610
Long-term debt group	12	133 016	186 944
Total non-current liabilities		**133 299**	**190 554**
Current liabilities			
Trade payables		9 309	10 465
Lease liabilities	15	3 522	3 902
Provisions		12 847	7 659
Short-term liabilities group	12	90 755	13 146
Other non-current liabilities	10, 16, 17	30 160	41 470
Total current liabilities		**146 593**	**76 642**
Total liabilities		**279 892**	**267 196**
TOTAL EQUITY AND LIABILITIES		**5 725 133**	**6 119 526**

Statement of cash flows

Amounts in NOK thousands	NOTE	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		-743 663	-710 568
Adjustments for interest expense	7	397	536
Adjustments interests received	7, 12	-23 080	-41 916
Equity-settled share-based compensation expense	4	328	481
Depreciation	5	4 028	4 102
Impairment of financial assets	7	821 269	876 031
Change in fair value equity instruments		0	-23 372
Change in provisions		5 188	-388
Change in trade receivables, group receivables		48 194	-89 621
Change in trade payable and group payables		9 870	-11 499
Changes in other current assets and other liabilities		1 072	-681 676
Net cash flow from operating activities		**123 604**	**-677 890**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	0	-34
Disposal of property, plant and equipment	5	0	220
Investments in other financial assets	11	-48 144	-137 918
Proceeds from sales of other investments	11	49 252	119 682
Net cash flow from investing activities		**1 109**	**-18 051**
CASH FLOWS FROM FINANCING ACTIVITIES			
Interests paid	7	-397	-536
Gross cash flow from share issues	14	353 070	0
Transaction costs related to capital increases	14	-3 840	0
Payment of lease liabilities	15	-3 800	-3 615
Loans advanced to subsidiaries (cash pool)	12	-744 499	-673 505
Net cash flow from financing activities		**-399 466**	**-677 656**
Net change in cash and cash equivalents		**-274 754**	**-1 373 597**
Cash balance as of 01.01	13	1 830 512	3 204 108
Cash balance as of 31.12	**13**	**1 555 758**	**1 830 512**

Statement of changes in equity

Amounts in NOK thousands	Share capital	Share premium	Other reserve	Treasury shares	Retained earnings	Total equity
Equity as of 31.12.2023	**334 265**	**8 661 089**	**65 927**	**-84**	**-1 438 491**	**7 622 706**
Increase of capital 2024						**0**
Options and share program			2 719			**2 719**
Distribution of shares in Cavendish Hydrogen ASA (Note 7)		-1 062 527				**-1 062 527**
Total comprehensive income					-710 568	**-710 568**
Equity as of 31.12.2024	**334 265**	**7 598 562**	**68 646**	**-84**	**-2 149 059**	**5 852 330**
Increase of capital 2025	33 427	315 804				**349 230**
Options and share program			1 992			**1 992**
Total comprehensive income					-758 311	**-758 311**
Equity as of 31.12.2025	**367 691**	**7 914 366**	**70 638**	**-84**	**-2 907 370**	**5 445 240**

Note 1 Corporate information

Nel ASA (Nel) is a global, dedicated hydrogen company, delivering optimal solutions to produce, store and distribute hydrogen from renewable energy. The company is domiciled in Norway. The company specializes in electrolyser technology for production of renewable hydrogen, and hydrogen fueling equipment for road-going vehicles. Nel's product offerings are key enablers for a renewable hydrogen economy, making it possible to decarbonize various industries such as transportation, refining, steel, and ammonia.

The group has two divisions: Nel PEM Electrolyser and Nel Alkaline Electrolyser.

Nel ASA (org. no 979 938 799) was formed in 1998 and is a Norwegian public limited company listed on the Oslo Stock Exchange. The company's head office is in Karenslyst allé 49, N-0279 Oslo, Norway. The parent company financial statements were approved by the Board of Directors on 25 February 2026.

Note 2 Basis for preparation and significant accounting principles

Statement of compliance

The financial statements of Nel ASA have been prepared and presented in accordance with simplified IFRS pursuant to section 3-9 of the Norwegian Accounting Act.

Basis for preparation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are measured at fair value. The financial statements and accompanying notes are presented in NOK thousands. As a result of rounding differences, numbers or percentages may not add up to the total. Numbers in brackets are comparable amounts, in NOK million.

Accounting estimates and judgements

In preparing the financial statements, assumptions and estimates that have had effect on the amounts and presentation of assets and liabilities, income and expenses and contingent liabilities must be made. Actual results could differ from these assumptions and estimates.

Foreign currency translation

The functional currency and presentation currency of the company is Norwegian kroner (NOK). Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical cost expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date.

Changes in accounting policies

A few amendments to IFRS have been implemented for the first time in 2025. The amendments did not have any material impact on the parent company. In addition, several amendments to IFRS are issued up to the date of issuance of these financial statements but are not yet effective. The company has not applied the new IFRSs and the impact of applying the amendments is not expected to have a material impact on the Company's financial statements.

Definition and applying of materiality judgements in preparation of these financial statements

The financial statements aim to provide useful financial information which increase the understandability of Nel and its performance. To meet the information needs of its primary users, Nel apply materiality judgments which are necessary to meet this objective, and Nel has made such judgments related to recognition, measurement, presentation and disclosures. Within these financial statements information is considered material if omitting, misstating or obscuring it could reasonably be expected to influence decisions taken by primary users based on the information provided. In practice this will lead to Nel omitting certain information, if it is assessed it will obscure the material information. The materiality judgments are reassessed at each reporting date and updated based on changed facts and Nel specific circumstances.

Segment information

Nel ASA operates with only one operating segments, providing management services to subsidiaries. A separate disclosure for segment information is therefore not applicable.

Significant accounting judgements and estimation uncertainty

The preparation of financial statements requires management to make judgements and estimates that influence amounts recognised in certain accounts for assets, liabilities, income and expenses. The actual results may deviate from such assumptions. Estimates and underlying assumptions are subject to continuous assessment.

Revenue from contracts with customers

In general, revenue comprises sales of intercompany services. These are recognized when the services are delivered based on intragroup allocation of costs.

Personnel expenses

Wages, salaries, bonuses, pension and social security contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by employees of the company. The company has pension plans for employees that are classified as defined contribution plans. Contributions to defined contribution schemes are recognised in the statement of comprehensive income in the period in which the contribution amounts are earned by the employees.

The company has an equity-settled share option program for all employees. The Company uses the Black-Scholes-Merton option pricing model at time of grant to determine the impact of stock option grants in accordance with IFRS 2 – Share-based payment. Refer to group financial statements note 2.5 for further accounting policies, including assumptions and social security provisions.

For further information refer note 4 – Personnel expenses.

Financial instruments and fair value

Nel uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Inputs are quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2: The fair value of financial instruments that are not quoted in an active market is determined using valuation techniques which maximise the use of observable market price and rely as little as possible on entity-specific estimates.

Level 3: Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The Company has assessed that cash and short-term deposits, trade receivables, other current assets, trade payables and other current liabilities' carrying amounts is a reasonable approximation of their fair value largely due to the short-term maturities of these instruments.

The Company enters into forward exchange contracts with financial institutions, where the fair value of such instruments is based on valuation techniques including market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using net present value calculations. The models used incorporate various inputs, including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The valuation is performed by banks or external valuation providers.

Interest income and expenses

Interest income and expenses are recognised in the statement of comprehensive income within 'finance income' and 'finance cost' as they are accrued, based on the effective interest method.

Income tax expense

Income tax expense in the statement of comprehensive income for the year comprises current tax and changes in deferred tax. Income tax expense is recognised in the statement of comprehensive income.

Current tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years. Uncertain tax positions and potential tax exposures are analysed individually and the best estimate of the probable amount for liabilities to be paid (unpaid potential tax exposure amounts, including penalties) and virtually certain amounts for assets to be received (disputed tax positions for which payment has already been made) in each case are recognised within current tax or deferred tax as appropriate.

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to differences between financial statements and their respective tax bases, subject to the initial recognition exemption. The amount of deferred tax provided is based on the expected manner of utilizing or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. For a deferred tax asset to be recognised based on future taxable profits, convincing evidence is required.

Subsidiaries

Subsidiaries are all entities controlled by Nel ASA. Control is achieved when the company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Shares in subsidiaries are presented according to the cost method. Shares in subsidiaries are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed the fair value of the investment. Indications may be operating losses or adverse market conditions. Fair value of the investment is estimated based on valuation model techniques. If it is considered probable that the fair value is below Nel's carrying value, the investment is impaired. The impairment is reversed if the impairment situation is no longer present.

Investment in associated companies and joint ventures

The company's investments in its associates and joint ventures are accounted for using the equity method. An associate is an entity where the company has significant influence. A joint venture is an entity where the company has joint control contractually together with one or several other parties.

Cash and cash equivalents

Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of three months.

Events after the reporting period

New information on the company's financial position at the end of the reporting period, which becomes known after the reporting period, is recorded in the annual accounts. Events after the reporting period that do not affect the company's financial position at the end of the reporting period, but which will affect the company's financial position in the future are disclosed, if significant.

Statement of cash flow

The cash flow statement is prepared using the indirect method.

Note 3 Revenue from contracts with customers

Revenues by geographic region based on customer location	2025	2024
Norway	49 229	58 549
United States	37 627	35 171
Denmark	0	9 345
South Korea	0	332
Total	**86 856**	**103 396**

All revenues in current year and prior year are internal revenue from management services. Revenues are recognised over time based on the cost-to-cost input method. All cumulative costs are incurred plus recognised profit are invoiced at the end of the year, thus, there are no contract balances at year end. Both contract assets and the billings are recognised as current assets within 'Receivables Group' in the statement of financial position and is an unconditional right to payment.

Note 4 Personnel expenses

Salaries and personnel expenses	2025	2024
Salaries	53 104	55 349
Social security tax[1)]	9 011	11 432
Pension expense	5 296	6 162
Other payroll expenses[2)]	7 962	2 773
Total	**75 372**	**75 715**

1) Social security tax includes provisions for social security related to the share option program.
2) Included in this amount are expenses amounting to NOK 1.7 (1.3) million related to the share option program.

Remuneration and direct ownership of shares of the Chairperson and of the Board of Directors are disclosed in Nel Remuneration Report for 2025. The full report can be found at www.nelhydrogen.com. Remuneration to CEO and Nel management are disclosed in the Nel Remuneration Report for 2025. The company has a share option program for all employees. For information of the company's share option program refer to group accounts disclosure 2.5.

Average number of FTEs	2025	2024
Average number of FTEs	**25**	**30**

Pension

The company has a defined contribution pension plan for its employees that meet the requirements of the Pension Acts of Norway.

Note 5 Property Plant and Equipment

Property, plant and equipment comprise owned and leased assets. Leased assets are presented in accordance with IFRS 16 as “right-of-use assets” in the notes.

	Office machines and other equipment	Technical installations	Right-of-use assets	TOTAL
Carrying amount as of 31.12.2025	**494**	**8**	**3 512**	**4 014**
Carrying amount as of 31.12.2024	874	23	7 053	7 949
Useful life	3 years	5 years	5 years	
Depreciation plan	Straight-line	Straight-line	Straight-line	

Note 6 Other operating expenses

Specification of other operating expenses:	2025	2024
Hardware and common cost office premises	1 524	1 426
Administrative costs	26 805	19 848
Professional fees	31 977	40 019
Travel expenses	2 664	3 987
Total	**62 970**	**65 280**

Auditor fees

Fees to the auditor	2025	2024
Statutory auditing services	2 155	3 264
Attestation services	0	113
Non-auditing services	0	192
Total	**2 155**	**3 569**

Amounts are exclusive VAT.

Note 7 Finance income and cost

	2025	2024
Internal interest income	23 080	41 916
Internal guarantee premium	2 579	3 532
Interest income	99 851	130 948
Gain on sale of subsidiaries	0	23 372
Other	8 484	5 378
Finance income	**133 993**	**205 145**

	2025	2024
Internal interest cost	-4 262	-5 758
Interest expense	-175	-166
Interest expense lease liabilities	-222	-371
Impairment shares in subsidiaries	-821 269	-876 031
Net foreign exchange gain (loss)	-12 536	6 435
Other	-278	-313
Finance cost	**-838 741**	**-876 204**
Net finance income (cost)	**-704 748**	**-671 059**

Gain on sale of subsidiaries stems from the companies Nel Hydrogen A/S, which was fully distributed as part of the spin-off of Cavendish Hydrogen ASA during 2024. Shares in subsidiary Proton Energy Systems Inc have been impaired, and impairment expense of NOK 821 million and NOK 876 million has been recognized as finance cost in 2025 and 2024, respectively. The net foreign exchange gain(loss) is mainly the unrealised currency exchange effects related to internal loans.

Note 8 Subsidiaries, associates and joint ventures

Company name	Ownership	Registered office	Functional currency	Total equity in 2025 (functional currency thousands)	Net income(loss) 2025 (functional currency thousands)	Carrying value 2025 (NOK thousands)	Carrying value 2024 (NOK thousands)
Nel Hydrogen Electrolyser AS	100%	Norway	NOK	1 224 215	-624 679	2 964 225	2 412 300
Proton Energy Systems Inc	100%	USA	USD	70 608	-26 906	744 000	1 310 000
Nel Fuel AS	100%	Norway	NOK	177 164	5 933	37 055	37 055
Total						**3 745 280**	**3 759 355**

The increase in book value of shares in subsidiaries is mainly capital increases from debt conversions. Refer note 12 for additional information of debt conversions. In addition, there is an increase in book value from the established group share option program and group contributions. The company has recognised impairment of shares in Proton Energy Systems Inc in 2025 of NOK 821 million. Accumulated impairment loss of shares in Proton Energy Systems Inc is NOK 1 697 million.

Note 9 Income taxes

	2025	2024
Income (loss) before tax	-743 663	-710 568
Permanent differences	818 999	854 266
Change in temporary differences	5 786	-159
Use of tax losses carried forward	-14 539	-143 540
The year's taxable income	**66 583**	**0**
Tax rate	22 %	22 %
Income (loss) before tax	-743 663	-710 568
Tax this year's loss, estimated	-163 606	-156 325
Tax effect of:		
Permanent differences	180 180	187 939
Prior years adjustment	0	-5 433
Change in not recognised deferred tax assets (tax liabilities)	-1 926	-26 181
Total income tax expense (income)	**14 648**	**0**
Income tax expense (income) comprises		
Income tax payable	14 648	0
Change in deferred tax	0	0
Total income tax expense (income)	**14 648**	**0**
Specification of temporary differences:		
Property, plant and equipment and goodwill	-572	-442
Leases	-293	-459
Provisions for liabilities	-16 277	-10 454
Tax losses carry forward	0	-14 539
Basis for deferred tax asset	**-17 141**	**-25 894**
Nominal tax rates for next year	22 %	22 %
Deferred tax asset / liability	**-3 771**	**-5 697**
Deferred tax asset not recognised in Statement of financial position	-3 771	-5 697
Deferred tax asset / liability in the Statement of financial position	**0**	**0**

Note 10 Specification of balance sheet items

Specification of other current assets:	2025	2024
Other short-term investments	0	2 260
Prepayments	3 812	3 863
Fair value of currency contracts	743	3 451
Other current receivables	22 400	-72
Total	**26 955**	**9 502**

Specification of non-current financial assets:	2025	2024
Other non-current investments (refer to note 11)	146 350	158 750
Total	**146 350**	**158 750**

Specification of other current liabilities:	2025	2024
Vacation allowance and other salary related accruals	13 487	14 491
VAT net payables	13 346	17 116
Fair value of currency contracts	128	9 236
Other current liabilities	3 200	627
Total	**30 160**	**41 470**

Note 11 Restricted cash

Nel's subsidiaries occasionally enters contracts with customers with specific guarantee clauses that require Nel to purchase certain performance bonds or advance payment guarantee products from financial institutions. The products are secured by cash collateral. In addition, Nel has some lease agreements which require deposits in a restricted bank account throughout the lease term. Both cash collateral and deposits are assessed as investments (i.e. not cash or cash equivalents) as the maturity exceeds 3 months. Long-term investments include the investments that exceed 12 months.

Performance and warranty bonds

NOK 81.4 million relates to outstanding irrevocable letters of credit used as assurance for bid and contract performance, these letters of credit mature between 31 December 2025 and 31 January 2027. As of 31 December 2025, Nel's subsidiaries customers have drawn NOK 0.0 million on the letters of credit.

Advance payment guarantee

Generally, in the contracts with customers, Nel receives advance payments. As of 31 December 2025, Nel has NOK 37.6 million as cash collateral for irrevocable letters of credit issued for advance payment guarantees with financial institutions. As of 31 December 2025, Nel's subsidiaries customers have drawn NOK 0.0 million on the letters of credit.

Lease payments guarantee (deposits) and other collateral

Deposits for lease payments comprise security for lease payments throughout the lease terms for office premises. In addition, collateral for bank credit lines. As of 31 December 2025, the Group has NOK 27.4 (27.4) million in such deposits.

Note 12 Transactions with related parties

Long-term interest-bearing receivables, group	2024	Loan issue	Debt conversion	Accrued interest	FX Translation effects	2025
Nel Hydrogen Electrolyser AS	85 171	421 350	-500 000	23 080	0	**29 600**
Proton Energy Systems Inc	1	267 879	-254 978	0	-12 899	**2**
Nel Hydrogen Electrolyser Germany GmbH	0	212	0	0	0	**212**
Nel Hydrogen Electrolyser Belgium BV	7 856	0	0	0	0	**7 856**
Total	**93 027**	**689 441**	**-754 978**	**23 080**	**-12 899**	**37 670**

In the course of ordinary business, intercompany financing is provided by Nel ASA to its subsidiaries. Long-term financing is an interest bearing and priced at arm's length terms using a risk-free rate in relevant currencies + 3%-point margin.

Long-term interest-bearing payables, group	2024	Repayment	Accrued interest	2025
Nel Fuel AS	176 119	-55 058	4 262	**125 323**
Total	**176 119**	**-55 058**	**4 262**	**125 323**

Financial guarantees

Long-term receivables	2025	2024
Nel Hydrogen Electrolyser AS	7 705	10 781
Proton Energy Systems Inc	270	326
Total	**7 976**	**11 108**

Long-term financial liability	2025	2024
Nel Hydrogen Electrolyser AS	7 693	10 781
Proton Energy Systems Inc	0	44
Total	**7 693**	**10 825**

Current assets	2025	2024
Nel Hydrogen Electrolyser AS	145 487	189 783
Proton Energy Systems Inc	45 785	43 317
Nel Fuel AS	8 408	5 813
Total	**199 680**	**238 913**

Current liabilities	2025	2024
Nel Hydrogen Electrolyser AS	88 970	10 566
Proton Energy Systems Inc	743	0
Nel Hydrogen Electrolyser Belgium BV	1 042	2 581
Total	**90 756**	**13 146**

Internal revenues	2025	2024
Nel Hydrogen Electrolyser AS	49 229	58 549
Proton Energy Systems Inc	37 627	33 694
Nel Hydrogen A/S[1)]	0	9 345
Nel Hydrogen Inc[1)]	0	332
Nel Korea Co. Ltd[1)]	0	1 477
Total	**86 856**	**103 396**

1) The companies Nel Hydrogen A/S, Nel Hydrogen Inc and Nel Korea Co.Ltd. was fully distributed as part of the spin-off of Cavendish Hydrogen ASA during 2024.

Current liabilities are mainly related to the fair value of hedging instruments offered to subsidiaries. See Note 16 for additional information.

All related party transactions have been carried out as part of the normal course of business and at arm's length.

Nel ASA charged NOK 87 (103) million current year for corporate services provided to its subsidiaries. The management services are priced with the cost-plus method applying a 5 % mark-up for low value services. The management fee has been allocated to the subsidiaries based on revenue, operating expenses, capital expenditure and headcount as allocation keys.

Board of Directors

Remuneration to the Board of Directors is disclosed in note 7.4 in the consolidated financial statements.

Note 13 Cash and cash equivalents

	2025	2024
Cash and cash equivalents	1 548 767	1 823 521
Restricted cash (witheld employee taxes)	6 991	6 991
Total	**1 555 758**	**1 830 512**

Cash and cash equivalents are 99% in the Norwegian Krone (NOK) at the end of 2025. NOK 1 122 million is placed in 30-days locked interest accounts in several different banks.

Note 14 Share capital and shareholders

For information on shareholders as of 31 December 2025, shares hold by executive management and the board of directors please refer to Note 7.2 and 7.4, respectively, in the consolidated financial statements. For information on top 20 shareholders in Nel ASA refer to note 5.1 in the consolidated financial statements.

Note 15 Lease liabilities

Set out below are the carrying amounts of lease liabilities (included under other long-term debt and other current liabilities) and the movements during the period:

	2025	2024
1. January	7 512	10 851
Remeasurement	93	277
Accretion of interest	222	371
Lease payments	-4 022	-3 986
Balance as of 31.12.	**3 805**	**7 512**

	2025	2024
Current	3 522	3 902
Non-current	283	3 610
Balance as of 31.12.	**3 805**	**7 512**

(Amounts in NOK thousands)	2025	2024
Balance as of 01.01.	7 512	10 851
Cash flows principal amount	-3 800	-3 615
Cash flows interests	-222	-371
Non-cash changes:		
Additions and remeasurements	93	277
Accretion of interest expense	222	371
Balance as of 31.12.	**3 805**	**7 512**

Maturity analysis for lease liabilities (undiscounted cash flows)	2026	2027	Total
Lease liabilities (undiscounted cash flows)	**3 585**	**295**	**3 880**

Note 16 Financial risk and derivatives

Financial risks in Nel and the use of derivative instruments are described in note 6.1 to the consolidated financial statement.

Nel ASA offers currency derivatives to subsidiaries using such instruments for risk management. The derivatives are measured at fair value (level 2 in fair value hierarchy), using valuation techniques which maximise the use of observable market price. The contracts with financial institutions are back-to-back with subsidiaries, thus, the contract has no P&L impact on Nel ASA. At the end of current year, and last year, Nel is committed to the following outstanding forward foreign exchange contracts with subsidiaries:

Forward foreign exchange contracts (Nel Group internal), notional amount:	2025	2024
Current assets	743	3 451
Current liabilities	-128	-9 236
Total	**615**	**-5 785**

The contracts represent the subsidiaries exposure in US dollars, Euro, Swedish Krone and British pounds. The contracts mature no later than 2025.

Note 17 Financial instruments

Financial instruments and fair values

2025:

	Fair value - hedging instruments	Total	Level 2	Total
ASSETS				
Financial assets measured at fair value				
Forward exchange contracts	743	**743**	743	743
SUM	**743**	**743**	**743**	**743**
LIABILITIES				
Financial liabilities measured at fair value				
Forward exchange contracts	-128	**-128**	-128	**-128**
SUM	**-128**	**-128**	**-128**	**-128**

2024:

	Fair value - hedging instruments	Total	Level 2	Total
ASSETS				
Financial assets measured at fair value				
Forward exchange contracts	3 451	**3 451**	3 451	**3 451**
SUM	**3 451**	**3 451**	**3 451**	**3 451**
LIABILITIES				
Financial liabilities measured at fair value				
Forward exchange contracts	-9 236	**-9 236**	-9 236	**-9 236**
SUM	**-9 236**	**-9 236**	**-9 236**	**-9 236**

Note 18 Guarantees

Nel provides guarantees arising in the ordinary course of business including stand-by letters of credit, performance bonds and various payment, financial guarantees and parent company guarantees. All commercial guarantees are on behalf of subsidiaries.

Total financial guarantees recognised as financial liability are NOK 7.7 (10.8) million as of 31. December 2025. The financial liabilities will be amortised over the lifetime of the guarantees, which is in the range of 1-7 years.

Oslo, 25 February 2026

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)	

Alternative Performance Measures

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.

(Amounts in NOK million)	Alkaline	PEM	SUM
Planned delivery 2026	207	173	**380**
Delivery 2027 or later	119	688	**807**
Significant risk of delay or cancellation	115	17	**132**
Order backlog as of 31.12.2025	**440**	**878**	**1319**

Auditor’s report

Statsautoriserte revisorer
Ernst & Young AS

Stortorvet 7, 0155 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

To the General Meeting in Nel ASA

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Nel ASA (the Company), which comprise:

- The financial statements of the company, which comprise the statement of financial position as at 31 December 2025, statement of comprehensive income, statement of cash flows, statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of the group, which comprise the statement of financial position as at 31 December 2025, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements of the company give a true and fair view of the financial position of the company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and
- the financial statements of the group give a true and fair view of the financial position of the group as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the IESBA Code) as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company since 2000, and in the period following the initial public offering of the Company in 2004.

Shape the future
with confidence

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue from sale of customised equipment and projects

Basis for the key audit matter
The Group derives a significant part of its revenues from sale of customised equipment and projects. Such projects involve revenue recognition over time based on measuring the progress towards complete satisfaction of the performance obligation. The assessment of measuring progress requires subjectivity and professional judgement and is therefore subject to uncertainty and potential misstatements.

The main risks include management's use of estimates and judgments in relation to measuring progress, including determining the contract's total revenues, expected costs to complete and estimated project margin. We consider this a key audit matter because of the significant amounts and the management judgement applied in the estimates.

Our audit response
We assessed the application of accounting principles and procedures for monitoring the customised equipment and project sales. We discussed the status of contracts with management, finance and technical staff and reconciled estimated revenues and cost to budgets. For new contracts we tested the estimated revenue against agreements. We have also recalculated the measurement of progress and performed test of details e.g., vouching to invoices and hours incurred on the projects.

We refer to the Group's disclosures included in notes 1.5 and 2.1 in the consolidated financial statements.

Assessment of impairment

Basis for the key audit matter
As of 31 December 2025, the carrying amount of goodwill amounted to NOK 61 million, while property, plant, and equipment amounted to NOK 1 190 million. These figures represent approximately 1% and 24% of the total assets, respectively.

The Group conducted impairment testing of goodwill and cash-generating units (CGUs) with indicators of impairment to determine their recoverable amounts. Based on this assessment, impairment charges of NOK 311 million for goodwill and NOK 128 million for other intangible assets were recognized in the PEM CGU. In addition, an impairment charge of NOK 361 million was recorded for property, plant and equipment in the Alkaline CGU.

Estimating recoverable amounts involve significant estimation uncertainties and management's judgments, which includes projections of future sales, EBITDA margins, growth rates, capital expenditures and discount rates. Management's assessment of impairment was identified as a key audit matter due to the significant estimates and judgments involved and the uncertainties associated with these estimates.

Our audit response
For each cash generating unit, we evaluated the assumptions based on the development in the market and compared the cash-flow projections in the impairment calculation to board approved budgets. We considered the accuracy of management's prior year estimates and evaluated the level of consistency applied in the valuation methodology from previous years. Furthermore, we compared the risk premiums in the weighted average cost of capital with external data and considered management's adjustments for company specific factors. We also tested the mathematical accuracy of the valuation model and performed sensitivity analysis of the assumptions used. We assessed the Group's disclosures included in notes 1.5, 3.1 and 3.2 in the consolidated financial statements about those assumptions to which the outcome of the impairment test is most sensitive.

Shape the future
with confidence

Valuation of inventories – Alkaline segment

Basis for the key audit matter
As of 31 December 2025, the Group's inventories amounted to NOK 918.8 million, of which NOK 644 million related to Alkaline inventories, primarily finished goods and related stack components.

The inventories have been held for a longer period than under Nel's normal produce to order model, and the assessment of valuation requires significant judgement in estimating net realizable value (NRV), including assumptions regarding achievable selling prices, the expected timing of sales and cash collection, and the discount rate applied when considering the time value of money, all of which materially impact whether NRV exceeds cost. The assessment is further subject to heightened uncertainty given the ongoing technological transition towards next generation pressurized alkaline solutions.

The valuation of Alkaline inventories was considered to be a key audit matter due to the size and age of the inventory and the significant judgement involved in the valuation of the inventory.

Our audit response
We evaluated management's NRV assessment by obtaining an understanding and testing the methodology used to compare inventory carrying values to expected recoverable amounts, including the incorporation of discounting where the expected sales horizon was extended. We corroborated the existence of a market and assessed the reasonableness of selling price assumptions by inspecting evidence of current tender activity and supporting Request for Proposals. We further compared relevant pricing indicators to inventory cost, supplemented by internal commercial documentation where relevant and we considered historical and aftersales pricing achieved. We tested calculations for clerical accuracy, including discounting and sensitivity analyses, and assessed how reasonably possible changes in key assumptions (price, timing and discount rate) could affect the valuation. Finally, we assessed the Group's disclosures included in notes 1.5 and 4.1 in the consolidated financial statements about those assumptions to which the outcome of the NRV calculation is most sensitive.

Other information

The Board of Directors and the CEO (management) are responsible for the information in the Board of Directors' report and the other information presented with the financial statements. The other information comprises the letter from the CEO, Report from the Board of Directors, Nel ASA ESG Report 2025 and the Board of Director's report in relation to the Norwegian code of practice for corporate governance. Our opinion on the financial statements does not cover the information in the Board of Directors' report and the other information presented with the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report and for the other information presented with the financial statements. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the other information presented with the financial statements and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report and for the other information presented with the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report and the other information presented with the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our statement on the Board of Directors' report applies correspondingly for the statement on Corporate Governance.

Responsibilities of management for the financial statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible

Shape the future
with confidence

for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report

Shape the future
with confidence

because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Nel ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name NELASA-2025-12-31-1-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (the ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 26 February 2026
ERNST & YOUNG AS

The auditor's report is signed electronically

Asbjørn Ler
State Authorised Public Accountant (Norway)

The future belongs to
the front-runners

nel