

Annual Report 2025



PowerCell Group

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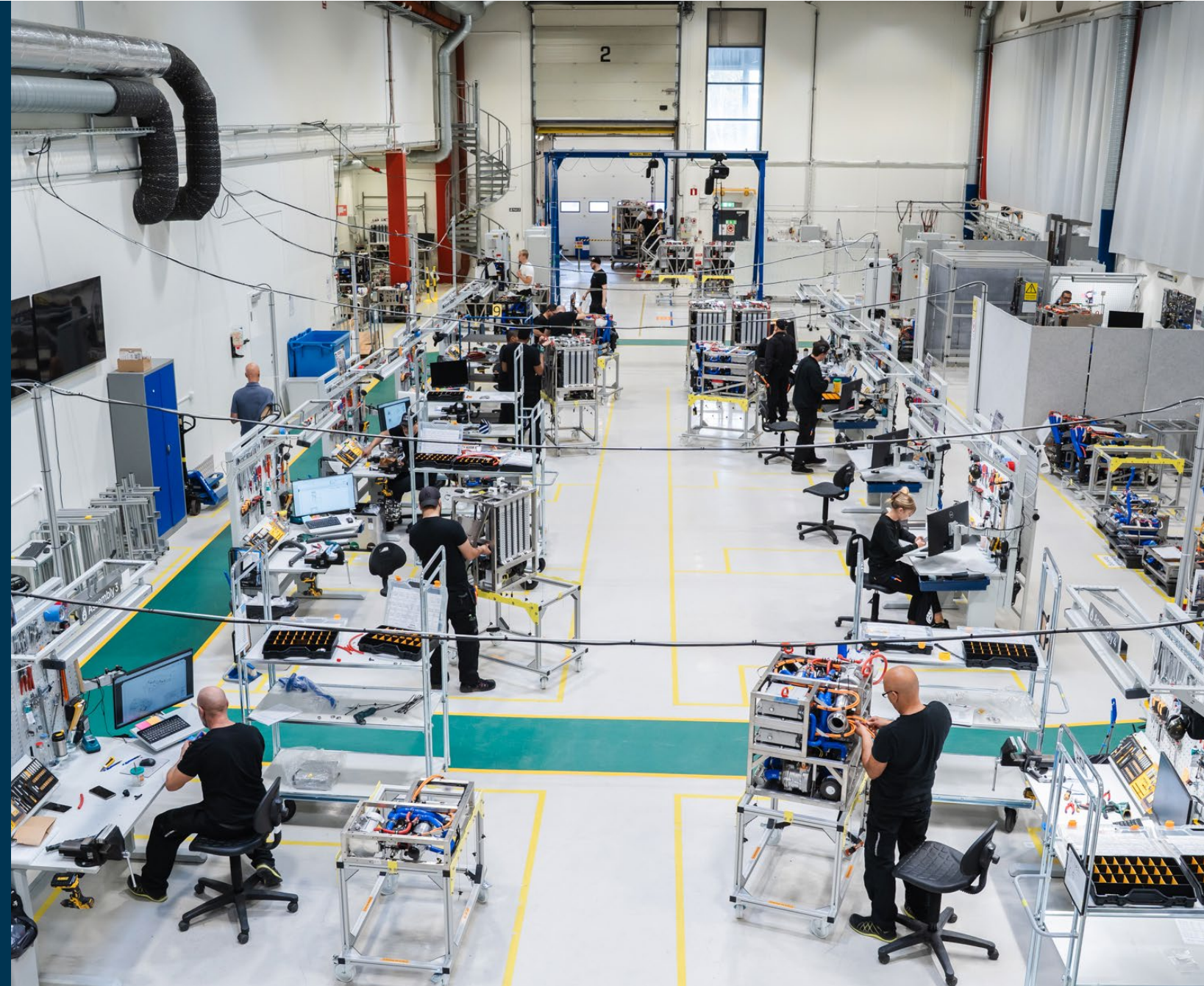
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Significant events in 2025

Feb. We obtained AS9100D certification, a globally recognized aviation quality management standard, granted by LRQA.

Mar. We received a groundbreaking first order for our M2Power 250 system from a leading European shipyard. The M2Power 250 system converts methanol into clean electricity to support the vessel's internal electrical systems. The order is valued SEK 150 million.

June We expanded our strategic partnership with Robert Bosch GmbH (Bosch) to accelerate fuel cell adoption in China. Our long-term collaboration deepens when Bosch acquired IP rights to adapt PowerCells's S3 stack for the Chinese market.

PowerCell's Marine System 225 received Type Approval from Lloyd's Register. This marked a significant milestone in maritime clean energy innovation.

We received our first commercial order to supply hydrogen fuel cell systems for Hitachi Energy's new Hyflex™ platform. Designed to replace diesel generators in areas without access to the power grid, Hyflex™ provides clean, quiet, and scalable electricity using hydrogen as fuel.

We signed an agreement with a leading Italian marine OEM for development and delivery of a new high-power marine fuel cell system. It was our first commercial order for PowerCell's next-generation stack platform. The order is valued SEK 44 million.

Sep. We secured a contract to supply the fuel cell systems for two hydrogen-powered bulk carriers, the world's first hydrogen-powered bulk carriers. The contract is valued at just over SEK 40 million, including 14 Marine System 225 units, scheduled for delivery in 2026-2027.

We announced that we were to consolidate our management structure, from October 1, as part of the company's transition into its next phase of growth.

Oct. We received an order worth SEK 4.3 million, from Zeppelin Power Systems, for the delivery of two Power Generation System 100 (PS100) units and related engineering services. The systems will be part of an EU-funded clean power project in Greece. Deliveries during 2026.

We secured an order for M2Power 250 methanol-to-power system from a European shipyard. The system will be installed as part of a retrofit program on a large sailing yacht. Delivery planned for 2027.

Nov. PowerCell launched the first products in our new Power Generation portfolio, a dedicated, industrialized product family designed to support the growing need for reliable, zero-emission power in data centers, distributed energy, backup power and other mission-critical applications.

Dec. We signed an agreement with a US-based data center provider to supply two PowerCell PS190 fuel cell power systems for field validation in a data-center application. The systems will be delivered on a 6-12-month lease, starting in Q1 2026, and will be integrated with PowerCell's Distributed Master Controller (DMC).

We signed our first order for PowerSystem 190. The order was received from Norwegian system integrator Enetech AS to be delivered during the first half of 2026.

We secured a follow-up order from a leading European aerospace research institute. The order comprises four 100 kW fuel-cell systems engineered as modular units. Delivery is planned for the first half of 2026 and is valued SEK 12 million.

Magnus Jonsson, current Chairman of the Board of PowerCell Group AB, announced that he declines re-election at the Annual General Meeting in 2026.

PowerCell in brief

Vision

To be a place where pioneering minds unite to bring bold and seemingly impossible ambitions to life.

Mission

We drive the transition to zero-emission energy solutions through innovation, individual brilliance and collaboration.

Purpose

To make renewable energy accessible to everyone, everywhere.



● PowerCell has operating subsidiaries in Norway, Sweden, Germany and the US.

● Distributors are located in Australia and Japan.

About PowerCell Group

PowerCell develops and produces fuel cell stacks and fuel cell systems with a uniquely high power density, for applications for customers in the Aviation, Marine, Power Generation, Off-road and On-road segments.

PowerCell's products are powered by pure or reformed hydrogen and generate electricity and heat without any other emissions than water. Our technology combines high power with compact design, helping to increase energy efficiency and significantly reduce emissions in applications compared to fossil fuel use.

We have an extensive IP portfolio dating back over 28 years of innovation since the industrial spin-out from the Volvo Group.

PowerCell has 161 employees, headquarters in Gothenburg and operations in four countries. The vast majority of customers are based in Europe and North America.

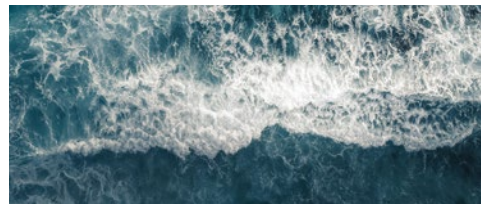
We are a signatory to the UN Global Compact and aim to reduce our Scope 1 and Scope 2 emissions intensity by 50 percent between 2023 and 2030. For further information on our sustainability initiatives and performance, see our Sustainability Report 2025.

We are dedicated to supporting our customers as they transition to emission-free operations. As a leader in hydrogen-electric solutions, we are helping to create a more sustainable, emission-free world.

PowerCell is listed on Nasdaq Stockholm.

Attractive customer segments

PowerCell serves five core customer segments; Aviation, Marine, Power Generation, Off-Road, and On-Road and prioritises them based on segment maturity and product fit, where hydrogen-electric fuel cell systems can deliver high output, scalable power, and compact integration with minimal operational disruption.



Marine

The maritime industry is facing new challenges. IMO has set a target for the maritime industry to reach net-zero by or around 2050. Fuel cells in combination with low-carbon hydrogen can offer a low emission value chain while delivering similar performance as today's conventional fuels.



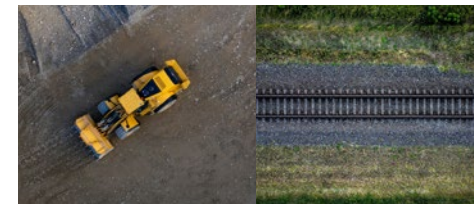
Aviation

Finding solutions to reduce carbon emissions in the aviation industry has been difficult to date. Hydrogen-electric solutions could be the key to zero-emission aviation, and PowerCell is a leader in this market segment.



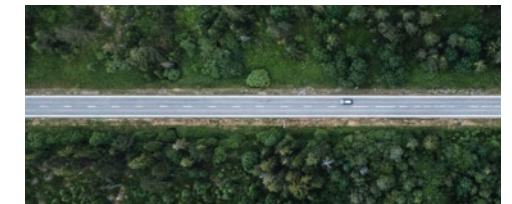
Power Generation

Decarbonising power generation without sacrificing performance remains a challenge. Hydrogen fuel cells can provide zero local emissions, long runtimes and rapid refuelling. PowerCell's modular solutions enable OEM integration and flexible, high-efficiency systems powered by pure or reformed hydrogen.



Off-road and Rail

Many companies are seeking viable ways to cut emissions in off-road and rail without compromising performance. Hydrogen-electric systems enable electrification with minimal impact on driving range or refuelling time. PowerCell's compact, high-power solutions fit tight installations for commercial vehicles and trains.



On-road

The automotive industry can benefit from electrification with our fuel cells, offering refuelling times, driving characteristics, range and load capacity that are not significantly different from fossil fuel-powered vehicles. We are addressing this market segment through Robert Bosch GmbH, our licensing partner.

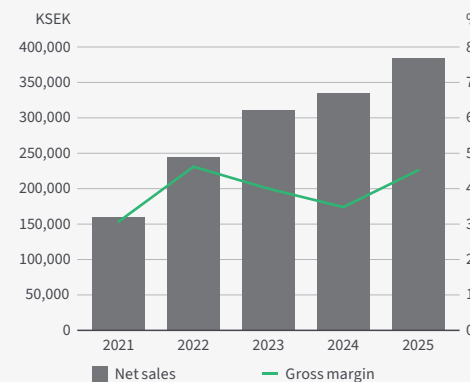
Five-year summary

Amounts in KSEK unless otherwise stated

	2025	2024	2023	2022	2021
Net sales	384,958	334,278	310,287	244,691	159,757
Gross profit	174,168	116,171	124,012	113,023	49,034
Gross margin (%)	45.2	34.8	40.0	46.2	30.7
EBITDA*	3.9	-30.9*	-48.7	-55.3	-65.8
Operating profit/loss before items affecting comparability	-22,943	-83,743	-66,518	-75,019	-80,475
Operating income	-22,943	-53,743	-72,575	-75,019	-81,731
Operating cash flow**	-10,081	-37,109**	-95,687	-120,506	-66,338
Equity/assets ratio (%)	64.6	62.5	64.8	70.2	73.6
Earnings per share (SEK)	0.34	-1.52	-1.57	-1.09	-1.50

* 2024 including items affecting comparability, SEK 30m.

** 2024 is affected by reclassification of blocked bank funds of SEK 18.5m.



Stronger execution and clear operational leverage

2025 was a year in which PowerCell continued its transition from technology development to industrial execution. In a world still characterized by uncertainty around how investment conditions and regulatory frameworks will evolve, we have focused on what we can control: delivery precision, industrialized ways of working, cost discipline, and more structured commercial processes. The result is a stronger platform with improved operational leverage.

During the year, we progressively built evidence of our ability to deliver industrially, even in complex marine project environments.

Net sales for the full year increased by 15 percent to SEK 385 million (334.3), while the gross margin improved to 45.2 percent (34.8), reflecting a more favorable combination of volume and product mix. Operating profit improved significantly compared to the previous year, to SEK -22.9 million from SEK -53.7 million, driven by a more industrialized product portfolio, improved project execution, and continued cost discipline. Operating cash flow strengthened to SEK -10.1 million (-37.1), driven by deliveries according to plan and active working capital management. At year-end, available cash amounted to SEK 129 million, providing financial stability and flexibility going into 2026.

The most important point is not a single figure, but that the overall development shows a clear direction. We see that increasing volumes can be managed without the cost base growing at the same pace. This is a clear indication that the industrial model we have built is working in practice and is scalable.

Marine, from order to commissioning

Development within Marine remained strong during 2025. We have both delivered and taken important steps in commissioning and integration in customer installations, providing clear evidence that we can deliver industrially even in complex marine project environments.

During the year, we reached several important milestones. We entered series production and completed final deliveries to our first major OEM customer according to plan. At the same time, we broadened our offering, with two OEM orders for our M2Power 250 solution as well as a first step into the bulk segment.

It is in the commissioning phase that many technologies face their greatest challenges. Moving from order to a fully functioning installation in operation requires not only robust technology, but also structure, discipline, and experience in execution. During the year, we have successfully navigated several of these steps, thereby strengthening our position for upcoming projects.

At the same time, we have continued to strengthen the product platform and the industrial structure around it, improving our ability to manage both series deliveries and integration, with increased standardization and more predictable delivery capacity.

Power Generation, from launch to initial commercialization

During 2025, we took important steps within Power Generation, launching the first products in our new product portfolio while also securing the first customer orders. This marks the transition from development to initial commercialization within the segment.

The launch is based on an industrialized platform where we combine fuel cell production from Robert Bosch GmbH with our own system integration capabilities and control architecture. The portfolio is designed for applications with high requirements on availability and robustness, such as data centers, distributed energy, and backup power.

At the same time, we see increasing demand for energy resilience and reliable power in applications where grid capacity is constrained or where downtime is not acceptable. This is driving demand for solutions that can provide stable, local, and zero-emission electricity.

The initial orders confirm that the offering meets concrete needs in prioritized segments and represent an important step in establishing Power Generation as a second commercial pillar.

At the same time, we have built an industrial model that enables scaling with limited capital intensity. By combining our own system integration with external, scalable production, we have created the conditions to grow with control in a market that is still evolving.

Continuous improvements and industrial stability

During the year, we have continued to work methodically with continuous improvements. Experience from field operations, integration, and testing has been translated into updated design choices, improved control strategies, and more defined service concepts. In parallel, we have further developed our processes for quality, validation, and industrial delivery.

This work should be seen in the context of the significant transformation PowerCell has undergone in recent years, from a grant-funded and research-oriented organization to an industrial and commercial company with series production, international customer projects, and certified products.

Certifications according to international standards, including type approvals from classification societies and quality management systems such as AS9100, ensure that development, production, and delivery take place within controlled processes subject to external verification. These are established industry standards in safety-critical sectors such as aerospace and advanced industrial applications.

Against this background, it is important to underline that the media scrutiny we faced in early 2026 does not reflect the quality that characterizes our systems, our validation, or the work underway towards delivery, integration, and operation in customer applications.

In our industry, trust is built in the details — in delivery, in operation, and in how deviations are handled. 2025 has further strengthened our ability to deliver reliably and scale in a controlled manner, and we are confident that PowerCell's systems meet the requirements defined in the agreements we have entered into with our customers.

Position entering 2026

The energy transition moves in waves, and 2026 is expected to show a more varied development than 2025. Demand, regulatory pressure, and customer awareness are increasing across several segments,



Throughout the year, we have progressively demonstrated our capability to deliver at industrial scale in complex marine project settings.



while continued geopolitical uncertainty, tighter capital markets, and a more cautious investment environment are having a significant impact. This results in a wide range of possible outcomes for 2026.

Overall, PowerCell enters 2026 with strengthened industrial capacity, a broader and more competitive product portfolio in Marine and Power Generation, and a solid financial position. This provides a strong foundation to manage risks and capture opportunities in a changing market.

I would like to thank our highly motivated and dedicated employees, our customers, and our partners for their trust and collaboration during the year.

Richard Berkling,
CEO, PowerCell Group

Our strategy

Our strategy for growth is simple: to increase the number of installations and the value per installation. We adapt to changing market conditions, responding to emerging opportunities and risks while remaining committed to enabling a net-zero future. By focusing on applications where direct electrification or batteries are complex, expensive or impractical, we serve a wide range of industries through a standardised technology platform, maintaining an optimal balance of adaptability and efficiency every step of the way.

Objectives

To become the hydrogen-electric industry's leading enabler of the net-zero future.

To achieve profitable growth with our current technology portfolio and existing industrial footprint.

To make the energy transition faster, safer, simpler and more profitable for our customers.

Strategic framework

OEM-driven sales

Focus on engagements with global OEMs that have strong potential for volume orders and series production.

OEMs often set high technical and performance standards, prompting us to continually improve our capabilities. Integrating our solutions directly into OEM product lines encourages long-term collaboration, customer loyalty, and supports future volume orders.

Industrial innovation

Creating value for our customers – with capital efficiency.

Through industrialised innovation – combining a high-quality, standardised technology platform with sophisticated customisation capabilities – we deliver the best of both worlds: tailored solutions at the cost of standardised components, and all with capital efficiency in mind.

Scalability in everything we do

Outstanding resource efficiency thanks to a scalable production setup.

Our production setup, combining in-house system assembly with external fuel cell stack production, will allow us to grow with our customers at a low break-even point, supporting an offering with a competitive total cost of ownership for our customers.

Our strengths

Superior value proposition with a holistic system design and best-in-class performance

- A complete services and hardware offering.
- World-leading performance in demanding applications.
- Strong IP portfolio covering components, stacks, systems and manufacturing methods built over almost three decades of innovation.

Well-positioned to capture and leverage more market-driven growth

- Growing, diversified order book with an increasing share of OEM and series business.
- Demonstrated ability to increase net sales and improve operating results while markets remain volatile.
- Clear roadmap towards profitability while continuing to invest in industrialisation, new product platforms, next generation stacks and leading capabilities.

Collaborative culture bolstered by extensive expertise and applied knowledge

- Diverse organisation made up of people of different ages, genders, nationalities and areas of expertise.
- Mix of brave innovators and thoughtful engineers.
- Capable leaders and employees who are willing to accept the challenge of breaking new ground.

Proven track record of customer installations and blue-chip partnerships

- Commercial installations in real-world operation across marine, aviation, off-road and stationary power.
- Long-term partnerships and engagements with companies such as Bosch, Hitachi Energy, ZeroAvia.
- Strong participation in programmes like Clean Hydrogen and Clean Aviation.

Solid and well-invested foundation in place to drive our strategy for growth

- Industry-leading performance with a well-funded technical platform prepared for next-generation releases.
- Robust, scalable and flexible infrastructure supporting current and future innovations.
- Committed owners and strong management.

Strong, scalable production setup

- In-house industrial production capabilities and series production through partnership with Bosch.
- Scalable production with ability to increase capacity with limited investment.

Innovation agenda – pushing boundaries, delivered with industrial discipline

PowerCell is built on pioneering innovation, but we judge innovation by its ability to create solutions that customers can deploy, scale and trust in operation. Industrialised innovation is embedded across our development work and underpins high standards for quality, reliability, verification and repeatability. This approach ensures that innovation supports our strategic priorities while meeting customer requirements, advancing readiness for regulated markets and enabling commercial scalability.



Early innovation – fundamental insight with practical intent

We work close to leading universities and research centres to deepen understanding of key mechanisms in materials and interfaces, and translate that knowledge into engineering choices. Focus areas include catalyst optimisation, materials and interface behaviour, and materials substitutions aligned with evolving regulatory and customer requirements, while maintaining efficiency and durability under real duty cycles.

Product innovation – strengthen today’s platform and build the next

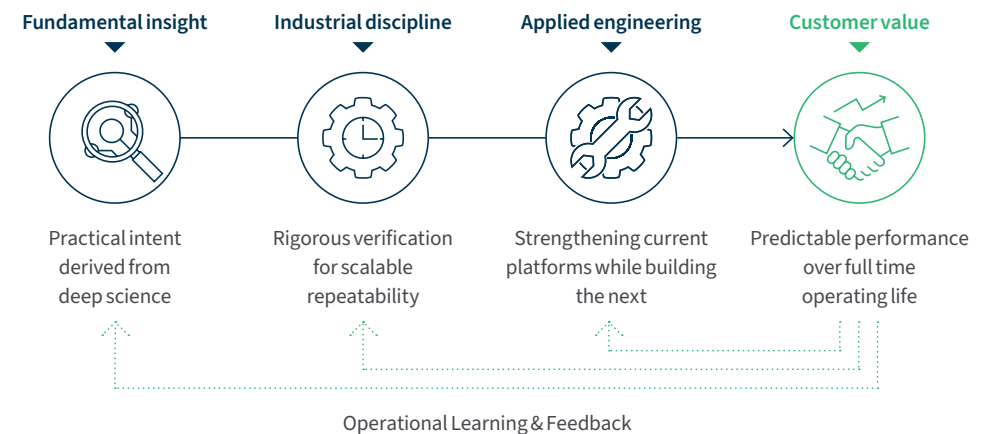
Most development is focused on product innovation: improving what ships, while developing next-generation products for demanding, high-utilisation applications. Our platform follows a structured, layered development model: the stack evolves over multi-year industrial cycles of approximately five to seven years; the system architecture advances through annual product releases plus two quality-and-performance releases per year; and software and controls are updated continuously through our controlled Product Lifecycle Management (PLM) process.

Priorities include higher efficiency, lifetime, power density and integration readiness, alongside manufacturability and serviceability. The Distributed Master Controller (DMC) exemplifies this approach: a supervisory control layer that coordinates multiple fuel cell systems within a vessel’s power architecture, providing a defined interface to the Power Management System and simplifying integration for shipyards.

In parallel, we expand the performance envelope through next-generation stack and system products for heavy-duty and mission-critical applications, and integrated solutions such as methanol-to-power units, designed to meet the same standards of quality, reliability and repeatable delivery. This development work has generated approximately 30 patent applications in recent years, covering stack architecture, control strategies and manufacturing processes, each subject to independent technical examination for novelty and merit.

From innovation to customer value

Technology only creates value when it is applied, and we treat innovation accordingly: as a disciplined pipeline from insight to industrialised products, not a series of isolated breakthroughs. We build on the experience of the engineers, partners and customers who operate and qualify current platforms, incorporating lessons from field data, testing and customer feedback into each successive product release. We convert that learning into verified design updates and next-generation products. To us, innovation is not magic, it is mastery, applied with courage. By combining frontier engineering with rigorous verification, standardisation and scalable execution, we turn innovation into tangible customer value: higher performance, predictable operation, lower risk and solutions that can be deployed with confidence over their full operating life.



Our value chain – From electrochemistry to customer uptime

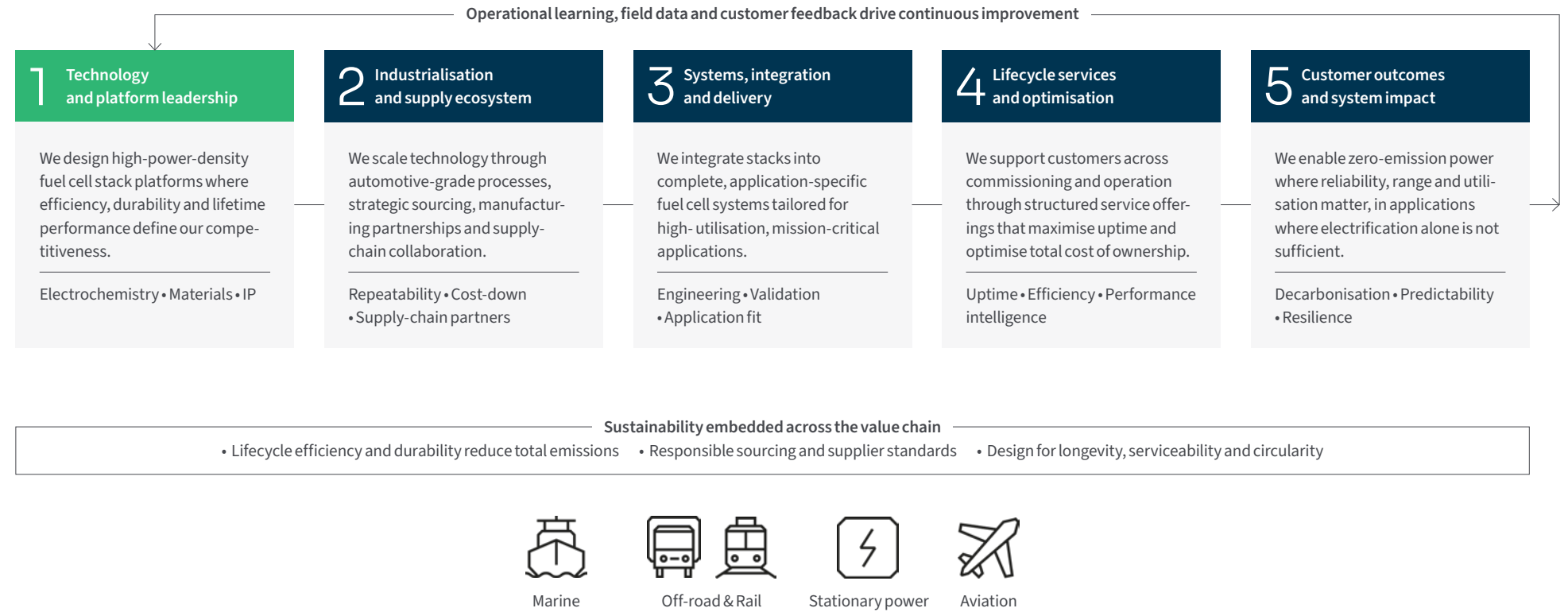
PowerCell creates value by industrialising fuel cell technology into reliable, zero-emission power solutions for demanding applications.

PowerCell operates within the global energy transition, where electrification, hydrogen infrastructure and advanced manufacturing are reshaping industrial energy use. Our value chain is embedded in a broader ecosystem of specialised material suppliers, industrial partners, infrastructure development and customers with a need to decarbonise. Technology scale-up depends on access to advanced materials, precision components and a maturing hydrogen infrastructure. Close collaboration with suppliers and partners is therefore essential to achieve the durability, quality and cost levels required for demanding applications.

Our supply chain and customer base are internationally distributed. Spend with suppliers is weighted towards Europe (87% Europe, 9% Asia, 4% North America), while 2025 sales were mainly generated in European markets, reflecting regional demand, infrastructure conditions, and decarbonisation policies.

Suppliers are subject to our Supplier Code of Conduct anchored in the UN Guiding Principles on Business and Human Rights, with expectations for environmental performance, human rights and ethical business practices. We apply risk-based assessments and ongoing dialogue to promote transparency and responsible sourcing across procurement.

We design products for durability, ease of service and material efficiency to extend working life and support future refurbishment and recycling pathways, strengthening resource efficiency and reducing lifecycle environmental impact as deployment scales.



Robust and reliable products – fit for commercial deployment

PowerCell's fuel cell systems are developed for demanding, high-utilisation applications where safety, availability and predictable performance are critical. Product safety and quality are central to our business model: they reduce execution risk for customers, support long-term partnerships and enable scaling in regulated industries.

Built for regulated, mission-critical environments

We sell to segments with stringent technical requirements and formal certification regimes. Meeting industry expectations is a key enabler for integration into customer platforms and for repeatable delivery across projects and geographies.

Safety is embedded in our product development and delivery processes. For each application, we perform structured risk assessments and work with customers, integrators and suppliers to support safe system design, installation and operation. In marine applications, this includes compliance with independent verification frameworks defined by classification societies such as DNV and Lloyd's Register. This discipline is particularly important for hydrogen applications, where robust procedures and correct handling underpin both safety and long-term performance.

Certified management systems and quality assurance

Our management systems are certified to ISO 9001 and ISO 14001. In 2025, we completed certification to AS9100D (covering design, testing, qualification, manufacturing and maintenance of stack cells, propulsion and auxiliary systems for hydrogen powertrains in aerospace). AS9100D, widely used in aviation and defence, builds on ISO 9001 with additional requirements for reliability, compliance and risk management, providing independent verification that our processes meet stringent criteria for safety-critical applications.

The AS9100 framework has also shaped our broader operational governance. Over the past two years, we have strengthened our indus-

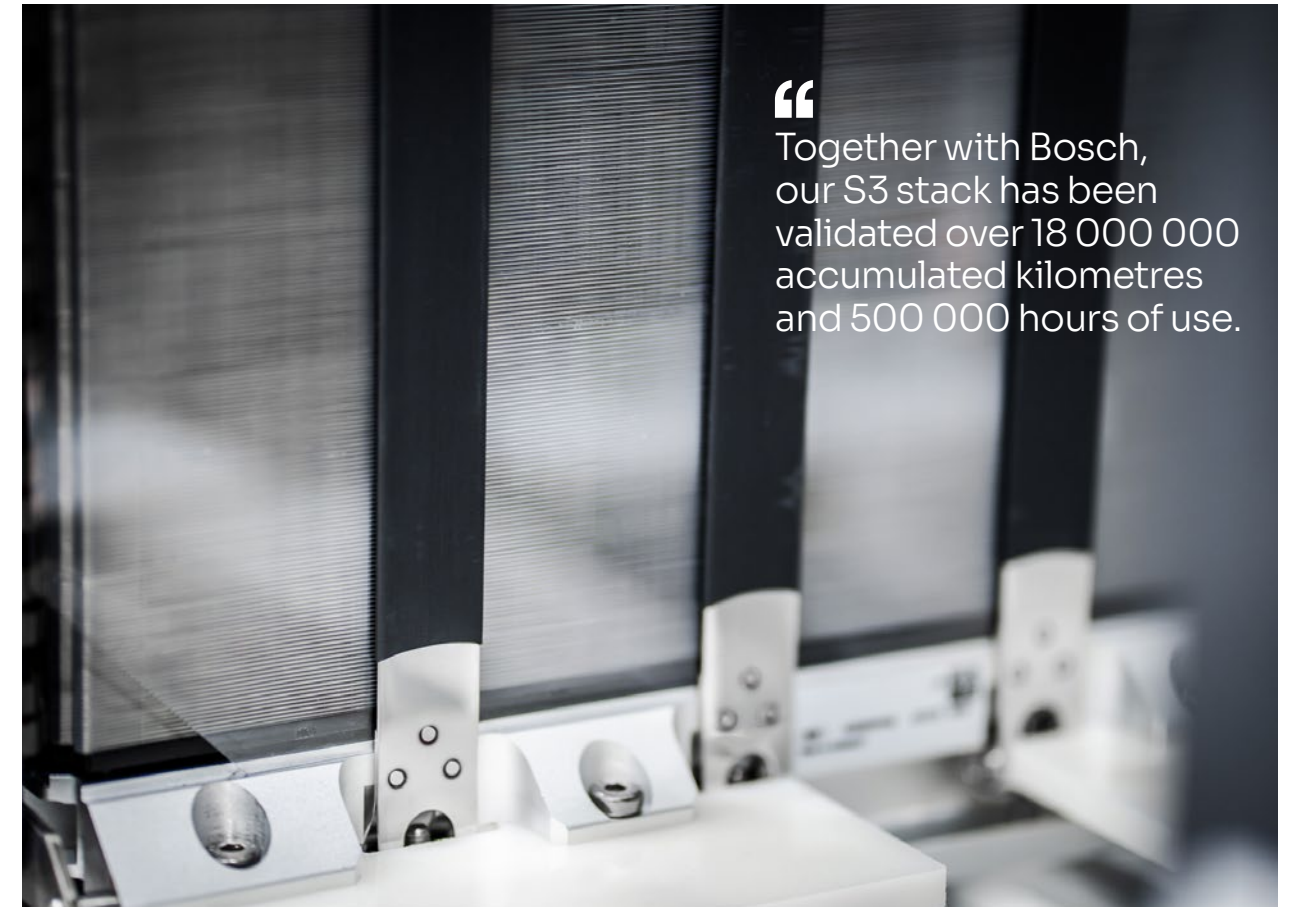
trial operations framework across quality and configuration management, product lifecycle management, supplier quality, production verification and cross-functional governance, supported by a daily decision-empowered forum that ensures issues are identified, owned and resolved rapidly

PowerCell maintains high standards of compliance and transparency in product and service information. During 2025, PowerCell did not receive any notices, fines or penalties related to non-compliance with regulations governing the health and safety impacts of products and services, or product information, labelling and marketing communications.

Independent approvals and commercial validation

Together with Bosch, whose industrial manufacturing capability and quality systems are central to stack production, our S3 stack has been validated over 18 000 000 km and 500 000 hours of use. Our reliability and safety performance is supported by third-party approvals and by customer deployments in demanding environments.

In marine applications, PowerCell has obtained type approval for the Marine System 225 from Lloyd's Register, confirming compliance with applicable safety, design and performance requirements for the approved configurations. In stationary power, we strengthened our offering for mission-critical operations and resilient power supply. We also advanced industrial partnerships in which PowerCell systems moved from demonstration projects to commercial orders, providing further evidence of product and process maturity.



“ Together with Bosch, our S3 stack has been validated over 18 000 000 accumulated kilometres and 500 000 hours of use.

Industrialised delivery and customer support

Reliability is not only a design outcome; it depends on industrialised delivery and support. PowerCell works to standardise system delivery through modular platforms, controlled production processes, structured verification and customer readiness activities such as factory acceptance testing (FAT), where applicable. Production quality is reinforced through certified work instructions, error-prevention methodologies and peer verification steps. Systems are designed for serviceability, with modular components, defined service intervals and structured maintenance programmes that minimise operational disruption.

We support customers and integrators with application guidance, training and documentation as part of responsible deployment. The

objective is to reduce start-up risk and to help ensure that systems perform safely and reliably throughout their operating life.

Taken together, design discipline, certified processes, third-party approvals and commercial deployments show that PowerCell's products are being industrialised and are used in commercial, safety-critical and high-performance applications. Continued investment in product reliability, industrialisation and service capability remains a priority as we scale.



CERTIFIED
ISO 9001
ISO 14001
Quality and environmental
management systems

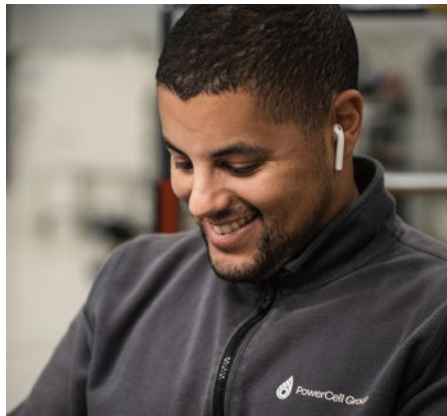
RISE



People and sustainable performance

PowerCell's ability to deliver industrial-grade fuel cell solutions depends on skilled, motivated employees and a culture that supports execution, learning and accountability. Our culture is anchored in four guiding principles Do your best and care; Search for the positives; People over processes and Kindness is a superpower which are used to support collaboration and decision-making in daily work.

1. Do your Best and Care



Always try your best and try to improve, a little every day. Be ambitious, brilliant, friendly and collaborative. Use your time wisely. Take some time now and then to think about how you can improve what we do and how we do it.

Always be accountable for your actions and we all have a mandate to do the right thing!

2. Search for the Positives



It takes zero skill and talent to look for problems. We can learn from how children approach new things; with joy and curiosity, and we can train our minds to look for the positive first. Anyone can find faults and problems. Fortunately, everyone can find the good stuff too.

Spend more time looking for good examples, opportunities and possibilities and less time looking for mistakes, problems and errors. These are important too, but rarely more important. Ask, "How can I contribute?"

3. People over Processes



Processes can create a foundation for brilliant people to be just that – brilliant. Processes do not create value – people do. We use process to secure supporting structures. We also use our judgement, collaboration and experience. We put our trust in people.

4. Kindness is a SuperPower!



We do things differently here. PowerCell is about "us and we" and we are all in this together. It's all about getting things done, finding solutions and taking responsibility.

Accountability and responsibility is about integrity and honesty. Focus on what you/we can do to create value and do not blame others or take credit for other's ideas. Do, however, add to ideas, challenge and disagree with good intentions and consideration and communicate openly and directly. And be kind - always!

Competence and leadership

We build capability through structured performance and development dialogues and skills planning, ensuring teams develop the competencies needed for future priorities. We also provide role-relevant training, including leadership and safety-related training, to support consistent execution as the company scales.

Health and safety

Safety is non-negotiable across the whole company. We apply systematic health and safety management in line with Swedish work environment requirements, including safety training, incident reporting, regular safety rounds and structured follow-up of corrective and preventive actions. Lost Time Accident performance is monitored, and incidents are reviewed to reduce recurrence.

Wellbeing and work-life balance

Managers are responsible for monitoring workload and addressing stress risks in employee dialogues. We follow sickness absence trends and provide access to health support, wellness allowance and regular medical examinations. In 2025, sickness absence was 3.1 % (2.2).

Fairness, inclusion and speaking up

We aim to attract and retain talent through fair pay and benefits, and we conduct annual reviews to identify and address unjustified pay differences. We value diversity and equal opportunity; our workforce represents around 30 nationalities, and we do not accept discrimination or harassment. Employees can raise concerns through management, HR, or an anonymous whistleblower channel.

Business ethics

PowerCell is committed to respecting and promoting internationally recognised human rights throughout our operations. As a signatory to the UN Global Compact, we integrate its principles into our work and operate in accordance with the OECD Guidelines for Multinational Enterprises on Corporate Responsibility.



Business ethics and compliance

PowerCell's long-term value creation depends on trust among customers, partners, employees and regulators. We conduct business with a Code of Conduct that applies to employees and the Board and is included in onboarding for new employees.

The Board has overall responsibility for governance within sustainability-related areas, including key policies and follow-up, while executive management is responsible for implementation and follow-up across the organisation.

We apply zero tolerance for corruption, bribery, fraud and money laundering across our operations and value chain. Our policies provide guidance on gifts and hospitality and interactions related to public procurement, and we do not make contributions to political parties or politicians.

We maintain an independent whistleblower channel that enables stakeholders to report suspected violations of our Code of Conduct and other serious misconduct. Critical concerns can be escalated through regular governance structures, including the Board and the Audit Committee, or through the whistleblower service.

Business ethics and compliance are integrated into the Group's risk management and follow-up processes, including within established business planning.

Since its establishment, PowerCell has not incurred fines or losses related to corruption or fraud and has not been subject to legal action related to anti-competitive behaviour.

Organisations and industry participation

PowerCell participates in selected industry organisations relevant to hydrogen and fuel cell technologies. These engagements support alignment with evolving requirements for safety, standardisation and deployment in markets where regulatory approval and third-party verification are prerequisites for commercial use.

In the hydrogen ecosystem, PowerCell engages with organisations such as the European Clean Hydrogen Alliance, Hydrogen Europe, Hydrogen Sweden and the Fuel Cell and Hydrogen Energy Association (FCHEA) in the United States. Through these forums, we follow market and regulatory developments and contribute technical expertise.

In aviation and maritime, PowerCell participates in initiatives including Clean Aviation and ZESTAs, which bring together industry, authorities and research actors to address technology pathways, safety expectations and adoption of zero-emission solutions in regulated environments. PowerCell also takes part in technical collaboration through the Mission Innovation Hydrogen Fuel Cell Off-Road Equipment and Vehicles Working Group, contributing to dialogue on

fuel cell systems and powertrains for demanding applications. We are also engaged with organizations in reviewing and developing fuel cell standards for our targeted customer segments.

PowerCell is also a member of the Exponential Roadmap Initiative, a collaborative climate initiative which brings together some of the world's most progressive companies to drive exponential action to halve emissions by 2030.

Participation in industry organisations is reviewed to ensure relevance to PowerCell's strategy and focus on regulated, safety-critical segments. Our engagement is focused on technical and industry collaboration.

VÄTGAS
SVERIGE



PowerCell as a climate solution provider

“
Powered by renewable hydrogen, MS225 can cut lifecycle emissions by up to 80% vs. MGO combustion engines.

Accelerating the transition to fossil free, low-emission energy systems

The world's energy and transport systems are under pressure to decarbonise fast. Electricity from renewables is replacing fossil fuels in many areas, but there are sectors where batteries and direct electrification are not enough, for example shipping, aviation and mission critical power generation. This is the space where PowerCell brings its strongest value.

PowerCell develops and delivers hydrogen fuel cell stacks and systems that replace or complement fossil-fuelled combustion engines and turbines. Our solutions use hydrogen to generate electricity and heat with water vapour as the only biproduct. When combined with low carbon hydrogen, they can cut greenhouse gas emissions substantially while maintaining high performance and reliability in demanding environments.

Our prioritised segments all target applications where customers face clear regulatory pressure and need credible alternatives to diesel, marine gas oil and kerosene. By enabling our customers to move away from fossil fuels in these hard to abate segments, PowerCell contributes directly to the transition to fossil free, low-emission energy systems.

Looking beyond the exhaust pipe – a lifecycle perspective

Zero emissions at the point of use are an important advantage of fuel cells, but they do not tell the full climate story. To understand the true environmental performance of our products, PowerCell evaluates climate impact across the full life cycle, from raw materials and manufacturing through operation, maintenance and end of life.

In 2024–2025, RISE Research Institutes of Sweden conducted a life cycle assessment (LCA) of PowerCell's Marine System 225 kW (MS225) in realistic marine applications. The study assessed a 10 MW fuel cell system based on MS225 modules and compared it with conventional marine gas oil (MGO) engines sized for the same duty. Two vessel cases were analysed: auxiliary power on a cruise ship, and combined propulsion and auxiliary power on a bulk carrier.

The central question was straightforward: how much climate impact can be avoided by replacing MGO engines with fuel cell systems, and how does the answer depend on how hydrogen is produced?

Up to ~80% lower lifecycle climate impact with green hydrogen

The LCA was performed in accordance with ISO 14040/44 standards and independently reviewed. Results are scenario-based and indica-

tive; actual emissions will vary depending on vessel design, operating profile and fuel supply. The MGO comparison is based on a generic engine model, and performance may differ for specific engine configurations.

Within these assumptions, the results are clear:

- When MS225 systems operate on green hydrogen produced using renewable electricity, total lifecycle climate impact per delivered kWh can be around 80% lower than that of MGO-fuelled engines in both vessel cases analysed.
- This corresponds to an avoided emission of approximately 0.6–0.7 kg CO₂-equivalent per kWh compared with the MGO reference.

When scaled over the operating lifetimes used in the study, the impact becomes substantial:

- For the modelled 10 MW auxiliary power system on a cruise ship, replacing MGO generators with MS225 systems running on green hydrogen could avoid around 0.7 million tonnes of CO₂-equivalents over 30 years.

- In the bulk carrier case, covering propulsion and auxiliary power, the corresponding reduction is around 0.45 million tonnes of CO₂-equivalents over the assessed lifetime.

The study also shows that blue hydrogen (with carbon capture and storage) can reduce lifecycle climate impact by roughly 50% compared with MGO, while grey hydrogen results in a climate impact broadly comparable to the MGO reference.

The conclusion is unambiguous: when supplied with low-carbon hydrogen, PowerCell's fuel cell systems can deliver very large lifecycle emission reductions in marine applications.

Where the climate impact arises – and how it can be reduced

The life cycle assessment confirms that fuel production and use dominate the lifecycle climate impact of both fuel cell systems and combustion engines. For fuel cell systems, hydrogen production is by far the largest contributor, while for combustion engines the main driver is fuel combustion and upstream fuel supply. In comparison, raw materials, manufacturing, maintenance and end of life account for a relatively small share of total climate impact.

This concentration of impact provides a clear basis for prioritisation. The LCA points to three levers for reducing lifecycle emissions, with different roles over time:

Decarbonising hydrogen supply

The climate performance of fuel cell systems is fundamentally linked to how hydrogen is produced. Expanding access to green and other low-carbon hydrogen therefore represents the single most important lever for maximising the climate benefit of PowerCell's technology. Achieving this requires continued collaboration with customers, energy companies and policymakers to scale production, infrastructure and market availability of low-carbon hydrogen.

Improving system efficiency

Higher system efficiency directly reduces hydrogen consumption per delivered kWh and therefore lowers lifecycle emissions as well as operating costs. The study indicates that increasing average fuel cell efficiency from 45% to 50% reduces climate impact per kWh by around 10%, while an increase to 60% can reduce impact by approximately 25%, assuming the same hydrogen supply. Continued improvements in stack and system efficiency are therefore among the most effective and capital-efficient levers available in the near to medium term.

Optimising materials and circularity

Within the MS225 system itself, the largest embedded environmental impact is associated with metals in the cabinet and the fuel cell stack. Beyond the fuel cell system, tanks and batteries also contribute. However, the LCA shows that more than 95% of total lifecycle climate impact is driven by fuel, with materials and manufacturing representing a comparatively small share. As a result, the most effective near-term climate strategy is rapid deployment of fuel cell systems to replace fossil-fuels, supported by low-carbon hydrogen supply.

In combination, these priorities reflect a deliberate focus on maximising real-world emission reductions through scale and efficiency today, while systematically lowering embedded impacts over time. Increasing recycled content, reducing material intensity and developing efficient end-of-life and recycling solutions therefore constitute important long-term priorities, where progress must be balanced against system cost, performance and scalability. As production volumes increase and supply chains mature, these measures provide a pathway to further reduce embedded emissions while maintaining competitiveness and supporting broader market adoption.

Scaling our impact across segments

Although the MS225 LCA focuses on marine applications, the underlying physics and design principles are the same across our portfolio:

- **In Marine**, MS225 and future platforms can replace or complement MGO engines on ferries, cruise ships, offshore vessels and short sea cargo ships, delivering deep emissions reductions where few alternatives exist.
- **In Aviation**, hydrogen electric propulsion based on our stacks offers a pathway to significantly lower lifecycle emissions for short and regional range aircraft, complementing sustainable aviation fuels.
- **In Power Generation**, fuel cell systems can replace diesel gensets in data centres, microgrids and other critical infrastructure, providing zero emission, high availability power.

By focusing on these hard to abate sectors, PowerCell positions itself where hydrogen electric solutions have the greatest potential to cut lifecycle emissions and enable our customers to meet their climate targets.

Our commitment

Being a climate solution provider is not a label; it is a direction for how we design products, prioritise R&D and work with partners. We will continue to:

- develop high efficiency fuel cell platforms for various applications.
- use lifecycle assessments to understand and reduce the environmental footprint of our products.
- work with customers and partners to accelerate and simplify access to low carbon hydrogen.
- support the scaling of zero emission solutions that replace fossil based systems in marine, aviation and power generation.

Through this, PowerCell aims to play a meaningful role in accelerating the transition to fossil free, emission free energy systems. For further information about about how we work with sustainability, see our separate Sustainability Report 2025.



A changing energy system driving demand for hydrogen-electric solutions

Global energy systems continue to undergo significant transformation. Electrification of transport, industry and buildings, combined with digitalisation and population growth, is driving a sustained increase in electricity demand.

Global electricity consumption is expected to rise by around 100 percent between today and 2060. While renewable energy capacity is expanding rapidly, grid development is lagging, increasing the need for reliable, flexible and emission-free power solutions that complement variable generation.

At the same time, the transition to a low-carbon energy system requires more than electrification alone. Net-zero scenarios show that advanced technologies, including low-carbon hydrogen and carbon capture, are essential to decarbonise sectors that cannot be fully electrified and to deliver the final 20–30 percent of emissions reductions needed in net-zero pathways. Hydrogen provides a viable zero-carbon fuel for industries such as shipping, aviation and steelmaking, and supports the development of a deeply decarbonised and resilient energy system.

This dual shift; rising electricity demand and the growing need for low-carbon fuels, is reshaping global energy markets and driving interest in hydrogen-electric solutions across hard-to-electrify applications.

Hydrogen is moving from vision to regulation backed reality

Global hydrogen demand reached nearly 100 million tonnes in 2024, while low-emissions hydrogen accounted for about 1 percent of total production. In the European Union, regulatory frameworks including RED III, ReFuelEU Aviation and FuelEU Maritime are expected to create regulatory-driven demand for approximately 2.8 million tonnes of renewable fuels of non-biological origin (RFNBOs) by 2030.

In 2025, around 571 MW of water electrolysis capacity was operational in Europe, with a further 2.84 GW under construction, leaving

deployment well below the EU's 6 GW target for 2024. Current assessments indicate that domestic production combined with binding import arrangements could meet only around 60 percent of projected regulatory demand by 2030. This imbalance points to a persistent structural supply gap and underlines the continued importance of regulatory support mechanisms to stimulate both investment and offtake.

Outside Europe, hydrogen markets are developing along different trajectories. In the United States, recent legislative revisions to federal hydrogen support schemes have reduced or delayed elements of previously announced incentives, and several Regional Clean Hydrogen Hub initiatives have been scaled back or placed under review. Nevertheless, the United States remains a strategically important long-term market, particularly for hydrogen produced from natural gas with carbon capture and storage (CCS). Abundant gas resources, established energy infrastructure and favourable geological storage conditions support the competitiveness of CCS-enabled hydrogen in industrial regions such as the Gulf Coast and the Midwest.

China remains the world's largest producer and consumer of hydrogen and continues to expand deployment across transport, industrial processes and integrated energy systems. Government strategies emphasise large-scale electrolyser manufacturing, renewable-based hydrogen production and the development of hydrogen industrial parks that integrate generation, distribution and end-use. China's manufacturing scale and pace of deployment are expected to remain key factors influencing global cost development across the hydrogen value chain.



Scarcity-driven market formation

The emerging supply imbalance in Europe, together with differing but related developments in other major markets, is shaping how low-emissions hydrogen is allocated rather than limiting its relevance. In an environment of constrained supply and strong regulatory signals, hydrogen is expected to be prioritised for applications with few viable alternatives for deep decarbonisation. These include maritime propulsion and auxiliary power, aviation systems, heavy-duty and off-road vehicles, energy-intensive industrial processes, and dispatchable power generation.

As hydrogen is channelled toward these high-value segments, efficiency becomes a decisive factor. Technologies that maximise the

usable energy derived from each unit of hydrogen gain structural importance, particularly where availability, cost and regulatory compliance are critical constraints. Fuel-cell systems offer high conversion efficiency compared with combustion-based solutions, supporting their adoption in applications where performance, reliability and emissions requirements converge.

This market dynamic aligns closely with PowerCell's strategic focus on hard-to-electrify segments. By addressing applications where hydrogen efficiency, operational flexibility and zero local emissions are essential, PowerCell is positioned to benefit from a market shaped not by volume growth alone, but by increasing emphasis on value per molecule.

Investment activity in hydrogen production and infrastructure

Despite regional differences in policy design and implementation, global investment in hydrogen production and enabling infrastructure continues to build momentum. More than 500 low-emissions hydrogen projects worldwide have reached final investment decision to date, and cumulative committed investment reached approximately USD 110 billion by 2025.

Announced project pipelines indicate the potential for up to 37 million tonnes per year of low-emissions hydrogen production capacity by 2030. As the market matures, capital allocation is becoming increasingly selective, with investment concentrating in regions and applications supported by stable policy frameworks, access to infrastructure and bankable offtake arrangements. This selectivity is shaping a more disciplined market environment, prioritising projects with clear pathways to execution.

Electrolyser manufacturing capacity is expanding rapidly. Global announced manufacturing capacity for 2030 exceeds 180 GW per year, reflecting strong industrial commitment to hydrogen technologies. While manufacturing capacity currently outpaces near-term deployment, this dynamic is intensifying competition, accelerating standard-

isation and supporting longer-term cost reductions across the value chain.

In the United States, although federal priorities and support mechanisms have evolved, CCS-enabled hydrogen projects continue to advance in several regions. Established energy infrastructure, favourable geological storage conditions and state-level initiatives support the development of hydrogen production clusters, particularly in the Gulf Coast and Midwest. China is pursuing a parallel strategy through the development of large-scale hydrogen industrial parks that integrate renewable power generation, hydrogen production and industrial end-use. In Europe, investment activity is increasingly focused on enabling infrastructure, including hydrogen pipeline networks, port-based import and bunkering facilities, and regional hydrogen hubs designed to align supply with emerging demand in transport, industry and energy systems.

Hydrogen in hard-to-electrify applications

International energy outlooks consistently indicate that hydrogen will play an important role in applications where direct electrification faces technical, operational or economic constraints. These include

maritime propulsion and auxiliary power, hydrogen-electric aviation concepts, heavy-duty and off-road machinery, selected industrial processes, and stationary power applications requiring high reliability or fast response.

Early hydrogen deployment is increasingly centred around integrated systems such as ports, industrial sites, transport corridors and mission-critical power environments. In these settings, hydrogen is valued not as a bulk energy substitute, but as an enabler of decarbonisation where alternatives are limited and performance requirements are high.

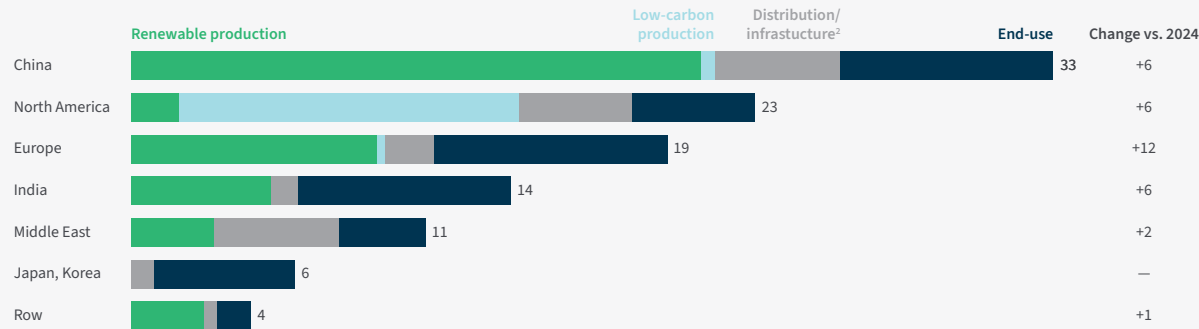
Across these segments, fuel-cell systems are being evaluated and deployed where high power density, operational flexibility and zero local emissions are decisive. As hydrogen availability remains constrained and regulated, efficiency at the system level becomes a key differentiator. Technologies that maximise the useful output from each unit of hydrogen are therefore gaining structural relevance, supporting the role of fuel cells in applications where reliability, emissions performance and operational control are critical.

Market outlook

The global hydrogen market is characterised by regulatory commitment, sustained demand signals that exceed early-stage supply, evolving policy structures and targeted investment in production and infrastructure. The supply gap evident in Europe, alongside developments in the United States and China, reflects both the scale of expected hydrogen demand and the early stage of industrial build-out. For hydrogen-electric technologies, including fuel-cell systems, this environment supports long-term growth driven by efficiency requirements, regulatory drivers and the specific needs of hard-to-electrify applications.

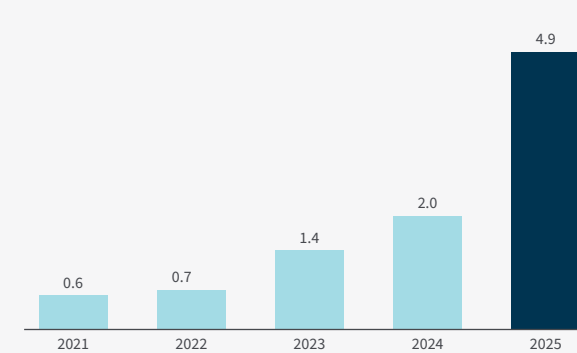
PowerCell operates in the segments expected to be among the earliest and most resilient adopters of low-emissions hydrogen. With an industrialised technology platform, established OEM partnerships and a growing number of commercial installations, the company is well positioned to address emerging requirements as hydrogen adoption progresses across multiple regions.

Committed (FID+) investment by region, \$ billion



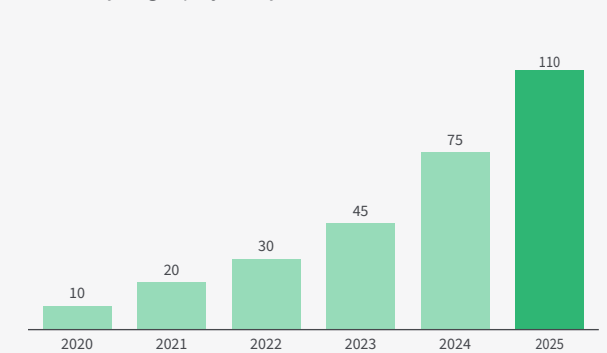
Source: Hydrogen Council Global Hydrogen Compass 2025

Electrolyser installed capacity GW



Source: IEA Global Hydrogen Review

Global cumulative committed (FID+) investment in clean hydrogen projects by 2030, \$ billion



Source: Hydrogen Council Global Hydrogen Compass 2025

Marine

A market entering commercial deployment

The maritime sector is entering a decisive phase of the energy transition. Global regulation, rapidly advancing technology and shifting customer expectations are driving demand for zero-emission propulsion across short-sea, coastal and offshore operations.

In 2023, the International Maritime Organization adopted the IMO Net-Zero Strategy, introducing binding targets to cut total GHG emissions by at least 20 percent by 2030, 70 percent by 2040, and reach net-zero around 2050. In Europe, progress is even more tangible. FuelEU Maritime entered into force in 2025, setting binding greenhouse-gas intensity limits for the energy used onboard ships calling at EU ports. These limits tighten significantly through 2030 and 2035, favouring low- and zero-carbon fuels while sharply increasing the cost of fossil-based operations.

At the same time, maritime transport has formally entered the EU Emissions Trading System (EU ETS). From 2024 onward, shipowners must purchase allowances for their CO₂ emissions on voyages within the EU, and partially for voyages to and from the EU. The cost exposure increases stepwise until full phase-in in 2027, reinforcing the economic case for switching from combustion-based propulsion to low-emission alternatives.

Against this backdrop, PowerCell strengthened its position during 2025 as a leading provider of marine-certified fuel cell systems. The maritime market is transitioning from pilots to commercial deployment, and PowerCell is now engaged in a broad range of applications, including cruise vessels, passenger ferries, coastal cargo ships and luxury yachts. Customer programmes span concept development, class approval, integration engineering and full-scale system deliveries. Several vessels equipped with PowerCell systems have progressed into installation and commissioning phases, with additional fleet rollouts planned across Europe and the US.

Commercial momentum across priority segments

Early adoption of hydrogen-electric propulsion is strongest in predictable-route segments where bunkering logistics, energy requirements and operational profiles align well with hydrogen. Ferries, offshore vessels and short-sea cargo operations are among the segments identified by DNV, Lloyd's Register and the Nordic Fuel Transition Roadmap as the most suitable for early transition. PowerCell's growing presence in these areas reflects this market pattern.

Hydrogen-electric systems continue to demonstrate high operational reliability. The world's first liquid-hydrogen ferry, Hydra, has achieved 98 percent uptime across its first 80 bunkering operations, validating the safety and serviceability of hydrogen maritime supply chains. Similar systems are being prepared for installation on newbuild and retrofit vessels, and the market is shifting toward multi-megawatt configurations for larger ships.

PowerCell's customer portfolio includes several major cruise and ferry operators, shipyards and integrators preparing for fleet-level adoption. The company also supports feasibility studies and early-stage design work for shipowners evaluating zero-emission propulsion and hybrid configurations combining hydrogen, batteries and methanol-to-hydrogen reforming.

Technology platform and product development

PowerCell's marine offering is built on the industrialised Marine System 225 platform, designed for modular integration and scalable installation up to multi-megawatt levels. These systems provide high efficiency, fast dynamic response and low noise, key requirements for commercial operations. MS225 has been type approved by Lloyds Register.



Hydrogen-electric systems continue to demonstrate high operational reliability.



During the year, PowerCell advanced work on hydrogen-electric auxiliary power and methanol-to-hydrogen solutions. The DNV Approval in Principle for the Methanol-to-Power concept supports ship-owners seeking to reduce emissions while maintaining operational range and flexibility. Parallel development efforts focus on increasing power density, improving integration with onboard energy-storage systems and enhancing lifecycle serviceability for commercial fleets. PowerCell's role in the EU-funded H2Marine project, focused on developing one of the world's most powerful marine PEM stacks—advanced during the year, allowing us to validate performance improvements and build the foundations for future megawatt-class configurations.

Fuel cells offer efficiency advantages over combustion-based solutions, with well-to-propeller energy conversion typically 10–20 percent higher than internal combustion engines. This translates into lower hydrogen consumption and competitive operational economics on a lifecycle basis.

Customer programmes and partnerships

PowerCell's customer base continued to expand during 2025. Deliveries to major cruise and ferry operators progressed as planned, including multi-megawatt systems for vessels operating in the Nordic region. The company is involved in retrofit and newbuild programmes across

Europe, and supports integrators and shipyards with engineering, digital integration tools and lifecycle service capabilities.

PowerCell also collaborates with technology partners across the maritime value chain, including tank and fuel-system suppliers, naval architects, integrators and classification societies. These partnerships are essential to accelerating the commercial deployment of hydrogen-electric solutions and ensuring that vessel designs meet evolving safety and regulatory requirements.

Regulatory drivers and market positioning

Fuel EU Maritime, the ETS system and The IMO Net-Zero Strategy is reshaping fuel economics for maritime transport. From 2030, IMO's goal is that zero- or near-zero-emission fuels account for 5–10 percent of total energy used by international shipping, increasing rapidly thereafter. Carbon pricing under consideration, ranging from USD 100 to USD 380 per tonne of CO₂-equivalent depending on the tier, will further shift competitiveness toward hydrogen and other low-emission options.

The Nordic region is emerging as a first-mover market for hydrogen-powered vessels, supported by local production, early H₂ bunkering infrastructure and national decarbonisation targets. The Nordic Fuel Transition Roadmap identifies hydrogen and ammonia as the predominant zero-emission fuels for short-sea shipping by 2035, with significant uptake before 2030 in ferry and offshore segments.

PowerCell's technology aligns closely with these regulatory and market trends. Hydrogen fuel cells provide a scalable, flexible and zero-emission solution for vessels operating in coastal and offshore environments where batteries alone are insufficient and where operational reliability is essential.

System integration, service and lifecycle support

PowerCell has expanded its marine service capabilities to support customers throughout the vessel lifecycle. Standardised interfaces, modular serviceability and remote diagnostics enable efficient integration and maintenance. The company's growing installed base supplies valuable operational data that drives improvements in component durability, system performance and total cost of ownership.

Outlook

Hydrogen-electric and hybrid propulsion architectures are becoming integral components of the maritime decarbonisation roadmap. Regulatory momentum, tightening GHG intensity requirements and increasing fuel-cost differentials between fossil and zero-emission options create a favourable environment for continued adoption. With an industrialised technology platform, certified systems and a growing portfolio of commercial installations, PowerCell is well positioned to support shipowners transitioning to zero-emission operations across short-sea, offshore and coastal segments.

Specifically designed for marine applications

PowerCell's marine systems are based on industrialised components that can be easily connected to meet the power supply needs of many different customers. Launched in 2024, Marine System 225 is capable of offering up to several megawatts of power thanks to its modularity.

Marine System 225

Marine System 225 is a powerful yet compact and advanced marine power generation system Type Approved by Lloyd's Register, that builds on the successes of Marine System 200. Designed with our extensively validated fuel cell stack platform, Marine System 225 represents a significant upgrade for maritime applications and can be connected in parallel for megawatt solutions. Marine System 225 offers high system efficiency and delivers

quiet, emission-free energy, making it well suited for sensitive marine environments. Utilising the proven technology of its predecessor, the Marine System 225 offers increased power and improved operational efficiency while maintaining an industry-leading installation footprint. This makes it an ideal solution for a wide range of marine vessels and allows for easier installation and servicing.



M2Power 250

A revolutionary solution for maritime power generation, offering unparalleled efficiency, reliability and ease of integration. With a focus on safety, performance, and sustainability, the generator sets a new standard for marine electrification, paving the way for a greener future. This innovative system combines methanol reforming with fuel cell technology, simplifying decarbonisation by gen-

erating clean hydrogen on demand for seamless integration into your vessel. It delivers 250 kW of efficient, reliable and clean electric power for marine applications. This complete solution is designed to replace traditional marine diesel gensets, offering a fully integrated experience for a smooth transition to net zero.





Aviation
Advancing
hydrogen-electric
propulsion in aviation

Hydrogen-electric propulsion continues to progress as a long-term solution for achieving deep decarbonisation in aviation, particularly in short- and regional-range segments. Aviation today accounts for roughly 3 percent of global CO₂ emissions, and its share could rise significantly by 2050 if other sectors decarbonise faster while air traffic continues to grow. As sustainable aviation fuels alone cannot deliver net-zero aviation due to limited bio-feedstock availability and the high cost of synthetic fuels, hydrogen-electric propulsion has become a central focus for next-generation aircraft concepts.

Strengthened position as leading provider of aviation-qualified fuel cell solutions

In 2025, customer programmes made important steps toward commercialisation. PowerCell is engaged in a wide range of aviation applications, including fixed-wing aircraft, helicopters, drones, eVTOLs and auxiliary power units (APUs). These programmes span early concept development, integration testing and full-scale flight trials. Across these efforts, PowerCell provides both hardware and specialist engineering expertise, and several customer applications have now entered airborne testing. PowerCell continues to strengthen its role as a leading provider of hydrogen-electric propulsion technology in aviation and remains a preferred partner for customers seeking high-performance, aerospace-grade fuel cell systems.

Product development

PowerCell's aviation portfolio is based on advanced stack technology qualified for aerospace environments. The S3 stack continues to form the foundation for several customer applications. It offers a robust and lightweight design with high power density and is certified to the aerospace quality standard AS9100. Its performance characteristics make it suitable for both propulsion and APU concepts, and it remains a key product for customers seeking proven, certifiable fuel cell solutions.

In parallel, PowerCell is developing its next-generation Heavy Duty Stack (HDS), designed for future megawatt-class propulsion systems. The HDS platform is optimised for high output, reduced weight and integration into large hydrogen-electric architectures.

Customer partnerships

PowerCell has continued to support ZeroAvia, one of the most advanced developers in the segment and an important customer for the company. During the year, PowerCell supplied certified stacks and engineering support as ZeroAvia progressed toward certification of the ZA600 powertrain for 9–19 seat aircraft. PowerCell stack technology forms part of ZeroAvia's flight test programmes and contributes to the long-term goal of commercial hydrogen-electric regional aviation.

Beyond established partnerships, PowerCell has continued to receive new assignments from a broad range of aviation actors. These include feasibility studies, propulsion architecture assessments and customised solutions based on PowerCell's stack technology. The diversity of these engagements reflects growing industry-wide interest in hydrogen-electric concepts.

NEWBORN – next-generation hydrogen-electric propulsion

The NEWBORN project represents a strategically important part of PowerCell's long-term aviation roadmap. During 2025, the company reached several key milestones. Full-scale stacks at Technology Readiness Level 4 (TRL 4) were completed and delivered for integration and system-level testing within the project. This marks an important step in validating PowerCell's next-generation stack architecture in demanding aviation environments.

NEWBORN enables PowerCell to mature the megawatt-class building blocks required for future hydrogen-electric aircraft and aligns with European research priorities for disruptive propulsion technologies. For PowerCell, the project strengthens the company's competitive position by advancing stack design and validating performance in the most demanding aerospace use cases.

During the year, PowerCell also initiated a Vinnova-funded programme aimed at further optimising the HDS platform. The project focuses on developing thinner bipolar plates to reduce system weight and increase performance, supporting the long-term goal of delivering lightweight, high-efficiency propulsion solutions tailored to aviation requirements.

Market outlook and regulatory drivers

Regulatory pressure to decarbonise aviation continues to intensify. In the European Union, ReFuelEU Aviation mandates a growing share of sustainable aviation fuels and, for the first time, introduces binding requirements for synthetic fuels produced using renewable hydrogen. New aircraft technologies under the EU's aviation research and innovation strategy are expected to deliver at least 30 percent lower greenhouse gas emissions by 2035 and up to 90 percent reductions or zero in-flight CO₂ by 2050 for hydrogen-based propulsion.

Internationally, ICAO's CORSIA framework continues to shape emissions compliance for global airlines, and several regulators are evaluating additional mandates for zero-emission operations in specific aircraft categories.

These developments support accelerated interest in hydrogen-electric propulsion for 9–19 seat aircraft and regional turboprop platforms. Technology roadmaps from leading developers point to commercial entry of hydrogen-electric aircraft in the 9–19 seat class in the near term, followed by 40–80 seat regional turboprops using liquid hydrogen storage around the end of this decade. Concept studies

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During the year, PowerCell supplied certified stacks and engineering support as ZeroAvia progressed toward certification of the ZA600 powertrain for 9–19 seat aircraft.

extend hydrogen fuel cell propulsion into larger regional jets and narrow-bodies in the 2030s and 2040s. As these technologies mature, hydrogen-electric propulsion could deliver up to 40 percent lower operating costs per flight hour than fossil jet propulsion, owing to higher efficiency, fewer moving parts and lower fuel and carbon costs.

Several independent analyses also underline the risk that incumbent airframers move too slowly on hydrogen-based propulsion, creating opportunities for specialised technology providers and new entrants to influence the architecture of future zero-emission aircraft. This dynamic aligns with PowerCell's strategy as an aviation-qualified fuel cell supplier with strong partnerships across the hydrogen-electric value chain.

With established customer programmes across incumbents as well as startups, certified stack technology and ongoing development of next-generation platforms, PowerCell is well positioned to support the transition toward commercial hydrogen-electric aviation.

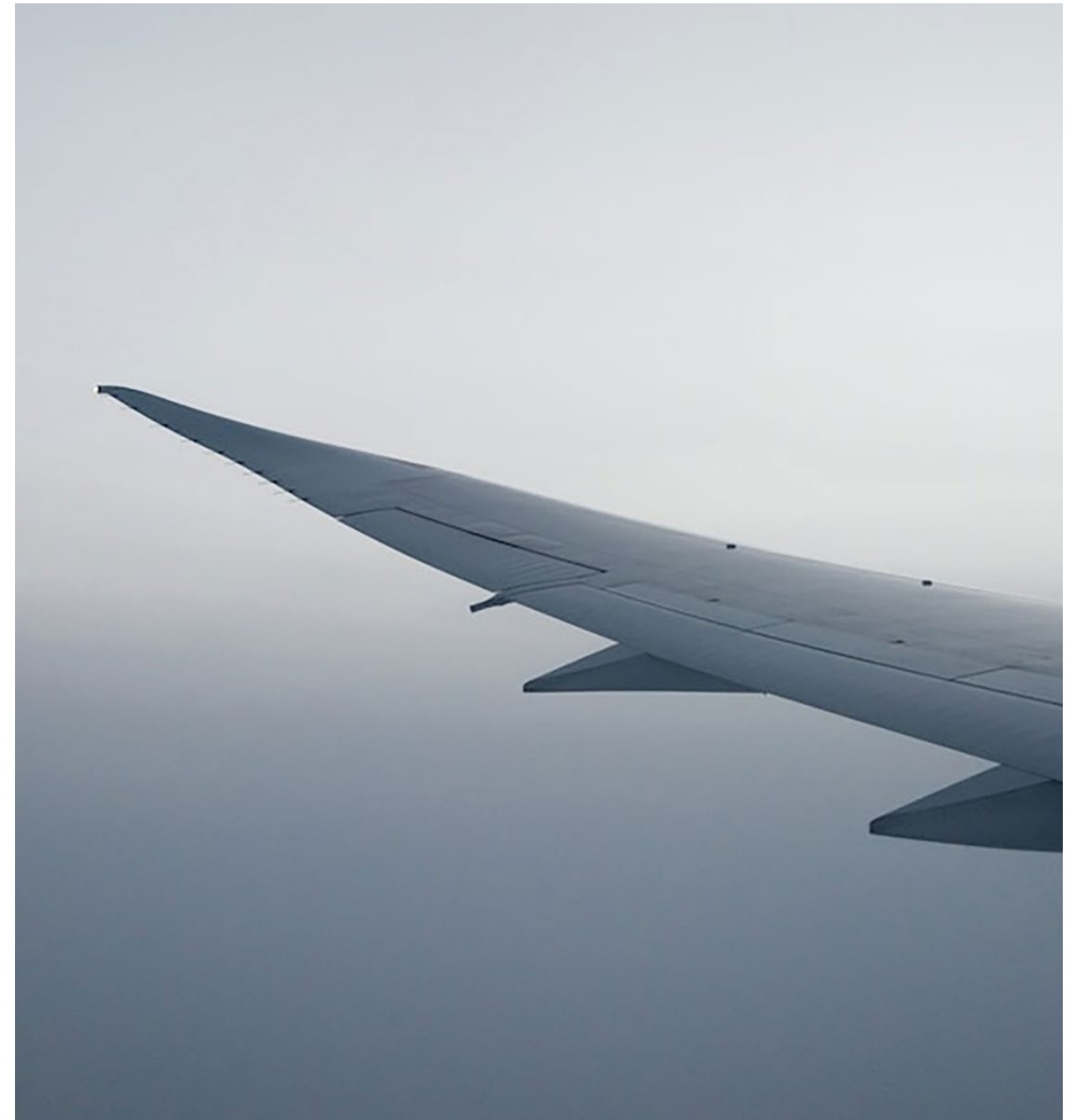
Pioneering energy solutions for zero-emission aircraft

PowerCell possesses cutting-edge technology in high energy density fuel cells and is the leading supplier of hydrogen-electric solutions to the aviation industry.

S3

The S3 is a ground-breaking hydrogen fuel cell stack with flight-proven performance. Built to strict quality standards for long-term durability and reliability, it delivers zero-emission electric power with industry-leading power density in a compact form factor. Co-developed

with Bosch GmbH, the S3 is a fully industrialised solution backed by more than 100,000 hours of validation and testing, offering unmatched flexibility for aviation integration.





Power Generation

A new portfolio for the next era of clean power

As global energy demand grows and electricity infrastructures face increasing stress, particularly in energy-intensive infrastructure such as data centres, as well as in remote or grid-constrained locations, the need for reliable, flexible and zero-emission power generation becomes critical. To meet this demand, PowerCell is extending its hydrogen fuel-cell leadership into stationary and distributed power through a newly launched Power Generation portfolio.

Launching an industrial-grade Power Generation offering

In 2025, we introduced the first products in our new Power Generation portfolio, the most extensive product launch in the company's history. The portfolio combines Bosch's industrial fuel-cell platform with PowerCell's decades of application-specific system design and multi-unit integration expertise. The result is a modular, scalable and deployable family of power solutions optimized for data centres, distributed energy, backup power and mission-critical applications. The offering comprises two main solution families:

- **PowerSystem modules** (e.g., PowerSystem 190, PowerSystem 225 and the M2PowerSystem 250 methanol-to-power solution), intended for OEMs, EPCs and integrators looking to build containerized power plants, power rooms or high-efficiency distributed energy systems.
- **PowerPod** containerised plug-and-play units, ready-to-deploy systems ideal for backup power, mobile or temporary installations, off-grid applications and remote sites where grid connection is unreliable or not cost-effective.

At the core of the portfolio is PowerCell's Distributed Master Controller (DMC), a control architecture that orchestrates multiple fuel-cell modules into an integrated power generation system. This enables intelligent load balancing, high uptime, optimized efficiency and predictable performance under demanding duty cycles, capabilities essential for data centres, distributed energy sites or microgrids.

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The introduction of this Power Generation portfolio comes at a time when global demand for secure, high-availability electricity is rising sharply.



The use case for fuel cells in the power generation segment

Stationary and distributed fuel-cell systems offer multiple advantages compared with conventional power generation or battery/diesel-based backup:

- They generate electricity with high efficiency and zero local emissions, producing only water as a byproduct instead of NO_x, SO_x or particulate pollution.
- They enable modular, scalable installations, ideal for data centres, microgrids or distributed energy sites, without the noise, emissions or carbon footprint of diesel gensets.
- Fuel cells can provide continuous, long-duration power and are particularly suited for applications where reliability, uptime and energy resilience are critical.
- They reduce grid dependence, valuable where grid expansion lags behind demand, or where on-site renewable generation or hydrogen supply enables energy autonomy.

In contexts such as data centres, especially hyperscale or AI-driven facilities, hydrogen fuel cells are increasingly seen as a credible alternative to diesel backup systems or battery-only solutions. Fuel cells offer clean, quiet, and scalable power provision.

Market potential and strategic timing

The introduction of this Power Generation portfolio comes at a time when global demand for secure, high-availability electricity is rising sharply. As data centres, digital infrastructure and distributed energy assets expand, often in regions with constrained grids or ambitious decarbonisation targets, hydrogen fuel-cell power becomes more attractive.

PowerCell is entering this market with a modular, industrial-grade offering, combining proven stack technology, system integration know-how and flexibility to serve both integrators and end users. Given the increasing regulatory pressure on carbon emissions and local air quality, rising cost of diesel-based power, and escalating demand for reliable zero-emission power, the timing is favourable for early adopters of hydrogen-electric power generation.

Outlook

Over the next 3–5 years, PowerCell's ambition is that the Power Generation solutions will scale from pilot- and niche-deployments to commercial-scale installations in distributed energy installations, microgrids and mission-critical infrastructure. With a versatile platform set, modular architecture, and a clear value proposition; emissions reduction, reliability and resilience, PowerCell is positioned to become a key supplier in the emerging hydrogen-based power generation market.

Our Power Generation products

An attractive product portfolio of hydrogen-electric solutions for stationary energy-intensive applications, with outputs from 5 kW up to several megawatts.

PowerSystem 190

A highly integrated and compact fuel cell module for fuel cell-electric medium-duty power generation applications. Bosch original products integrated with the PowerCell Distributed Master Controller combine Bosch's industrial reliability with PowerCell's system integration expertise, delivering a powerful, scalable platform for OEMs and EPCs with intelligent control and seamless connectivity.



PowerPod

Our PowerPod solutions are containerised, plug and play systems that replace traditional internal-combustion gensets with scalable, transportable and rapidly deployable zero-emission power. PowerPods are engineered for both stationary and mobile use, delivering dependable output with minimal site preparation.





Off-road & Rail

Major potential for hydrogen-electric products in heavy-duty applications

Commercial applications span a wide range of demanding use cases, including construction and mining machinery, terminal vehicles and forklift trucks, as well as locomotives and rail vehicles in passenger, freight and yard operations. What these applications share is high energy demand, high utilisation, and the need for predictable uptime. Today, many of these use cases remain dependent on diesel, resulting in significant greenhouse gas emissions and local air pollution.

Hydrogen has high energy density, making hydrogen-electric solutions attractive for heavy loads and long operating times where a high-energy source is needed. In many off-road operations, vehicles are concentrated in defined areas such as mines, terminals and construction sites, which enables a phased approach to supporting infrastructure for hydrogen distribution, storage and service.

Hydrogen-electric powertrains can enable electrification with minimal impact on operational processes. With fast refuelling and performance suited to heavy-duty cycles, fuel cell solutions can support high availability while eliminating tailpipe emissions.

Rail – scalable electrification beyond the grid

The rail sector is under pressure to decarbonise, and hydrogen fuel cells are a scalable, zero-emission alternative to diesel, particularly for non-electrified routes and hybrid operations where overhead lines are not available or practical. Fuel cells combine fast refuelling with long-range capability and do not require overhead lines, making them relevant for both freight and passenger services as well as yard duties.

PowerCell supports rail OEM value creation with compact, scalable fuel cell systems and integration know-how. Our powerful and compact systems are especially suited for railway applications where installation



Hydrogen-electric powertrains can enable electrification with minimal impact on operational processes.

space is limited and high power density is critical. Their modular, scalable design allows adaptation to different train configurations and duty cycles, from shunting and regional passenger traffic to heavy freight, while high efficiency and fast dynamic response help reduce energy consumption and operating costs. Our Distributed Master Controller (DMC) further simplifies integration and optimizes power distribution across multiple fuel cell systems to improve efficiency and life cycle economics.

H2MAC – validating fuel cell systems for harsh, high-utilisation machinery

PowerCell is part of the H2MAC collaboration, which targets one of the most demanding adoption barriers in off-road: proving reliable fuel cell operation under real-world construction and mining conditions, including dust exposure and intense vibrations. The project focuses on developing scalable fuel cell powertrain concepts for non-road mobile machinery, reinforcing the applicability of hydrogen-electric solutions in environments where grid access is limited and utilisation requirements are high.

H2MAC is designed around demonstrating modular fuel cell integration in representative machines (e.g., an excavator and a shredder), supporting scalability from single- to multi-module configurations and transferability to other NRMM industries. PowerCell contributes with system and application integration for harsh environments. The project strengthens our capability to support OEMs with platform integration, modular system configuration and operational robustness; capabilities that are directly transferable across heavy-duty segments where performance, uptime and serviceability are critical.

A complete offering for heavy-duty applications

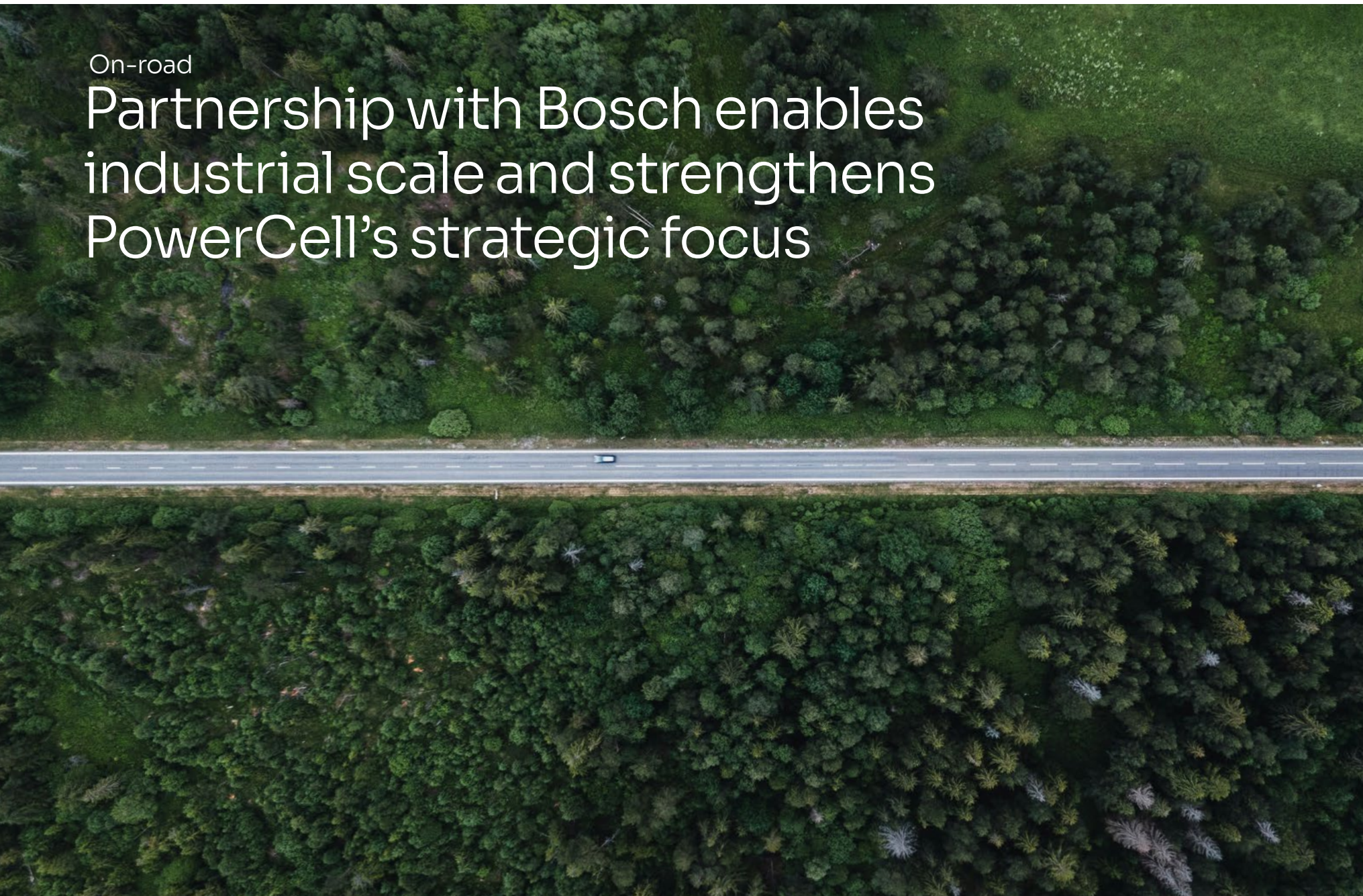
To meet growing interest, PowerCell offers a hydrogen-electric product portfolio for heavy-duty applications, ranging from modular systems to scalable multi-unit installations. Our portfolio is based on proven fuel cell technology with high power density and compact size, which makes our solutions particularly well suited for heavier vehicles and high-utilisation duty cycles.

PowerSystem Solutions

Highly integrated and compact system solution for hydrogen-electric medium-duty applications. It provides a powerful, scalable platform with intelligent control and seamless connectivity with PowerCell's Distributed Master Controller. The system features Bosch components combined with PowerCell technology for high-performance operation.

The module is based on a horizontal stack layout with a single set of fuel cell components. The compact design makes it straightforward to integrate into a wide range of applications. It is a high-pressure system with high system efficiency and power density, and reduced balance-of-plant volume.



An aerial photograph showing a two-lane asphalt road cutting through a dense, lush green forest. A small white car is visible on the road, moving from left to right. The text is overlaid on the left side of the image.

On-road
Partnership with Bosch enables
industrial scale and strengthens
PowerCell's strategic focus

PowerCell addresses the automotive market through Robert Bosch GmbH, a global automotive supplier with deep industrialisation and manufacturing capabilities. Bosch has licensed and manufactured PowerCell's S3 fuel cell stack for the automotive industry since 2019, with Bosch holding the exclusive right to manufacture and sell S3 for automotive applications while PowerCell retains full rights for other segments.

In 2023, PowerCell and Bosch expanded the collaboration through a supplier agreement under which Bosch contract manufactures S3 stacks for PowerCell. This increases PowerCell's access to scalable production capacity and supports improved capital efficiency, enabling PowerCell to focus more on system assembly, customer adaptation and continued development of next-generation fuel cell technology for the segments PowerCell addresses.

During 2025, PowerCell expanded the strategic partnership framework with Bosch in China. The framework is designed to accelerate fuel cell adoption by combining Bosch's footprint and industrialisation capacity with PowerCell's technology, and it also opens access for Bosch to selected non-automotive customers in China in adjacent sectors with strong electrification momentum.

Trends and market outlook

Hydrogen mobility continues to develop unevenly by region, with the near-term opportunity increasingly concentrated in high-utilisation commercial applications where fuel cells can deliver long range and fast refuelling. IEA analysis highlights that the availability of fuel cell heavy-duty vehicle models is expanding: buses account for the largest share of available models globally, while heavy-duty truck models also continued to gain ground.



After years of testing, some manufacturers are now offering hydrogen-electric cars, buses and lorries, and more vehicles are on the way.

Hydrogen refuelling infrastructure continues to expand from a growing installed base. The IEA reports around 1,300 hydrogen refuelling stations in operation globally at the end of 2024 (~15% higher than end-2023), with the largest increase in China (up 30% to over 500 stations). Europe also grew to more than 300 stations (up ~15%), although deployment remains below the EU's 2030 corridor and urban-node ambitions under AFIR.

Against this backdrop, PowerCell's partnership model with Bosch provides a pathway to automotive-grade industrial scale and cost-down, while strengthening PowerCell's ability to allocate resources toward system delivery and innovation across its priority segments.

A strong product solution for the automotive industry

PowerCell has developed the PowerCell S3 fuel cell stack, which is licensed to Bosch and is industrially and commercially ready for series production.

S3

S3 is a powerful fuel cell stack licensed to Bosch which offers power up to 145 kW. The technology has undergone extensive testing and validation with major manufacturers, renowned research institutes and leading automotive suppliers. Moreover, it is designed for high-volume production at low manufacturing cost.



Share information



The shares of PowerCell Sweden AB (publ) are listed on Nasdaq Stockholm, Mid Cap segment. A total of 116 million shares were traded in 2025. The share price fell by 15.6 percent in 2025, while the OMXS PI increased by 9.5 percent over the same period. The highest closing price of SEK 48.50 was recorded on 13 November, and the lowest, SEK 22.40, was recorded on 7 April. The market value on 31 December 2025 was SEK 1,733 million (2,053).

The average daily trading volume during the year was 234,773 shares (227,721). On 31 December 2025, PowerCell had 35,708 (38,097) shareholders. Of these shareholders, based on the total number of shares, 10.6 percent were financial and institutional investors, 31.1 percent were private individuals and 5.3 percent were central and local government. Other shareholders cannot be classified. All PowerCell shares are denominated in SEK. The ticker symbol is PCELL.

Share capital

No new share issue has been carried out during 2025.

According to the Articles of Association, adopted on 22 April 2021, the company's share capital shall not be less than SEK 500,000 and shall not exceed SEK 2,000,000. The number of shares shall not be less than 20,000,000 and not more than 80,000,000.

Dividend policy

PowerCell has adopted a dividend policy stating that the company aims to provide its shareholders with a stable and increasing dividend in the long term. The policy states that the operating surplus, or parts of the surplus, will be distributed when the cash flow from operations exceeds the company's long-term financing needs and if the Board also considers that the company has a satisfactory capital structure.

PowerCell is undergoing a rapid phase of development and expansion. The current policy of the Board, therefore, is that PowerCell will reinvest any profits to finance the company's growth and operations, and consequently, the Board does not expect any dividends in the coming years.

Share-based incentive scheme

The 2021 AGM decided to introduce a share-based incentive programme for senior executives and key employees. The programme in its entirety (including the issuance of cost-covering warrants) may result in a maximum dilution of approximately 0.97 percent. For more information about the incentive programme, see Note 9 on page 47.

Shareholders, 31 December 2025

Owners	Number of shares and votes	Share of shares and votes
1 Robert Bosch Investment Nederland B.V.	6,493,531	11.22%
2 Avanza Pension	2,376,562	4.11%
3 Axon Partners Group Investment SGEIC	1,048,056	1.81%
4 green benefit AG	875,821	1.51%
5 Global X Management Company LLC	779,415	1.35%
6 ÖKOWORLD	600,000	1.04%
7 Legal & General	478,028	0.83%
8 Magnus Konrad	409,000	0.71%
9 VanEck	400,259	0.69%
10 SEB Funds	387,358	0.67%
The 10 largest shareholders, in total	13,848,030	23.92%
Others	44,044,404	76.08%
Total	57,892,434	100.00%

Key figures, PowerCell share

Number of shares at year-end	57,892,434
Market value at year-end, SEK million	1,733
Number of shareholders	35,708
Share price at year-end, SEK	29.94
Profit per share, SEK	-0.75
Share price development during the year, %	-15.6
Percentage of shareholders in Sweden	92.67
Total holdings of the ten largest shareholders, %	28.06

PowerCell share

ISIN code: SE 000 642 5815

Ticker symbol: PCELL

Development of share capital

Since its inception in 2008 until 31 December 2025, the company's share capital has developed as follows:

Year	Incident	Increase in number of shares	Increase in share capital	Total share capital	Number of shares	Nominal value/ share
2008	The company was established	500,000	100,000.00	100,000.00	500,000	0.200
2009	New share issue	565,215	113,043.00	213,043.00	1,065,215	0.200
2014	New share issue	91,288	18,257.60	231,300.60	1,156,503	0.200
2014	Split 20:1	21,973,557	—	231,300.60	23,130,060	0.010
2014	New share issue	—	277,560.72	508,861.32	23,130,060	0.022
2014	New share issue	12,289,545	270,369.99	779,231.31	35,419,605	0.022
2015	New share issue	278,787	6,133.32	785,364.63	35,698,392	0.022
2016	Redemption of T01	7,135,480	156,980.55	942,345.18	42,833,872	0.022
2016	Redemption of T02	1,950,520	42,911.44	985,256.62	44,784,392	0.022
2017	New share issue	6,716,418	147,761.20	1,133,017.82	51,500,810	0.022
2017	Exercise of warrants directed to employees	178,080	3,917.76	1,136,935.58	51,678,890	0.022
2018	Exercise of warrants directed to employees	189,920	4,178.24	1,141,113.82	51,868,810	0.022
2020	Exercise of warrants directed to employees	273,624	6,019.73	1,147,133.55	52,142,434	0.022
2024	New share issue	5,750,000	126,500	1,273,633.55	57,892,434	0.022

Share price 2025



Source: Nasdaq

Corporate governance

PowerCell values sound corporate governance as an important basis for achieving its long-term strategic goals and achieving a relationship of trust with shareholders and other important parties. A high standard of openness, reliability and ethical values are guiding principles for PowerCell's operations.

Corporate governance model

The shareholders exercise their influence by voting at general meetings of Powercell Sweden AB (publ), which is the parent company of the PowerCell Group. Resolutions are passed at annual general meetings on the composition of the Board of Directors of Powercell Sweden AB (publ) and the election of auditors. A Nomination Committee appointed by the Annual General Meeting (AGM) submits proposals to annual general meetings regarding, among other things, the election of Board members and Chair of the Board, and resolutions on fees paid to the Board. The Nominations Committee also submits proposals to annual general meetings on the election of external auditors and proposals for resolutions on remuneration for the Auditor. The Board of Directors is ultimately responsible for PowerCell's organization and the management of its operations. The Board of Directors also appoints the CEO of Powercell Sweden AB (publ). The CEO manages the Group's day-to-day operations in accordance with the Board's guidelines.

Swedish Corporate Governance Code

Powercell Sweden AB's (publ) shares are listed on the Nasdaq Stockholm stock exchange. As a listed company, PowerCell applies the Swedish Corporate Governance Code (available at: www.bolagsstyrning.se). This corporate governance statement has been prepared in accordance with the Swedish Annual Accounts Act and the Corporate Governance Code, separately from the Annual Report. The statement has been reviewed by PowerCell's auditors and an opinion from the auditors attached.

1. Shareholders

Powercell Sweden AB's share register is kept by Euroclear Sweden AB. As at 31 December 2025, PowerCell had 35,708 shareholders according to the share register and the total number of shares was 57,892,434. More information about PowerCell's share and its shareholders can be found in the Share section of the Annual Report.

2. Annual General Meeting

Shareholders exercise their influence in the company at the Annual General Meeting, or, where applicable, at an Extraordinary General Meeting. The AGM is PowerCell's highest decision-making body. The Annual General Meeting must be held within six months of the end of the financial year. At the AGM, resolutions are passed regarding the election of the Board of Directors and Chair of the Board of Directors, election of the auditor, the adoption of income statements and balance sheets, appropriation of the company's profits and discharge from liability for the members of the Board of Directors and the CEO, the Nomination Committee and its work, and guidelines for the remuneration of senior executives. Information about the company's previous AGMs and when shareholder requests for such matters should be received by PowerCell. The 2025 Annual Meeting was held on 29 April 2025.

PowerCell's 2026 Annual General Meeting will be held on Monday, 11 May 2026. For more information about the 2026 Annual General Meeting, see the PowerCell website (www.powercellgroup.com).

3. Nomination Committee

The Nomination Committee is appointed by the Annual General Meeting. The Nomination Committee must carry out the duties for which it is responsible in accordance with its instructions from the Annual General Meeting and the rules laid down in the Corporate Governance Code. Its main duty is to prepare and submit proposals on behalf of the shareholders to the Annual General Meeting regarding the election of the Board, and Board fees, Chair of the AGM, as well as proposals regarding the election of auditor and remuneration to the auditor. In addition, the Nomination Committee presents proposals for members to be included in the following year's Nomination Committee, in accordance with the current instructions for PowerCell's Nomination Committee.

In accordance with the current instructions for PowerCells's Nomination Committee, the three largest shareholders in the company by voting rights as at 30 July 2025 shall have the right to appoint one member to the Nomination Committee. None of these three people may be a member of the company's Board of Directors. In addition, the Nomination Committee shall include a Board member appointed by the Board, who shall also act as the convener. Members of the Nomination Committee for the 2025 AGM include:

- Uwe Zeise (chairman of the Nomination Committee), representing Robert Bosch GmbH
- Caroline Sjösten, representing Swedbank Robur Fonder
- Magnus Jonsson is the convening member and represents the Board of Powercell Sweden AB.

Nomination Committee 2026:

Following contacts with the company's 20 largest shareholders as at 30 July 2025, PowerCell established that three of these shareholders, Robert Bosch, Axon Partners Group and Per Ekdunge, wished to each appoint a member to the company's Nomination Committee. Robert Bosch GmbH has appointed Uwe Zeise, Axon Partners Group Investment SGEIC has appointed Jesús Martínez Motilva and Per Ekdunge has appointed himself as their respective representatives on the Nomination Committee. In addition, the Chair of the Board of PowerCell, Magnus Jonsson, was appointed in accordance with the adopted Nomination Committee principles.

The following Nomination Committee has therefore been appointed for the 2026 AGM:

- Uwe Zeise (chairman of the Nomination Committee), representing Robert Bosch GmbH
- Jesús Martínez Motilva, representing Axon Partners Group Investment SGEIC
- Per Ekdunge, representing himself
- Magnus Jonsson is the convening member and represents the Board of Powercell Sweden AB.

The composition of the Nomination Committee was communicated through a press release and published on the company's website on 4 September 2025.

4. Board of Directors

The main duty of the Board of Directors is to manage the Group's operations on behalf of the owners so that their long-term interest are met in the best possible way. The Board has ultimate responsibility for PowerCell's organization and management. It is responsible for the Group's long-term development and strategy, for constantly monitoring and evaluation the Group's operations and for the other tasks set out in the Swedish Companies Act.

Composition of the Board

In accordance with the Articles of Association, the Board must consist of a minimum of five and a maximum of seven members. The members serve from the end of the AGM when they are elected until the end of the next AGM. There is no limit to how many consecutive periods a member can sit on the Board.

The 2025 AGM re-elected Board members Nicolas Boutin, Helen Fasth Gillstedt, Uwe Hillmann, Riku-Pekka Hägg, Magnus Jonsson, Annette Malm Justad and Karin Rytberg-Wallgren. Magnus Jonsson was re-elected as Chair of the Board. A presentation of the members of the Board can be found in the section on the Board of Directors in the Annual Report and on the company's website.

In preparing its proposal, the Nomination Committee applied Section 4.1 of the Corporate Governance Code as its diversity policy whereby it considers that the Board should have a composition appropriate to the company's operations, phase of development and other relevant circumstances that is characterized by diversity and breadth of qualifications, experience and background. An even gender distribution must be strived for. The Board of Directors currently has seven members, including three women and four men.

Requirement for independence

PowerCell's Board of Directors adopt the requirement for independence as set out in the Corporate Governance Code. Prior to the 2025 AGM, the Nomination Committee presented the following assessment regarding independence for the Board members elected at the 2025 AGM. Magnus Jonsson, Helen Fasth Gillstedt, Annette Malm Justad, Riku-Pekka Hägg, Karin Rytberg-Wallgren and Nicolas Boutin are all considered independent in relation to the company and the company's management, and in relation to the company's major shareholders. Uwe Hillmann is considered independent in relation to the company and its management but not in relation to one of the company's major shareholders due to his capacity as responsible for the Software and Controls business unit within the Power Solutions division at Robert Bosch GmbH.

Rules of procedure

Every year, the Board defines rules of procedure for its work. The rules of procedure state, among other things, how the Board's work is to be distributed, including the specific role of the Chair and their tasks, instructions concerning the division of work between the

Board of Directors and the CEO, and how financial reporting to the Board should take place. The Board of Directors has also adopted special instructions for the Board's committees which are linked to the rules of procedure.

Work of the Board in 2025

The Board's work is carried out primarily through formal Board meetings and meetings of the Board's committees. In addition, ongoing contact is maintained between the Chair of the Board and the CEO to discuss ongoing operations and ensure that the Board's decisions are implemented. The Board held 11 meetings during the financial year. The Board members' attendance is shown in the table on the opposite page.

The Board's ordinary meetings follow a fixed agenda and are scheduled so that financial reports can be adopted prior to publication, including the corporate governance statement and sustainability report. The company also has an annual cycle where special matters are scheduled for different meetings, such as the adoption of budgets, strategy discussions and business plans. The annual cycle consists of six meetings. In addition, an inaugural Board meet-

ing is held immediately after the Annual General Meeting where the annual cycle is determined, members of the Audit and Remuneration Committees are appointed and rules of procedure for the Board of Directors, including instructions to the CEO and committees, are adopted.

During the year, the Board of Directors also received in-depth presentations from operating activity representatives. In 2025, the Board also adopted interim reports, year-end reports and annual reports, made decisions on significant customer contracts with long-term commitments, adopted the budget and updated the business plan, decided on targets and outcome within the framework of the Company's incentive program, and conducted a review of the Company's work on internal control, risk management and sustainability.

The Board also received ongoing information and reports from the Remuneration Committee and the Audit Committee at Board meetings following their meetings. The Board receives monthly reports in order to be kept updated between the Board meetings.

The Board met with the auditor on 20 March 2025 to report on the audit, and the Board also met with the auditor without the attendance of Group management on the same date.

Evaluation of the Board's work

The Board conducts an annual evaluation of its own work. Each year, the Chair of the Board initiates and takes the lead on the evaluation of the Board's work. The purpose of this evaluation is to further develop working methods, dynamics, efficiency and the working environment, as well as the main focus of the Board's work. The evaluation also focuses on access to and the need for special expertise on the Board. The evaluation includes interviews and joint discussions and the Chair having one-to-one discussions with individual Board members. The Board evaluation is discussed at a Board meeting and also serve as a basis for the Nominating Committee's work in proposing Board members.

5. Audit Committee

PowerCell's Board of Directors has appointed an Audit Committee with the primary purpose of supervising the Group's financial accounting and reporting and the audit of the financial statements and the sustainability reporting. The Chair of the Audit Committee is Helen Fasth Gillstedt and the other members are Annette Malm Justad and Magnus Jonsson. The Audit Committee monitors and ensures the quality and reliability of accounting and financial report-

ing processes and statements, monitors the effectiveness of the Group's internal control of financial reporting and risk management processes, and the appropriateness of the Group's control of compliance with legal and regulatory requirements. The Audit Committee reviews and monitors the work of the external auditors and prepares proposals for the nomination of external auditors.

Sustainability is a recurring item on the Audit Committee's agenda, and the committee monitors the quality, reliability and governance of sustainability-related disclosures, as well as the effectiveness of internal controls related to sustainability risks.

The Audit Committee met six times in 2025. The committee members attended these meetings as shown in the table on the next page.

6. Remuneration Committee

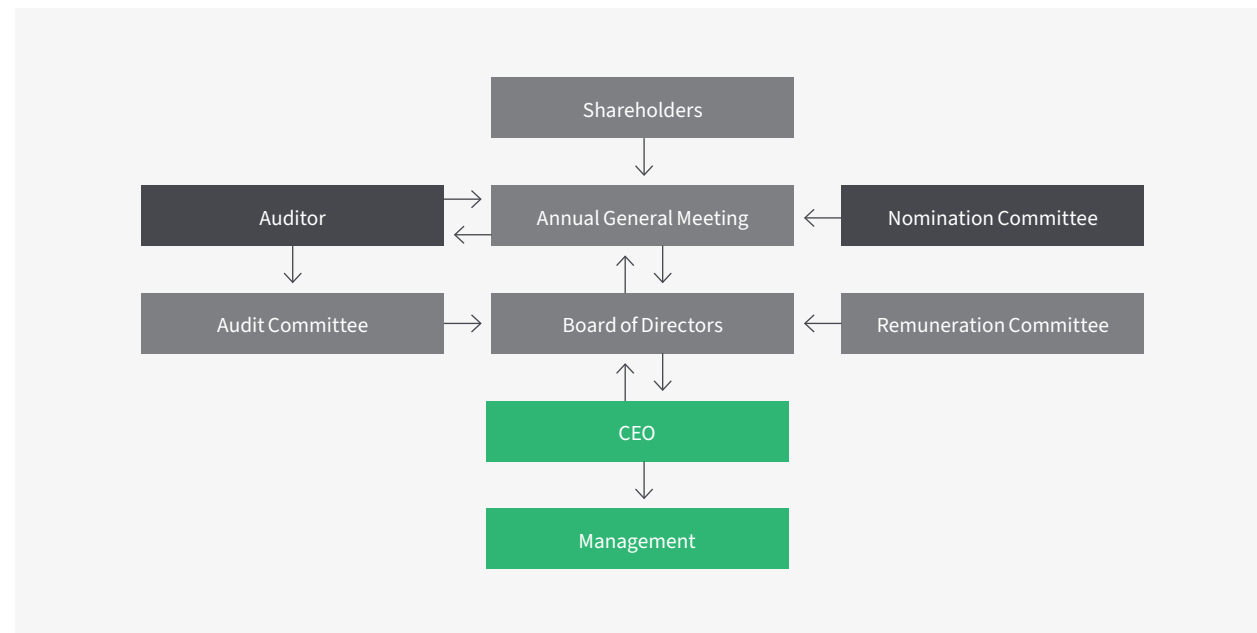
The Board of Directors has established a Remuneration Committee, which is responsible for dealing with and making decisions on matters related to remuneration for senior Group executives.

The Remuneration Committee prepares guidelines for the remuneration of senior executives and terms of employment for the CEO. Guidelines for the remuneration of senior executives must be submitted to the Board of Directors, which in turn must submit proposals for such remuneration guidelines to the Annual General Meeting. The Remuneration Committee monitors and evaluates PowerCell's remuneration scheme for senior executives on an ongoing basis. The Board of Directors publishes a remuneration report on the company's website no later than three weeks before the Annual General Meeting, in accordance with the Swedish Companies Act and the principles set out in the Corporate Governance Code.

The committee consists of three members, Magnus Jonsson (Chair), Annette Malm Justad and Karin Rytberg-Wallgren, and held a total of three meetings in 2025.

7. CEO and Group Management

The CEO, Richard Berkling, manages the business in accordance with the Swedish Companies Act and within the framework set by the Board. In consultation with the Chair of the Board, the CEO prepares the necessary information and decision-making documents for Board meetings, priorities matters and justifies proposals for resolutions. The CEO leads the management's work and makes decisions in consultation with other members of management. At the end of 2025, management consisted of Richard Berkling (CEO), Karin Nilsson (SVP, Deputy CEO), Anders Düring (SVP, CFO), Lisa Kylhammar (SVP,



CPDO), Andreas Bodén (SVP, CTO) and Peter Wallin (SVP, COO). Group management conducts regular business reviews under the leadership of the CEO. A more detailed presentation of the CEO and management can be found in the Management section of the Annual Report and on the company's website.

8. Auditor

In order to examine the company's annual reports and accounts as well as the management of the Board of Directors and the Chief Executive Officer, a registered accounting firm is appointed as the auditor at the Annual General Meeting. At the 2025 Annual General Meeting, the registered accounting firm Öhrlings PricewaterhouseCoopers AB (PwC) as re-elected as auditor until the end of the 2026 AGM.

The auditor in charge is authorized public accountant Fredrik Göransson. In 2025, he was also the principal auditor at Seafire AB (publ), Bilia AB (publ) and Saab AB.

The auditors attended Board meetings to present PwC's audit process and to give the Board members an opportunity to ask questions without the presence of management. The auditors also attended Audit Committee meetings.

Internal control and risk management with regard to financial reporting

The Board of Directors is responsible for internal control in accordance with the Swedish Companies Act and the Corporate Governance

Code. The purpose of this description is to give shareholders and other stakeholders an understanding of how internal control is organized at PoweCell in terms of financial reporting. The description has been prepared in accordance with the Swedish Annual Accounts Act and is therefore limited to the internal control of financial reporting.

Control environment

PowerCell applies the Internal Control- Integrated Framework, issued in 1992 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In 2013, COSO issued an updated version of the framework. PowerCell's internal control framework complies with the 17 fundamental principles of COSO 2013. The COSO framework consists of five interrelated components. Control Environment is the component that forms the basis for the other components. PowerCell has documented the division of responsibilities throughout the company through policies, instructions and organizational structure. This is reflected in the fact that policies and instructions, where applicable, are based on internationally accepted standards and/or best practices. Policies and instructions are evaluated by responsible functions based on the need to adjust due to changing requirements and legislations. PowerCell is a processor-oriented company and has integrated risk assessment with business processes, such as business planning. In the area of control structures, PowerCell has documented all critical financial process and controls.

PowerCell has established Codes of Conduct for both employees and suppliers, setting clear requirements for ethical business practices, compliance with applicable laws and regulations, and fair competition. Employees receive regular training in areas such as anti-corruption and business ethics. These policies and training programmes form an integral part of the Company's control environment and support the prevention, detection and management of compliance-related risks.

Whistleblower service

PowerCell has an external, independent whistleblower service that offers guaranteed anonymity. The service is available to all stakeholders in Swedish and English via the Company's website (<https://powercellgroup.com/whistleblower/>).

The whistleblower service can be used to report suspected violations of PowerCell's Code of Conduct, including concerns related to unethical business practices, corruption, breaches of laws or regulations, and negative impacts on human rights. Reported matters are handled in accordance with established procedures and are escalated to the Board of Directors or the Audit Committee when appropriate.

Risk assessment

Risks related to financial reporting are evaluated and monitored by management and the Board of Directors through its Audit Committee based on assessments made by management, by identifying

material risks and how to manage and mitigate them. The assessment of the degree of risk of financial reporting errors is based on a number of criteria. The identified risk together with the required mitigating control objectives are gathered in an internal control framework for financial reporting.

PowerCell has established control systems in place and operates transparent business operations. Current governance documents are reviewed on a routine basis. Furthermore, the Board of Directors regularly evaluates the financial reporting received in conjunction with Board of Director's meetings. The Audit Committee has an ongoing dialogue with the company's auditor concerning the scope and quality of the financial reporting. Additional information on the governance of PowerCell is available on the company's website.

Control activities

In addition to the Board of Directors and its Audit Committee, the management team constitutes an overarching control body. Business processes are designed to ensure that any inaccuracies or discrepancies in financial reporting are prevented, detected and corrected by including control activities that meet the control objectives set out in PowerCell's internal control framework. Control activities range from comparing results against previous forecasts and estimates at management team meetings to specific account reconciliations and analyses in the ongoing financial reporting processes.

Board fees

The table refers to the Board members elected at the 2025 AGM

Name	Born	Elected	Board role	Agreed fee	Fees for Audit Committee work	Fees for Remuneration Committee work
Magnus Jonsson	1956	2012	Chairman	620,000	105,000	85,000
Helen Fasth Gillstedt	1962	2019	Board member	310,000	210,000	—
Annette Malm Justad	1958	2020	Board member	310,000	105,000	45,000
Uwe Hillmann*	1967	2020	Board member	—	—	—
Riku-Pekka Hägg	1975	2020	Board member	310,000	—	—
Karin Ryttberg-Wallgren	1980	2022	Board member	310,000	—	45,000
Nicolas Boutin	1971	2023	Board member	310,000	—	—

*Uwe Hillmann waived his fee in accordance with Robert Bosch GmbH internal guidelines.

Table of meetings

Member's name	Board of Directors Attendance/total number of meetings	Audit Committee Attendance/total number of meetings	Remuneration Committee Attendance/total number of meetings
Magnus Jonsson (Chair)	11/11	6/6	4/4
Helen Fasth Gillstedt	11/11	6/6	
Annette Malm Justad	11/11	6/6	4/4
Uwe Hillmann	11/11		
Riku-Pekka Hägg	11/11		
Karin Ryttberg-Wallgren	11/11		4/4
Nicolas Boutin	11/11		

Information and communication

Guidelines and instructions for financial reporting are routinely updated and communicated by management to all relevant employees. The Group's accounting function has direct operations responsibility for routine financial reporting and works to ensure the uniform application of the Group's guidelines, principles and instructions for financial reporting, and to identify and communicate deficiencies and areas for improvement in financial reporting processes.

Monitoring

Internal control outcomes are analyzed and communicated annually. An assessment is made of the improvement measures that should be implemented. PowerCells's Board of Directors receives monthly

reports from the CEO on the status of the business and its development. The Board of Directors discuss all quarterly and annual reports before they are published. The Board of Directors is updated annually on internal control work and its outcome. The Board is also involved in the assessment made by the external auditors of the Group's internal control processes.

Internal audit

Based on the risk assessment and design of control activities described above, including self-assessment and in-depth analysis of internal control, the Board of Directors has chosen not to have a special internal audit function.

Gothenburg, 20 April 2026
Powercell Sweden AB (publ)
Board of Directors

Magnus Jonsson
Chairman of the Board

Nicolas Boutin
Board member

Karin Rytberg-Wallgren
Board member

Riku-Pekka Hägg
Board member

Uwe Hillmann
Board member

Helen Fasth Gillstedt
Board member

Annette Malm Justad
Board member

Auditor's report on the Corporate Governance Statement

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

To the general meeting of the shareholders in Powercell Sweden AB (publ),
corporate identity number 556759-8353

Engagement and responsibilities

It is the board of directors who is responsible for the corporate governance statement for the year 2025 on pages 29–32 and that it has been prepared in accordance with the Annual Accounts Act.

Focus and scope of the audit

Our examination has been conducted in accordance with FAR's standard Rev 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Gothenburg, 20 April 2026
Öhrlings PricewaterhouseCoopers AB

Fredrik Göransson
Authorised Public Accountant

Board of directors



Magnus Jonsson
Chairman of the Board since 2015
Lives in: Gothenburg
Born: 1956
Education: Degree of Master of Science in Mechanical Engineering
Elected: 2012
Shares: 20,000

CEO of Magnus Jonsson Consulting AB and member of several boards. Previous position as Senior Vice President, Product Development at Volvo Cars. Extensive experience in the automotive industry. Independent in relation to the company, its executive management and major shareholders.



Nicolas Boutin
Board member
Lives in: Paris
Born: 1971
Education: MSc in Aerospace Engineering
Elected: 2023
Shares: 0

Nicolas Boutin has more than 20 years of experience in the aviation industry, most recently as Managing Director and Partner of the Boston Consulting Group. As global manager of the Travel Practice Area and Sustainable Aviation, he has also worked with industry leaders from aircraft manufacturers, airlines and airports. Independent in relation to the company, its executive management and major shareholders.



Helen Fasth Gillstedt
Board member
Lives in: Danderyd
Born: 1962
Education: MSc in International Business and Financial Management
Elected: 2019
Shares: 4,000 (including via companies)

Board member of Munters Group AB, Handelsbanken Fonder AB, where she is also its representative on nomination committees, Sortera AB and Stora Enso spinoff ForestCo. Former Vice President of the SAS Group and senior positions at Statoil Group A/S. Independent in relation to the company, its executive management and major shareholders.



Uwe Hillmann
Board member
Lives in: Leonberg, Germany
Born: 1967
Education: Diploma programme in physics
Elected: 2020
Shares: 0

Responsible for the Software and Controls business unit within the Power Solutions division at Robert Bosch GmbH. More than 30 years of experience in management and sales to automotive and non-automotive customers. Representing Robert Bosch GmbH. Independent of the company but dependent on the company's major shareholders.



Riku-Pekka Hägg
Board member
Lives in: Vantaa, Finland
Born: 1975
Education: MSc in Mechanical Engineering
Elected: 2020
Shares: 0

CEO of Steerprop and Chairman of the Board of Daphne Technology SA. Former Vice President, Ship Design at Wärtsilä Corporation. Experienced business leader and strategist in maritime technology. Strong interest in advanced technology, has led international sales, strategic transformation and performance culture in high-tech engineering and maritime industry. Independent in relation to the company, its executive management and major shareholders.



Karin Rytberg-Wallgren
Board member
Lives in: Stockholm
Born: 1980
Education: Master of Business Administration, MBA
Elected: 2022
Shares: 0

CEO of Infiniteria. Deputy board member of Infiniteria, totally five companies, and WTR Group. Previous experience includes Chief Growth Officer Stegra responsible for global growth and the Hydrogen business unit, managerial positions at Sandvik, Sapa, Yara International and Piab. Broad experience of hydrogen and materials for fuel cells. Independent in relation to the company, its executive management and major shareholders.



Annette Malm Justad
Board member
Lives in: Oslo, Norway
Born: 1958
Education: MSc in Chemical Engineering, MSc in Technology Management
Elected: 2020
Shares: 10,000 through wholly owned Homlungen AS

Senior advisor with more than 25 years of experience at international industrial and maritime companies, including as CEO of a listed company. Current board portfolio includes Torm Plc, Awilco LNG, Småkraft AS, Store Norske Spitsbergen Kulkompani AS and Bakkegruppen AS. Independent in relation to the company, its executive management and major shareholders.

Executive management



Richard Berkling
President and CEO
Born: 1972
Employed: 2021
Education: Business Administration, School of Business, Economics and Law at the University of Gothenburg
Number of shares: 16,230

Richard Berkling has 20 years of experience as CEO of an independent subsidiary within the Volvo Group. Building a company from scratch and becoming a world leader in safety-critical electronics in the marine and off-highway transport industry, he gained extensive experience in business development during a technology shift in the marine, construction equipment and material handling segments.



Karin Nilsson
Senior Vice President,
Corporate Affairs and deputy CEO
Born: 1969
Employed: 2015
Education: Business Administration, University of Gothenburg, School of Business, Economics and Law and University West
Number of shares: 16,000

Karin Nilsson has many years of international experience in financial and operational management positions, most recently as CFO at KVD Kvarndammen AB. Former employers include Gunnebo AB and Sibelco Nordic.



Dr. Lisa Kylhammar
Senior Vice President, CPDO*
Born: 1978
Employed: 2011
Education: Master of Science in Chemical Engineering and PhD in Materials Science, Chalmers University of Technology
Number of shares: 5,446

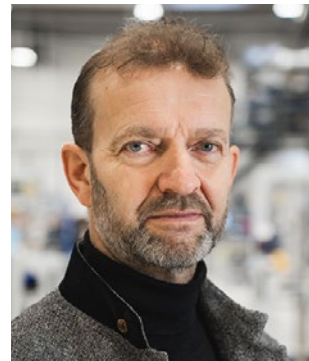
Broad experience in fuel cell technology through international partnerships and internal development work. Previous positions include managing various engineering teams at PowerCell, as well as project management for development and future technology activities.

* Chief Product Development Officer



Dr. Andreas Bodén
Senior Vice President, CTO
Born: 1977
Employed: 2009
Education: MSc in Chemical Engineering and PhD in Chemical Engineering from KTH Royal Institute of Technology, studying Fuel Cells
Number of shares: 10,000

Broad international experience in fuel cell-related business and technology development. Active in the fields of fuel cells and clean technologies since 2002, and over ten years as a board member of Vätgas Sverige. Previous PowerCell positions as Group Manager, Development Manager and Business Developer. Andreas Bodén has also been project manager at Volvo Technology for PEM fuel cell development.



Anders Düring
Senior Vice President, CFO and IR
Born: 1965
Employed: 2024
Education: MSc in Business Administration, University of Gothenburg and Executive MBA in Finance & Accounting, University of Gothenburg
Shares: 7,000

Anders Düring has more than 20 years of experience from senior roles at several listed companies in various industries, including KappAhl and Serneke. Prior to that, he acquired more than 10 years of experience in management consulting with Arthur Andersen and Arthur D. Little.



Peter Wallin
Senior Vice President, COO
Born: 1970
Employed: 2023
Education: Operations technician, power and heat
Number of shares: 1,100

Peter Wallin has more than 25 years of experience in business development and streamlining processes for production, logistics and suppliers, including Meetab, Nolato Silikonteknik and Eberspächer. Peter has previously held senior positions in EuroMaint Rail and Tenneco Automotive and has worked as a consultant to various companies since 2005.

Board of directors' report

The Board of Directors and CEO of Powercell Sweden AB (publ), company registration number 556759-8353, with its registered office in Gothenburg, hereby submit the annual report and consolidated accounts for the 2025 financial year. All amounts are in KSEK unless otherwise stated. Figures in brackets relate to the previous year.

Powercell Sweden AB (publ) develops and produces fuel cell stacks and fuel cell systems with a uniquely high power density, for applications in the Aviation, Marine, Power Generation, Rail, Off-road and On-road segments. PowerCell's products are powered by clean or reformed hydrogen and generate electricity and heat without releasing any emissions other than water. Our technology combines high efficiency with a compact format and contributes to enhanced energy efficiency and a significant reduction in emissions of carbon dioxide and harmful particles regardless of application.

The year in brief

The year 2025 followed a different profile than previous years, with revenue more evenly distributed across quarters rather than concentrated at year-end. This weighed on our fourth-quarter revenue and profitability versus 2024 but reflects better execution discipline and a healthier operating rhythm. We achieved positive EBITDA for the full year despite a lower-than-planned net sales and FX-impacted top line, partly offset by IP-related revenues that remain an integrated and value-creating part of our business model.

2025 was a record year in several aspects, yet still below our long-term ambition. Positive EBITDA at a lower top line confirms progress in execution and cost control, while underlining the need to scale revenue more consistently and predictably. We see the year as evidence that our fundamentals are strengthening and remain focused on turning our technical leadership and industrial readiness into sustained profitability as the market matures.

The performance of the Marine segment was particularly strong. The Marine System 225 received type approval from Lloyd's Register in June. That marks a significant milestone in maritime clean energy innovation. Not long after the type approval the company secured an order, including the Marine System 225, with GMI Rederi / E-Cap Marine to supply two hydrogen-powered bulk carriers, the world's first of their kind.

In March the company received its first groundbreaking order for the M2Power 250 system from a leading European shipyard. This milestone marked the first commercial sale of a fully integrated methanol-to-power solution. The M2Power 250 system converts methanol into clean electricity to support the vessel's internal electrical systems.

The company also signed an agreement with a leading Italian marine OEM for development and delivery of PowerCell's next generation system, a 1 MW marine fuel cell solution based on the MW-class stack platform. This being the first commercial order for the new platform indicating a strong signal from the market's interest in more powerful space-efficient fuel cell systems.

In the Power Generation segment the company launched its first product in the new Power Generation portfolio, PS190. The Power Generation portfolio is a dedicated, industrialized product family designed to support the growing need to reliable, zero-emission power in data centers, distributed energy, backup power and other mission-critical applications. The traction in Power Generation through our PS190 generated a field validation agreement with a US-based data center provider. As well as an order from the Norwegian system integrator Enetech AS. The company also secured an order from Zeppelin Power Systems, where the project is part of an EU-funded initiative in Greece. This demonstrates how industrial players are stepping into the hydrogen value chain to deliver reliable, zero-emission power for both off-grid and backup applications.

PowerCell expanded the strategic partnership with Robert Bosch GmbH (Bosch) to accelerate the fuel cell adoption in China. The long-term collaborations deepened when Bosch acquired IP rights to adopt PowerCell's S3 stack for the Chinese market.

In the second half of the year the company decided to change the management structure in order to position PowerCell for the next growth phase. A way to be able to strengthen focus and to speed up execution. A setup to accelerate decisions, facilitate coordination and articulate accountability.

Sales and earnings

The Group's net sales for 2025 totalled MSEK 385.0 (334.3), corresponding to an increase of 15 percent driven by strong performance in the marine segment and largely impacted by license fees received during the year. Royalty and license fee from Robert Bosch GmbH totalled MSEK 112.1 (37.8) during the year.

The gross margin amounted to 45.2 percent (34.8). The positive development is mainly explained by the impact of the license fees received in the second quarter. At the same time, compared to last year, it was held back by negative currency effects. The negative currency effects that followed re-evaluating project reported as percentage of completion amounted to approximately SEK -21.4m (7.2).

The operation profit improved materially compared to the previous year due to a more industrialised portfolio, stronger project execution and sustained cost discipline. Operating profit before items affecting comparability amounted to MSEK -22.9 (-83.7). Operating profit after items affecting comparability amounted to MSEK -22.9 (-53.7). For 2025 there were no items affecting comparability. The item affecting comparability for 2024 comprises a government loan of MSEK 30 that was converted into a grant in May 2024.

The conditional loan was granted by the Swedish Energy Agency in 2009. The contribution is recognised as other income and as an item affecting comparability.

Cash flow from operating activities totalled MSEK -10.1 (-37.1). The cash flow throughout the year was negatively impacted by planned working capital activities, a deliberate measure to secure supply, protecting margins and to maintain delivery readiness in a volatile market. The cashflow improving in the last quarter due to major payment milestones for projects reported as percentage of completion.

Cashflow from investing activities was affected by the capitalisation of product development of MSEK -24.3 (-40.3).

Cash flow from financing activities was affected by a loan amortization when a loan was converted to a credit facility of MSEK -50.

Total cash flow was MSEK -134.8 (141.0). The cash flow for 2024 is affected by reclassification of blocked bank funds of MSEK 18.5.

The Parent Company's figures are largely in line with the Group's as the majority of operations are conducted in the Parent Company.

Financial position and liquidity

The Group's financial position and liquidity are prioritised and monitored. Cash and cash equivalents on 31 December 2025 were MSEK 78.8 (218.9) and available liquidity amounted to SEK 128.8 including unused credit facility that amounted to SEK 50m.

In 2024 PowerCell raised approximately MSEK 190 (before issue costs) by a direct share issue of 5.75 million shares. The issue was carried out with the aim of continuing to support the OEM commercialisation phase and accelerating the development of new products and applications.

The Board assesses that available cash and cash equivalents as of 31 December 2025 are sufficient to finance operations in the upcoming twelve months, and hence the annual report has been prepared on the basis that the assumption of continued operations is met.

The equity/assets ratio at the end of the year was 64.6% (62.5).

Acquisitions and investments

Investments in property, plant and equipment in the financial year were MSEK 3.5 (6.5).

Research and development

The Group continued to conduct significant research and development of fuel cell platforms and fuel cell systems during the year. The costs for research and development were MSEK -114.4 (-110.9) in 2025.

During the year, MSEK 24.3 (40.3) has been capitalized as product development costs. The majority of the costs pertain to the development of a new PS200-system. Amortization of the PS200-system amounted to MSEK -5.3 (-0,2).

Employees

Converted to full-time positions, the Group had 154 employees (147) at the end of the year. The average number of employees converted to full-time positions for 2025 were 131 (128).

Environmental impact

PowerCell acts responsibly and active sustainability work is therefore important for the company. PowerCell takes a holistic view centred around good business ethics, the environment, human rights, and the company's future. The Group does not conduct any activities that are subject to notification requirements under the Swedish Environmental Code.

Outlook for 2026

PowerCell is active within an industry affected by technical development and market demand driven by a need for environmental improvements. It is hard to foresee the pace and timing of market growth for hydrogen-electric solutions since the market environment remains uncertain: demand, regulatory pressure and customer awareness are increasingly across several segments, but geopolitical uncertainty, stricter capital discipline and cautious investment behaviour continue to delay decisions, leaving a wide range of potential outcomes for 2026. But the ambition is still to generate organic growth in 2026.

Future development and material risks and uncertainties

PowerCell is exposed to risks and uncertainties through its operations. In the coming year, the company intends to continue the development, industrialisation and commercialisation of its fuel cell platforms and modules. The most significant risks and uncertainties for the Group can be divided into operational and financial factors:

Operational risks

Market-related risks

The company's products are based on fuel cell technology, which is relatively new in a commercial context. This may mean that customers replace their systems at a slower rate than anticipated, despite the company's products being better commercially and performance-wise to competing technology.

Customer dependency

Until 2022, the company's operations were primarily focused on product development. Since then, the company has delivered a larger number of products that has been evaluated by customers. In 2025, the delivery of products to customers has continued to increase but still depends on that its continued development activities are going according to plan and not being affected by any major delays, cost increases or other difficulties. In addition, the company is dependent on its customers' evaluation of the products and that the company can increase its sales in line with the continued commercialisation.

Dependence on individual suppliers

PowerCell is dependent on deliveries of purchased components arriving on time and at the right quality. Should problems arise with deliveries, there is a risk that deliveries to customers will be delayed and therefore a risk that the Group will be subject to both financial and operational problems.

Limited resources

PowerCell is a small company with limited resources in terms of management, administration and capital. For the implementation of its strategy, it is important that resources are utilised in the company as optimally as possible. There is a risk that the company's resources are insufficient and therefore subject to both financial and operational problems.

Ability to manage growth

The business will grow organically going forward. As the business grows and the workforce increases, PowerCell needs to ensure that the company always has effective planning and management processes in place to enable the implementation of the business plan in a market that is developing rapidly. Investment and the allocation of valuable management resources are required in order to manage this growth. If PowerCell does not handle growth effectively, this could have an adverse impact on earnings.

Employees

PowerCell's future development depends on the company's ability to retain and recruit committed staff with the relevant experience, expertise and dedication. The company works to reduce its dependence on key individuals by documenting procedures and working methods in a professional manner. However, the risk remains that any individual who is part of the company's management, or another key individual, will terminate their employment with the company, which, in the short term, may have a significant negative impact on the company's operations, earnings and financial position.

Financial risks

The Group is exposed to various types of financial risks in its operations. The financial risks to which the Group is exposed are credit, currency, liquidity and interest rate risks. Overall responsibility for managing the Group's financial risks, and developing methods and policy for managing financial risks is incumbent on the company management and the Board. PowerCell has a finance policy for the Group. For further information on the financial risks, see Note 3.

Significant events after the end of the financial year

In January it was announced in a press release that PowerCell joins European GAMMA project, a project funded by Horizon Europe for a total of MEUR 17 to retrofit a bulk carrier with hydrogen-based fuel cell system.

PowerCell signed an additional credit facility allowing customer financing within a frame of MSEK 50.

In March 2026, a review of the company's technology was published in the media. PowerCell responded to the information with a press release that pointed out that the news publication was based on an older technology that has since been replaced by new generations of technology, while PowerCell has also introduced completely new industrial processes.

Dividend policy

PowerCell has adopted a dividend policy that establishes the company's long-term goal to provide its owners with a stable and increasing dividend. Dividends are proposed by the Board of Directors and resolved upon at the Annual General Meeting in accordance with the Swedish Companies Act and the Articles of Association. Historically, PowerCell has not paid any dividends and no dividends were paid out for the previous financial year. PowerCell is undergoing a rapid phase of development and expansion. The current policy of the Board is that the company carries forward any profits to finance the growth and operations of the company and, accordingly, the Board does not anticipate the payment of any dividends in the years ahead.

The Board therefore proposes that no dividend be paid for 2025 but that the profits are retained to finance the continued growth and operation of the business.

Appropriation of earnings

The following earnings are at the disposal of the AGM (SEK):

Share premium reserve	737,392,233
Retained earnings	-381,929,379
Net income	-43,397,951
SEK	312,064,903
The Board of Directors proposes that the profits be appropriated so that the following amount can be carried forward	312,064,903
SEK	312,064,903

Regarding the company's earnings and position in general, reference is made to the income statements and balance sheets with associated additional disclosures.

Sustainability report

The company has prepared a sustainability report in accordance with Chapter 6 of the Swedish Annual Accounts Act.

The sustainability report has been prepared as a separate report from the annual report and is available on the company's website.

Five-year summary

Amounts in KSEK unless stated otherwise	2025	2024	2023	2022	2021
Net sales	384,958	334,278	310,287	244,691	159,757
Gross profit	174,168	116,171	124,012	113,023	49,034
Gross margin (%)	45.2	34.8	40.0	46.2	30.7
EBITDA*	3.9	-30.9*	-48.7	-55.3	-65.8
Operating profit/loss before items affecting comparability	-22,943	-83,743	-66,518	-75,019	-80,475
Operating income	-22,943	-53,743	-72,575	-75,019	-81,731
Operating cash flow**	-10,081	-37,109**	-95,687	-120,506	-66,338
Total assets	597,939	662,440	425,114	473,946	521,328
Equity	386,532	413,703	275,434	332,874	383,451
Equity/assets ratio (%)	64.6	62.5	64.8	70.2	73.6
Current ratio	2.2	2.4	3.5	4.5	5.7
Number of shares	57,892,424	57,892,434	52,142,434	52,142,434	52,142,434
Earnings per share (SEK)	-0.51	-0.82	-1.21	-1.12	-1.44
Dividend per share (SEK)	—	—	—	—	—

* 2024 including items affecting comparability, SEK 30m.

** 2024 is affected by reclassification of blocked bank funds of SEK18.5m.

Consolidated statement of comprehensive income

Amounts in KSEK	Note	2025	2024
Net sales	6	384,958	334,278
Cost of goods sold	7	-210,790	-218,107
Gross profit		174,168	116,171
Sales and administration costs	7, 9	-119,120	-113,334
Research and development costs	7, 9	-114,363	-110,877
Other operating income	10	54,898	48,908
Other operating costs	7, 11	-18,526	-24,611
Operating income before items affecting comparability		-22,943	-83,743
Items affecting comparability	13	—	30,000
Operating income		-22,943	-53,743
Financial income		2,978	8,829
Financial expenses		-9,640	-2,670
Net financial items		-6,662	6,159
Profit (loss) before tax		-29,605	-47,584
Income tax	14, 26	75	299
Profit (loss) for the year		-29,530	-47,285
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences from foreign operations		-140	-317
Other comprehensive income for the year		-140	-317
Total comprehensive income for the year		-29,670	-47,602

Profit (loss) for the year and total comprehensive income are, in their entirety, attributable to shareholders of the Parent Company.

Earnings per share, calculated on profit (loss) for the year attributable to Parent Company shareholders of ordinary shares:

Amounts in SEK		2025	2024
Earnings per share, basic	32	-0.51	-0.82
Earnings per share, diluted	32	-0.51	-0.82

Consolidated balance sheet

Amounts in KSEK	Note	2025-12-31	2024-12-31
ASSETS			
Non-current assets			
Intangible assets			
Software	18	3,189	6,194
Capitalized development costs	18	75,625	56,575
Total intangible assets		78,814	62,769
Right-of-use assets			
Right-of-use-assets	17	20,592	26,326
Total Right-of-use assets		20,592	26,326
Property, plant and equipment			
Machinery and vehicles	16	17,196	23,650
Equipment, tools, fixtures and fittings	16	1,727	1,790
Total property, plant and equipment		18,923	25,440
Deferred tax assets			
Deferred tax assets	14, 26	526	413
Total deferred tax assets		526	413
Long-term trade receivables	19, 20	39,407	—
Total non-current assets		158,262	114,948

Consolidated balance sheet (cont.)

Amounts in KSEK	Note	2025-12-31	2024-12-31
Current assets			
Inventories			
Raw materials and consumables	21	164,217	120,001
Products in progress	21	23,042	8,301
Inventories of finished goods	21	29,574	15,878
Total inventories		216,833	144,180
Current receivables			
Trade receivables	19, 20	24,894	35,349
Current tax asset		2,434	2,252
Contractual assets	28	93,546	113,484
Other current receivables	19, 22	15,944	25,992
Prepaid costs and accrued income	23	7,203	7,316
Total current receivables		144,021	184,393
Cash and cash equivalents	19, 24, 31	78,823	218,919
Total current assets		439,677	547,492
TOTAL ASSETS		597,939	662,440

Amounts in KSEK	Note	2025-12-31	2024-12-31
EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders	25		
Share capital		1,274	1,274
Other contributed capital		816,892	816,892
Reserves		-457	-317
Retained earnings (including profit (loss) for the year)		-431,177	-404,146
Total equity attributable to Parent Company shareholders		386,532	413,703
Liabilities			
Non-current liabilities			
Liabilities leases	27	12,370	17,173
Deferred tax liability	26	179	395
Total non-current liabilities		12,549	17,568
Current liabilities			
Liabilities leases	27	6,685	6,646
Contractual liabilities	28	16,343	5,106
Trade payables	19	85,753	73,312
Short-term loans	19, 27, 31	—	50,000
Other current liabilities		9,771	10,249
Provisions		5,121	5,890
Accrued costs and prepaid income	29	75,185	79,966
Total current liabilities		198,858	231,169
Total liabilities		211,407	248,737
TOTAL EQUITY AND LIABILITIES		597,939	662,440

Consolidated statement of changes in equity

Amounts in KSEK	Note	Attributable to shareholders of the Parent Company				Total equity
		Share capital	Other contributed capital	Reserves	Retained earnings incl. profit (loss) for the year	
Opening balance at 1 January 2024	25	1,147	635,007	—	-360,720	275,434
Profit (loss) for the year		—	—	—	-47,285	-47,285
Other comprehensive income for the year		—	—	-317	—	-317
Total comprehensive income for the year		—	—	-317	-47,285	-47,602
Transactions with shareholders in their role as owners						
New share issue		127	181,885	—	—	182,012
Share-based benefits	9	—	—	—	3,859	3,859
Closing balance at 31 December 2024	25	1,274	816,892	-317	-404,146	413,703
Opening balance at 1 January 2025	25	1,274	816,892	-317	-404,146	413,703
Profit (loss) for the year		—	—	—	-29,530	-29,530
Other comprehensive income for the year		—	—	-140	—	-140
Total comprehensive income for the year		—	—	-140	-29,530	-29,670
Transactions with shareholders in their role as owners						
Share-based benefits	9	—	—	—	2,499	2,499
Closing balance at 31 December 2025	25	1,274	816,892	-457	-431,177	386,532

Consolidated cash flow statement

Amounts in KSEK	Note	2025	2024
Cash flow from operating activities			
Operating profit (loss)		-22,943	-53,743
Adjustments for non-cash items	35	24,548	2,183
Interest received		1,269	1,416
Interest paid		-2,447	-2,395
Tax paid		272	-413
Cash flow from operating activities before changes in working capital		699	-52,952
Cash flow from changes in working capital			
Increase/decrease of inventories		-72,647	-26,542
Increase/decrease of trade receivables		13,410	32,481
Increase/decrease of other receivables *		30,894	-71,429
Increase/decrease of trade payables		23,733	41,260
Increase/decrease of other liabilities		-6,170	40,073
Total changes in working capital *		-10,780	15,843
Cash flow from operating activities *		-10,081	-37,109
Cash flow from investing activities			
Acquisitions of tangible and intangible assets		-27,936	-46,703
Sales of tangible and intangible assets		—	161
Long-term trades receivables	19, 20	-39,407	—
Cash flow from investing activities		-67,343	-46,542

Amounts in KSEK	Note	2025	2024
Cash flow from financing activities	34		
New share issue		—	182,012
Repayment of leasing liability		-7,367	-7,321
Short-term borrowings		—	50,000
Repayment of loan		-50,000	—
Cash flow from financing activities		-57,367	224,691
Decrease/increase of cash and cash equivalents *		-134,791	141,040
Exchange rate differences in cash and cash equivalents		-5,305	7,070
Opening cash and cash equivalents *		218,919	70,809
Closing cash and cash equivalents *	24, 31	78,823	218,919

* 2024 is affected by reclassification of blocked bank funds of KSEK 18,539.

Notes to the consolidated statements

Note 1 General

PowerCell Sweden AB (publ) (PowerCell), Corp. Id. No 556759-8353 is a Parent Company registered in Sweden and domiciled in Göteborg, with address Ruskvädersgatan 12, 418 34 Göteborg, Sweden.

The consolidated financial statements for the financial year ending 31 December 2025, have been approved by the Board for publication on 20 April 2026.

All amounts are stated in SEK thousand (KSEK) unless otherwise stated. Amounts in brackets refer to the comparative year.

Amounts in tables and other compilations have been rounded off separately. Minor rounding differences may therefore occur in summations.

Note 2 Summary of material accounting policies

Included in this Note is a list of material accounting policies applied in the preparation of these consolidated financial statements. The policies have been applied consistently for all year presented, unless otherwise stated. The consolidated financial statements cover the Parent Company Powercell Sweden AB (publ) and its subsidiaries.

Basis of preparation

The Groups consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. In addition, the Annual accounts act and Swedish Financial Reporting Board's recommendation RFR 1 has been applied.

The consolidated financial statements are prepared in accordance with the cost method except for assets held for sale and financial assets and liabilities (including derivatives) measured at fair value through profit or loss.

Change standards applied by the Group

For 2025, no new or amended standards and interpretation statements have come into effect that have had an impact on the Group's financial statements.

The introduction of IFRS 18, which will replace IAS 1 on January 1, 2027, will result in changes in the presentation and disclosures in the financial statements. PowerCell is monitoring the development of IFRS 18 and is evaluating the effects on the company's financial reports. Application will take place from the mandatory date, January 1, 2027. As retrospective application will be required, comparative information for the 2026 financial year will be restated in accordance with IFRS 18.

Note 2.1 Consolidated financial statements

Subsidiaries

Subsidiaries are all companies in which the Group has a controlling influence. The Group has control over a company when it is exposed to or have a right to variable returns from its participation in the company, and has the possibility to influence the return through its participation in the company. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to recognize the Group's business combinations. The acquisition price is the consideration paid for a subsidiary and comprise the fair value of the assets transferred, the liabilities incurred by the Group to the previous owner of the company. The consideration also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition related costs are expensed as incurred. Intercompany transactions, balance sheet items and unrealized gains and losses on transaction between Group companies are eliminated. The accounting principles for subsidiaries have, when necessary, been revised in order to ensure a consistent application of the Group's accounting principles.

Note 2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing the performance of the operating segments. The CEO of PowerCell is the chief operating decision maker. PowerCell has identified an operating segment which makes up the Group's operation as a whole. The assessment is based on the operations in their entirety being reviewed regularly by the CEO, as a base for allocating resources and assessing the performance.

Note 2.3 Translation of foreign currencies

(i) Functional currency and presentation currency

The entities in the Group have the local currency as their functional currency, as the local currency has been defined as the primary economic environment in which each entity operates. The consolidated accounts are presented in SEK, which is the Parent Company's functional and the Group's presentation currency.

(ii) Transactions and balance sheet items

Foreign currency transactions are translated into the functional currency, applying the exchange rates prevailing on the transaction dates. Foreign exchange rate profits and losses from such transactions and at the translation of monetary assets and liabilities in foreign currencies using the exchange rates prevailing at the balance sheet date, are recognized in operating profit (loss) in other comprehensive income. Foreign exchange rate profits and

losses attributable to liabilities and cash and cash equivalents are recognized in the statement of comprehensive income as financial income and financial costs. All other foreign exchange rate profits and losses are recognized under other operating costs and other operating income, respectively.

(iii) Translation of foreign Group companies

Profit (loss) and financial position for all companies with a functional currency other than the reporting currency are translated to the reporting currency of the Group. Assets and liabilities for each of the balance sheets are translated from the foreign operation's functional currency to the Group's reporting currency, applying the exchange rates prevailing on the balance sheet date. Income and costs for each of the income statements are translated to SEK using average rate for the current month. Foreign exchange differences arising from the currency translation of foreign operations are recognized in other comprehensive income. Accumulated profit or loss are recognized in profit (loss) for the year when the foreign entity is disposed of, wholly or in part.

Note 2.4 Revenue

The Group's principles for recognition of revenue from customers contracts are presented below.

(i) Sales of goods

The Group develops, manufactures and sells fuel cell stacks, fuel cell systems (hardware). In the majority of the cases, PowerCell will sell the hardware without any conditional liabilities associated with installation and support. The Group receives revenue from the sale of goods and services both over time and at a point in time. Delivery occurs when the goods have been transported to the specific location, when the risk of obsolete or lost goods have been transferred to the customer, and the customer has either accepted the goods in accordance with the agreement, the period of time for objections to the agreement has expired, or the Group has objective evidence that all criteria of acceptance are met.

(ii) Sales of services

The Group provides services, including:

- Technical support regarding fuel cell stacks and fuel cell systems
- Development services, such as customized fuel cell stacks and fuel cell systems
- Service agreements

The above services are recognized as separate performance obligations when the customer, separately or in connection with other available resources, can make use of such a service, and it can be contractually separated from other commitments in the agreement. In the case an agreement includes more than one performance obligation, the transaction price is allocated to each separate performance obligation, based on their independent sales prices. Technical support and development services are deemed to make up separate perfor-

mance obligations, where income is recognized over time. Service agreements are recognized on a straight-line basis over the term of contract.

For long-term customer assignments, within both goods and services, that involves considerable customisation and integration of goods and services and where the cost to adapt the asset and sell it to a new customer would not be significant the conclusion is that the asset is not deemed to have an alternative use. Since the clauses in the contract include the right to payment for costs incurred in case of termination of the contract, it means that the criteria for recognising revenues from long-term customer assignments over time are satisfied. Income and expenses are reported in relation to the degree of completion of the assignment on the balance sheet date.

The degree of completion of an assignment is determined in the ratio between the commissioned expenses incurred for work performed on the balance sheet date and the estimated total commission expenses. When the outcome of an assignment cannot be calculated in a reliable manner, only the amount corresponding to the incurred assignment expenses that are likely to be reimbursed by the customer is recognized as an income and other incurred assignment expenses are reported as expenses in the period in which they arise. As it is probable that the total commission expenses will exceed the total commission income, the feared loss is immediately reported as an expense in its entirety.

The company have for some contracts been awarded a fee for the transfer of IP-rights at the inception of the contract and/or at certain contractual milestones. The fees are all considered by the management to be irrevocable and to constitute a direct exchange of services in the sense that rights have been transferred to the counterparty. Consequently, the licence fees, for IP rights, have therefore been recognized as revenue directly in connection with the signing of the agreement and/or at the achievement of the contractual milestones.

Note 2.5 Intangible assets

Capitalized expenditure for development activities

Maintenance costs are expensed as incurred. Development costs directly attributable to the development of fuel cell stacks and fuel cell systems over which the Group has control, are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete them so that they will be available for use;
- it is the Group's purpose to complete them so that they will be available for use or sale;
- there are prerequisites to make them available for use or sale;
- it is possible to prove how they are likely to generate future economic benefits;
- there are adequate technical, economic and other resources to fulfill the development and to make them available for use or sale; and
- the costs attributable to the assets during development can be reliably calculated.

note 2 cont.

Directly attributable costs recognized as a component of development work include expenses for employees, external consultants, materials and laboratory costs.

Other development costs, that do not meet these criteria, are expensed as incurred. Development expenditure previously carried at cost is not recognized as an asset in a subsequent period.

Capitalized development expenditure is recognized as intangible assets and is depreciated from the date when the asset is ready for use.

The Group's costs of research and development have in some cases been assessed as meeting the criteria for capitalization. Otherwise, the expenses have been fully recognized as costs.

Software

Software acquired separately, together with related costs for installation, is recognized at cost, less accumulated depreciation. The estimated useful life is normally 5 years, which corresponds to the estimated period of time during which these assets will generate cash flows.

Useful lives of the Group's intangible assets

Software	5 years
Capitalized development costs	5 years

Note 2.6 Leases

The Group as a lessee

The Group only acts as a lessee. The Group's leases mainly comprise the right-of-use regarding premises and equipment. The leases are recognised as a right-of-use asset with a corresponding lease liability when the leased asset is available for use by the Group. Short term leases and leases for which the underlying asset is of low value are exempted.

Each lease payment should be divided between amortisation of the lease liability and a financial cost. The financial cost should be allocated over the lease term, so that each reporting period is charged with an amount corresponding to a fixed interest rate for the liability recognised under each period.

The lease term is determined as the non-cancellable period of the lease, together with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The Group's lease liabilities are recognised at the present value of the Group's fixed lease payments (including in-substance fixed lease payments). Purchase options are included if it is reasonably certain that the Group will exercise the option to acquire the underlying asset. Penalties for terminating the lease are included if the lease term reflects that the lessee will exercise an option to cancel the lease. Lease payments are discounted with the interest rate implicit in the lease, if this rate can easily be determined. Otherwise, the Group's incremental borrowing rate is applied.

The Group's right-of-use assets are recognised at cost, and include initial present value of the lease liability, adjusted for lease payment made at or before the commencement date and any initial direct expenses. Restoration costs are included in the asset if a corresponding provision for restoration costs exists. The right-of-use asset is depreciated on a straight-line basis over the asset's useful life and the lease term, whichever is the shortest.

Note 2.7 Property, plant and equipment

Property, plant and equipment are recognized at cost less depreciation and any impairment. In cost is included expenditure directly attributable to the acquisition of the asset, and the cost of bringing it to the location and condition necessary for it to be capable of operating in the manner intended by the acquisition.

Additional costs are added to the asset's carrying value or are recognized as a separate asset, depending on which is most suitable, only when it is probable that the future economic benefits attributable to the asset will flow to the Group and the cost of the asset can be reliably measured. The carrying value of a substituted part is derecognized. All other kinds of reparations and maintenance are recognized at cost in the statement of comprehensive income in the period in which they occur.

Depreciation of assets, in order to allocate their cost to their estimated residual value over their estimated useful lives, is done on a straight-line basis according to the following:

The following depreciation periods apply:

Machinery and vehicles	3–10 years
Equipment, tools and fixtures and fittings	3–10 years

The assets' residual values and useful lives are assessed at the end of each reporting period and adjusted, if needed.

The carrying value is immediately written down to its residual value if the asset's carrying value exceeds its estimated residual value.

Profit or loss from the disposal of property, plant and equipment is established through a comparison of the profit from the sales and the carrying value, and is recognized in "Other operating income" and "Other operating costs", respectively, in the statement of comprehensive income.

Note 2.8 Impairment of non-financial assets

Intangible assets not ready for use (capitalized expenditure for development activities), are not impaired, but tested annually for any indication of impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment is made in the amount to which the asset's carrying amount exceeds the recoverable amount. The recoverable amount is the greater of an asset's fair value, less selling expenses and the asset's value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separate, identifiable cash

flows (CGUs). Assets that have previously been impaired are tested for reversal on each balance sheet date.

Note 2.9 Financial instruments of general information

Financial instruments are recognized in various balance sheet items and are further presented below.

Initial recognition

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual terms and conditions of the instrument. Purchases and sales of financial instruments are reported on the trade date, that is, the date on which the Group commits itself to purchase or sell the asset.

Financial instruments are initially valued at fair value plus transaction costs directly attributable to the acquisition or issuance of a financial asset or a financial liability, e.g., fees and commission fees.

Classification

The Group only holds financial assets and liabilities in the category amortized cost. The classification is based on the purpose for acquiring the financial asset or liability.

Financial assets at amortized cost

Assets held with the sole purpose of collecting contractual cash flows, and where these cash flows comprise only principal and interest, are valued at amortized cost. The carrying value of these assets are adjusted for any expected credit losses that have been recognized (refer to impairment below). Interest income from these financial assets are recognized in accordance with the effective interest method and are included in financial income. The Group's financial assets valued at amortized cost comprise the items trade receivables (long- and short term), other receivables, accrued income and cash and cash equivalents.

Financial liabilities at amortized cost

The Group's other financial assets are classified as subsequently valued at amortized cost applying the effective interest method. Other financial liabilities comprise other non-current liabilities, trade payables and a portion of other current liabilities.

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs. Borrowings are subsequently recognized at amortized cost and any difference between the amount received (net of transaction costs), and the amount to be repaid is recognized in the statement of comprehensive income, distributed over the term of the loan, using the effective interest method.

The liability is classified as current in the balance sheet, if the company does not have an unconditional right to postpone the settlement of the liability for at least twelve months after the reporting period.

Derecognition of financial instruments

Derecognition of financial assets

Financial instruments are derecognized from the balance sheet when the contractual rights to receive cash flows from the instruments have expired or been transferred, and the Group has either (i) substantially transferred all of the risks and rewards associated with ownership, or (ii) not substantially transferred all of the risks and rewards associated with ownership and the Group has not retained control of the asset.

Derecognition of financial liabilities

Financial liabilities are derecognized from the balance sheet when the obligations are settled, cancelled or has expired in any other way. The difference between the carrying value of a financial liability (or a portion of a financial liability) that has been extinguished or transferred to another party and the fee paid, including assets transferred, assets that are not cash and cash equivalents or assumed liabilities, are reported in the statement of comprehensive income.

When the terms and conditions are re-negotiated and are not derecognized, a profit or loss is reported in the statement of comprehensive income. The profit or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

Offsetting of financial instruments

Financial assets and liabilities are offset and recognized with a net amount in the balance sheet only when there is a legal right to offset the recognized amounts and an intention to balance the items with a net amount, or to simultaneously realize the asset and settle the liability. The legal right must not be dependent on future events and it must be legally binding for the Company and the counterparty, both in the normal course of business and in case of suspension of payments, insolvency or bankruptcy.

Impairment of financial assets

Assets recognized at amortized cost

The Group assesses future credit losses associated with assets recognized at amortized cost. The Group recognizes a credit reserve for such expected credit losses on each reporting date. For trade receivables, the Group applies the simplified method of credit reserves, i.e., the reserve will correspond to the expected loss over the whole life of the trade receivable. In order to measure the credit losses, trade receivable are grouped based on credit risk characteristics and days past due. The Group applies forward-looking variables for expected credit losses. Expected credit losses are recognized in the consolidated statement of comprehensive income, in the items sales and administrative costs.

note 2 cont.

Note 2.10 Inventories

Inventories are reported using the first-in, first-out method at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the on-going course of business, less applicable variable selling expenses.

Note 2.11 Share capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issuance of new ordinary shares are recognized, net of tax, in equity as a deduction for the proceeds of the issue.

Note 2.12 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualified assets are recognized as a portion of the cost for these assets.

All other borrowing costs are expensed as incurred.

Note 2.13 Employee benefits

Pension obligations

Within PowerCell, there are both defined contribution plans and defined benefit plans. A defined contribution plan is a pension plan according to which the Group pays a fixed amount to a separate legal entity. PowerCell has no legal or constructive obligation to pay additional premiums if this legal entity does not have adequate means to pay all benefits to employees, attributable to their service in current or previous periods. The premiums are reported as personnel costs when they fall due.

PowerCell's defined benefit plans comprise the defined pension benefit obligations of the ITP 2 plan. The defined pension benefit obligations of the ITP 2 plan for retirement pensions and survivor's pension are secured through an insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Accounting for the pension plan ITP 2 financed through

an insurance in Alecta, this is a defined benefit multi-employer plan. For the financial year 2025, PowerCell has not had access to information in order to be able to report its proportional share of the obligations of the plan, plan assets and costs and, therefore, it has not been possible to recognize the plan as a defined benefit plan. The ITP 2 pension plan, secured through an insurance with Alecta, is therefore reported as a defined contribution plan. The premium of the defined contribution plan for retirement pensions and survivor's pension is calculated individually, and is, among other factors, based on salary, previously earned pension and expected remaining years of service. Expected premiums for the next reporting period for ITP insurances agreed with Alecta is KSEK 7,400.

The collective consolidation level comprise the market value of Alecta's assets as a percentage of the insurance obligations in accordance with Alecta's actuarial methods and assessments, which do not comply with IAS 19. The collective consolidation level should normally be allowed to vary between 125% and 175%. If Alecta's collective consolidation level falls below 125% or exceeds 175%, measure should be taken in order for the consolidation level to return to the normal interval. At a low consolidation, one measure might be to increase the price when signing new insurance agreements and an expansion of existing benefits. At the end of the financial year 2025, Alecta's surplus of the collective consolidation level was, preliminary, 167 percent (162).

Short-term benefits:

Liabilities for salaries and remuneration, including non-monetary benefits and paid sick leave, that are expected to be settled within 12 months after the end of the financial year, are recognized as current liabilities at the non-discounted amount expected to be paid when the liabilities are settled. The cost is recognized as the services are rendered by the employees.

The liability is recognized as a liability regarding employee benefits in the balance sheet.

Share-based benefits

Share-based payment program is classified as equity-settled transactions, and the granted instrument's fair value at grant date is recognised over the vesting period. At each balance sheet date, the Group revises the estimates to the number of equity instruments that are expected to vest. The Group recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity. In addition, the Group makes estimates for social costs related to the share-based payment program, which are recognized as accrued social costs. These costs are recognized in the income statement over the vesting period. The provision is periodically revalued based on the fair value of the instruments at each balance sheet date.

Note 2.14 Public grants

Public grants are reported at fair value when there is a reasonable assurance the grants will be received and the Group will meet the terms and conditions associated with the grants. Grants received before the terms and conditions to recognize them as revenue have been met, is recognized as a liability.

Government grants regarding cost recovery are allocated to the same periods which the grants are intended to cover.

Note 2.15 Earnings per share

(i) Earnings per share, basic

Earnings per share, basic, is calculated by dividing:

- equity attributable to Parent Company shareholders,
- with a weighted average number of ordinary shares during the period.

(ii) Earnings per share, diluted

For the calculation of earnings per share, diluted, the amounts are adjusted that were used for the calculation of earnings per share, basic, by taking into account:

- the weighted average of the further ordinary shares that would have been outstanding at a conversion of all potential ordinary shares.

Note 3 Financial risk management

3.1 Financial risk factors

Through its operations, the Group is exposed to a number of different financial risks related to cash and cash equivalents, accounts receivable, trade payables and loans: market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Group strives to minimize potential unfavorable effects on the Group's financial performance.

The aim of the Group's financial activities is to:

- secure that the Group can meet its payment obligations;
- manage financial risks;
- secure necessary financing; and
- optimize the Group's net financial income.

Credit risk is managed by Group management. If the customers have been valued by an independent valuator, these valuations are used. In the cases where there is no independent credit rating, a risk assessment is made of the customer's creditworthiness, where financial position, historical experience and other factors are taken into account. As a significant portion of the Group's contracts have been agreed with wholly or part advance payments, or in other cases comprise customers with a strong financial position, the customer related credit risk is deemed to be limited.

(i) Market risk

Currency risk

The Group has international operations and is exposed to currency risk occurring from different currency exposures, mainly regarding euro (EUR). Currency risk arise from payment flows in foreign currencies, so called transaction exposure, and from the revaluation of balance items in foreign currencies and at the revaluation of foreign subsidiaries' income statements and balance sheets to the Group's reporting currency, which is Swedish kronor (SEK), so called balance exposure.

Currency risk occurs when future business transactions or recognized assets or liabilities are nominated in a currency which is not the entity's functional currency. In PowerCell, currency risk mainly occurs through cash and cash equivalents in foreign currencies (EUR) and future business transactions, mainly in the Parent Company, where a significant portion of the transactions are made in euro.

note 3 cont.

Sensitivity analysis – transaction exposure

Sensitivity in profit (loss) regarding changes in exchange rates mainly occurs in EUR. Significant items in the balance sheet in foreign currencies are found within trade receivables, cash and cash equivalents, contractual liabilities and trade payables.

	31 December 2025	31 December 2024
Foreign currencies		
Trade receivables	64,295	32,881
Cash and cash equivalents*	70,354	67,410
Contractual liabilities	-16,343	-5,106
Trade payables	-60,720	-53,522

A weakening/strengthening of the Swedish krona against the euro of 10% with all other variables remaining constant would result in a change of the profit after tax for the financial year 2025 would have been KSEK 5,222 (4,167) lower/higher. This is mainly due to gains/losses from the revaluation of cash and cash equivalents and trade payables.

* Cash equivalents include bank funds as well as blocked bank funds for 2024.

Interest rate risk

The interest rate risk during most of 2025 consists of the interest rate on the company's overdraft facility negatively affecting the Group's net profit when the overdraft facility is utilized. At the beginning of 2025, there was a bank loan to Nordea Bank Abp that was amortized in April. The loan was converted upon amortization into an overdraft facility that can be utilized when needed. The interest rate on the overdraft facility is Stibor +2,85% as of December 31, 2025. As of December 31, 2025, the overdraft facility was unutilized.

The Group is not exposed to any significant interest rate risk. For further information, see Note 27.

(ii) Credit risk

Credit risk arises through participations in cash and cash equivalents, balances with banks and credit institutions and customer credit exposures, including outstanding receivables. Credit risk is managed by Group management.

Historically, the Group has had a low level of bad debts, as the customers to a large extent comprise well-known customers. If the customers have been valued by an independent valuator, these valuations are used. In the cases where there is no independent credit rating, a risk assessment is made of the customer's creditworthiness, where financial position, historical experience and other factors are taken into account. Individual risk limits have been established based on internal and external credit ratings, in accordance with the limits established by the Board of Directors. Compliance with credit limits is monitored regularly by Group management.

31 Dec 2024	Receivables not yet due	1 to 30 days past due	30 to 60 days past due	60 to 120 days past due	More than 120 days past due	Total
Expected credit loss	—	—	—	—	-311	-311
Carrying amounts gross – trade receivables	17,332	9,347	1,460	3,951	3,570	35,660

31 Dec 2025	Receivables not yet due	1 to 30 days past due	30 to 60 days past due	60 to 120 days past due	More than 120 days past due	Total
Expected credit loss	—	—	—	—	—	—
Carrying amounts gross – trade receivables	58,757	445	762	343	3,994	64,301

(iii) Liquidity risk

Through a careful liquidity management the Group secures that there are sufficient cash and cash equivalents to meet the requirements of the operating activities. At the same time, the Group secures that there are sufficient cash and cash equivalents so that debts can be paid on maturity.

Group management monitors rolling forecasts for cash and cash equivalents of the Group based on expected cash flows.

The below table shows the Groups non-derivative financial liabilities, categorized by the time per the balance sheet date that remain until the contractual due date. Amounts in the table are the contractual, non-discounted cash flows. Future cash flows in foreign currencies and regarding variable interest rates have been calculated based on the exchange and interest rate prevailing on the balance sheet.

31 December 2024	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years	Total contractual cash flows	Carrying value
<i>Financial liabilities</i>							
Short-term loans	—	50,000	—	—	—	50,000	50,000
Liabilities, leasing	1,693	4,933	6,491	10,642	—	23,759	23,819
Trade payables	73,312	—	—	—	—	73,312	73,312
Total	75,005	54,933	6,491	10,642	—	147,071	147,131

31 December 2025	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years	Total contractual cash flows	Carrying value
<i>Financial liabilities</i>							
Liabilities, leasing	1,842	5,421	6,970	4,824	—	19,057	19,055
Trade payables	85,753	—	—	—	—	85,753	85,753
Total	87,595	5,421	6,970	4,824	—	104,810	104,808

Note 3.2 Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The Group assesses the capital based on the debt/equity ratio. This key performance indicator is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including the items current borrowings and non-current borrowings in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as net debt plus equity.

	31 December 2025	31 December 2024
Total borrowings (Note 27)	19,055	73,819
Less: cash and cash equivalents	-78,823	-218,919
Net debt (+)/Net cash (-)	-59,768	-145,100
Total equity	386,532	413,703
Total capital	326,764	268,603

Note 4 Significant accounting estimates and judgements

The Group makes estimates and assumptions about the future. The estimates for accounting purposes that result from these will, by definition, rarely correspond to the actual result. The estimates and assumptions that entail a significant risk of significant adjustments in reported values for assets and liabilities during the next financial year are dealt with in main features in outline below.

Valuation of inventories

The Group recognizes inventories of KSEK 216,833 (144,180). For 2025 a reduced obsolescence reserve of KSEK –6 (–653). The reduction in the obsolescence reserve is mainly due to the initiation of the continuous process for scrapping components. An obsolescence reserve is recognized if the estimated net sales value is lower than cost, and in connection with this, the Group makes estimates and judgements regarding, among other factors, future market situation and estimated net sales values. The risk of obsolescence arises in periods of a drop in demand, and where the technological development on the markets in which the Group has operations pose a specific risk. An inability to foresee and meet the expectations of the market might result in a future need of making provisions for inventory obsolescence.

Trade receivables and contractual assets

For trade receivables and contractual assets, the Group applies the simplified method of credit reserves, i.e., the reserve will correspond to the expected loss over the whole life of the trade receivable or the contractual asset. In order to measure the credit losses, trade receivables are grouped based on credit risk characteristics and days past due. The Group applies forward-looking variables for expected credit losses. This method implies that certain judgements need to be made regarding the probability that a trade receivable or contractual asset will flow to the Group. During the year, a credit provision of KSEK 0 (311) was made.

Deferred tax liabilities and tax assets

Significant judgements are made in order to determine deferred tax liabilities and tax assets, not least regarding deferred tax assets. The Company needs to assess the probability that the deferred tax assets will be utilized to offset future taxable profits.

At the end of 2025 the Group had losses carried-forward of approximately KSEK 567,978 (530,915) that had not been valued based on the assessment that a utilization must be probable. Thus, changed assessments for the probability of utilization can impact the performance both negatively and positively. Unused losses carried-forward for 2024 is adjusted by KSEK 1,181 due to changed taxation for the 2023 financial year.

Intangible assets

The Group's costs of research and development have in some cases been deemed to meet the requirements to be capitalized, see Note 18. Otherwise the expenses have been expensed in their entirety. During the year, MSEK 24.3 (40.3) has been capitalized as intangible assets. The majority of the activations relate to the development of a new PS200 system and a smaller part relates to the development of a 5 kW system for vehicles that need auxiliary power to operate, for example, cooling or heating systems. These capitalizations are subject to impairment testing at the balance sheet date. If the development projects are deemed not to lead to saleable products or if the market's demand for the products is lower than what management has forecasted, the asset may have to be written down.

Percentage of completion

For long-term customer contracts that involve considerable customisation and integration and where the cost to adapt the asset and sell it to a new customer would not be significant, is considered to be an asset without an alternative use. If there is also a clause that includes the right to payment for costs incurred in case of termination of the contract, it is considered that the criteria is met for recognising revenues over time. For these contracts the percentage of completion method is applied and involves judgement from management. The degree of completion of an assignment is determined in the ratio between the commissioned expenses incurred for work performed and the materials used on the balance sheet date and the estimated total commission expenses. When the outcome of an assignment cannot be calculated in a reliable manner, only the amount corresponding to the incurred assignment expenses that are likely to be reimbursed by the customer is recognized as an income and other incurred assignment expenses are reported as expenses in the period in which they arise. As part of the ongoing operations, reviewing risks in projects and total expenses forecasts are included. This review may result in corrections to project estimates, both positive and negative. The reporting of long-term customer contracts also affects balance sheet items such as contractual assets and contractual liabilities and, where applicable, provisions for loss contracts. During the year, MSEK 203.4 (188.3) has been recognized according to successive profit deductions.

Warranty provision

Warranty provisions are based upon management's best estimates of amounts necessary to settle future and existing claims. Regular evaluations are made of these provisions, and adjustments are made when appropriate. The future realized outcome for settling warranty claims can differ from the provision recorded.

Note 5 Segment information

Description of segments and main activities

PowerCell's CEO is the chief operating decision maker and evaluates financial position and performance and makes strategic decisions. The CEO has established operating segments based on the information processed and which is used as a base for allocating resources and to evaluate performance. The CEO monitors and evaluates the Group from an operating segment, which is the Group in its entirety.

The CEO uses mainly the operating income in the assessment of the Group's performance.

All fixed assets are found in Sweden.

Note 6 Net sales

Revenue

The Group receives revenue from the transfer of goods and services both over time and at a point in time in the following categories and from the below geographic markets.

	2025	2024
Revenue from external customers		
Hardware	37,025	71,278
Services	134,181	36,901
Royalty fees	10,376	37,787
Projects according to percentage of completion	203,376	188,312
Total	384,958	334,278

Revenue from external customers per country, based on where customers are located:

Net sales by geographic market:	2025	2024
Sweden	6,748	3,031
Germany	149,055	71,429
Netherlands	42,539	12,047
US*	–3,369	21,204
Norway	12,198	100,575
Italy	133,320	87,284
Other	44,467	44,826
Total	384,958	334,278

The Group has for 2025 three external customers, which individually exceed 10% of the Group's total revenues. Revenue per customer amounts to approximately KSEK 127,075, KSEK 112,136 respectively KSEK 42,473.

For 2024 the Group had three external customers, which individually exceed 10% of the Group's total revenues. Revenue per customer amounts to approximately KSEK 99,716, KSEK 83,788 respectively KSEK 37,823.

*2025 was affected negatively by currency effects following re-evaluating projects reported as percentage of completion.

Note 7 Costs by nature

	2025	2024
Cost of sold goods	210,790	218,107
Other external costs	76,557	105,997
Expected credit losses	-191	311
Personnel costs	130,243	95,046
Depreciation of tangible assets	18,581	19,846
Depreciation of intangible assets	8,293	3,011
Other operating costs	18,526	24,611
Total	462,799	466,929

Note 8 Auditors' fees

	2025	2024
Öhrlings PricewaterhouseCoppers AB		
Audit assignment	1,216	1,441
Audit activities in addition to the audit assignment	98	242
Other services	70	92
Total	1,384	1,775

Note 9 Employee benefits, etc.

	2025	2024
Salaries and other remuneration	122,889	102,579
Share-based benefits	2,499	3,859
Social security contributions	37,864	30,458
Pension costs – defined contribution plans	17,390	13,424
Total employee benefits	180,642	150,320

Salaries and other remuneration and social security contributions

	2025		2024	
	Salaries and other remuneration (of which bonuses)	Social security contributions (of which pension costs)	Salaries and other remuneration (of which bonuses)	Social security contributions (of which pension costs)
Directors of the Board, presidents and other senior executives	33,747 (4,135)	17,662 (7,938)	25,032 (1,341)	13,280 (6,294)
Other employees	91,641 (5,501)	37,592 (9,452)	81,407 (1,811)	30,601 (7,130)
Group total	125,388	55,254	106,439	43,881

Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual): 9,7 (8.8).

Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual): -3.3 (-3.3).

Total compensation used in calculations includes base salary, bonus, share-based benefits, pension and other benefits.

Average number of employees per country

	2025		2024	
	Average number	Of which men	Average number	Of which men
Sweden	128	94	125	95
Germany	1	1	1	1
Norway	1	1	1	1
US	1	1	1	1
Group total	131	97	128	98

Gender breakdown (incl. subsidiaries) for Director of the Board and other senior executives

	2025		2024	
	Average number	Of which men	Average number	Of which men
Directors	7	4	7	4
CEO and other senior executives	10	7	11	8
Group total	17	11	18	12

note 9 cont.

Remuneration and other benefits to senior executives 2025

KSEK	Director's fees/ Basic salary	Variable remuneration	Other benefits	Pension costs	Share-based benefits	Total
Chairman of the Board Magnus Jonsson	802	—	—	—	—	802
Director Nicolas Boutin	307	—	—	—	—	307
Director Helen Fasth Gillstedt	515	—	—	—	—	515
Director Riku-Pekka Hägg	307	—	—	—	—	307
Director Uwe Hillmann	—	—	—	—	—	—
Director Annette Malm Justad	455	—	—	—	—	455
Director Karin Ryttberg-Wallgren	351	—	—	—	—	351
CEO Richard Berkling	3,403	681	109	1,018	1,265	6,476
Other senior executives (9 individuals*)	20,052	3,454	839	6,920	1,205	32,470
Group total	26,192	4,135	948	7,938	2,470	41,683

CEO and senior executives

In addition to a fixed salary to the CEO and other senior executives, variable remuneration will be paid if established performance goals are achieved. The remuneration is established by the Board of Directors. During the financial year, variable remuneration amounting to KSEK 681 (245) was paid to the CEO, and KSEK 3,454 (1,096) to other senior executives.

Other benefits comprise KSEK 948 (862), mainly consisting of car compensations of KSEK 888 (802).

Between the Company and the CEO, there is a period of notice of six months. If the termination is initiated by the Company, the CEO is entitled to three months' severance pay. No agreements exist regarding severance pay for other employees.

* During the year, a reorganization was carried out, which meant that the group's management team was reduced from 11 to 6 people as of October 1, 2025.

Board of Directors

According to a decision at the AGM in April 2025, Director's fees will be paid up until the next AGM amounting to KSEK 3,075 of which KSEK 810 to the Chairman of the Board. One director waives their remuneration.

Share-based benefits

The general meeting of PowerCell 2021 decided to implement a performance-based long-term incentive program for certain senior executives and key persons in the Company ("LTI 2021"). The motives for the LTI 2021 are to reinforce the Company's ability to retain existing workforce and recruit key personnel to the Company. The proposal has also been developed with the aim of spreading and increasing shareholding among the Participants and ensuring a common focus on long-term and sustainable growth for the Company, which would ensure that the shareholders' and Participants' interests are further consolidated.

LTI 2021 includes maximum 28 key persons in the Company. The maximum number of Performance Share Rights that can be allotted in the program is limited to 390 601 (corresponding to equal number of shares in the company). The Performance Share Rights mean that Participants in the program are entitled to receive free of charge one warrant in the Company for each Performance Share Right with a right for its holder to acquire one share in the Company at a price corresponding to the quota value of the share at the time the shares are subscribed (currently SEK 0.022), provided that vesting conditions stated below are fulfilled.

Remuneration and other benefits to senior executives 2024

KSEK	Director's fees/ Basic salary	Variable remuneration	Other benefits	Pension costs	Share-based benefits	Total
Chairman of the Board Magnus Jonsson	717	—	—	—	—	717
Director Nicolas Boutin	280	—	—	—	—	280
Director Helen Fasth Gillstedt	458	—	—	—	—	458
Director Riku-Pekka Hägg	280	—	—	—	—	280
Director Uwe Hillmann	—	—	—	—	—	—
Director Annette Malm Justad	403	—	—	—	—	403
Director Karin Ryttberg-Wallgren	314	—	—	—	—	314
CEO Richard Berkling	2,956	245	111	1,045	2 017	6,374
Other senior executives (10 individuals)	14,972	1,096	751	5,249	432	22,500
Group total	20,380	1,341	862	6,294	2,449	31,326

After a vesting period of five years the participants will be allotted warrants in the Company free of charge, provided that certain vesting conditions are fulfilled. In order for these Performance Share Rights to entitle the Participant to an allotment, the Participant must have chosen to retain his/her assignment in the Company under the current vesting period until 1 January 2026.

The Performance Share Rights are gradually vested over approximately five years, corresponding to five periods until 1 January 2026 (each such period is a "vesting period").

In addition to the above conditions, the Performance Share Rights are subject to performance conditions based on the extent the Company achieves certain milestones set by the Board for respective vesting period. In addition to fulfilling the performance conditions, the annual outcome of LTI 2021 depends on the annual development of PowerCell's share price in relation to average annual share price development for all companies whose shares are listed for trading on the stock exchange where PowerCell's shares, at any given time, are listed.

One warrant, for each Performance Share Right vested, is distributed to the participant in connection to the Annual General meeting 2026. The participant will then have the right to exercise the warrants until 1 July 2026.

The value for one warrant has been estimated to SEK 151.08 in December 2021. This valuation is based on a MonteCarlo-model that has conducted 100,000 simulations for each period. The most important assumptions, apart from the program conditions, are risk free interest rate, which has been set to the interest rate of Swedish Government Bonds with corresponding duration, and volatility, where historical volatility of PowerCell share (61.3%) and for the OMX Nordic First North (14.2%) has been used. Potential dividends are not considered in the valuation. Revaluation has then been done in December 2022, December 2023, December 2024 and December 2025, for which the result affects the participants for the respective year, as well as social contributions for all participants in the program regardless of the year they joined the program.

For 2025, LTI 2021 entailed a cost in the income statement of MSEK 2.3 (3.7) (including a cost reduction of MSEK -0.2 (-0.1) for social security contributions). The total provision for social security contributions in the balance sheet amounts to MSEK 0.8 (1.0).

Note 10 Other operating income

	2025	2024
Contributions attributable to the financing of projects and government grants	25,787	30,735
Exchange-rate differences	28,400	16,913
Profit on disposal of fixed assets	—	161
Other	711	1,099
Total	54,898	48,908

Note 11 Other operating costs

	2025	2024
Exchange-rate differences	18,526	24,611
Total	18,526	24,611

Note 12 Exchange rate differences – net

Exchange rate differences have been reported in the statement of comprehensive income according to the following:

	2025	2024
Other operating income (Note 10)	28,400	16,913
Other operating costs (Note 11)	-18,526	-24,611
Total	9,874	-7,698

Note 13 Items affecting comparability

Items affecting comparability consists of the following:

	2025	2024
Government loan converted into a grant	—	30,000
Total	—	30,000

Items affecting comparability refer to significant income or expense items that are reported separately due to the significance of their nature or amount. The transactions must not be close to the day-to-day operations.

Note 14 Income tax

	2025	2024
Current tax		
Tax on profit for the year	-253	-51
Total current tax	-253	-51
Deferred tax		
Occurrence and reversal of temporary differences	328	350
Total deferred tax	328	350
Total income tax	75	299

Income tax of on the Group's operating income before tax differs from the theoretical amount that would have appeared at the use of the Swedish tax rate for the profit of the consolidated companies according to the following:

	2025	2024
Profit (loss) before tax	-29,605	-47,584
Income tax calculated according to the Swedish tax rate 20.6% (20.6).	6,099	9,802
Tax effects from:		
Non-deductible costs	-2,241	-1,525
Losses carried-forward, for which no deferred tax asset is recognized	-3,783	-7,978
Income tax	75	299

Weighted average tax rate for the Group was 1% (1).

Note 15 Investments in subsidiaries

The Group had the following subsidiaries on 31 December 2025:

Name	Country of registration and operations	Operations	Share of ordinary shares directly owned by the Parent Company	Share of ordinary shares directly owned by the Group (%)
Powercell Deutschland GmbH	Germany	Research organisation	100	100
Powercell Warrants One AB	Sweden	Administration	100	100
Powercell Norway AS	Norway	Administration	100	100
Powercell Inc.	US	Sales organisation	100	100

Note 16 Property, plant and equipment

	Machinery and other technical facilities	Equipment, tools, fixtures and fittings	Total
Financial year 2024			
Opening carrying value	28,648	4,728	33,376
Purchase	3,025	3,442	6,467
Reclassifications	2,151	-5,139	-2,988
Depreciation	-10,174	-1,241	-11,415
Closing carrying value	23,650	1,790	25,440

At 31 December 2024

Cost	121,250	9,339	130,589
Accumulated depreciation	-97,600	-7,549	-105,149
Carrying value	23,650	1,790	25,440

Financial year 2025

Opening carrying value	23,650	1,790	25,440
Purchase	2,672	844	3,516
Depreciation	-9,126	-907	-10,033
Closing carrying value	17,196	1,727	18,923

At 31 December 2025

Cost	123,922	10,183	134,105
Accumulated depreciation	-106,726	-8,456	-115,182
Carrying value	17,196	1,727	18,923

Depreciation of KSEK 10,033 (11,415) are allocated between research and development costs and selling and administrative costs in the consolidated statement of comprehensive income.

Tangible fixed assets in the Group is mainly located in the Swedish parent company Powercell Sweden AB.

Note 17 Right-of-use-assets

Right-of-use assets	Premises	Machinery	Other	Total
Financial year 2024				
Opening balance	24,876	4,903	2,059	31,838
Additions	1,655	—	1,789	3,444
Prematurely terminated contracts	—	-2,744	-1,625	-4,369
Depreciation	-5,442	1,200	-344	-4,586
Closing balance	21,089	3,359	1,879	26,327
At 31 December 2024				
Cost	49,355	11,644	3,626	64,625
Accumulated depreciation and write-downs	-28,266	-8,285	-1,747	-38,298
Carrying value	21,089	3,359	1,879	26,327
Financial year 2025				
Opening balance	21,089	3,359	1,879	26,327
Additions	353	—	2,486	2,839
Prematurely terminated contracts	—	-594	-1,089	-1,683
Depreciation	-5,594	-590	-707	-6,891
Closing balance	15,848	2,175	2,569	20,592
At 31 December 2025				
Cost	49,708	11,050	5,023	65,781
Accumulated depreciation and write-downs	-33,860	-8,875	-2,454	-45,189
Carrying value	15,848	2,175	2,569	20,592

Lease liabilities	31 Dec 2025	31 Dec 2024
Long-term lease liabilities	12,370	17,173
Short-term lease liabilities	6,685	6,646
Total lease liabilities	19,055	23,819

Disclosures

- Interest expenses of KSEK 669 (867) is presented as part of the financial expenses.
- Expenses attributable to short-term lease agreements, which are included in operating costs amount to KSEK 746 (929).
- Expenses attributable to lease agreements for which the underlying asset is of low value and not short-term lease agreements are included in operating costs and amount to KSEK 438 (408).
- Expenses attributable to variable lease payments not included in the lease liabilities amount to KSEK 168 (168), which are included in operating costs.
- The total cash flow related to lease agreements in 2025 was KSEK -9,585 (9,524), including recognized agreements of a shorter nature and of lower value.
- Maturity analysis of lease liabilities, see Note 3.

Note 18 Intangible assets

	Product development	Software	Total
Financial year 2024			
Opening carrying value	16,490	5,996	22,486
Purchase	40,326	—	40,326
Reclassifications	—	2,967	2,967
Depreciation	-241	-2,769	-3,010
Closing carrying value	56,575	6,194	62,769
At 31 December 2024			
Cost	56,816	14,772	71,588
Accumulated depreciation, amortization and impairments	-241	-8,578	-8,819
Carrying value	56,575	6,194	62,769
Financial year 2025			
Opening carrying value	56,575	6,194	62,769
Purchase	24,338	—	24,338
Depreciation	-5,288	-3,005	-8,293
Closing carrying value	75,625	3,189	78,814
At 31 December 2025			
Cost	81,154	14,772	95,926
Accumulated depreciation, amortization and impairments	-5,529	-11,583	-17,112
Carrying value	75,625	3,189	78,814

Depreciation of KSEK 8,293 (3,010) are allocated between research and product development costs and selling and administrative costs in the consolidated statement of comprehensive income.

The capitalized product development costs can be found in the group.

The capitalized product development costs are tested for impairment at the balance sheet date and the assessment is that the development projects follow the plan to create saleable products and that the market's demand for the products is in line with what the management previously assessed. The calculations for 2025 used a discount rate of 12 %. This year's impairment test did not result in any impairment.

Note 19 Financial instruments per category

31 Dec 2024	Financial assets at amortized cost	Total
Assets in the balance sheet		
Trade receivables	35,349	35,349
Other current receivables*	21,917	21,917
Cash and cash equivalents	218,919	218,919
Total	276,185	276,185
31 Dec 2024		
	Financial liabilities at amortized cost	Total
Liabilities in the balance sheet		
Trade payables	73,312	73,312
Short-term loans	50,000	50,000
Total	123,312	123,312
31 Dec 2025		
	Financial assets at amortized cost	Total
Assets in the balance sheet		
Long-term trade receivables	39,407	39,407
Trade receivables	24,894	24,894
Other current receivables*	13,323	13,323
Cash and cash equivalents	78,823	78,823
Total	156,447	156,447
31 Dec 2025		
	Financial liabilities at amortized cost	Total
Liabilities in the balance sheet		
Trade payables	85,753	85,753
Total	85,753	85,753

* Part of the post does not refer to financial instruments.

No items are valued at fair value.

Note 20 Trade receivables

	31 Dec 2025	31 Dec 2024
Long-term trade receivables	39,407	—
Trade receivables	24,894	35,660
Provision for expected credit losses	—	-311
Trade receivables – net	64,301	35,349

Recognized amounts, per currency, for the Group's trade receivables and other receivables are:

	31 Dec 2025	31 Dec 2024
SEK	6	2,468
EUR	59,386	31,754
USD	4,909	1,127
Total	64,301	35,349

The maximum exposure to credit risk at the balance sheet date for trade receivables correspond to its carrying value, as the discount effect is insignificant.

The long-term trade receivables mature between 2027 and 2030 and consist mainly of invoices for licenses.

No trade receivables have been pledged as assets for any liability.

Note 21 Inventories

	31 Dec 2025	31 Dec 2024
Raw materials and consumables	164,217	120,001
Products in progress	23,042	8,301
Inventories of finished goods	29,574	15,878
Total	216,833	144,180

The cost of inventories recognized is included in the item cost of goods sold in the consolidated statement of comprehensive income and amounts to KSEK 210,790 (218,107).

Note 22 Other current receivables

	31 Dec 2025	31 Dec 2024
Tax account	26	1,076
Blocked bank funds	10,818	18,539
Advance payments, suppliers	2,248	3,263
VAT receivable	2,624	2,999
Other	228	115
Total	15,944	25,992

Note 23 Prepaid costs and accrued income

	31 Dec 2025	31 Dec 2024
Prepaid rent	1,614	1,600
Accrued income, on-going grant projects	1,532	1,334
Other prepaid costs	4,020	3,859
Other accrued income	37	523
Total	7,203	7,316

Note 24 Cash and cash equivalents

	31 Dec 2025	31 Dec 2024
Bank deposits	78,823	218,919
Total	78,823	218,919

Note 25 Equity

	Number of shares	Share capital	Other contributed capital
As of 1 January 2024	52,142,434	1,147	635,007
New share issue	5,750,000	127	181,885
As of 31 December 2024	52,892,434	1,274	816,892
As of 31 December 2025	57,892,434	1,274	816,892

As of 31 December 2025 share capital consists of 57,892,434 ordinary shares with a par value of SEK 0.022.

All shares issued by the Parent Company are fully paid.

The reserves consist entirely of a translation reserve. The translation reserve includes exchange rate differences that arise as a result of the income statement and balance sheet for all group companies being translated into the group's reporting currency.

Note 26 Deferred tax

Deferred tax debt consists entirely of deferred tax related to temporary differences in leases recognized in the balance sheet.

Reported deferred tax assets consist of future deductions for pension payments. Deferred tax assets are recognized for taxable carry-forwards or other deductions to the extent that it is probable that they can be offset against future taxable profits. No deferred tax asset concerning losses carried-forward is recognized, as the Parent Company is not deemed to meet the criteria to recognize deferred tax in accordance with IAS 12. Unutilized losses carried-forward in Parent Company for which no deferred tax asset has been recognized amount to KSEK 567,978 on 31 December 2025 (530,915). Unutilized losses carried-forward for 2024 is adjusted by KSEK 1,181 due to changed taxation for the 2023 financial year. The losses carried-forward do not fall due at any point in time.

Note 27 Borrowings

	31 Dec 2025	31 Dec 2024
Non-current		
Lease liabilities	12,370	17,173
Total	12,370	17,173
Current		
Lease liabilities	6,685	6,646
New borrowings Nordea Bank Abp	—	50,000
Total	6,685	56,646
Total borrowings	19,055	73,819

The term period for the Nordea loan was 2024-06-27 to 2025-06-27.

As of 31 December 2025, the Company also has an unutilized credit facility of SEK 50m provided by Nordea.

	Carrying value	
	31 Dec 2025	31 Dec 2024
Short-term loans	—	50,000
Lease liabilities	19,055	23,820
Total	19,055	73,820

Note 28 Contractual assets and contractual liabilities

	31 Dec 2025	31 Dec 2024
Contractual assets	93,546	113,484
Contractual liabilities	-16,343	-5,106
Total	77,203	108,378

Contractual liabilities consist entirely of payments in advances from customers and these have increased by 220%. The increase is mainly due to the fact that there have been more projects during 2025. Contractual assets have decreased by 18% and refer to project that are reported in accordance with the principles for revenue recognition and where the Group has a conditional right to payment and these have decreased in size, see Note 2 and 4.

Remaining unfulfilled agreements

The total amount of the transaction price allocated to agreements that are unfulfilled or partly unfulfilled as of 31 December 2025 is KSEK 244,781. Of these, management makes the assessment that 54% will be fulfilled during the next year. Of the contractual liabilities at 31 December 2024 has 79% been fulfilled during 2025.

Note 29 Accrued costs and prepaid income

	31 Dec 2025	31 Dec 2024
Accrued vacation pay liability	12,577	10,209
Accrued social costs	8,800	6,312
Accrued salaries	20,317	7,763
Other prepaid income	29,249	36,363
Other items	4,242	19,319
Total	75,185	79,966

Note 30 Provisions

	31 Dec 2025	31 Dec 2024
Warranty provision	5,121	5,890
Total	5,121	5,890

The warranty provision includes the estimated costs related to repairing any defective products within the warranty period. The warranty period is usually between 12–24 months.

Note 31 Contingent liabilities and pledged collateral

The Group has no contingent liabilities.

	31 Dec 2025	31 Dec 2024
Pledged collateral		
Business mortgage	50,000	50,000
Blocked bank funds*	10,818	18 539
Total	60,818	68,539

*Reported as Other current receivables.

Note 32 Earnings per share

SEK	2025	2024
Earnings per share, basic	-0.51	-0.82
Earnings per share, diluted	-0.51	-0.82

Performance measures used in the calculation of earnings per share

Operating income attributable to the shareholders of the Parent Company used at the calculation of earnings per share, basic and diluted

Profit (loss) attributable to Parent Company shareholders, KSEK	-29,670	-47,602
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Number

Weighted average number of ordinary shares at the calculation of earnings per share, basic	57,892,434	52,142,434
Adjustment for the calculation of earnings per share, diluted*	57,892,434	52,142,434

* No dilution effect for potential ordinary shares s calculated when Group reports negative earnings per share for both the financial year and the comparison year.

The Company has a performance based long-term incentive program for certain senior executives and key employees, decided by the AGM in 2021 which ends 2025. The maximum dilution from this program amounts to 0.97 percent.

Note 33 Related party transactions

No significant transactions took place with related parties during the period, except remuneration to the Board and senior executives, see Note 9 and 15.

Note 34 Changes in liabilities attributable to financing activities

	2024-01-01	Cash inflow	Cash outflow	Non-cash items	2024-12-31
Liability Swedish Energy Agency	30,000	—	—	-30,000	—
Liability regarding leasing	28,135	—	-7,321	3,005	23,819
Liability regarding short-term loans	—	50,000	—	—	50,000
New share issue	—	182,012	—	—	182,012
Total	58,135	232,012	-7,321	-26,995	255,831
	2025-01-01	Cash inflow	Cash outflow	Non-cash items	2025-12-31
Liability regarding leasing	23,819	—	-7,367	2,603	19,055
Liability regarding short-term loans	50,000	—	-50,000	—	—
Total	73,819	—	-57,367	2,603	19,055

Note 35 Adjustments for non-cash items

	31 Dec 2025	31 Dec 2024
Depreciation	26,874	22,857
Warranty provision	-769	2,319
Share-based benefits	2,499	3,859
Inventory obsolescence	-6	-653
Loan from the Swedish Energy Agency converted into a grant	—	-30,000
Provision for doubtful debts	-311	311
Other	-3,739	3,490
Total	24,548	2,183

Note 36 Events after the end of the reporting period

In January 2026, it was announced in a press release that PowerCell joins European GAMMA project, a project funded by Horizon Europe for a total of EUR 17m to retrofit a bulk carrier with hydrogen-based fuel cell system.

PowerCell has signed an additional credit facility allowing customer project financing within a frame of SEK 50m.

In March 2026, a review of the company's technology was published in the media. PowerCell responded to the information with a press release that pointed out that the news publication was based on an older technology that has since been replaced by new generations of technology, while PowerCell has also introduced completely new industrial processes.

Parent company income statement

Amounts in KSEK	Note	2025	2024
Net sales	2	384,958	334,278
Cost of goods sold	3	-210,790	-218,107
Gross profit		174,168	116,171
Sales and administration costs	3, 7	-115,086	-114,314
Research and development costs	3, 7	-132,816	-150,555
Other operating income	4	54,667	48,818
Other operating costs	3, 5	-18,526	-24,606
Operating profit (loss) before items affecting comparability		-37,593	-124,486
Items affecting comparability	8	—	30,000
Operating profit (loss)		-37,593	-94,486
Profit (loss) from financial items			
Profit from participations in group companies		35	-711
Interest income and similar items		3,024	8,962
Interest costs and similar items		-8,977	-1,802
Profit (loss) after financial items		-43,511	-88,037
Income tax	9, 13	113	134
Profit (loss) for the year		-43,398	-87,903

In the Parent Company there are no items recognized as other comprehensive income, why total comprehensive income corresponds to profit (loss) for the year.

Parent company balance sheet

Amounts in KSEK	Note	2025-12-31	2024-12-31
ASSETS			
Non-current assets			
Intangible assets			
Software	12	3,189	6,194
Total intangible assets		3,189	6,194
Property, plant and equipment			
Machinery and other technical facilities	11	17,196	23,650
Equipment, tools, fixtures and fittings	11	1,727	1,790
Total property, plant and equipment		18,923	25,440
Deferred tax assets			
Deferred tax assets	9, 13	526	414
Total financial assets		526	414
Financial assets			
Participations in subsidiaries	10	3,186	1,015
Long-term trade receivables	15	39,407	—
Total financial assets		42,593	1,015
Total non-current assets		65,231	33,063

Parent company balance sheet (cont.)

Amounts in KSEK	Note	2025-12-31	2024-12-31
Current assets			
Inventories			
Raw materials and consumables	16	164,217	120,001
Products in progress	16	23,042	8,301
Inventories of finished goods	16	29,574	15,878
Total inventories		216,833	144,180
Current receivables			
Trade receivables	15	24,894	35,349
Receivables from Group companies	26	2,810	2,656
Current tax asset		2,434	2,252
Contractual assets	20	93,544	113,482
Other current receivables	17, 31	15,914	25,909
Prepaid costs and accrued income	18	7,666	7,801
Total current receivables		147,262	187,449
Cash and bank	14, 31	76,087	214,454
Total current assets		440,182	546,083
TOTAL ASSETS		505,413	579,146

Amounts in KSEK	Note	2025-12-31	2024-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	25	1,274	1,274
Total restricted equity		1,274	1,274
Non-restricted equity			
Share premium reserve		737,392	737,392
Retained earnings		-381,929	-296,525
Profit (loss) for the year		-43,398	-87,903
Total non-restricted equity		312,065	352,964
Total equity		313,339	354,238
Current liabilities			
Trade payables		85,644	73,011
Other current liabilities		9,608	9,940
Contractual liabilities	20	16,343	5,106
Provisions	23	5,121	5,890
Liabilities to Group companies	26	437	1,404
Short-term loans	19	—	50,000
Accrued costs and prepaid income	21	74,921	79,557
Total current liabilities		192,074	224,908
Total liabilities		192,074	224,908
TOTAL EQUITY AND LIABILITIES		505,413	579,146

Parent Company statement of changes in equity

Amounts in KSEK	Note	Restricted equity	Non-restricted equity			Total equity
		Share capital	Share premium reserve	Retained earnings	Profit (loss) for the year	
Opening balance at 1 January 2024	25	1,147	555,507	-300,384	—	256,270
Profit (loss) for the year and comprehensive income		—	—	—	-87,903	-87,903
Total comprehensive income		—	—	—	-87,903	-87,903
Transactions with shareholders in their role as owners						
New share issue		127	181,885	—	—	182,012
Share-based benefits	7	—	—	3,859	—	3,859
Closing at 31 December 2024	25	1,274	737,392	-296,525	-87,903	354,238
Opening balance at 1 January 2025	25	1,274	737,392	-384,428	—	354,238
Profit (loss) for the year and comprehensive income		—	—	—	-43,398	-43,398
Total comprehensive income		—	—	—	-43,398	-43,398
Transactions with shareholders in their role as owners						
Share-based benefits	7	—	—	2,499	—	2,499
Closing at 31 December 2025	25	1,274	737,392	-381,929	-43,398	313,339

Parent Company cash flow statement

Amounts in KSEK	Note	2025	2024
Cash flow from operating activities			
Operating profit (loss)		-37,593	-94,486
Adjustment for non-cash items	28	10,579	-6,249
Interest received		-525	-88
Tax paid		528	-368
Cash flow from operating activities before changes in working capital		-27,011	-101,191
Cash flow from changes in working capital			
Changes in inventories		-72,648	-26,542
Changes in current receivables *		44,123	-41,658
Changes in current liabilities		17,191	83,160
Total changes in working capital *		-11,334	14,960
Cash flow from operating activities *		-38,345	-86,231
Cash flow from investing activities			
Shareholder contributions to group companies		-2,171	—
Long-term trade receivables		-39,407	—
Acquisitions of tangible and intangible assets		-3,516	-6,467
Sale of tangible and intangible fixed assets		—	161
Cash flow from investing activities		-45,094	-6,306
Cash flow from financing activities			
Short-term borrowings	27	—	50,000
Repayment of loan		-50,000	—
Other investments		35	—
New share issue		—	182,012
Cash flow from financing activities		-49,965	232,012
Decrease/increase of Cash and bank balances *		-133,404	139,475
Exchange rate differences in Cash and bank balances		-4,964	7,001
Opening Cash and bank balances *		214,455	67,978
Closing Cash and bank balances *	14, 31	76,087	214,454

* 2024 is affected by reclassification of blocked bank funds of KSEK 18,539.

Notes to the parent company statements

Note 1 Parent Company accounting principles

The most significant accounting policies applied in the preparation of these annual accounts are presented below. The policies have been applied consistently for all year presented, unless otherwise stated.

The annual accounts for the Parent Company have been prepared in accordance with RFR 2 Accounting for legal entities and the Swedish Annual Accounts Act. In the cases where the Parent Company applies other accounting policies than the Group, as described in Note 2 in the consolidated accounts, these are presented below.

The annual report was prepared in accordance with the cost method.

The preparation of annual accounts in accordance with RFR 2 requires that qualified estimates and assessments be used for accounting purposes. Furthermore, company management exercises its judgement in the application of the Parent Company's accounting policies. Areas that comprise a high level of assessments, that are complex, or areas where estimates and assessments are significant for the annual report are presented in Note 4 of the consolidated financial statements.

Through its operations, the Parent Company is exposed to a number of different financial risks: market risk (currency risk and interest rate risk), credit risk and liquidity risk. The general risk management policy of the Parent Company is focused on the unpredictability of the financial markets, and strives to minimize potential unfavorable effects on the Group's financial performance. See Note 3 in the consolidated financial statements for more information on financial risks.

The Parent Company applies other accounting policies than the Group in accordance with the following:

All amounts are stated in SEK thousand (KSEK) unless otherwise stated. Amounts in brackets refer to the comparative year.

Formats

The income statement and balance sheet are in accordance with the format of the Annual Accounts Act. Statement of changes in equity is in accordance with the Group's format, but should contain the columns stipulated in the Annual Accounts Act. Further, this entails differences in terms, mainly regarding financial income and costs and equity.

Participations in subsidiaries and associated companies

Participations in subsidiaries and associated companies are recognized at cost, adjusted for any impairment. In cost are included acquisition related costs and any additional purchase price.

Whenever there is an indication that participations in subsidiaries or associated companies has decreased in value, a calculation of the recoverable amount is performed. If this is lower than the carrying value, an impairment is made. Impairment of participations in subsidiaries are recognized in the item "Performance from participation in Group companies" and participations in associated companies are recognized as a cost under Profit (loss) from financial items.

Financial instruments

IFRS 9 is not applied in the Parent Company. Instead, the Parent Company applies the points in RFR 2 (IFRS 9 Financial instruments, pages. 3–10). Financial instruments are valued at cost. In subsequent periods, financial assets acquired as short-term investments will be recognized in accordance with the principle of the lowest value, to the lowest of cost and market value.

At the calculation of the net sales value of receivables reported as current assets, the principles for impairment tests and provisions for bad debts in IFRS 9 should be applied. For an asset recognized at amortized cost at consolidated level, this implies that the provision for bad debts recognized in the consolidated financial statements should also be recognized in the Parent Company.

Operational leases

All leases are recognized as operational leases.

Note 2 Net sales

The Parent Company has recognized the following amounts, attributable to revenue, in the income statement:

	2025	2024
Hardware	37,025	71,278
Services	134,181	36,901
Royalty fees	10,376	37,787
Project according to Percentage of Completion	203,376	188,312
Total	384,958	334,278

Net sales per geographical market:

	2025	2024
Sweden	6,748	3,031
Germany	149,055	71,429
Netherlands	42,539	5,929
US*	-3,369	21,204
Norway	12,198	100,575
Italy	133,320	87,284
Other	44,467	44,826
Total	384,958	334,278

The Parent Company has for 2025 three external customers, which share of total revenues exceed 10% individually. Revenue for each customer is approximately KSEK 127,075, KSEK 112,136 respectively KSEK 42,473.

The Parent Company has for 2024 three external customers, which share of total revenues exceed 10% individually. Revenue for each customer is approximately KSEK 99,716, KSEK 83,788 respectively KSEK 37,823.

* 2025 was affected negatively by currency effects following re-evaluating projects reported as percentage of completion.

Note 3 Costs by nature

	2025	2024
Raw materials and consumables	210,790	218,107
Other external costs	85,954	120,189
Expected credit losses	-191	311
Personnel costs	149,101	130,164
Depreciation of tangible assets	10,033	11,435
Depreciation of intangible assets	3,005	2,769
Other operating costs	18,526	24,606
Total	477,218	507,581

Note 4 Other operating income

	2025	2024
Contributions attributable to the financing of projects and government grants	25,787	30,735
Exchange rate differences	28,282	16,913
Profit on disposal of fixed assets	—	161
Other items	598	1,009
Total	54,667	48,818

Note 5 Other operating costs

	2025	2024
Exchange rate differences	18,526	24,606
Total	18,526	24,606

Note 6 Auditors' fees

	2025	2024
Öhrlings PricewaterhouseCoopers AB		
Audit assignment	1,216	1,441
Audit activities in addition to the audit assignment	98	242
Other services	70	92
Total	1,384	1,775

Note 7 Employee benefits, etc

	2025	2024
Salaries and other remuneration	118,303	98,280
Share-based benefits	2,499	3,859
Social security contributions	37,327	29,890
Pension costs – defined contribution plans	17,219	13,279
Total employee benefits	175,348	145,308

Salaries and other remuneration and social security contributions

	2025		2024	
	Salaries and other remuneration (of which bonuses)	Social security contributions (of which pension costs)	Salaries and other remuneration (of which bonuses)	Social security contributions (of which pension costs)
Directors of the Board, presidents and other senior executives	33,747 (4,135)	17,661 (7,938)	25,032 (1,341)	13,280 (6,294)
Other employees	87,055 (5,501)	36,885 (9,281)	77,107 (1,811)	29,889 (6,986)
Parent Company total	120,802	54,546	102,139	43,169

Average number of employees

	2025		2024	
	Average number	Of which men	Average number	Of which men
Parent Company total	128	94	125	95

Gender breakdown in the Parent Company for Directors of the Board and other senior executives

	2025		2024	
	Average number	Of which men	Average number	Of which men
Directors	7	4	7	4
CEO and other senior executives	10	7	11	8
Parent Company total	17	11	18	12

Remuneration to senior executives

Remuneration to senior executives	2025	2024
Salaries and other current remuneration	33,747	25,032
Pension costs	7,938	6,294
Total remuneration to senior executives	41,685	31,326

For further information on director's fees and other remunerations for the board, CEO and other senior executives see Note 9 in the consolidated financial statements.

Note 8 Items affecting comparability

	2025	2024
Government loan converted into a grant	—	30,000
Total	—	30,000

Items affecting comparability refer to significant income or expense items that are reported separately due to the significance of their nature or amount. The transactions must not be close to the day-to-day operations.

Note 9 Tax on profit (loss) for the year

Tax recognized in the income statement	2025	2024
Current tax		
Tax on profit for the year	—	—
Total current tax	—	—
Deferred tax		
Occurrence and reversal of temporary differences	113	134
Total deferred tax	113	134
Total income tax	113	134

Income tax on profit/loss before tax differs from the theoretical amount that would have appeared at the use of the tax rate for the Parent Company according to the following:

	2025	2024
Profit (loss) before tax	-43,511	-88,037
Income tax calculated according to the Swedish tax rate 20.6% (20.6)	8,963	18,136
Tax effects from:		
Non-deductible costs	-2,241	-2,729
Losses carried-forward, for which no deferred tax asset is recognized	-6,722	-15,407
Changes in deferred tax	113	134
Income tax	113	134

Note 10 Participations in subsidiaries

	31 Dec 2025	31 Dec 2024
Opening cost	1,015	1,015
Converted Powercell Inc.	1	—
Shareholder contribution Powercel Inc.	2,170	—
Closing carrying value	3,186	1,015

Name	Corp. Id. No	Domicile and country of registration and operations	Number of shares	Carrying amount 31 Dec 2025	Carrying amount 31 Dec 2024
Powercell Deutschland GmbH	HBR 28770	Frankfurt am Main	—	934	934
Powercell Warrants One AB	559110-7437	Göteborg	50,000	50	50
Powercell China LTD	91310115MA 1K4F2020	Shanghai	—	—	—
Powercell Norway AS	928 054 470	Oslo	30,000	31	31
Powercell Inc.	93-3738003 (EIN)	New York	100	2,171	—

Note 11 Property, plant and equipment

	Machinery and other technical facilities	Equipment, tools, fixtures and fittings	Total
Financial year 2024			
Opening carrying value	28,648	4,728	33,376
Purchases	3,025	3,442	6,467
Reclassifications	2,151	-5,139	-2,988
Depreciation	-10,174	-1,241	-11,415
Closing carrying value	23,650	1,790	25,440
At 31 December 2024			
Cost	121,250	9,339	130,589
Accumulated depreciation	-97,600	-7,549	-105,149
Carrying value	23,650	1,790	25,440
Financial year 2025			
Opening carrying value	23,650	1,790	25,440
Purchases	2,672	844	3,516
Depreciation	-9,126	-907	-10,033
Closing carrying value	17,196	1,727	18,923
At 31 December 2025			
Cost	123,922	10,183	134,105
Accumulated depreciation	-106,726	-8,456	-115,182
Carrying value	17,196	1,727	18,923

Depreciation of KSEK 10,033 (11,415) is allocated between research and development costs and selling and administrative costs in the Parent company's income statement.

Note 12 Intangible assets

	Software	Total
Financial year 2024		
Opening carrying value	5,996	5,996
Reclassifications	2,967	2,967
Depreciation	-2,769	-2,769
Closing carrying value	6,194	6,194
At 31 December 2024		
Cost	14,772	14,772
Accumulated depreciation	-8,578	-8,578
Carrying value	6,194	6,194
Financial year 2025		
Opening carrying value	6,194	6,194
Depreciation	-3,005	-3,005
Closing carrying value	3,189	3,189
At 31 December 2025		
Cost	14,772	14,772
Accumulated depreciation	-11,583	-11,583
Carrying value	3,189	3,189

Depreciation of KSEK 3,005 (2,769) is allocated between research and development costs and selling and administrative costs in the Parent company's income statement.

Note 13 Deferred tax

Reported deferred tax assets consist of future deductions for pension payments. Deferred tax assets are recognized for taxable carry-forwards or other deductions to the extent that it is probable that they can be offset against future taxable profits. No deferred tax asset concerning losses carried-forward is recognized, as the Parent Company is not deemed to meet the criteria to recognize deferred tax in accordance with IAS 12. Unutilized losses carried-forward in Parent Company for which no deferred tax asset has been recognized amount to KSEK 567,978 on 31 December 2025 (530,915). Unutilized losses carried-forward for 2024 is adjusted by KSEK 1,181 due to changed taxation for the 2023 financial year. The losses carried-forward do not fall due at any point in time.

Note 14 Cash and bank

In the balance sheet and the statement of cash flows, the following items are included in the item cash and bank balances.

	31 Dec 2025	31 Dec 2024
Bank deposits	76,087	214,454
Total	76,087	214,454

Note 15 Trade receivables

	31 Dec 2025	31 Dec 2024
Long-term trade receivables	39,407	—
Trade receivables	24,894	35,660
Provision for expected credit losses	—	-311
Trade receivables – net	64,301	35,349

Recognized amounts, per currency, for the Parent Company's trade receivables and other receivables are:

	31 Dec 2025	31 Dec 2024
SEK	6	2,468
EUR	59,386	31,754
USD	4,909	1,127
Total	64,301	35,349

The maximum exposure to credit risk at the balance sheet date for trade receivables and other current receivables is the carrying value according to the above.

The fair value of the trade receivables correspond to its carrying value, as the discount effect is insignificant.

The long-term trade receivables mature between 2027 and 2030 and consist mainly of invoices for licenses.

No trade receivables have been pledged as assets for any liability.

Note 16 Inventories

	31 Dec 2025	31 Dec 2024
Raw materials and consumables	164,217	120,001
Products in progress	23,042	8,301
Inventories of finished goods	29,574	15,878
Total	216,833	144,180

The cost of inventories recognized is included in the item Cost of goods sold in the income statement and amounts to KSEK 210,790 (218,107).

Note 17 Other current receivables

	31 Dec 2025	31 Dec 2024
Tax account	26	1,076
Blocked bank funds	10,818	18,539
Prepayment suppliers	2,248	3,263
VAT receivable	2,610	2,933
Other	212	98
Total	15,914	25,909

Note 18 Prepaid costs and accrued income

	31 Dec 2025	31 Dec 2024
Prepaid rent	1,614	1,600
Accrued income, on-going grant projects	1,517	1,326
Other prepaid costs	4,498	4,352
Other accrued income	37	523
Total	7,666	7,801

Note 19 Borrowings

See Note 27 in the Group for information on the parent company's other long-term and short-term liabilities

Note 20 Contractual assets and contractual liabilities

	31 Dec 2025	31 Dec 2024
Contractual assets	93,544	113,482
Contractual liabilities	-16,343	-5,106
Total	77,201	108,376

Contractual liabilities consist entirely of payments in advances from customers and these have increased by 220%. The increase is mainly due to the fact that there have been more projects under 2025. Contractual assets have decreased with 18% and refer to project that are reported in accordance with the principles for revenue recognition and where the Group has a conditional right to payment, see Note 2 and 4.

Remaining unfulfilled agreements

The total amount of the transaction price allocated to agreements that are unfulfilled or partly unfulfilled as of 31 December 2025 is KSEK 244,781. Of these, management makes the assessment that 54% will be fulfilled during the next year. Of the contractual liabilities at 31 December 2024 has 79% been fulfilled during 2025.

Note 21 Accrued expenses and deferred income

	31 Dec 2025	31 Dec 2024
Accrued vacation pay liability	12,577	10,094
Accrued social costs	8,625	6,140
Accrued salaries	20,321	7,712
Other prepaid income	29,249	36,363
Other items	4,149	19,248
Total	74,921	79,557

Note 22 Operational leases

Obligations regarding operational leases

The Parent Company rents, in all significant aspects, in accordance with non-cancellable operational leasing agreements. Lease terms vary between 3 and 10 years, and most leasing agreements can be extended at a fee corresponding to a market fee.

Lease costs amounting to KSEK 8,233 (8,019) regarding the lease of machinery, cars and rented premises is included in the income statement for the financial year 2025.

Future total minimum leasing fees for non-cancellable operational leases are according to the following:

	2025	2024
Within 1 year	7,262	6,625
Between 1 and 5 years	11,795	17,133
Later than 5 years	—	—
Total	19,057	23,758

Note 23 Provisions

	31 Dec 2025	31 Dec 2024
Warranty provisions	5,121	5,890
Total short term provisions	5,121	5,890

The warranty provision includes the estimated costs related to repairing any defective products within the warranty period. The warranty period is usually between 12–24 months.

Note 24 Share-based payments

See Note 9 in the consolidated financial statements for information about the Parent Company's share-based payments.

Note 25 Share capital

See Note 25 in the consolidated financial statements for information about the Parent Company's share capital.

Note 26 Related party transactions

Since 18 December 2023, Powercell Sweden AB (publ) is listed on Nasdaq Stockholm. Principal shareholder at 31 December 2025 is Robert Bosch GmbH whose participating interest is 11.2%.

During last quarter 2021 a long term incentive program including management and key employees have been implemented, see Note 9 for the Group.

The following related party transactions have been performed:

	2025	2024
(a) Sales of goods / services	—	—
Total	—	—
(b) Purchase of goods / services		
Powercell Norway AS	2,399	2,452
Powercell Deutschland GmbH	2,371	2,738
Powercell Inc.	—	6,058
Total	4,770	11,248

Receivables at year-end resulting from sales and purchases of goods and services

	31 Dec 2025	31 Dec 2024
Receivables from related parties:		
Powercell Warrants One AB	8	438
Powercell Inc.	2,802	2,218
Total	2,810	2,656

	31 Dec 2025	31 Dec 2024
Liabilities to related parties:		
Powercell Norway AS	192	214
Powercell Deutschland GmbH	245	530
Powercell Inc.	—	660
Total	437	1,404

Note 27 Changes in liabilities attributable to financing activities

	2024-01-01	Cash inflow	Cash outflow	Non-cash items	2024-12-31
The Swedish Energy Agency	30,000	—	—	-30,000	—
Liability regarding short-term loan	—	50,000	—	—	50,000
New share issue	—	182,012	—	—	182,012
Total	30,000	232,012	—	-30,000	232,012

	2025-01-01	Cash inflow	Cash outflow	Non-cash items	2025-12-31
Liability regarding short-term loan	50,000	—	-50,000	—	—
Dividend Powercell China LTD	—	35	—	—	35
Total	50,000	35	-50,000	—	35

Not 28 Adjustments for non-cash items

	31 Dec 2025	31 Dec 2024
Depreciation	13,038	14,204
Warranty provision	-769	2,319
Share-based benefits	2,499	3,859
Inventory obsolescence	-6	-653
Loan from the Swedish Energy Agency converted into a grant	—	-30,000
Provision for doubtful debts	-311	311
Other	-3,872	3,711
Total	10,579	-6,249

Note 29 Events after the end of the reporting period

See Note 36 in the consolidated financial statements for information on events after the end of the reporting period.

Note 30 Proposed allocation of earnings

Earnings at the disposal of the AGM:	
Share premium reserve	737,392,233
Retained earnings	-381,929,379
Profit (loss) for the year	-43,397,951
SEK	312,064,903
The Board proposes that the profit is allocated to be carried forward	
	312,064,903
SEK	312,064,903

Note 31 Contingent liabilities and pledged collateral

The company has no contingent liabilities.

	31 Dec 2025	31 Dec 2024
Pledged collateral		
Business mortgage	50,000	50,000
Blocked bank funds*	10,818	18,539
Total	60,818	68,539

*Reported as Other current receivables.

Definition of key financial indicators

In this financial report, there are references to several performance measures. Some of the measures are defined in IFRS, others are alternative performance measures and are not disclosed in accordance with applicable financial reporting frameworks or other legislations. The performance measures are used by the Group to assist both investors and management in analysing PowerCell's business. Below the performance measures found in this financial report are described and defined. The reason for the use of the performance measure is also disclosed.

Equity/assets ratio, %

Equity in relation to total assets. The ratio can help investors understand how much of the company's assets are funded by issuing stock rather than borrowing money and may indicate how financially stable the company may be in the long run.

Earnings per share

Net income is divided by the weighted average number of outstanding shares.

Gross margin, %

Net revenue less cost of goods sold through net revenue. Gross margin may help investors in understanding how much revenue the company retains which can be used to pay other costs.

The Group's income statements and balance sheets will be presented to the AGM on 11 May, 2026 for adoption.

The Board of Directors and the CEO hereby certify that the consolidated financial statements are prepared in accordance with the international accounting standards IFRS, as endorsed by the EU and give a true and fair view of the Group's financial position and results. The annual accounts have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and give a true and fair view of the Parent Company's financial position and results.

The Administration Report for the Group and Parent Company gives a true and fair view of the Group's and the Parent Company's operations, and present significant risk and uncertainties that the Group faces.

20 April 2026

Richard Berkling
CEO

Magnus Jonsson
Chairman of the Board

Nicolas Boutin
Board member

Karin Rytberg-Wallgren
Board member

Riku-Pekka Hägg
Board member

Uwe Hillmann
Board member

Helen Fasth Gillstedt
Board member

Annette Malm Justad
Board member

Our Auditor's Report was submitted 20 April 2026
Öhrlings PricewaterhouseCoopers AB

Fredrik Göransson
Authorized Public Accountant



Auditor's report

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

To the general meeting of the shareholders of Powercell Sweden AB (publ),
corporate identity number 556759-8353

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Powercell Sweden AB (publ) for the year 2025. The annual accounts and consolidated accounts of the company are included on pages 35-62 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors and the Managing Director made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key Audit Matter

Percentage of completion method

Revenue recognition and profit allocation occur in several customer projects over time according to the percentage of completion method, which is based on management's estimates and assessment of degree of completion, margin, risks and total remaining expenses. In cases where a project leads to a loss, the loss is reported as soon as it can be determined. Then reported revenues and results from projects that are reported according to successive profit settlement constitute significant items in both the profit and loss account and balance sheet for the group and based on the management's assessments it constitutes a significant area in our audit. The degree of completion and the profit settlement is normally determined based on accrued expenses on the balance sheet date in relation to calculated total assignment expenses. The risk in the financial reporting is that the reported income and profit statement do not represent PowerCell's fulfillment of its performance obligations in the contracts and that the actual total assignment expenses deviate from the expected outcome. This can lead to profit settlement being based on an incorrect margin. This, in turn, can lead to incorrect accruals of reported income and costs over the project's term. Successive profit settlement of customer contracts affects, in addition to sales revenue and cost of goods sold, the balance sheet items contractual assets and contractual liabilities, accounts receivable, inventory, and, where applicable, provisions for loss contracts. Note 4 of the annual report describes the important estimates and judgments that the management needs to make in order to account for the projects that are reported according to the percentage of completion method.

The accounting principles are described in more detail in note 2.4.

How our audit addressed the Key Audit Matter

Our audit has, among others, encompassed the following audit procedures:

- We have made a selection of projects where we have carried out substantive reviews. The selection is based on quantitative or qualitative factors where we selected customer contracts that are quantitatively significant based on contract value, revenue, profit settlement or the extent of risks in remaining processing.
- For selected customer contracts we have then created an understanding of the projects by, among other things, taking part in contract clauses, project plans, analyses of the degree of completion, and forecasts of remaining costs and estimated margin.
- We have obtained information from the management to assess the status of the project implementation and the impact on the financial reporting. This includes total contract value, degree of completion, accruals and assessment of remaining costs and margin.
- We have reconciled management's assessments against underlying documentation and compared these with management's assessments from previous periods.
- We have reconciled financial information between different reports and

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-28, 33-34, and 65. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or have no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Swedish Inspectorate of

Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements**The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss**

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Powercell Sweden AB (publ) for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or

- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the ESEF report

Opinion
In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Powercell Sweden AB (publ) for the financial year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Powercell Sweden AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Öhrlings PricewaterhouseCoopers AB was appointed auditor of Powercell Sweden AB (publ) by the general meeting of the shareholders on the 29 April 2025 and has been the company's auditor since the company was established in 2008. Powercell Sweden AB (publ) has been listed on the regulated market since December 2023.

Gothenburg, 20 April 2026
Öhrlings PricewaterhouseCoopers AB

Fredrik Göransson
Authorized Public Accountant

Shareholder information

Financial calendar

23 April 2026	Interim report first quarter
11 May 2026	Annual General Meeting
16 July 2026	Interim report second quarter
22 October 2026	Interim report third quarter
3 February 2027	Interim report fourth quarter and full year 2026

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Information to the shareholder

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