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Nel ASA: Strengthens its industry leadership as the final investment decision has been taken to industrialize the Next Generation Pressurized Alkaline platform

(December 12, 2025 - Oslo, Norway) Nel ASA (Nel, OSE: NEL) is pleased to announce that following a seven-year development program, and now a successful start-up and production of clean hydrogen on the Next Generation Pressurized Alkaline prototype, the Board of Directors has taken the final investment decision to begin construction on up to 1 GW of production capacity for this technology platform in the Herøya facility, Norway. The project is supported by the EU Innovation Fund.

Development of the Next Generation Pressurized Alkaline system was initiated in 2018 and after rigorous testing of various smaller stacks, Nel has now completed full-scale testing of the prototype at Herøya Industripark, Norway, validating market-leading system efficiency. The company expects to launch the system commercially in the first half of 2026 and be able to deliver at scale in 2027.

Building on 100 years of technology experience, Nel's Next Generation Pressurized Alkaline platform delivers a breakthrough in clean hydrogen economics, dramatically reducing system CAPEX and improving energy efficiency, driving down levelized cost of hydrogen (LCOH). This leap is expected to improve overall hydrogen production economics, and bridge critical funding gaps for hydrogen installations.

“Our new solution is extremely important for Nel as a company, but also for the clean hydrogen industry as a whole. A significantly improved levelized cost of hydrogen is expected to unlock business cases that were previously not viable without significant subsidies,” says Håkon Volldal, President and CEO of Nel.

The platform is based on a fully modularized, skid-based design where every module is pre-fabricated and factory-tested before shipment in standard container skids. This approach dramatically simplifies engineering, logistics, and installation and is expected to transform complex projects into streamlined product deliveries. The system is designed to operate reliably outdoors, where costs and deployment complexity are further reduced as no dedicated building construction is required.

Nel has been granted up to EUR 135 million in support from the EU Innovation Fund to industrialize the Next Generation Pressurized Alkaline platform, enabling a total annual production output of 4 GW. This funding covers up to 60% of relevant CAPEX and operational costs related to industrialization.

The initial 1 GW of production capacity is estimated at an investment of about NOK 300 million before grants. The EU grant is milestone based and this investment decision is expected to unlock in excess of EUR 10 million as a first payment. The CAPEX is expected to be incurred throughout 2026 and 2027. Overall, the CAPEX for this platform is significantly lower than for atmospheric alkaline production lines.

Following the commercialization and industrialization of the pressurized alkaline solution the company is looking into the book values of the two 500 MW atmospheric alkaline production lines currently idling at Herøya.

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For additional information, please contact:

Kjell Christian Bjørnsen, CFO, +47 917 02 097

Wilhelm Flinder, Head of IR, Communications & Marketing +47 936 11 350

About Nel ASA | www.nelhydrogen.com

Nel has a history tracing back to 1927 and is today a leading pure play hydrogen electrolyser technology company with a global presence. The company specializes in Alkaline and PEM technology for production of renewable hydrogen. Nel's product offerings are key enablers for a green hydrogen economy, making it possible to decarbonize various industries such as transportation, refining, steel, and ammonia.

This information is subject to a duty of disclosure pursuant to Section 5-12 of the Norwegian Securities Trading Act. This information was issued as inside information pursuant to the EU Market Abuse Regulation, and was published by Wilhelm Flinder, Head of Investor Relations, Communications and Marketing, at Nel ASA on the date and time provided.