

FOURTH QUARTER REPORT



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Highlights of the quarter

- NEL entered into a letter of intent with Uno-X Gruppen AS (Uno-X), part of Reitangruppen AS, for the rollout of minimum 20 hydrogen refuelling stations covering all the major cities in Norway within 2020.
- H2 Logic A/S (H2 Logic), a subsidiary of NEL, was awarded a contract for one H2Station fueling station for H2 MOBILITY Deutschland GmbH & Co.KG with an option for multiple repeat-orders. The station will be one among the first in a planned staged expansion onwards 2023 of up to 400 stations in Germany and a total investment of around 400 million euros.
- In the fourth quarter of 2015, the board of directors of NEL ASA (“NEL”) appointed Jon André Løkke as chief executive officer (CEO) and Lars Christian Stugaard as chief financial officer (CFO) in NEL from 4 January 2016.
- NEL increased its ownership from 56.8% to 100 % in Hyme AS.
- NEL reported revenues in the fourth quarter of NOK 30.3 million, compared to NOK 30.8 million in the preceding quarter (third quarter 2015).
- EBITDA was negative NOK 4.2 million, compared to an EBITDA of NOK 2.3 million in the preceding quarter.
- The company raised NOK 111 million in gross proceeds through a private placement of 30 million new shares at a price of NOK 3.70 per share.
- The cash balance at the end of the fourth quarter was NOK 313 million.

Key figures

	2015	2014	2015	2015	2014
<i>(Unaudited figures NOK million)</i>	Q4	Q4	YTD	YTD**	Full year
Operational revenue	30.3	12.1	94.7	128.7	12.1
Total operating cost	39.2	19.1	116.4	144.7	25.2
EBITDA*	-4.2	-3.5	-0.5	7.0	-9.5
EBIT	-8.8	-7.1	-21.7	-16.1	-13.2
Pre-tax profit	-7.8	-6.1	-19.5	-14.0	-11.6
Net profit	-6.3	-1.0	-15.3	-11.1	-6.5
Net cash flow from operating activities	-14.1	-14.5	-35.0		5.5
Cash balance end of period	313.0	98.5	313.0		98.5

* EBITDA excludes NOK 2.4 million in Q4 transaction costs, in addition to NOK 5.3 million in Q2 2015 transaction costs related to the acquisition of H2 Logic. ** Pro forma figures including H2 Logic from 1 January 2015.

Financial development

In the fourth quarter of 2015, NEL reported revenues of NOK 30.3 million, compared to 30.8 million in the preceding quarter (third quarter 2015). Comparisons are made to the preceding quarter as the business transformation makes comparisons to the fourth quarter of 2014 of little value.

Adjusted EBITDA in the fourth quarter was negative NOK 4.2 million, compared to an EBITDA of 2.3 million in the third quarter.

EBIT was negative NOK 8.8 million, compared to negative NOK 1.9 million in the third quarter. This includes NOK 2.2 million in depreciation of physical and intangible assets.

Net loss for the quarter was NOK 6.3 million, compared to a loss of NOK 0.7 million in the third quarter.

Total assets were NOK 806.0 million at the end of the fourth quarter 2015, compared to 714.1 million at the end of the third quarter. Total equity was NOK 720.1 million. Thus, the equity ratio was 89 percent.

Net cash flow from operating activities in the fourth quarter 2015 was negative NOK 14.1 million, compared to negative NOK 11.0 million in the third quarter. Net cash flow from investment activities was negative NOK 0.1 million, compared to negative NOK 8.1 million. Net cash flow from financing activities was NOK 102.4 million, compared to NOK 91.8 million.

NEL's cash balance at the end of the fourth quarter was NOK 313.0 million, up from NOK 224.9 million at the beginning of the quarter. Before and during the fourth quarter, NEL took significant steps to fund strategic growth initiatives. The company raised NOK 111 million in gross proceeds through a private placement in December 2015 of 30 million new shares at a price of NOK 3.70 per share

Strategy

NEL ASA is the first dedicated hydrogen company on the Oslo Stock Exchange. Based on a long history of making hydrogen generators based on water electrolysis, the company is positioned to benefit from the expected growth in emerging hydrogen markets.

Until now, hydrogen has typically been utilized for a number of industrial applications, which demand ultra-high purity hydrogen, mostly as a feedstock or protective atmosphere. Industries include: food, chemicals/refining, metallurgy, glass production, electronics, generator cooling, and production of polysilicon for use in solar panels.

NEL's electrolyser technology is an environmentally superior alternative to hydrogen production from carbon sources.

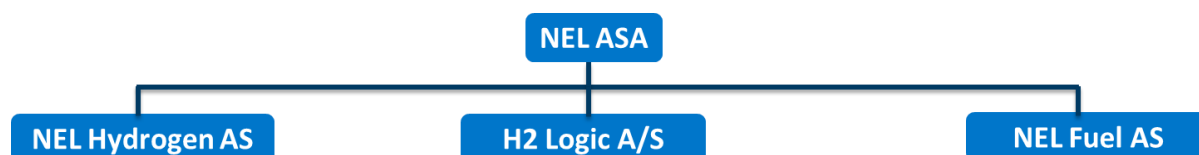
Adding to the traditional markets, two trends are currently creating new high-growth opportunities for NEL:

Hydrogen is emerging as an important zero-emission fuel for the transport sector. For medium to large vehicles that travel longer distances, hydrogen holds substantial advantages over batteries. All major car manufacturers are developing hydrogen-fuel-cell vehicles, and an increasing number of models are becoming commercially available. This represents a short-term opportunity for NEL.

Secondly, the growth of renewable energy production requires storage solutions to mitigate the problem of intermittent supply. Hydrogen provides a flexible way of storing energy.

Through business development and acquisitions, NEL is establishing itself as a global force in hydrogen production in various settings as well as a number of end-user markets, including hydrogen refuelling stations for vehicles.

Corporate structure



NEL ASA currently has three main business units: NEL Hydrogen (hydrogen production plants), H2 Logic (hydrogen refuelling stations) and NEL Fuel AS (development of hydrogen refuelling station networks).

NEL Hydrogen is a world-leading supplier of hydrogen production plants based on alkaline water electrolyser technology. The company dates back to 1927, when Norsk Hydro developed large-scale electrolyser plants providing hydrogen for use in ammonia production with fertilizer as the end product.

NEL Hydrogen's main product is its line of atmospheric hydrogen electrolysers suited for large-scale applications and customers who want a stable supply of hydrogen. NEL Hydrogen started commercial sales of electrolysers in the 1970s and has sold more than 500 electrolysers to customers in various industries across Europe, South America, Africa and Asia.

NEL has recently acquired RotoLyzer, a pressurized, compact electrolyser, which utilizes a vertical, rotating cell pack, providing full operational flexibility while allowing for low production costs. This opens up new market segments for NEL, and provides an ideal solution for hydrogen refuelling stations where space is limited, or integration with renewable energy sources. This is a potential game changer within the field of electrolyser technologies.

The second business unit is H2 Logic, which was acquired by NEL ASA in June 2015.

Founded in 2003, H2 Logic is a world-leading supplier of hydrogen refuelling stations, which are an essential part of the necessary infrastructure for the use of hydrogen in the transport sector.

H2 Logic has installed refuelling stations in seven countries and is currently building and operating the first countrywide network of hydrogen stations, in Denmark. The company is deeply involved with leading global companies in the industry as well as other key stakeholders.

The third business unit is NEL Fuel, which has entered into a partnership with Uno-X Gruppen AS, part of Reitangruppen AS, for the rollout of minimum 20 hydrogen refuelling stations covering all the major cities in Norway within 2020.

In addition to the activities related to hydrogen, NEL still holds three patent families within healthcare. NEL continues to evaluate opportunities for its healthcare division, including, but not limited to, possible mergers, acquisitions and strategic partnerships.

Developments, NEL Hydrogen

Throughout the fourth quarter, NEL Hydrogen continues to secure important sales contracts, a testament to the quality and continued attractiveness of the atmospheric NEL-A electrolyzers. NEL Hydrogen have also strengthened its sales department in order to provide even better service to both our new and existing customer base.

Furthermore, NEL Hydrogen will focus on commercialization of the newly acquired RotoLyzer electrolyzer, targeting a commercial unit of 10 Nm³/h by 2017, and a larger unit by 2018.

In November 2015, NEL increased its ownership from 56.8% to 100 % in Hyme AS, a company providing design and technical solutions for hydrogen refueling stations. Together with the acquisition of H2Logic AS the increase in ownership in Hyme AS is part of NEL's strategy to grow within the hydrogen refueling market. NEL has now positioned itself as a world leading supplier of Hydrogen Refueling Stations (HRS) and takes a key role in the development of the supply infrastructure for Fuel Cell Electric Vehicles (FCEVs).

Developments, H2 Logic

In December 2015, H2 Logic was awarded a contract for one H2Station fueling station for H2 MOBILITY Deutschland GmbH & Co.KG with an option for multiple repeat-orders. The station will be one among the first in a planned staged expansion onwards 2023 of up to 400 stations in Germany and a total investment of approximately 400 million euros.

The contract provides H2 Logic with a strong showcase and presence in Europe's key market for hydrogen fueling. H2 Mobility is a joint venture among six major industrial companies: Air Liquide, Daimler, Linde, OMV, Shell and Total. The action plan for H2 Mobility envisages a Germany-wide network of 400 hydrogen fueling stations by 2023, which would make Germany the first country to offer an inter-regional network where fuel cell vehicles (FCEVs) can fill up with hydrogen.

In addition, H2 Logic was awarded a contract for one H2Station[®] fueling station for Danish Hydrogen Fuel A/S (DHF). It constitutes the fourth repeat-order under an existing collaboration agreement with DHF. The H2Station[®] is to be delivered during 2016 and located in the city of Esbjerg, Denmark.

Developments, NEL Fuel

During the fourth quarter, NEL entered into a letter of intent with Uno-X Gruppen AS (Uno-X), part of Reitangruppen AS, for the rollout of minimum 20 hydrogen refuelling stations covering all the major cities in Norway within 2020. NEL and Uno-X will establish a joint venture, owned by Uno-X and NEL with 51 % and 49 % respectively. The joint venture will build a network of hydrogen refuelling stations, where fuel cell electric vehicles (FCEVs) can operate between all the major cities in Norway. The stations will be deployed in cities like Oslo, Bergen, Trondheim, Stavanger, Kristiansand, along with corresponding corridor locations. The target is that FCEVs can drive between the most populated cities in Norway within 2020.

The Norwegian government provides the world's leading FCEV incentives, with no vehicle or value added tax, free access public transport lanes, free public parking and free passage on toll roads. With hydrogen in Norway being 100% renewable, it makes Norway the perfect country for the introduction of FCEVs. The national government recently announced the intention of a grant and support scheme for the rollout of hydrogen refuelling stations in Norway. The joint venture

welcomes this public-private partnership model and will enter into a dialogue with the relevant governmental entities for the realization of the hydrogen network.

Developments, corporate

11 December 2015, the board of directors in NEL announced the appointed Jon André Løkke as chief executive officer (CEO) and Lars Christian Stugaard as chief financial officer (CFO) in NEL from 4 January 2016.

Jon André Løkke comes from the position as CEO of Norsk Titanium AS, developing and industrializing 3D printing technology for the production of titanium components for the aerospace and other industries. He has ten years' experience from the REC Group, including positions as senior vice president in REC Wafer, investor relations officer in REC ASA and CFO in REC ASA. Mr Løkke has also worked for the ABB Group and holds an International MBA degree from Glasgow University and a Bachelor degree in business and economics from Southampton University.

Martin Nes, chairman of NEL commented in the Oslo Stock Exchange notice: "We are pleased to welcome Jon Andre to the NEL team, developing and leveraging on the company's solid strategic, financial and technological position in the high growth hydrogen market. Jon André has a strong industrial track record, in addition to extensive international experience from building industry leading companies and organizations in rapidly changing markets".

Lars Christian Stugaard was appointed CFO from the same date.

"Lars Christian has served as interim CEO in a very important and successful period of the NEL story. He has played an important role in the development of the company through building a listed entity and through value creating acquisitions like NEL Hydrogen and the H2 Logic. We thank Lars Christian for his dedication and efforts for NEL as acting CEO, and are pleased that he will take up the position as CFO", said Nes.

NEL also completed a successful private placement, raising NOK 111 million in gross proceeds through issuing 30 million new shares at a price of NOK 3.70 per share. The private placement took place through an accelerated book building process managed by Arctic Securities and Carnegie. The net proceeds from the private placement will be used for general corporate purposes, including funding strategic growth initiatives within the company's business. At the end of the quarter, the company held NOK 313 million in cash.

Outlook

NEL aims to maintain and grow its position as a world-leading manufacturer of hydrogen electrolyzers and hydrogen refuelling stations for cars and transport. Rapid market growth is expected as hydrogen fuel cell vehicles increasingly are introduced from major car manufacturers, and the company is experiencing an increased number of requests for quotations for hydrogen refuelling station networks.

In addition to its use as fuel for cars, NEL sees great potential for hydrogen as an energy carrier related to the growth in renewable energy and the shift from fossil to renewable fuels. Energy markets increasingly will demand flexible production of hydrogen in order to follow the natural fluctuations in renewable electricity generation from sources such as wind and solar power, with

hydrogen acting as a “battery” for renewable energy. The market is still in a nascent stage, but it is potentially several times larger than the present electrolyser market.

Responsibility statement

We confirm to the best of our belief that the financial statements for the second half of 2015, which have been prepared in accordance with IAS 34 – Interim Reporting, give a true and fair view of the company’s assets, liabilities, financial position and results of operation.

Oslo, 16 February 2016

The Board of Directors

Øystein Stray Spetalen

Board member

(Sign)

Martin Nes

Chairman

(Sign)

Anne Marie Gohli Russell

Board member

(Sign)

Eva Dugstad

Board member

(Sign)

Jan Christian Opsahl

Board member

(Sign)

Kristin Hellebust

Board member

(Sign)

Mikael Sloth

Board member

(Sign)

Jon André Løkke

CEO

(Sign)

Condensed interim financial statements

Statement of comprehensive income (unaudited)

PROFIT & LOSS	2015	2014	2015	2014
<i>(figures in NOK thousands)</i>	Q4	Q4	Q1-Q4	Q1-Q4
Operating Income				
Sales income	34 333	0	94 651	0
Other operating income	-3 988	12 067	57	12 067
Total operating revenue	30 345	12 067	94 708	12 067
Operating expenses				
Cost of goods sold	15 461	3 361	42 116	3 361
Total cost of goods sold	15 461	3 361	42 116	3 361
Operating costs				
Wages and social costs	12 428	5 685	29 739	7 342
Depreciation physical fixed assets	552		966	100
Depreciation intangible assets	1 616	3 551	12 573	3 551
Other operating costs	9 109	6 534	31 008	10 885
Total other operating costs	23 705	15 770	74 288	21 878
Total operating costs	39 166	19 131	116 404	25 239
Operating profit (loss)	-8 821	-7 064	-21 696	-13 173
Financial income	1 020	1 195	3 294	1 813
Financial expenses	17	268	1 076	274
Net financial income/expense	1 003	927	2 218	1 539
Profit (loss) before taxes	-7 818	-6 137	-19 478	-11 633
Tax costs	-27	-5 127	-2 686	-5 127
Effect of change in tax rates	-1 141		-1 141	
Correction tax previous periods 2015	-364		-364	
NET PROFIT (LOSS)	-6 285	-1 010	-15 286	-6 506
<i>Items that may subsequently be reclassified to profit or loss</i>				
Currency translation differences	-1 096		2 823	
Other comprehensive income	-1 096	0	2 823	0
TOTAL COMPREHENSIVE INCOME	-7 381	-1 010	-12 463	-6 506
Net profit per share <i>(figures in NOK)</i>	-0,01	0,00	-0,03	-0,02

Statement of financial position (unaudited)

BALANCE SHEET	2015	2014
<i>(figures in NOK thousands)</i>	Q4	Year end
ASSETS		
Intangible assets		
Technology	31 574	8 775
Customer relationship	31 569	32 175
Customer contracts	0	7 200
Development expenses	14 876	
Goodwill	323 984	60 799
Total intangible assets	402 003	108 949
Land, buildings and real estate		
Land, buildings and real estate	15 561	3 893
Total land, buildings and real estate	15 561	3 893
Other fixed assets		
Fixtures and fittings, tools, etc.	968	1 174
Total other fixed assets	968	1 174
Financial fixed assets		
Financial fixed assets	7 297	163
Total financial fixed assets	7 297	163
Total fixed assets	425 830	114 178
Current assets		
Inventories	15 023	6 071
Trade receivables	40 361	18 927
Other receivables	10 252	1 406
Financial current assets	1 507	
Cash and cash equivalents	313 042	98 497
Total current assets	380 185	124 901
TOTAL ASSETS	806 015	239 079
EQUITY AND LIABILITIES		
Equity		
Share capital	136 120	67 786
Share premium/Other paid equity	602 910	134 663
Retained earnings	-18 974	-6 506
Total equity	720 056	195 942
Non-controlling interests' share	0	
Provisions		
Deferred tax liability	23 511	15 979
Total provisions	23 511	15 979
Other long term liabilities		
Other long term liabilities	14 641	7 578
Total other long term liabilities	14 641	7 578
Liabilities		
Accounts payable	16 760	3 100
Tax payable	376	0
Social security, VAT etc. payable	3 185	1 735
Other current liabilities	27 486	14 747
Total current liabilities	47 807	19 581
TOTAL EQUITY AND LIABILITIES	806 015	239 079

Statement of changes in equity (unaudited)

NEL ASA FOURTH QUARTER 2015 REPORT

Statement of changes in Equity and Number of Shares:							
<i>(figures in NOK/numbers)</i>	Note	Share capital	Share premium	Other reserves	Other equity	Total equity	Number of shares
As at 1st January 2014		1 632	45 016	-310	-37 662	8 675	8 159 873
Allocation of comprehensive loss			-37 972	310	37 662	0	
Shares owned by company			-2 085			-2 085	
Transaction cost			-5 342		0	-5 341	
Increase of capital 15.4.14		20 000	30 000			50 000	100 000 000
Increase of capital 20.10.14		35 385	79 615			115 000	176 923 077
Increase of capital 13.11.14		10 769	24 231			35 000	53 846 154
Consideration				1 200		1 200	
Comprehensive income 1.1.-31.12.2014					-6 511	-6 511	
As at 31th December 2014		67 786	133 463	1 200	-6 511	195 937	338 929 104
						0	
Transaction cost			-3 220			-3 220	
Increase of capital 12.01.mandag		10 000	55 000			65 000	50 000 000
Increase of capital 02.02.mandag		2 000	11 000			13 000	10 000 000
Comprehensive income 1.1.-31.3.2015					-639	-639	
As at 31st March 2015		79 786	196 243	1 200	-7 150	270 078	398 929 104
Increase of capital 12.06.fredag		10 260	58 997			69 258	51 301 852
Increase of capital 26.06.fredag		29 630	170 370			200 000	148 148 148
Transaction costs rel. To Increase of capital Q2			-4 321			-4 321	
Comprehensive income Q2 2015					-7 641	-7 641	
As at 30th June 2015		119 676	421 289	1 200	-14 791	527 374	598 379 104
Increase of capital 14.7.2015		4 444	25 556			30 000	22 222 222
Increase of capital 19.8.2015		6 000	61 500			67 500	30 000 000
Transaction costs rel. To Increase of capital Q3			-6 573			-6 573	
Net profit Q3 2015					-720	-720	
Currency & other equity adjustments Q3 2015					3 919	3 919	
As at 30th September 2015		130 120	501 772	1 200	-11 592	621 499	650 601 326
Increase of capital 17 December 2015		6 000	105 000			111 000	30 000 000
Transaction costs rel. To Increase of capital Q4			-4 457			-4 457	
Gain sale shares owned by company			-605			-605	
Net profit Q4 2015					-6 285	-6 285	
Currency & other equity adjustments Q4 2015					-1 096	-1 096	
As at 31st December 2015		136 120	601 710	1 200	-18 973	720 056	680 601 326

Statement of cash flow (unaudited)

CASH FLOW STATEMENT	Note	2015	2014	2015	2014
<i>(figures in NOK thousands)</i>		Q4	Q4	Q1-Q4	Q1-Q4
Cash flow from operating activities					
Pre-tax profit (loss)		-7 818	-6 137	-19 478	-11 633
Income taxes paid		0	0	0	0
Ordinary depreciation		2 168	3 551	13 540	3 786
Impairment of fixed assets		0	0	0	100
Fair value granted option rights		0	0	0	0
Loss on sale of fixed assets		0	0	0	0
Change in pension scheme liabilities		0	0	0	0
Change in inventories, accounts receivable and accounts payable		-4 615	-5 483	-16 932	-5 490
Change in other short-term receivables and other short-term liabilities		-4 422	22 571	-13 403	18 736
Net change in curr. exch. differences		628		1 239	
<i>Net cash flow from operating activities</i>		<i>-14 059</i>	<i>14 501</i>	<i>-35 035</i>	<i>5 498</i>
Cash flow from investment activities					
Proceeds from sale of fixed assets		0	0	0	0
Acquisitions of fixed assets		-116	-32 998	-581	-32 998
Acquisitions of subsidiaries / financial fixed assets		0		-83 182	
<i>Net cash flow from investing activities</i>		<i>-116</i>	<i>-32 998</i>	<i>-83 763</i>	<i>-32 998</i>
Cash flow from financing activities					
Contribution of share capital		106 543	66 684	337 186	114 659
Proceeds from new loan		0		1 118	
Payment of short and long term liabilities		-4 183	-155	-4 962	-155
<i>Net cash flow from financing activities</i>		<i>102 360</i>	<i>66 529</i>	<i>333 342</i>	<i>114 504</i>
<i>Net change in cash and cash equivalents</i>		<i>88 184</i>	<i>48 032</i>	<i>214 545</i>	<i>87 004</i>
Cash and cash equivalents		313 042	98 497	313 042	98 497

Notes to the interim financial statements

1. Presentation

The financial information is prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”). This financial information should be read together with the financial statements for the year ended 31st of December 2014 prepared in accordance with International Financial Reporting Standards (“IFRS”).

The accounting policies used and the presentation of the Interim Financial Statements are consistent with those used in the latest Annual Financial Statements.

The preparation of the Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the Interim Financial Statements. If in the future such estimates and assumptions, which are based on management’s best judgment at the date of the Interim Financial Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

2. Going concern

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

3. NEL Hydrogen AS

NEL Hydrogen AS is a global leader in the supply of hydrogen-based electrolyser plants and hydrogen fuelling stations. The company’s production facility is located in Notodden, Norway. NEL ASA holds 100% of the shares in NEL Hydrogen AS.

NEL Hydrogen AS (unaudited)

<i>(figures in NOK million)</i>	2015 Q4	2015 Q1-Q4	2014 Full year
Total operating revenue	13,3	60,1	69,0
Total operating cost	14,6	56,7	54,5
Operating profit	-1,3	3,4	14,5
Net Financial income (expence)	0,7	0,2	0,6
Pre- tax profit (loss)	-0,6	3,6	15,0

4. H2 Logic A/S

H2 Logic A/S is a leading manufacturer of H2Station® hydrogen refueling stations that provides fuel cell electric vehicles with the same fast fueling and long range as conventional vehicles today. H2Station® technology is used on a daily basis across Europe for fueling of vehicles from leading international car manufacturers. The company’s production facility is located in Herning, Denmark. NEL ASA holds 100% of the shares in H2 Logic A/S.

The acquisition of H2 Logic A/S is considered to be a business combination under IFRS 3 and consequently all assets acquired and liabilities assumed are accounted for at its fair value at the

acquisition date. Based on the preliminary purchase price allocation, fair value adjustments have been allocated to H2 Logic as described below. The purchase price is NOK 300 million. Book value of equity is NOK 13.4 million, which gives an excess value of NOK 286.6 million. Identified assets are intangible assets including related customer relationships of NOK 2,6 million, and technology of NOK 20,8 million as well as financial assets of NOK 6.0 million and deferred tax on the excess value amounts to NOK 6.0 million, which leaves a recognized goodwill of NOK 263.0 million. The identified intangible assets will be depreciated over their useful life; related customer relationships will be depreciated over 10 years, 12 months depreciation amounts to NOK 0.2 million. Technology will be depreciated over 10 years, 12 month's depreciation mounts to NOK 2 million. In accordance with IFRS, goodwill is not amortized but assessed for impairment; no impairment has been recorded.

The table below provides a detailed breakdown of the allocation of the business combination cost.

Cost of business combination	Shares acquired	Amount (NOKm)
Agreed purchase price	100 %	300,0
Consideration		300,0
Fair value of previously held associated companies		-
Acquisition of subsidiary in stages		-
Non-controlling interests		-
<hr/>		
Cost of business combination		300,0
<hr/>		
Book value equity		13,4
Excess value		286,6
Goodwill pre-acquisition		
<hr/>		
Excess value to be allocated		286,6
<hr/>		
Excess value is allocated to:		
Customer relationships		2,6
Technology		20,8
Financial assets (CHN)		6,0
Deferred tax		-5,8
<hr/>		
Total allocated		23,5
<hr/>		
Goodwill		263,0
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The acquired goodwill is not tax deductible.

H2 Logic A/S (unaudited)

<i>(figures in NOK million)</i>	2015 Q4	2015 Q3-Q4
Total operating revenue	18,1	35,7
Total operating cost	19,6	35,6
Operating profit	-1,4	-0,1
Net Financial income (expenditure)	-0,7	-0,8
Pre- tax profit (loss)	-2,1	-0,9

*H2 Logic A/S was acquired by NEL ASA at the end of Q2 2015. Measured from the transaction date total profit related to H2 Logic included in the consolidated statement of comprehensive income in the first and second quarters 2015 amounts to zero.

5. Acquisition of Rotoboost

The acquisition of Rotoboost H2 AS is considered to be a business combination under IFRS 3 and consequently all assets acquired and liabilities assumed are accounted for at its fair value at the acquisition date. Based on the preliminary purchase price allocation, fair value adjustments have been allocated to H2 Logic as described below. The purchase price will amount to minimum NOK 8 million, maximum NOK 13 million. Final purchase price is estimated to NOK 11,75 million. Book value of equity is NOK 9,6 million, which gives an excess value of NOK 2,16 million.

The table below provides a detailed breakdown of the allocation of the business combination cost.

Cost of business combination	Shares acquired	Amount (NOKm)
Agreed purchase price	100 %	8,0
Consideration		3,8
Fair value of previously held associated companies		-
Acquisition of subsidiary in stages		-
Non-controlling interests		-
Cost of business combination		11,8
Book value equity		9,6
Excess value		
Goodwill pre-acquisition		
Excess value to be allocated		2,2
Excess value is allocated to:		
Customer relationships		
Technology		2,2
Financial assets (CHN)		
Deferred tax		-0,6
Total allocated		1,6
Goodwill		0,6

6. Goodwill

The table below shows the movement in goodwill during Q1-Q4 of 2015.

	Amount (NOKm)	
	2015	2014
Goodwill as of 1 January 2015	60,8	-
Acquisition of H2 Logic	263,0	-
Other acquisitions in 2015	0,7	-
Other adjustments	(0,5)	-
Goodwill as of 31 December	324,0	-

7. Related parties transactions

NEL ASA has paid MNOK 0,6 in management fees to Ferncliff in the period. For the services for and in relation to a hire of CEO.



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