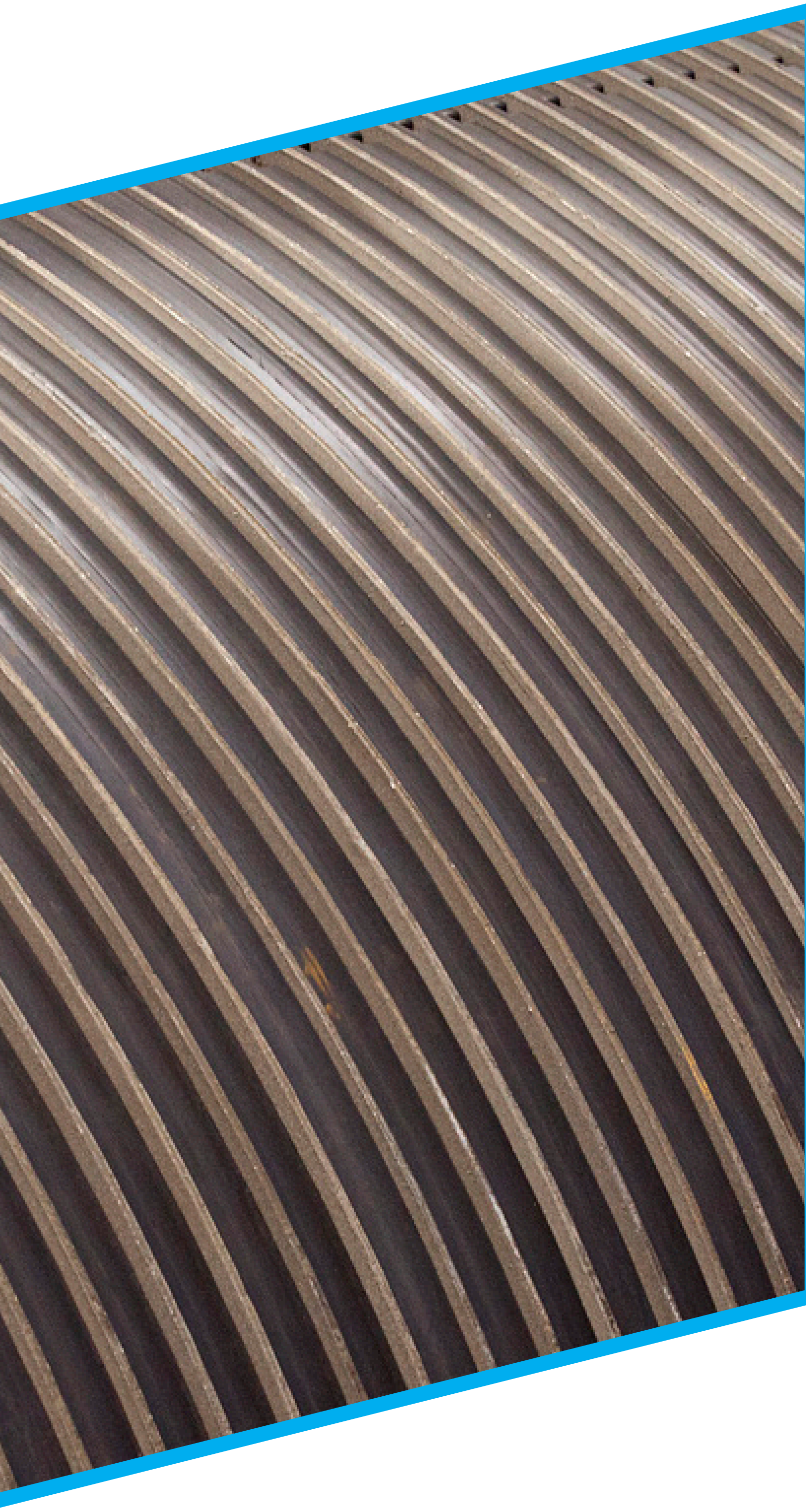
ANNUAL REPORT 2015



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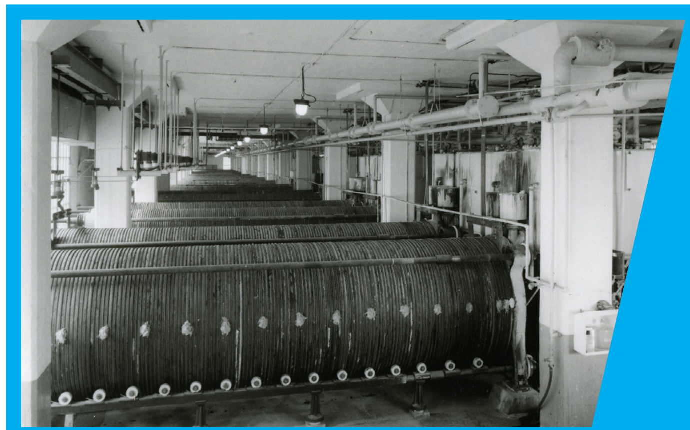

TIMELINE

1927
Norsk Hydrocommences manu-facturing of electrolysers - the predecessor to NEL Hydrogen

1940
The complete installation of a hydrogen plant in Rjukan is completed, this is the largest installation in the world of water electrolysers

1947
After World War II, Norsk Hydro establishes a development group to improve the efficiency of the electrolysers, the new design had an energy saving of 25%

1953
Norsk Hydro starts up its second large-scale electrolyser plant supplying hydrogen to ammonia production in Glomfjord in Northern Norway

1959
The complete electrolyser unit is redesigned once more, the new design forms the basisthe athmospheric electrolysers NEL produces to this day

1974
Norsk Hydro establishes a separate group – Norsk Hydro Electrolysers (NHEL), which begins commercial sales of electrolysers with special focus on the Nordic market

1988
Non-asbestos diaphragms is introduced and NHEL begins selling its product internationally

1991
The fertilizer production plant at Rjukan was shut down in the 1970´s, and the electrolyser plant in Glomfjord is shut down in 1991. The hydrogen-activities of NHEL are thereby purely commercial

1993
NHEL spins off into a separate company, fully owned by Norsk Hydro

2001
NHEL first pressurized electrolyser introduced

2003
NHEL delivers the world´s first publically available hydrogen fuelling station (HRS)

2004
NHEL delivers the world's first power-to-gas project at Utsira, Norway

2006
NHEL is renamed Hydrogen Technologies

2007
Statoil becomes the owner of Hydrogen Technologies as a re-sult of the Statoil-Hydro merger

2008
Hydrogen Technologies delivers its 500th electrolyser

2011
Hydrogen Technologies is sold by Statoil to a new owner group, including Strata Marine Offshore and management of the company changes. Hydrogen Technologies is renamed NEL Hydrogen

2012
Strong backlog after substantial order intake during the second half of 2011

2014
Ferncliff enters as investor after reorganization of the Company. DiaGenic acquires 100% of the shares in New NEL hydrogen Holding AS

2007
Financial restructuring (NEL Hydrogen AS declares bankruptcy) to cap unlimited liability in specific customer contacts. Assets purchased from DnB and company re-named New NEL Hydrogen

2015

- **Acquires H2 Logic, a leading refuelling station company**
- **Acquires RotoLyzer®**
- **Agreement with Uno-X for the rollout of a hydrogen refuelling stations network in Norway**

NEL ASA annual report 2015

LETTER FROM THE CHAIRMAN

2015 was a solid year for NEL ASA ("NEL", "the company", "the group"), both financially and operationally, in which we executed the strategy of creating a world-leading manufacturer of hydrogen electrolysers and hydrogen refuelling stations.

In May 2015, we announced the acquisition of H2 Logic, the manufacturer of H2Station® hydrogen refuelling stations that provide fuel cell electric vehicles with the same fast fuelling and long range as conventional vehicles today.

Since incorporation in 2003, H2 Logic has invested significantly in R&D, bringing H2Station® to a level where products are offered to the early market for roll-out of larger networks of hydrogen refuelling stations. The acquisition expanded our position in the value chain, taking the driver's seat in the hydrogen fuel movement: Hydrogen Fuel Cell Electric Vehicles (FCEV) have a significant potential to reduce emissions from the transportation sector. They do not emit any greenhouse gases, and there are substantially lower emissions associated with producing hydrogen fuel from renewable energy sources.

We proved the strategic importance of H2 Logic when we were awarded a contract with H2 MOBILITY Deutschland GmbH & Co.KG, with an option for multiple repeat-orders. The station will be one of the first in a planned staged expansion leading up to 2023 and onwards, of up to 400 stations in Germany and a total investment of around EUR 400 million.

Our key markets going forward are Germany, California and Japan. However, we also recognize the importance of a strong position in our home market. Thus, a key highlight from 2015, is our agreement with Uno-X, part of Reitangruppen, to rollout a minimum of 20 hydrogen refuelling stations, covering all the major cities in Norway within 2020. This will be a reference project and a showcase for the combined technology and competence within the Group.

Throghout 2015, NEL experienced significant interest and support from the investor community, contributing to a strengthening of the balance sheet throughout the year. As we entered 2016, NEL had a cash balance of NOK 313 million.

Continuing to build the organization, aligning all activities, and capturing synergies across the company will be instrumental to continued value creation and development. In this respect, the board of directors was proud to announce the appointment of Jon André Løkke as the new chief executive officer.

The company is well-positioned to take part in the exiting times ahead within hydrogen production. We thank all our stakeholders for their efforts and dedication during an eventful 2015.

Best regards,

Martin Nes
Chairman of the board of directors

NEL ASA annual report 2015

LETTER FROM THE CEO

As the first dedicated hydrogen company on the Oslo Stock Exchange, NEL is positioned at the forefront of a changing industry as a pure play company with a long and proven track record.

I was appointed CEO from 4 January 2016, and I am excited to be a part of the NEL team. We see great potential for hydrogen as an energy carrier, and will continue to create shareholder value by leveraging on the key strengths of the company:

- *We have the most energy-efficient electrolysers, with a robust and proven technology;*
- *Our refuelling stations have the highest uptime and the lowest cost of ownership;*
- *Our long list of ongoing, new technology developments.*

On the back of the developments we experienced in 2015, NEL expects continued, rapid market growth going forward. Hydrogen fuel cell vehicles will increasingly be introduced by major car manufacturers throughout 2016.

In addition to its use as fuel for cars, NEL sees great potential for hydrogen as an energy carrier, especially in light of the growth in renewable energy and the shift from fossil- to renewable fuels. Energy markets will increasingly 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.

Going forward, the company will continue to increase market shares both upstream and downstream, with increased focus on renewable hydrogen production and energy storage.

This market opportunity was proven in March 2016 with the contract for the delivery of a hydrogen refuelling station with integrated on-site hydrogen production, leveraging on NEL's combined competence and technology expertise.

In addition, we have initiated a production ramp-up of hydrogen refuelling stations with the development of a new large-scale production plant in Denmark. The factory will have an annual capacity to manufacture hydrogen refuelling stations that, in turn, are sufficient to support 200 000 new FCEVs annually.

Instrumental to our growth in 2016, is also the execution of our market penetration strategy for California, either together with selected partners, or directly in the market.

I look forward to leading these efforts going forward, and to working together with the board and the rest of the NEL organization to achieve our ambitious goals.

Best regards,

Jon André Løkke
CEO

REPORT FROM THE BOARD OF DIRECTORS

Highlights 2015

- Acquires H2 Logic, a leading refuelling station company, for NOK 300 million.
- H2 Logic is awarded a contract for one H2Station refuelling station for H2 MOBILITY Deutschland GmbH & Co.KG, with an option for multiple repeat-orders. The station will be among the first in a planned staged expansion of up to 400 stations in Germany and a total investment of around EUR 400 million, leading up to 2023 and onwards.
- Enters onto agreement with Uno-X Gruppen AS, part of Reitangruppen AS, for the rollout of a minimum of 20 hydrogen refuelling stations, covering all the major cities in Norway within 2020.
- Acquires RotoLyzer® - a potential game changer within the field of electrolyse technologies.
- Jon André Løkke appointed as chief executive officer (CEO) of NEL and Lars Christian Stugaard as chief financial officer (CEO).
- The full-year operational reported revenue for NEL was NOK 99.9 million, with an adjusted EBITDA of NOK 2.6 million. Revenues, including H2 Logic from 1 January 2015, ended at NOK 128.0 million.
- NEL completed several successful equity offerings and ended the year with a cash balance of NOK 313 million.

Key events after the end of 2015

- Uno-X Hydrogen AS, a NEL joint venture, announces the building of a hydrogen refuelling station with on-site hydrogen production co-located with Powerhouse Kjørbo, an energy-positive office building in Sandvika, Norway. NEL is awarded a contract of NOK 25 million for the building of the hydrogen refuelling station.
- H2 Logic enters into a contract for the purchase of a facility in Herning, Denmark, for the development of a new large-scale production plant for hydrogen refuelling stations. The factory will have an annual capacity to manufacture hydrogen refuelling stations sufficient to support 200 000 new Fuel Cell Electric Vehicles (FCEV) annually.

Key figures (figures NOK million)	2015	2015*	2014
Operational revenue	99.9	128.7	12.1
Total operating cost	118.2	144.7	25.2
EBITDA**	2.6	-7.0	-9.5
EBIT	-18.3	-16.1	-13.2
Pre-tax profit	-27.8	-14.0	-11.6
Net profit	-21.6	-11.1	-6.5
Cash balance end of period	313.0		98.5

** H2 Logic consolidated from January 1, 2015*
*** EBITDA excludes transaction costs and other one-off costs*

NEL ASA annual report 2015

Business description and business divisions

NEL is the first dedicated hydrogen company on the Oslo Stock Exchange. Since its foundation in 1927, NEL Hydrogen has a proud history of development and continual improvement of hydrogen plants. NEL is global a supplier of hydrogen solutions, covering the entire value chain from hydrogen production technologies to hydrogen refuelling stations for fuel cell electric vehicles.

The company has three divisions:
- Upstream
- Downstream
- Systems

Upstream

Hydrogen production from electrolysers

The core of the upstream division is NEL Hydrogen AS (NEL Hydrogen), 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 fertiliser as the end-product. Since then, the electrolyser technology has been improved continuously, and NEL Hydrogen has accumulated unique experience and knowledge about hydrogen refuelling stations and power-to-gas systems.

Traditionally, hydrogen is used as an input to a number of industrial applications, including as industrial feedstock, to provide a protective atmosphere, and for other purposes. Relevant sectors include food production, chemicals/ refining, metallurgy, glass production, electronics, generator cooling, and the production of polysilicon for use in PV solar panels.

Looking ahead, hydrogen will increasingly be utilised as an energy carrier, both to maximise the utilisation of renewable energy and, subsequently, as a sustainable fuel for zero-emission FCEVs. With the commercial introduction of FCEVs already taking place, NEL Hydrogen intends to supply the hydrogen refuelling, energy storage and power-to-gas markets.

The water electrolyser market currently accounts for only a small fraction of the total hydrogen market, but is expected to grow significantly in the coming years, primarily driven by increased refuelling and energy storage demand. By 2020, 40% of renewable electricity is expected to take the form of wind and solar power. (Source: IEA.)

A number of energy storage projects have been initiated worldwide, and NEL Hydrogen expects this development to be a main driver of demand for hydrogen energy storage in the medium term. The sector has specific interest in NEL Hydrogen, because the market growth is making NEL Hydrogen's portfolio of large-scale products increasingly relevant.

NEL Hydrogen started commercial sales of electrolysers in the 1970s, and has sold more than 500 electrolyser units to a broad range of industries across Europe, South America, Africa and Asia. The company has production facilities in Notodden, Norway, and has a global reach through its in-house sales apparatus and extensive network of agents.

NEL Hydrogen's water electrolysis and atmospheric pressure technologies are considered world-class. The company's long experience in the electrolysis field and sustained research and development efforts over the past 85 years give it a unique technological platform.

The company's NEL A electrolysers are widely respected for their robustness, reliability and energy efficiency. The products set a benchmark for competitors. When the products' flexibility, ease-of-use, high capacity and safety record are added to the list, the solutions are simply unmatched.

A new technology to be commercialized is a new medium pressurized electrolyser, operating at 50 Nm3/h. This pre-assembled solution will reduce time for installation and commissioning.

In addition, the company is developing the 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. The technology is patented and has been verified through extensive testing.

Downstream
Hydrogen refuelling stations/networks

The downstream division consists of H2 Logic A/S (H2 Logic), a leading manufacturer of H2Station® hydrogen refuelling stations that provides FCEVs with the same fast fuelling and long range as conventional vehicles today.

Since incorporation in 2003, H2 Logic has invested significantly in R&D, bringing H2Station® to a level where products are offered to the early market for roll-out of larger networks of hydrogen refuelling stations.

Today, H2 Logic is one of few global leaders on fast refuelling for FCEVs. H2Station® technology is in operation in several European countries, providing hydrogen fuelling for fuel cell electric vehicles from major car manufacturers.

H2 Logic was among the first to achieve fast fuelling of hydrogen in compliance with the SAE J2601 standard required by the major car manufacturers.

In Denmark, H2 Logic has delivered H2Station® technology for the entire Danish network of hydrogen fuelling stations, operated in collaboration with leading oil, energy and gas companies.

Aside from providing fast fuelling, H2Station® technology has a long proven track-record of reliable operation with more than 98% availability – one among the highest recorded in the world for a scattered network of 24-hour public available hydrogen fuelling stations.

The ambition is to keep this position and act as a preferred supplier of H2Station® for international infrastructure operators such as oil, energy and gas companies.

Systems to be established
System integration and project development

The systems divisions will operate, maintain, own, and finance different hydrogen solutions. The focus going forward is on new markets, like California and Japan, but existing markets, like Germany and Scandinavia, also represent opportunities.

NEL has delivered the entire Danish network, the world's first country-wide network in daily operation. NEL services and operates the entire network, in collaboration with leading oil, energy and gas companies:

- 100% of hydrogen from electrolysis
- 6 stations with onsite electrolysis
- 5 stations with centralized NEL electrolysis
- All stations approved by OEMs
- Same approach in other markets

In Norway, NEL Fuel AS owns 49% of the joint venture, Uno-X Hydrogen AS, where partner, Uno-X, owns the remaining 51%. In 2015, the joint venture announced the intention to 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. NEL Fuel AS entered into a final agreement with Uno-X after the balance date.

Organisation, staff and management

Through its operational business units, the group has approximately 75 employees.

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

Løkke comes from a position as CEO of Norsk Titanium AS, which develops and industrializes 3D printing technology for the production of titanium components for aerospace and other industries. He has ten years' experience from the REC Group, including positions as Senior Vice President in REC Wafer, and Investor Relations Officer and CFO in REC ASA. Mr Løkke has also worked for the ABB Group, holds an International MBA degree from Glasgow University, and a Bachelor's degree in business and economics from Southampton University.

The company practices a policy of equal treatment on all assignments and promotions. No accidents or injuries were recorded in 2015. In 2015, the sick leave rate was 0,0%, compared to 0% in 2014.

At the extraordinary general meeting on 26 June 2015, a new board of directors was elected, comprising Martin Nes (chairman), Øystein Stray Spetalen, Jan Christian Opsahl, Eva Dugstad, Anne Marie Gohli Russell, Kristin Hellebust, and Mikael Sloth.

Corporate social responsibility

Following the business transformation from a healthcare company to hydrogen company, NEL has discontinued the previous guidelines and measures related to corporate social responsibility (CSR), including themes like environmental impact, employee rights and social aspects, in addition to anti-bribery measures. The company aims at maintaining a solid corporate culture and to preserve the integrity of NEL, by helping employees practise good business standards. Consequently, the development and implementation of new CSR guidelines is a prioritized task throughout 2016.

Corporate governance

The board and management of NEL are committed to maintaining high ethical standards and promoting good corporate governance. The company believes that good corporate governance builds confidence among shareholders, customers and other stakeholders, and thereby supports maximal value creation over time. The equal treatment of all shareholders lies at the heart of the company's corporate governance policy. The company has only one class of shares, and all shareholders have equal rights. The company's shares are listed and freely transferable. NEL's Corporate Governance Report is based on the Norwegian Code of Practice for Corporate Governance dated 30 October 2014, which can be found on pages 16-20 of this annual report and on the company's website.

Shareholders and financing

NEL's shares are listed on the Oslo Stock Exchange under the ticker "NEL." At the end of 2015, the company had 680,601,326 outstanding shares, held by 8966 shareholders. The nominal value of the NEL share is NOK 0.20 per share.

As a result of the rights issues completed in 2015, the company estimates that it has sufficient working capital for the 12 months following the balance sheet date. In accordance with section 3(3a) of the Norwegian Accounting Act, the board of directors, therefore, confirms that the going-concern assumption is met and that the annual accounts have been prepared in accordance with this assumption.

The company has placed considerable emphasis on providing shareholders, and investors in general, with timely and relevant new information about the company and its activities in compliance with applicable laws and regulations. NEL is committed to increase awareness of the stock in Norway and abroad. The list of shareholders includes a considerable number of Nordic institutional investors and private investors.

Finance

Income and operating costs

NEL generated revenues of NOK 99.9 million in 2015 (12.1), reflecting the acquisition of H2 Logic. Operating expenses increased to NOK 118.2 million (25.2). The cost of goods sold totalled NOK 42.1 million (3.4), while salaries and personnel expenses amounted to NOK 29.9 million (7.3). Depreciation and amortisation was NOK 15.5 million (3.6). Other operating expenses increased to NOK 30.6 million (10.9).

Net financial income amounted to NOK -9.5 million (1.5), while pre-tax income totalled NOK -27.8 million (-11.6). Comprehensive income equalled NOK -1.5 million (-6.5).

The board of directors proposes that the loss for 2015, which totals NOK 1.5 million, be covered by transfers from the share premium account, or other reserves.

Financial position

Total assets stood at NOK 815.6 million (239.2), including intangible assets of NOK 411.2 million (109,0). Goodwill totalled NOK 333.0 million (60.8) as of 31 December, 2015. The identified intangible assets include related customer relationships of NOK 31.6 million and technology of NOK 46.6 million.

As of 31 December 2015, investments in tangible fixed assets amounted to NOK 16.5 million (5.1), with land, buildings and other property totalling NOK 15.8 million (3.9). Stocks ended at NOK 15.0 million (6.1) and total receivables at NOK 51.1 million (20.3). The company actively strengthened its financial position during the year. As of 31 December 2015, the company had cash and cash equivalents of NOK 313.0 million (98.5).

Based on the strategy and ramp-up plan for the company, the board has proposed that no dividend be paid for 2015.

Cash flow

Net cash flow from operating activities was NOK -37.8 million (3.2), while net cash flow from investment activities totalled NOK -83.8 (-37.5). Gross cash flow from share issues was NOK 355.8 million (117.9), while instalments on long-term liabilities ended at NOK -5.0 million (7.5). The cash balance on 31 December 2015 amounted to NOK 313.0 million (98.5).

Risks

Risk exposure and risk management

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

The complete range of risk factors is discussed in detail in note 23.

Outlook

NEL is positioned at the forefront of the industry as a pure play company with a long track record:

- NEL has the most energy efficient electrolysers, with robust and proven technology;
- Refuelling stations with the highest uptime and the lowest cost of ownership;
- Long list of new technology developments.

The strategic position of the company targets the key underlying megatrends for hydrogen: renewable electricity is becoming inexpensive, there is a growing need for energy storage solutions, hydrogen cars are becoming increasingly inexpensive, and there is a high focus on zero emission transport.

For 2016, the company has the following key targets:

- Continue to capture market share, both upstream and downstream, with increased focus on renewable hydrogen production and energy storage;
- Execute the market penetration strategy for California, both upstream and downstream, and work together with selected partners or directly in the market;
- Launch a next generation refuelling station with standard modular design, ideal for industrial production, according to continuous improvement principles;
- Build the organization, align activities, and capture the synergies across NEL.

Subsequent events

- Uno-X Hydrogen AS, a NEL joint venture, announces the building of a hydrogen refuelling station with on-site hydrogen production, co-located with Powerhouse Kjørbo, an energy-positive office building in Sandvika, Norway. NEL is awarded a NOK 25 million contract to build the hydrogen refuelling station.
- H2 Logic enters into a contract for the purchase of a facility in Herning, Denmark, for the development of a new large-scale production plant for hydrogen refuelling stations. The factory will have an annual capacity to manufacture hydrogen refuelling stations sufficient to support 200 000 new FCEVs annually.

Oslo, 29 April 2016
The board of directors

Øystein Stray Spetalen
Board member

Martin Nes
Chairman

Anne Marie Gohli Russel
Board member

Eva Dugstad
Board member

Jan Christian Opsahl
Board member

Mikael Sloth
Board member

Kristin Hellebust
Board member

Jon André Løkke
CEO

NEL ASA annual report 2015

CORPORATE GOVERNANCE

1. Report on corporate governance

The Norwegian Code of Practice for Corporate Governance is intended to strengthen confidence in listed companies and thereby promote the best possible value creation over time, for the benefit of shareholders, employees and other stakeholders. Observance of the recommendations is based on the "comply or explain" principle. NEL's board of directors and management have resolved to follow the recommendations of the Code to the extent deemed reasonable in view of the company's size.

The Norwegian Code of Practice for Corporate Governance can be found at www.nues.no. NEL will provide explanations of any non-compliance with the code.

NEL has introduced a set of corporate values, and the board has adopted ethical guidelines. The guidelines provide that the company's board and employees should follow a high ethical standard in carrying out their work and duties. Although NEL's guidelines discuss the company's dealings with various interest groups, the company has not established guidelines dealing specifically with social responsibility. Following the acquisition of H2 Logic, such guidelines may be developed and current policy documents may be revised.

2. Business

Following the acquisitions of NEL Hydrogen and H2 Logic, the Articles of Associations reflects the new strategy. The company's business strategy is described in the annual report under "Report from the board of directors".

3. Capital and dividend

In 2015, NEL executed on the new strategy and significantly strengthened its balance sheet through share issues.

12 January 2015: The share capital increase pertaining to the 50 million new shares issued through the private placement was registered with the Norwegian Register of Business Enterprises.
23 January: The subsequent offering that was announced on 12 January was oversubscribed, and generated gross proceeds of NOK 13 million through the issue of 10 million new shares at a subscription price of NOK 1.30.
2 February: The share capital increase pertaining to the 10 million new shares issued through the subsequent offering was registered with the Norwegian Register of Business Enterprises.
12 June: The share capital increase pertaining to 51,301,852 new shares issued in the private placement was registered with the Norwegian Register of Business Enterprises.
14 July: The share capital increase pertaining to the 22,222,222 new shares issued in the subsequent offering was registered with the Norwegian Register of Business Enterprise.
28 August: The share capital increase pertaining to the 30,000,000 new shares issued in the private placement was registered with the Norwegian Register of Business Enterprises.
12 December: The share capital increase pertaining to the 30,000,000 new shares issued in the private placement was registered with the Norwegian Register of Business Enterprises.The Company's new registered share capital was NOK 136,120,265.20, consisting of 680,601,326 shares with a par value of NOK 0.20 per share.

Under the company's new strategy, and following the recent strengthening of the balance sheet, dividends are not currently part of the plan for this stage of the business development process.

4. Equal treatment of shareholders and transactions with related parties

All shares in NEL carry one vote, and the shares are freely transferable. The company has only one share class, and all shareholders have equal rights. Existing shareholders are given priority in the event of share capital increases, unless special circumstances warrant deviation from this principle. The company has no authorisation to repurchase its own shares.

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

5. Free transferability

The company's shares are listed and freely transferable. The articles of association contain no restrictions on transferability.

6. General meeting

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

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

The company will encourage board members to attend general meetings. The members of the nomination committee and external auditors are also invited to attend.

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

7. Nomination committee

In accordance with NEL's articles of association, the general meeting has established a nomination committee comprising three members. These must be shareholders or representatives of shareholders. The nomination committee evaluates and proposes board members to the general meeting, and makes recommendations on director remuneration. No board members or representatives of company management are members of the nomination committee.

Nomination committee members are elected for a one-year term. At the general meeting on 22 May 2015, the following persons were elected to the nomination committee and serve until the 2016 annual general meeting:

- Glen Ole Rødland, chairman
- Magne Myrehaug, member
- Leif Eriksrød, member

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8. Corporate assembly and board, composition and independence

NEL has chosen not to have a corporate assembly due to the limited size of the company and the small number of employees. The functions of the corporate assembly have been transferred to the general meeting and board of directors.

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

The board is elected for a one-year term, and board members may stand for re-election. The CEO is not a member of the board. According to its articles of association, NEL's board must have between four and seven members. At the extraordinary general meeting on 26 June 2015, a new board of directors was elected, comprising Martin Nes (chairman), Øystein Stray Spetalen, Jan Christian Opsahl, Eva Dugstad, Anne Marie Gohli Russell, Kristin Hellebust and Mikael Sloth.

Acting CEO during 2015, Lars Christian Stugaard, is employed on a management-for-hire contract with investment group and NEL shareholder Ferncliff TIH AS ("Ferncliff"). Ferncliff is associated with chairman Martin Nes and board member Øystein Stray Spetalen.

Se also note 6 for transactions with related parties.

Jan Christian Opsahl, Eva Dugstad and Kristin Hellebust are considered independent from the company's day-to-day management. Anne Marie Gohli Russell is NEL Hydrogen AS's logistics manager. Mikael Sloth is co-founder and business development manager in H2 Logic A/S,

The board is authorised to assess the day-to-day management and significant contracts entered into by the company on an independent basis. The board's current composition is set out in the annual report together with key information highlighting the directors' expertise.

The shareholdings of directors and senior management are outlined in note 15.

9. The board's work

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

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

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

In 2015, the board of directors conducted 8 board meetings.

10. Risk management and internal controls

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

Risk management and internal control requirements have been evaluated by management and the board of directors, and a set of appropriate systems has been established. In this context, emphasis is also given to ensuring that the company operates in accordance with accepted ethical guidelines and values, including guidelines on how employees can communicate matters relating to illegal or unethical behaviour on the company's part to the board. NEL believes that its values and control procedures meet social responsibility requirements and are proportionate to the scope and nature of its business, but has not yet developed specific social responsibility guidelines.

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

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

The company's financial reporting complies with the laws and regulations applicable to companies listed on the Oslo Stock Exchange. NEL has also adopted basic financial reporting procedures and guidelines. The board of directors reviews the company's financial position frequently through reporting and reviews at board meetings, and reviews the financial statements at the end of every quarter. At least once a year, the board assesses the company's risk profile by reference to strategic, operational and transactional factors.

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

11. Board remuneration

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

In this regard, please also see the assessment regarding the independence of the directors and board chair set out in section 8 above.

The board remuneration for 2015 is outlined in note 5.

12. Remuneration of senior management

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

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

Incentive schemes for the CEO and other employees are set out in the notes to the annual accounts. The incentive schemes cover all non-temporary employees, and have been submitted in detail for the general meeting's approval.

NEL ASA annual report 2015

Acting CEO during 2015, Lars Christian Stugaard, is employed on a management-for-hire contract with Ferncliff TIH AS as outlined in note 5.

13. Information and communication

The company publishes a financial calendar on an annual basis, which includes the dates of general meetings and dates for the presentation of interim reports. All press releases and stock exchange notifications are posted on the company's website, www.diagenic.com. Stock exchange notifications are also available at www.newsweb.no.

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

The insider lists are maintained by the CEO.

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

14. Company takeovers

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

15. Auditor

The auditor attends the board meeting at which the annual financial statements are reviewed. However, the company has not met with the board for the purpose of conducting an annual review of the company's internal control procedures; see section 10 above regarding the internal control requirement. The auditor presents an annual audit plan to the board.

The board has adopted guidelines on management's use of the auditor for services other than auditing. The notes to the accounts state that use of the auditor for other services has been limited.

The fee payable to the auditor is specified in Note 5 to the annual accounts, and is categorised under the item statutory audit and other services. The board submits proposals regarding the fees payable for the statutory audit to the general meeting for approval.

NEL ASA annual report 2015

MEMBERS OF THE BOARD

Martin Nes
Chairman
CEO of the Ferncliff Group. Martin Nes has a law degree from the University of Oslo, and also holds a Master of Laws degree from University of Southampton, England. He previously spent several years with the Norwegian law firm Wikborg Rein, working in both the Oslo and London offices, and with the shipping law firm Evensen & Co. Mr Nes has extensive corporate experience and is chairman and/or a member of the boards of several listed companies, including SD Standard Drilling Plc, Aqualis ASA, Nickel Mountain Group AB, Saga Tankers ASA and Weifa ASA.

Eva Dugstad
Board member
Eva Dugstad is Innovation promoter and Special adviser at the Institute for Energy Technology (IFE) and holds a Cand. Pharm. degree from the University of Oslo. Her previous appointments include the position as President for IFE from 2010 – 2016, Vice President of IFE and Research Director for Sector Nuclear Technology and Physics. From 2002 – 2003, Dugstad worked with quality assurance in NMD, and from 2000– 2002, she worked for Photocure AS and was responsible for the pharmaceutical development of a new product in the cancer treatment field. Ms Dugstad has been involved in various committees and boards in both the public and private sectors.

Øystein Stray Spetalen
Board member
Øystein Stray Spetalen is the chairman and owner of the investment firm Ferncliff TIH AS. He is an independent investor, and has previously worked for the Kistefos Group as an investment manager, as a corporate advisor at various investment banks, and as a portfolio manager for Gjensidige Forsikring. Mr Spetalen is a chartered petroleum engineer, educated at the Norwegian University of Science and Technology. He is a Norwegian citizen and resides in Oslo, Norway.

Kristin Hellebust
Board member
Kristin Hellebust is the CEO of Nordisk Film Shortcut AS and has previously been CEO of Storm Studios AS and a Lawyer in Selmer DA. Hellebust is currently a board member of Saga Tankers ASA.

Anne Marie Gohli Russell
Board member
Anne Marie Gohli Russell has been with NEL Hydrogen (Norsk Hydro Electrolysers) since 1986. In the period 1986 to 1993, she worked as a secretary in the project department. From 1993 to 1998, she was a senior secretary and transport coordinator. From 1998 to 2013, she was employed as a purchasing manager, and has been a logistics manager for the company since 2013.

Jan Christian Opsahl
Board member
Mr. Opsahl, born in 1949, is the Owner and Chairman of Dallas Asset Management. He was the Founder, President and Chairman/ CEO of TANDBERG ASA from 1988 to 2010 at which point the Company was sold to Cisco Systems Inc. for 19.4 billion NOK. He was Chairman of TANDBERG Television ASA from 1989 to 2007, and President/Chairman of Tomra Systems ASA from 1986 to 2008. He was Vice Chairman of Komplett ASA from 1996 to 2004 and REC Solar from 2013 to 2015 and is currently a Board Member of NEL Hydrogen asa. He has lived in total 25 years in Argentina, Brasil, UK and the USA.

Mr. Opsahl holds a degree in Business and a Diploma in Computer Science, both from the University of Strathclyde in Glasgow. He is also a Sloan Fellow from London Business School/M.I.T. He is an elected member of the Norwegian Academy of Technological Sciences.

Mikael Sloth
Board member
Mikael Sloth is co-founder and business development manager in H2 Logic A/S, responsible for strategic business development within hydrogen refuelling infrastructure for road vehicles. Mikael has since 2003 actively contributed to major hydrogen and fuel cell R&D and demonstration projects & initiatives in Europe.

MANAGEMENT

Lars Christian Stugaard
Acting chief executive officer during 2015 and chief financial officer (CFO) from 4 January 2016
Lars Christian Stugaard was appointed acting chief executive officer (CEO) of Diagenic ASA, now NEL ASA, effective from 1 April 2014. Mr Stugaard is also CEO of Strata Marine & Offshore AS, and has worked for the Ferncliff Group since 2003. During his 11-year tenure with Ferncliff, he has worked in the fields of financial management, general business development and analysis. He holds a BSc degree from the Norwegian School of Management in Oslo.

Jon André Løkke
Chief executive officer from 4 January 2016
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.

NEL ASA
Statement of comprehensive income

(Amounts in NOK)

NEL ASA 2015	NEL ASA 2014	NOTE	OPERATING INCOME AND OPERATING EXPENSES	NEL Group 2015	NEL Group 2014
0	0	3	Sales revenues	88 539 241	12 066 638
2 400 000	200 000	3	Other operating income	11 385 889	0
2 400 000	**200 000**		**Total operating income**	**99 925 130**	**12 066 638**
0	0		Cost of goods sold	42 116 302	3 360 943
1 308 719	1 787 268	5	Salaries and personnel expenses	29 890 749	7 342 310
0	0	11,12	Depreciation and amortisation	15 512 200	3 551 095
0	100 000	11	Impairment of tangible and intangible assets	51 760	100 000
15 491 299	7 977 127	5,8	Other operating expenses	30 612 933	10 884 828
16 800 018	**9 864 395**		**Total operating expenses**	**118 183 943**	**25 239 176**
-14 400 018	**-9 664 395**		**Operating profit / (loss)**	**-18 258 813**	**-13 172 538**
			FINANCIAL INCOME AND FINANCIAL EXPENSES		
2 281 799	929 433	23	Interest income	2 303 249	935 996
286 757	16 255 559		Financial income group	0	0
10 340	20 416	8,24	Other financial income	2 882 138	876 963
5 002	73	24	Interest expense	503 048	142 686
0	0	19	Share of profit (loss) from an associate	13 285 946	0
116 638	19 534	8,24	Other financial expenses	917 305	130 905
2 457 256	**17 185 801**		**Net financial items**	**-9 520 911**	**1 539 368**
-11 942 761	**7 521 406**		**Pre-tax profit / (loss)**	**-27 779 724**	**-11 633 170**
0	0	9	Tax for the year	-6 049 008	-5 121 808
-11 942 761	**7 521 406**		**Net profit / (loss)**	**-21 730 716**	**-6 511 362**
-11 942 761	7 521 406		Profit / (loss) attributable to equity holders of the company	-21 730 716	-6 511 362
			Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)		
0	0		Currency translation differences	20 220 161	0
-11 942 761	**7 521 406**		**Comprehensive income / (loss)**	**-1 510 555**	**-6 511 362**
-11 942 761	7 521 406		Comprehensive income / (loss) attributable to equity holders of the company	-1 510 555	-6 511 362
			TRANSFER AND ALLOCATIONS		
-11 942 761	7 521 406		Transferred to retained earnings	-1 510 555	-6 511 362
-11 942 761	**7 521 406**		**Total**	**-1 510 555**	**-6 511 362**
			Earnings per share	-0,0416	-0,0170
			Diluted earnings per share	-0,0416	-0,0170

NEL ASA
Statement of financial position as of 31 December

(Amounts in NOK)

NEL ASA 2015	NEL ASA 2014	NOTE	ASSETS	NEL Group 2015	NEL Group 2014
			Non-current assets		
			Intangible assets		
0	0	11	Technology, R&D	46 644 658	8 775 000
0	0	11	Customer relationship	31 569 219	32 175 000
0	0	11	Customer contracts	0	7 200 000
0	0	11	Goodwill	332 958 118	60 798 914
0	**0**		**Total intangible assets**	**411 171 995**	**108 948 914**
			Tangible fixed assets		
0	0	12	Land, buildings and other property	15 829 107	3 893 100
0	0	12	Machinery, equipment, fixtures and fittings etc.	700 371	1 173 636
0	**0**		**Total tangible fixed assets**	**16 529 478**	**5 066 736**
			Financial assets		
0	0	19	Investments in associates	7 296 958	262 750
420 057 400	120 000 000	20,21,22,23	Investments in group companies	0	0
420 057 400	**120 000 000**		**Total financial assets**	**7 296 958**	**262 750**
420 057 400	**120 000 000**		**Total non-current assets**	**434 998 430**	**114 278 400**
			Current assets		
			Stocks		
0	0	13	Stocks of raw mat., Prod./proj. In progress, finished goods	15 022 578	6 071 115
			Receivables		
0	0	17,22	Accounts receivable	40 361 155	18 926 648
24 597 316	16 505 559		Accounts receivable group companies	0	0
1 062 110	608 041	17,22	Other receivables	10 717 438	1 405 693
25 659 426	**17 113 600**		**Total receivables**	**51 078 593**	**20 332 341**
0	0		Financial current assets	1 506 715	0
296 515 921	**75 737 577**	14	**Cash and cash equivalents**	313 042 472	98 497 355
322 175 347	**92 851 177**		**Total current assets**	**380 650 359**	**124 900 811**
742 232 747	**212 851 177**		**TOTAL ASSETS**	**815 648 789**	**239 179 211**

NEL ASA annual report 2015

NEL ASA
Statement of financial position as of 31 December

(Amounts in NOK)

NEL ASA 2015	NEL ASA 2014	NOTE	EQUITY AND LIABILITIES	NEL Group 2015	NEL Group 2014
			EQUITY		
			Paid in capital		
136 120 265	67 785 821	15	Share capital	136 120 265	67 785 821
602 314 269	135 547 534	15	Share premium	601 710 080	133 462 534
1 200 000	0	15	Other capital reserves	1 200 000	1 200 000
739 634 534	**203 333 355**		**Total paid in capital**	**739 030 345**	**202 448 355**
			Other equity		
-3 536 356	7 521 405	15	Retained earnings	-8 021 917	-6 511 362
-3 536 356	**7 521 405**		**Total other equity**	**-8 021 917**	**-6 511 362**
736 098 178	**210 854 760**		**Total equity**	**731 008 428**	**195 936 993**
			Non-current liabilities		
			Provisions		
0	0	9	Deferred tax	21 027 472	15 983 733
0	**0**		**Total provisions**	**21 027 472**	**15 983 733**
			Long term debt		
0	0	10	Other long term debt	14 640 642	7 577 784
0	**0**		**Total non-current liabilites**	**14 640 642**	**7 577 784**
			Current liabilities		
5 190 492	1 355 005		Accounts payable	16 759 614	3 099 501
0	0	9	Taxes payable	374 980	0
300 616	309 745		Public duties payable	3 185 473	1 734 666
643 461	331 666	18	Other current liabilities	28 652 180	14 846 534
6 134 569	**1 996 417**		**Total current liabilities**	**48 972 247**	**19 680 701**
6 134 569	**1 996 417**		**Total liabilities**	**84 640 361**	**43 242 218**
742 232 747	**212 851 177**		**TOTAL EQUITY AND LIABILITIES**	**815 648 789**	**239 179 211**

Oslo, 29.4.2016

Øystein Stray Spetalen *Board member*	Martin Nes *Chairman*	Anne Marie Gohli Russel *Board member*	Mikael Sloth *Board member*
Eva Dugstad *Board member*	Jan Christian Opsahl *Board member*	Kristin Hellebust *Board member*	Jon André Løkke *CEO*

NEL ASA
Statement of cash flows

(Amounts in NOK)

Group

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	2015	2014
Loss before tax		-27 779 724	-6 511 362
Interests costs, reversed	23	-503 048	-142 686
Interests income, reversed	23	-2 303 249	-935 996
Depreciation and amortisation	11,12	15 512 200	3 551 095
Impairment of tangible and intangible assets	12	51 760	100 000
Change in provisions		-1 167 995	15 983 733
Change in inventories	13	-1 391 599	-6 071 115
Change in trade receivables		-20 971 792	-18 870 241
Change in trade payable		5 547 131	2 822 770
Changes in other current assets and other liabilities	18	-4 803 174	13 343 820
Net cash flow from operating activities		**-37 809 490**	**3 270 018**
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Acquisitions of fixed assets	12	-580 696	0
Acqusition of subsidiaries	20,21	-83 182 232	-37 494 555
Net cash flow from investment activities		**-83 762 928**	**-37 494 555**
CASH FLOWS FROM FINANCING ACTIVITIES			
Interests paid	23	472 126	142 686
Interests received	23	2 303 249	935 996
Gross cash flow from share issues	15	355 757 500	117 915 000
Transaction costs cennected to capital increases	15	-18 571 320	-5 341 789
Proceeds from new loans	10	1 118 401	
Installment of long term liabilities	10	-4 962 419	7 577 784
Net cash flow from financing activities		**336 117 536**	**121 229 677**
Net change in cash and cash equivalents		214 545 118	87 005 140
Cash balance as of January 1st	14	98 497 355	11 492 216
Cash balance as of 31st of December		**313 042 472**	**98 497 355**

NEL ASA
Statement of cash flows

(Amounts in NOK)

ASA

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	2015	2014
Loss before tax		-11 942 761	7 521 406
Interests costs, reversed	23	5 002	73
Interests income, reversed	23	-2 281 799	-929 433
Impairment of tangible and intangible assets	12	0	100 000
Change in trade payable		3 835 487	1 078 274
Changes in other current assets and other liabilities	18	-8 243 160	-19 112 530
Net cash flow from operating activities		**-18 627 232**	**-10 412 850**
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Acqusition of subsidiaries	20,21	-100 057 400	-40 000 000
Net cash flow from investment activities		**-100 057 400**	**-40 000 000**
CASH FLOWS FROM FINANCING ACTIVITIES			
Interests paid	23	-5 002	-73
Interests received	23	2 281 799	929 433
Gross cash flow from share issues	15	355 757 500	120 000 001
Transaction costs connected to capital increases	15	-18 571 320	-5 341 789
Net cash flow from financing activities		**339 462 977**	**115 587 572**
Net change in cash and cash equivalents		220 778 345	64 245 362
Cash balance as of January 1st	14	75 737 577	11 492 216
Cash balance as of 31st of December		**296 515 921**	**75 737 577**

NEL ASA
Statement of changes in equity

(Amounts in NOK)

Group	Number of shares	Share capital	Share premium	Other reserve	Currency conversion effects	Retained earings	Total equity
	Attributable to equity holders of the company						
Equity as of 31st of December 2013	**8 159 873**	1 631 975	45 015 300	-309 883	0	**-37 662 249**	**8 675 143**
Allocation of comprehensive loss			-37 972 132	309 883		37 662 249	**0**
Treasury shares			-2 085 000				**-2 085 000**
Transaction cost			-5 341 789				**-5 341 789**
Increase of capital 15.4.14	100 000 000	20 000 000	30 000 000				**50 000 000**
Increase of capital 20.10.14	176 923 077	35 384 615	79 615 385				**115 000 000**
Increase of capital 13.11.14	53 846 154	10 769 231	24 230 769				**35 000 000**
Fair value adjustment acqusition of NEL Hydrogen **)				1 200 000			**1 200 000**
Comprehensive income 2014						-6 511 362	**-6 511 362**
Equity as of 31st of December 2014	**338 929 104**	**67 785 821**	**133 462 534**	**1 200 000**	**0**	**-6 511 362**	**195 936 993**
Increase of capital 06.01.2015	50 000 000	10 000 000	55 000 000				**65 000 000**
Increase of capital 29.01.2015	10 000 000	2 000 000	11 000 000				**13 000 000**
Increase of capital 05.06.2015	51 301 852	10 260 370	58 997 130				**69 257 500**
Increase of capital 25.06.2015	148 148 148	29 629 630	170 370 370				**200 000 000**
Increase of capital 10.07.2015	22 222 222	4 444 444	25 555 555				**30 000 000**
Increase of capital 19.08.2015	30 000 000	6 000 000	61 500 000				**67 500 000**
Increase of capital 17.12.2015	30 000 000	6 000 000	105 000 000				**111 000 000**
Transaction cost rel. to capital increases			-18 571 320				**-18 571 320**
Gain sale shares owned by company			-604 189				**-604 189**
Comprehensive income 2015					20 220 161	-21 730 716	**-1 510 555**
Equity as of 31st of December 2015	**680 601 326**	**136 120 266**	**601 710 080**	**1 200 000**	**20 220 161**	**-28 242 078**	**731 008 429**

**) Relates to difference between fair value of shares issued and acquisition price. Please see note 21.

Earnings per share - figures in NOK

Group:

Earnings per share:	2015	2014
Profit/loss for the year	-21 730 716	-6 511 362
Average number of shares	522 566 595	263 544 489
Earnings per share	**-0,042**	**-0,025**

NEL ASA
Statement of changes in equity

(Amounts in NOK)

ASA	Number of shares	Share capital	Share premium	Other reserve	Retained earings	Total equity
Equity as of 31st of December 2013	**8 159 873**	**1 631 975**	**45 015 300**	**-309 883**	**-37 662 249**	**8 675 143**
Allocation of comprehensive loss			-37 972 132	309 883	37 662 249	0
Transaction cost rel. to capital increases			-5 341 789			-5 341 789
Increase of capital 15.4.14	100 000 000	20 000 000	30 000 000			50 000 000
Increase of capital 20.10.14	176 923 077	35 384 615	79 615 385			115 000 000
Increase of capital 13.11.14	53 846 154	10 769 231	24 230 769			35 000 000
Comprehensive income 2014					7 521 405	7 521 405
Equity as of 31st of December 2014	**338 929 104**	**67 785 821**	**135 547 534**	**0**	**7 521 405**	**210 854 760**
Reallocation of equity OB 2015			-2 085 000	1 200 000	885 000	0
Increase of capital 06.01.2015	50 000 000	10 000 000	55 000 000			65 000 000
Increase of capital 29.01.2015	10 000 000	2 000 000	11 000 000			13 000 000
Increase of capital 05.06.2015	51 301 852	10 260 370	58 997 130			69 257 500
Increase of capital 25.06.2015	148 148 148	29 629 630	170 370 370			200 000 000
Increase of capital 10.07.2015	22 222 222	4 444 444	25 555 555			30 000 000
Increase of capital 19.08.2015	30 000 000	6 000 000	61 500 000			67 500 000
Increase of capital 17.12.2015	30 000 000	6 000 000	105 000 000			111 000 000
Transaction cost rel. to capital increases			-18 571 320			-18 571 320
Comprehensive income 2015					**-11 942 761**	-11 942 761
Equity as of 31st of December 2015	**680 601 326**	**136 120 266**	**602 314 269**	**1 200 000**	**-3 536 356**	**736 098 178**

NEL ASA
Notes to the accounts for 2015

(Amounts in NOK)

Note 1 Company information

NEL ASA (NEL) is the first dedicated hydrogen company on the Oslo Stock Exchange. We have our roots from the hydrogen activities of Norsk Hydro, dating back to 1927. Our main products include hydrogen generators and hydrogen refueling stations. Our hydrogen generators, based on water electrolysis, are developed and supplied to industry and energy/ refueling applications by NEL Hydrogen AS. Our hydrogen refueling stations are supplied by H2 Logic A/S, a leading manufacturer of H2Station® hydrogen refueling stations, which provide fuel cell electric vehicles with the same fast refueling and long range as conventional vehicles today. Both NEL Hydrogen AS and H2 Logic A/S are 100% subsidiaries of NEL. NEL also holds a number of patents related to tests for early detection and diagnosis of diseases.. NEL ASA (org. no 979 938 799) was formed in 1998 and is a Norwegian public limited company listed on the Oslo Stock Exchange. The company's head office is in Sjølyst plass 2, NO-0278 Oslo, Norway. The annual accounts were approved by the Board of Directors on 26 of April 2016.

Note 2 Accounting principles

ACCOUNTING PRINCIPLES

Basis for the preparation of the annual accounts

The company's consolidated financial statements and the company`s financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by EU. Accounts are based on the principles of historical cost. The consolidated financial statements are presented in Norwegian kroner, which is also the functional currency of the company. The financial statements are prepared based on a going concern assumption.

CONSOLIDATION PRINCIPLES

Subsidiaries

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as of 31 December 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year, are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent

of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, noncontrolling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value, or at the proportionate share of the acquirer's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

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

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained. In accordance with IFRS, the company tests annually whether it is necessary to do an impairment of capitalised goodwill. The value of the cash generating unit will be stipulated as the recoverable amount, which is the higher of net sales value and utility value. The estimated recoverable amount is calculated on the basis of the present value of budgeted cash flows. The calculation requires the use of estimates relating to future cash flows. Uncertainty will normally attach to budgeted cash flows. Events, changes in assumptions and management assessments will all affect the evaluation of impairments in the relevant period. Please refer to note 11 for further information.

Revenue

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value-added taxes. Revenue is recognised, to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made. The group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from sales of services and long-term construction projects are recognized in line with project completion. Sale of products is recognized at delivery time, i.e. when both the control and risk is mainly transferred to buyer. Revenue from services rendered is recognized in the period the service is performed. Revenue from licence is recognized at the delivery time of the licenced products or the licensed technology, i.e. when both the control and risk is mainly transferred to buyer.

Construction contracts

Long-term projects are based on contract or arrangement, whereby the Group uses the percentage of completion. Completion is measured by physical measurement of progress, or if more appropriate, accrued costs. Revenue is recognised in according to degree of completion. In the period when it is identified that a project will give a negative result, the estimated loss on the contract will be recognised in its entirety.

Research and development

Research activities are defined as activities whose purpose is to generate new technological understanding or knowledge. Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

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

Sufficient substantiation is deemed to exist when necessary regulatory approvals for sales and marketing are in place, and when future economic benefits are supported through estimates. Research and development costs consist of costs relating to the company's own research and laboratory department, costs relating to the purchase of external laboratory- and research services and clinical studies. Capitalised development costs are recognised at cost price after the deduction of accumulated depreciation and impairments. The capitalised value is amortised over the period of expected future earnings from the related project. Gains and losses that arise on the sale of an intangible asset are measured as the difference between the net proceeds of the sale and the book value on the transaction date.

Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grants relate to an expense item, it is normally recognized as other operating income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset. The grant is recognized in profit or loss over the useful life of a depreciable asset as a reduced depreciation expense.

Pensions

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

Share capital

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

Tax

The tax expense in the income statement comprises of the tax payable for the period and of the change in deferred tax. Deferred tax is calculated at the prevailing tax rate in the respective countries where the parent company and subsidiaries are tax resident. I.e 25% for ASA and Norwegian subsidiaries, and 22% for Danish subsidiaries. Deferred tax is calculated on the basis of temporary differences that exist between accounting and tax values, as well as any tax loss carry forward at the end of the financial year. The deferred tax asset is recognised if it is probable that the company will have a sufficient tax profit to be able to utilise the tax asset.
On each balance sheet date, the company will review any deferred tax asset not recognised in the income statement. The company recognises deferred tax assets not previously recognised in the accounts insofar as it has become probable that the company can utilise the deferred tax asset. Similarly, the company will reduce the deferred tax asset insofar as it it tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is can no longer utilise it. Deferred realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax and the deferred tax asset are recognised at their nominal value and are classified as non-current assets or long-term liabilities in the balance sheet.

Tangible assets

Tangible assets are recognised at cost price after deduction for accumulated depreciation and any impairment. The assets are depreciated using the straight-line method over the expected useful life of the asset. Costs of direct maintenance on the operating assets are expensed as they are incurred under Operating expenses, while additional spending or improvements are added to the asset's cost price and depreciated in step with depreciation of the asset. The depreciation period and method and potential residual value are assessed annually to ensure that the method and period used are in accordance with the economic realities of the asset.

Receivables

Receivable are recognised initially in the balance sheet at their fair value. Provision for bad debts is recognised in the accounts when objective indicators suggest that the group will not receive a settlement in accordance with the original terms. Significant financial problems at the customer, the probability that the customer will go into liquidation or undergo financial reconstruction, and postponements of or shortfalls in payment are regarded as indicators that a receivable needs to be written down. The provision represents the difference between the carrying amount and the present value of expected cash flows discounted by the effective interest rate. Changes in the provision are recognised in the profit and loss account as other operating expenses.

Inventory

Inventory comprises purchased raw materials and finished goods. Inventory is valued at the lower of cost and net selling price. Obsolescence is considered for inventory and write down performed on obsolete goods.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of an asset that necessarily takes a substantial period of time to get ready for its intended use, or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Cash and cash equivalents

Cash and cash equivalents includes cash, bank deposits and all other monetary items due within three months or less. No overdraft facilities are used by the Company.

Impairment of tangible fixed assets, intangible assets and goodwill

An assessment of impairment loss on other assets is made when there is an indication of impairment. Independent of whether there are indications of impairment, goodwill is tested for impairment annually. If the impairment test reveals that an asset's carrying amount is higher than the recoverable amount, an impairment loss will be recognised in the income statement. The recoverable amount is the higher of the fair value less cost to sell and value in use (the discounted cash flow from continued use). The fair value, less cost to sell, is the amount that can be obtained in an orderly transaction between market participants, minus sales costs. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. If there are indications that an impairment loss recognised in prior periods for an asset other than goodwill may no longer exist or may have decreased, the recoverable amount of that asset is estimated. Reversal of impairment losses are only reversed insofar as the carrying amount of the asset does not exceed the carrying amount that would have been determined (net after depreciation or amortisation) if no impairment loss had been recognised previously. The reversal of previous impairment loss is recognised when the reversal can be related to an event after the impairment loss has been recognised.

Impairment losses previously recognised on goodwill are not reversed.

Foreign exchange risk and currency

Transactions in foreign currencies are converted to functional currency to the exchange rate on the transaction date. Foreign exchange gains / losses arising from changes in exchange rate between the transaction date and payment date is recorded as financial income / expense in the Statement of comprehensive income. Subsidiaries translate transactions in foreign currencies at the exchange rate for the date of the transaction. On the balance sheet date, monetary items in foreign currency are converted to exchange rates at the balance sheet date. Non-monetary items are capitalized at historical exchange rate on the transaction date.

Earnings per share

Earnings per share are calculated by dividing the profit/loss for the year by the corresponding weighted average of the number of outstanding shares during the reporting period. The key figure 'diluted earnings per share' is based on the same calculation as for earnings per share, but it also takes into account all potential shares that have been outstanding during the period, and which will have a diluting effect. Potential shares relate to agreements that confer the right to issue shares in future. When the company reports a negative result, the effect of potential shares is disregarded so that the calculation is the same as for earnings per share.

Objectives, policies and processes for managing capital

The company's objective is to manage the capital structure to safeguard the company's ability to continue as a goingconcern, so that it can provide returns for shareholders and benefits for other shareholders. The company sets the size of capital in proportion to business strategy, risk and financial marked conditions. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions, perceived risk associated with product development and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of new share issue, dividends paid to shareholders, return capital to shareholders, and sell assets to reduce debt or increase the debt by taking up loans

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

Information is provided about material contingent liabilities. A contingent asset is not recognised, but information is provided if there is a possibility that an advantage will accrue to the company.

Events after the balance sheet date
New information about the company's positions on the balance sheet date is taken into account in the financial statement. Information is provided about events after the balance sheet date that do not affect the company's position on the balance sheet date, but which will affect the company's future position if this is essential information.

Segment reporting
NEL has defined two operating segment. The current segmentation best reflects how the business is managed. The first segment consists of NELs on-site hydrogen production with NEL electrolysers. NELs second segment consist of hydrogen fueling stations, and operations connected to this.

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

New standards and interpretations not yet adopted
A number of new standards and amendments to standards and inter¬pretations are effective for annual periods beginning after January 1, 2015 and have not been applied in preparing these consolidated finan¬cial statements. None of these are expected to have any impact on the consolidated financial statements of the group, except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measure¬ment and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains con¬trol of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpre¬tations. The standard is effective for annual periods beginning on or after January 1, 2018 and earlier application is permitted. NEL is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

IFRS 16 Leases replaces existing IFRS leases requirements, IAS 17 Leases. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, ie the customer ('lessee') and the supplier ('lessor'). The new leases standard requires lessees to recognise assets and liabilities for most leases, which is a significant change from current requirements. For lessor, IFRS 16 substantially carries forward the accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The standard is effective for accounting periods beginning on or after January 1, 2019. NEL is currently assessing the impact of IFRS 16 and plans to adopt the new standard on the required effective date.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a significant impact on NEL`s financial statements.

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Note 2b Estimates

THE USE OF ESTIMATES
The preparation of financial statements require the management to make assessments and to prepare estimates and assumptions that influence amounts recognised in the accounts for assets and obligations, revenues and expenses. Estimates and related assumptions are based on the best of the management's knowledge of historical and relevant events, experience and other factors that seem reasonable under the circumstances. The actual results may deviate from such assumptions. Estimates and underlying assumptions are subject to continuous assessment.

Acquisition
There was prepared an acquisition analysis which identifiable assets and liabilities are measured at fair value at the acquisition date. The Group must allocate the cost of acquired companies on acquired assets and liabilities measured at fair value. The valuations require the management to make significant evaluation of chosen methods, estimates and assumptions. Significant intangible assets that the Group has recognized include customers and technology. Assumptions as a basis for valuation are not limited to, the estimated average lifetime of the customer relationship and technology. Please refer to note 21, 22 and 23 for details related to the acquisitions.

Deferred tax asset
NEL provides for expected tax assets on the basis of estimates. The deferred tax asset relates to the Company's significant carry loss forward that is not capitalized. When the final outcome deviates from the estimates that are basis for the original provision, the deviations will affect the tax expense and the provision for deferred tax in the period in which the decision is made. The deferred tax asset of loss carry forwards is included when it is probable that the loss carry forward can be utilized. Historical earnings and expected future earnings will be used as the basis for assessing probability in this context. Please refer to note 9 for details.

Estimates in connection with goodwill for CGU Hydrogen electrolysis solutions
Estimates related to P&L are based on management's expectations for market growth and the company's ability to secure market shares going forward. The Norwegian governments targeted inflation rate is assumed for calculation of long-term growth. The company has current production facilities with capacity for a turnover excess of NOKm 200. It is not calculated increased investments for the forecast period. The company expects an improvement in working capital relative to income in connection with increased sales and expect that working capital will be equal to 10% of income on long-term basis. Please refer to note 11 for details.

Estimates in connection with goodwill CGU Hydrogen fueling stations
Estimates related to P&L are based on management's expectations for market growth and the company's ability to secure market shares going forward. The Danish governments targeted inflation rate is assumed for calculation of long-term growth. The company will in the coming years make substantial investments to increase production capacity to support the expected growth in revenue. The management's investment budget is used for the calculation of investments. Working capital is expected to be stable at current levels corresponding 9% of income. Please refer to note 11 for details.

Note 3 Buisness segments

Group

The Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The Group operates within two business segments, Hydrogen fueling stations and Hydrogen Electrolysis solutions. Through its subsidiary H2 Logic A/S based in Herning, Denmark, the group offers H2Stations® for fast fueling of fuel cell electric vehicles as well as services in relation to the supply of these stations. Through its subsidiary NEL Hydrogen AS, based in Notodden, Norway, the group offers hydrogen plants based on water electrolysis technology for use in various industries.

The business segment in vitro diagnostic (IVD) is from 2015 omitted as separate segment. Figures are thus included under "Others".

IVD segment consisted of developing innovative and patient friendly in vitro diagnostic (IVD) products for early detection of diseases. NEL controls some patents in major markets including the US, EU and Japan, related to its technology and method to detect diseases of the central nervous system and cancer through gene expression in peripheral blood.

2015 — Business segments

External revenues (by customer location)	Hydrogen fueling stations	Hydrogen Electrolysis solutions	Other / elimination	Total
Norway	410 389	21 590 817		22 001 206
Denmark	38 576 543	0		38 576 543
Chile		9 561 832		9 561 832
India		5 203 355		5 203 355
Russia		4 549 390		4 549 390
Sweden		3 809 208		3 809 208
Other countries	2 051 944	14 082 691	88 962	16 223 597
Total	**41 038 875**	**58 797 293**	**88 962**	**99 925 130**
Total revenue	41 038 875	58 886 255	0	99 925 130
Total operating expenses	35 223 663	58 300 418	24 659 862	118 183 943
Operating Profit	**5 815 213**	**585 837**	**-24 659 862**	**-18 258 813**
Finance income	171 071	1 430 331	3 583 986	5 185 388
Finance costs	11 497 395	1 200 556	2 008 348	14 706 299
Tax expense	-2 505 586	-3 183 154	-360 267	-6 049 008
Profit after tax from continuing operations	-3 005 525	3 998 766	-22 723 958	-21 730 716
Total assets	**350 750 416**	**139 265 702**	**325 632 670**	**815 648 789**
Total liabilities	**39 150 328**	**25 217 933**	**20 272 100**	**84 640 361**

Revenues from single customers above 10% of total revenues	**2015**
Danish Hydrogen Fuel, Denmark (in the Hydrogen fueling stations segment)	22 175 056
Glencore Nikkelverk AS, Norway (in the Hydrogen Electrolysis solutions segment)	13 257 399

2014

Revenues from external customers	IVD	Hydrogen Electrolysis solutions	Other/ Eliminations	Consolidated
Norway	0	1 626 017	0	1 626 017
Chile	0	2 133 168	0	2 133 168
India	0	2 009 505	0	2 009 505
Japan	0	4 480 573	0	4 480 573
Other countries	0	1 817 375	0	1 817 375
Total revenue	**0**	**12 066 638**	**0**	**12 066 638**
Total operating expenses	**4 961 507**	**17 065 168**	**3 212 500**	**25 239 175**
Operating Profit	**-4 961 507**	**-4 998 530**	**-3 212 500**	**-13 172 538**
Finance income	241 184	1 571 775	0	1 812 959
Finance costs	-5 491	-268 099	0	-273 590
Tax expense	0	-144 693	5 266 500	5 121 807
Profit after tax from continuing operations	**-4 725 814**	**-3 839 547**	**2 054 000**	**-6 511 362**
Total assets	**0**	**271 339 936**	**-32 260 726**	**239 079 210**
Total liabilities	**172 670**	**34 554 046**	**8 415 501**	**43 142 217**

Note 4 Public grants - figures in NOK

ASA

No public grants in 2015 nor 2014

Group:		**2015**	**2014**
Donator:	*Recognition in accounts:*		
Fuel Cells and Hydrogen Joint Undertaking (FCH-JU) / EU grants	*Income*	10 074 181	0
Energistyrelsen (EUDP) (Denmark)	*Income*	716 168	0
Transnova / Enova (Norway)	*Red. of cap. R&D*	3 337 755	0
Energistyrelsen (EUDP) (Denmark)	*Red. of cap. R&D*	3 937 099	0
Det Strategiske Forskningsråd (DSF) (Denmark)	*Red. of cap. R&D*	808 414	0
Total		**18 873 617**	**0**

The company is not aware that there is unfulfilled conditions associated with these public grants.

Note 5 Salaries and personnel expenses, number of employees, remuneration - figures in NOK

ASA:

Salaries and personnel expenses:	2015	2014
Salaries	1 136 641	1 573 697
Social security tax	160 370	218 046
Pension expense	2 716	-28 456
Other payroll expenses	8 993	23 981
Total	**1 308 720**	**1 787 268**

Average number of labour year	1,0	1,3

Group:

Salaries and personnel expenses:	2015	2014
Salaries	24 639 578	6 136 866
Reimbursement	0	-112 145
Social security tax	2 514 087	1 024 945
Pension expense	1 851 367	297 598
Other payroll expenses	885 690	-4 955
Total	**29 890 723**	**7 342 310**

Average number of labour year	60,9	6,7
Hereof women	7,8	3,8

Remuneration of leading personnel 2015 Management team:	Salary	Bonus	Pension expense	Re-muneration of the Board	Other re-muneration	Total re-muneration
Lars Christian Stugaard, CEO/CFO 1)	0	0	0	0	2 400 000	2 400 000
Total management team	0	0	0	0	2 400 000	2 400 000
The Board:						
Hanne Skaarberg Holen				145 000	0	145 000
Martin Nes				175 000	0	175 000
Øyvind Stray Spetalen				120 000	0	120 000
Glen Ole Rødland				28 383	0	28 383
Leif Eriksrød				31 617	0	31 617
Andreas Berdal Lorentzen				11 616	0	11 616
Total the Board				**511 616**	**0**	**511 616**

1) CEO/CFO has been is hired from Ferncliff Tih 1 AS since April 2014. Chief executive services for CEO has been invoiced with NOK 2.400.000.

Remuneration of leading personnel 2014 Management team:	Salary	Bonus	Pension expense 1)	Re-muneration of the Board	Other re-muneration	Total re-muneration
Paul de Potocki, previous CEO 2)	178 808	0	0	0	31 660	210 468
Paul de Potocki, previoius CEO, Top-Hat pension 2)	16 833					16 833
Magnus Sjögren, CMO 3)	427 973	0	0	0	9 820	437 793
Ruben Ekbråten, CFO and previous acting CEO 4)	487 434	0	0	0	3 004	490 438
Lars Christian Stugaard, acting CEO 5)	0	0	0	0	0	0
Total management team	**1 111 048**	**0**	**0**	0	44 484	**1 155 532**
The Board:						
Hanne Skaarberg Holen, chairman 3)				185 000	0	185 000
Martin Nes				120 000	0	120 000
Øyvind Stray Spetalen				120 000	0	120 000
Total the Board				**425 000**	**0**	**425 000**

1) Pension costs are service cost provided by the insurance company.

2) Previous CEO had an agreement for a pension that amounts to 20% of fixed salary. This arrangement was not possible through pension and insurance schemes, thus the difference between the pension scheme and the agreement is paid out addition to the regular salary for the CEO. CEOs period was out January and the salary is for this period.

3) CMO - CMOs periode was January to February and the salary is for this period.

4) CFO and previously acting CEO - The period for CFO/CEO is for the period January-March and the salary is for this period.

5) Acting CEO from middle of March and is hired from Ferncliff Tih 1 AS. Services for acting CEO has been invoiced with NOK 950.000 and other services NOK 250,000. Total invoiced from Ferncliff is NOK 1,2 mill.

Loans and security furnished to leading personnel, shareholders etc.
No loans or guarantees have been given to the CEO, members of the Board or their related parties.

Auditor fees

ASA:

Fees to the auditor - Ernst & Young AS	**2015**	**2014**
Statutory auditing services	360 986	250 000
Attestation services	938 446	115 000
Total	**1 299 432**	**365 000**

Amounts are exclusive VAT.

Group:

Fees to the auditor	**2015**	**2014**
Statutory auditing services	693 468	430 750
Attestation services	959 492	115 000
Non-auditing services	552 281	266 303
Total	**2 205 241**	**812 053**

Amounts are exclusive VAT.

Pension:
The company has no employees and is not obliged to have a pension by the law. The company's had pension plan that meet the requirements in this Act. The Group has pension plan that meet the requirements in the pension Act. The company expect no significant changes in the pension expenses for next year.

Note 6 Related parties

The Groups transactions with related parties was:
Øystein Stray Spetalen, a board member of the Company and the CEO of Ferncliff, controls 10,9 % of NEL ASA through Strata Marine & Offshore AS and Ferncliff Maris AS.

Transactions with Ferncliff AS amounts to NOK 5,437 mill. The major items are: Hire of CEO, NOK 2,4 mill. (ref. to note 5), transaction costs related to acquisition of H2 Logic AS, NOK 3 mill.

No other major transactions with related parties during the year ended 31 December 2015.

Note 7 Construction contracts - figures in NOK

Group:

Specification of items related to construction contracts	2015	2014
Profit & loss:		
Revenues	88 211 572	69 085 737
Costs of goods sold	34 450 199	24 513 144
Wages/salaries directly/indirectly related	10 224 382	7 221 192
Other related costs	1 873 240	3 077 449
Gross contribution from construction contracts	**41 663 750**	**34 273 952**
Assets:		
Accounts receivables	15 527 315	17 382 721
Prepayments to suppliers	228 653	260 187
Accrued project progress	12 529 741	-
Liabilities:		
Prepayments from customers	10 528 989	7 737 110
Cost provision	4 195 107	4 308 993

Note 8 Specification of accounting items - figures in NOK

ASA:

Specification of other operating expenses:	2015	2014
Office premises etc.	24 905	214 805
Administrative costs	1 250 316	3 522 907
Professional fees	13 896 048	3 961 673
Patent costs	172 397	509 352
Travel expenses	147 633	3 524
Laboratory costs	0	-235 134
Other operating expenses	**15 491 299**	**7 977 127**

Foreign exchange:		
Foreign exchange gain	-10 340	-8 984
Foreign exchange loss	116 638	19 537
Net foreign exchange:	**106 298**	**10 553**

Group:

Specification of other operating expenses:	2015	2014
Electricity	1 772 107	0
Office premises etc.	585 278	1 328 618
Rental costs	998 141	0
Administrative/other misc. costs	7 345 253	4 227 499
Professional fees	17 326 076	4 552 230
Patent costs	319 125	535 152
Travel expenses	2 266 952	476 464
Laboratory costs	0	-235 134
Other operating expenses	**30 612 933**	**10 884 828**
	0	

Foreign exchange:		
Foreign exchange gain	-985 511	-808 334
Foreign exchange loss	868 795	81 061
Net foreign exchange:	**-116 716**	**-727 273**

Note 9 Tax expense - figures in NOK

ASA:

Income tax expense comprises	**2015**	**2014**
Income tax payable	0	0
Change in deferred tax	0	0
Total income tax expense/(revenue)	0	0

Calculations of the tax base for the year	**2015**	**2014**
Profit / loss before tax	-11 942 761	7 521 406
27 % tax	-3 224 546	2 030 779
Tax effect of:		
Permanent differences	-5 006 475	-1 444 789
Change in temporary differences	45 319	-90 183
Change in not-recognized deferred tax assets (tax liabilities)	8 185 702	-495 807
Total income tax expense/(revenue)	**0**	**0**

Specification of temporary differences:	**2015**	**2014**
Tangible fixed assets, incl. goodwill	-1 361 836	-1 707 322
Provisions for liabilities	-513 333	0
Tax losses carried forward	-398 752 072	-368 434 653
Basis for deferred tax (asset)	**-400 627 241**	**-370 141 975**
Deferred tax (asset)	**-100 156 810**	**-99 938 333**
Deferred tax (asset) not recognised in Statement of financial position	**-100 156 810**	**-99 938 333**
Deferred tax (asset) in the Statement of financial position	**0**	**0**

The majority of the deferred tax asset is related to tax loss carry forward. As of 31.12.2015 it is deemed not probable that the tax loss carry forward can be utilized, thus the deferred tax asset has not been capitalized.

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Group:

Income tax expense comprises	**2015**	**2014**
Income tax payable	374 980	0
Change in deferred tax	-6 423 988	-5 079 892
Total income tax expense/(revenue)	**-6 049 008**	**-5 079 892**

Calculations of the tax base for the year	**2015**	**2014**
Profit / loss before tax	-27 778 598	-11 633 170
27 % tax	-7 500 221	-3 140 956
Tax effect of:		
Tax rates different from Norway	-55 852	
Permanent differences	-5 110 055	-1 442 723
Change in tax rates	-1 286 582	
Change in not-recognized deferred tax assets (tax liabilities)	8 334 999	2 072 695
Currency translation differences / other adjustments	-431 296	-2 568 909
Total income tax expense/(revenue)	**-6 049 008**	**-5 079 892**

Specification of temporary differences:	**2015**	**2014**
Receivables	-898 301	-1 200 000
Customers contracts	15 913 643	11 758 213
Intangible assets	68 482 751	47 133 804
Tangible assets	-1 735 522	0
Inventory / Work in progress	9 972 363	1 308 172
Warranties	-2 336 732	0
Other accruals	-1 012 412	-1 431 158
Tax losses carried forward	-401 289 228	-368 511 993
Basis for deferred tax (asset)	**-312 903 439**	**-310 942 962**
Net deferred tax (asset)	**-78 225 860**	**-83 954 600**
Deferred tax (asset) not recognised in Statement of financial position	**-99 253 331**	**-99 938 333**
Deferred tax (asset) in the Statement of financial position	**21 027 472**	**15 983 734**

Changes in deferred tax (asset)	**2015**	**2014**
As of 1 January	15 983 734	0
Recognised in the income statement	-5 137 406	-5 079 892
Acquisitions	10 984 284	17 210 180
Translation differences on deferred taxes	710 086	0
Effect of change in tax rates	-1 286 582	0
Other	-226 644	3 853 446
As of 31 December	**21 027 472**	**15 983 734**

The majority of the deferred tax asset is related to tax loss carry forward . As of 31.12.2015 it is deemed not probable that it can be utilized because of NELs historically have had huge losses, and the Group expects the profit for 2016 to be negative, even though NEL Hydrogen subsidiaries will generate profit. Due to this deferred tax asset has not been capitalized.

Note 10 Long term debts - pledges - figures in NOK

Group:

Long term loans

Lender	Company	Maturity	Interest rate	Balance values - NOK 2015	2014
1) DNB Bank AS	New Nel Hydrogen AS	July 2018	6,25 %	0	777 784
2) DNB Bank AS	New NEL Hydrogen P60 AS	July 2017	6,25 %	500 000	500 000
3) DNB Bank AS	New Nel Hydrogen Eiendom AS	July 2024	6,25 %	3 400 000	3 800 000
4) Innovasjon Norge	New Nel Hydrogen AS	July 2019	5,75 %	2 083 333	2 500 000
5) Nykredit	H2 Logic AS	2 028	1,18 %	6 024 863	
Total long term loans				**12 008 196**	**7 577 784**

Long term warranties				
Warranties / service liab. *)	H2 Logic AS	Maxim. Dec'17	2 337 241	
Warranty in favor of CHF **)	H2 Logic AS	Maxim. Dec'19	295 204	
Total long term warranties			**2 632 445**	**0**

**) Warranties covering service liabilities on delivered projects. Duration normally 12 to 24 months after delivery.*
***) Warranty in favor of 3. parties, related to Copenhagen Hydrogen Fuel AS*

	2015	2014
Total long term debt	14 640 641	7 577 784

Maturity analysis for other long term debt:

	2016	2017	2018	2019	2020	2021->	Total
1) DNB Bank AS							0
2) DNB Bank AS	0	500 000	0	0	0	0	500 000
3) DNB Bank AS	400 000	400 000	400 000	400 000	400 000	1 400 000	3 400 000
4) Innovasjon Norge	416 668	416 668	416 668	416 668	416 661	0	2 083 333
5) Nykredit	431 440	431 440	431 440	431 440	431 440	3 867 664	6 024 863
Estimated interest cost *)	407 517	337 850	268 182	214 140	160 098	133 077	1 520 864
Total long term loans & interest payments	**1 655 625**	**2 085 958**	**1 516 290**	**1 462 248**	**1 408 198**	**5 400 740**	**13 529 059**

**) Based on prevailing debt installment agreements and interest rates.*

Carrying amount of assets that are pledged	2015	2014
Account receivables	16 118 097	16 976 867
Fixed assets	955 451	1 173 636
Stocks	7 415 495	6 071 115
Building	3 383 842	3 893 100
Total	27 872 886	28 114 718

Guarantee:	2015	2014
Bank guarantee	5 147 965	7 595 468

The bank guarantee applies to advance payments from customers.

Cash credit facilities:	2015	2014
Cash credit limits:	11 601 900	4 000 000
Event after balance date: Cash credit limit as of 6.1.2016:	6 445 500	

The management assessed that cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

The fair values of the Group's interest-bearing borrowings and loans are estimated to be unsignificant from nominal value thus fair value is equal.

Note 11 Intangible assets - figures in NOK

ASA: There are no intangible assets at ASA level

Group:	Technology	Customer relationship	Customer contracts	Goodwill	TOTAL
Acquisition cost at 1.1.2014	0	0	0	0	0
Additions	9 000 000	33 000 000	9 600 000	60 798 914	112 398 914
Disposals	0	0	0	0	0
Acquisition cost 31.12.2014	**9 000 000**	**33 000 000**	**9 600 000**	**60 798 914**	**112 398 914**
Acq. cost acquired into Group in 2015	0	0	0	0	0
Additions	39 862 957	2 592 480	0	257 584 268	300 039 705
Disposals	388 339	0	0	0	388 339
Currency translation effects	1 906 674	237 919	0	14 574 936	16 719 529
Acquisition cost 31.12.2015	**51 157 970**	**35 830 399**	**9 600 000**	**332 958 118**	**429 546 487**
Accumulated depreciation at 1.1.2014	0	0	0	0	0
The year's depreciation	225 000	825 000	2 400 000	0	3 450 000
Acc. depreciation and impairment at 31.12.2014	**225 000**	**825 000**	**2 400 000**	**0**	**3 450 000**
Carrying amount at 31.12.2014	**8 775 000**	**32 175 000**	**7 200 000**	**60 798 914**	**108 948 914**
The year's depreciation	4 236 552	3 436 180	7 200 000	0	14 872 732
The year's impairment	51 760	0	0	0	51 760
Acc. depreciation and impairment at 31.12.2015	**4 513 312**	**4 261 180**	**9 600 000**	**0**	**18 374 492**
Carrying amount at 31.12.2015	**46 644 659**	**31 569 219**	**0**	**332 958 118**	**411 171 995**
Useful life	10 years	10 years	1 years		
Depreciation plan	Straight-line	Straight-line	Straight-line		

From former business segment IVD are remaining a few patents, related to diagnosis of breast cancer. These expire in 2016.

The addition of goodwill in 2015 relates to goodwill in H2 Logic AS of 256,5 MNOK, and the remaining 1,1 MNOK relates to the aquisition of Rotoboos H2, Hyme (the remaining 43% of the shares), and the shelf companies NEL Fuel AS/NEL Fuel Norway AS. On the acquisition dates, total goodwill after the valuation of intangible assets amounted to NOK 257.6 MNOK.

Reference is made to notes 22 and 23 for further information concering the aquisition of H2Logic A/S and Rotoboost H2 AS respectively.

The Group performed its annual impairment test in December 2015 and 2014. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 31 December 2015, the market capitalisation of the Group was 4.4 times above the book value of its equity, indicating no impairment of goodwill and impairment of the assets.

Goodwill and intangible assets are related to CGU Hydrogen and CGU H2 Logic. The Group has calculated recoverable amount for both the CGU Hydrogen and CGU H2Logic. The recoverable amount is based on a value in use calculation using cash flow projections based on customer relationships, customer contracts and the company's technology and future expectations over a period of 5 and 10 years respectively for CGU Hydrogen and CGU H2Logic, based on existing business models. It is used discounting of cash flow from financial budgets. The expected cash flow is based on company estimates for the period 2015 to 2025. Terminal value is included in the calculations. Estimates and pertaining assumptions are made to the best of the management's knowledge of historical and current events, experience and other factors that are deemed reasonable in the circumstances.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions
The calculation of value in use for both the CGU Hydrogen electrolysis solution and CFU Hydrogen fueling stations is most sensitive to the following assumptions:

Important assumptions in calculating the value is:
- Revenue
- EBIT
- Discount rate

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

CGU Hydrogen electrolysis solutions
The growth in the terminal value for CGU Hydrogen electrolysis solutions is 2,5%, in accordance with the long-term inflation target set by the Norwegian Central Bank.

A sensitivity analysis has been carried out, which indicates that even if the WACC increases with 1,5 % or EBIT decreases with 5% respectively, there would still be yields headroom between carrying value and value-in-use.

Revenues are based on existing customer contracts and anticipated developments within the markets the CGU is in. Operating revenues are dependent on the assumptions underlying, and changes in assumptions will affect the future value of the unit. Annually revenues are expected to grow by 18-20% in 2016 and 2017 and increase rapidly from 2017 and onwards for CGU Hydrogen. The average annual revenue increase for this CGU in the period 2016-2020 is expected to be 29%. The EBIT margin in the same period is expected to be 3-4 % annually in the years 2016-2018, with an increase to 10-12% annually from 2019-2020.

It is estimated WACC for the CGU Hydrogen electrolysis solutions of 11,0%.

CGU Hydrogen fueling stations
The growth in the terminal value for CGU Hydrogen fueling stations is 2.0 %, in accordance with the long-term inflation target set by the Danish Central Bank.

A sensitivity analysis has been carried out, which indicates that even if the WACC increases with 1,5 % or EBIT decreases with 5% respectively, there would still be yields headroom between carrying value and value-in-use.

Revenues are based on existing customer contracts and anticipated developments within the markets the CGU is in. Operating revenues are dependent on the assumptions underlying, and changes in assumptions will affect the future value of the unit. Annually revenues are expected to drop in 2016 with a sharp increase in 2017 and onwards, when Hydrogen car producers will roll out their cars. The average annual revenue increase for this CGU in the period 2016-2025 is expected to be 25%. The EBIT margin in 2016 is expected to be -15%, -8% and 0% annually in 2016, 2017 and 2018 respectively, with an increase to 7%-15% in the period between 2019-2025.

It is estimated WACC for the CGU Hydrogen fueling stations of 10,6%.

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Note 12 Tangible fixed assets - figures in NOK

ASA: There are no tangible assets at ASA level

Group:

	Lab equipment, fixt. Fittings	Office machines	Productions equipment	Other equipment	Building	Technical installations
Acquisition cost at 1.1.2014	5 205 084	1 212 903	0	0	0	0
Additions	0	177 052	1 023 328	37 469	2 788 530	1 141 452
Disposals	-5 205 084	-1 212 903	0	0	0	0
Acquisition cost at 31.12.2014	**0**	**177 052**	**1 023 328**	**37 469**	**2 788 530**	**1 141 452**
Additions	**0**	88 234	1 095 109	0	11 315 129	0
Disposals	**0**	0	-512 609	0	-7 924	0
Acquisition cost at 31.12.2015	**0**	**265 286**	**1 605 827**	**37 469**	**14 095 735**	**1 141 452**
Accumulated depreciation at 1.1.2014	**-4 886 143**	-1 196 903	0	0	0	0
Depreciation for the year	**0**	23 885	35 828	4 500	17 930	18 952
Reversed depreciation disposals	**4 886 143**	1 196 903	0	0	0	0
Accumulated depreciation at 31.12.2014	**0**	**23 885**	**35 828**	**4 500**	**17 930**	**18 952**
Carrying amount at 31.12.2014	**0**	**153 167**	**987 500**	**32 969**	**2 770 600**	**1 122 500**
Depreciation for the year	**0**	156 419	158 532	0	324 517	0
Reversed depreciation disposals	**0**	0	-124 271	0	0	0
Accumulated depreciation at 31.12.2015	**0**	**180 304**	**70 090**	**4 500**	**342 447**	**18 952**
Carrying amount at 31.12.2015	**0**	**84 982**	**1 535 738**	**32 969**	**13 753 288**	**1 122 500**
Useful life		3 years	8 years	3 years	40 years	40 years
Depreciation plan		Straight-line	Straight-line	Straight-line	Straight-line	Straight-line

Note 13 Inventory - figures in NOK

Group:

	2015	2014
Finished goods	1 978 288	1 255 461
Work in progress	2 409 655	1 924 810
Raw material	10 634 636	2 890 844
	15 022 579	6 071 115

Inventory is valued at the lowest of cost and net selling price. As of 31.12.15 inventory is measured at cost.

Note 14 Restricted bank deposits - figures in NOK

ASA:	2015	2014
Restricted bank deposits for epmloyee's withheld taxes at 31.12.	165 741	201 708

Group:		
Restricted bank deposits for epmloyee's withheld taxes at 31.12.	875 582	1 000 000
Other restricted bank accounts	6 645 792	0

Note 15 Share capital and shareholders - figures in NOK

ASA:
As of 31 December 2015, the company's share capital was NOK 136 120 265, consisting of 680 601 326 shares each with a nominal value of NOK 0,20. The company has only one share class and no special regulations relating to the shares. One share thus confers one vote.

Share holders as of 31.12.2015:			Number of shares	Share:
H2 HOLDING APS	7400 HERNING	DENMARK	126 755 557	18,62 %
ELMO HOLDING AS	NOTODDEN		62 000 000	9,11 %
STRATA MARINE & OFFSHORE AS	OSLO		51 908 055	7,63 %
DATUM AS	OSLO		50 201 468	7,38 %
DALLAS ASSET MANAGEMENT AS	OSLO		25 016 292	3,68 %
FERNCLIFF MARIS AS	OSLO		22 303 230	3,28 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	OSLO		17 564 546	2,58 %
ARCTIC FUNDS PLC	B-1000 BRUSSEL	BELGIUM	13 742 603	2,02 %
THE BANK OF NEW YORK MELLON SA/NV	B-1000 BRUSSEL	BELGIUM	11 785 195	1,73 %
CARNEGIE INVESTMENT BANK DK BRANC	DK-1023 COPENHAGEN K	DENMARK	9 377 778	1,38 %
NORDNET LIVSFORSIKRING AS	OSLO		8 540 559	1,25 %
STOREBRAND VEKST	BOURNEMOUTH BH7 7DA	GREAT BRITAIN	7 367 376	1,08 %
NORDNET BANK AB	16714 BROMMA	SWEDEN	3 597 014	0,53 %
VERDIPAPIRFONDET STOREBRAND OPTIMA	BOURNEMOUTH BH7 7DA	GREAT BRITAIN	3 437 634	0,51 %
HANEKAMB INVEST AS	OSLO		3 146 457	0,46 %
DEUTSCHE BANK AG	LONDON EC2N 2DB	GREAT BRITAIN	2 803 697	0,41 %
NETFONDS LIVSFORSIKRING AS	OSLO		2 719 274	0,40 %
NEW NEL HYDROGEN AS	NOTODDEN		2 355 136	0,35 %
VERDIPAPIRFONDET DNB SMB	OSLO		2 300 000	0,34 %
OLA STORMYR INVEST AS	AURE		2 254 281	0,33 %
Total, 20 largest shareholders			**429 176 152**	**63,06 %**
Total others			251 425 174	36,94 %
Total number of shares			**680 601 326**	**100,00 %**

Shares represented/owned by board members	Assignment	Number of shares
Martin Nes 1)	Chairman of Board	3 146 457
Øystein S. Spetalen 2)	Board member	74 211 285
Anne Marie Gohli Russel	Board member	376 923
Jan Christian Opsahl 3)	Board member	25 016 292
Eva Karin Sandanger Dugstad	Board member	0
Kristin Hellebust	Board member	0
Mikael Sloth	Board member	0

1) Represents Hanekamb Invest AS
2) Represents Strata Marine & Offshore AS, Ferncliff Maris AS
3) Represents Dallas Asset Management AS

Shares and forward contracts by the management	Assignment	Number of shares
Lars Christian Stugaard v/LCS AS	CEO	1 752 991

There were no dividends paid out in 2014 or 2015.

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Note 16 Lease commitments - figures in NOK

Group:
The company has entered into the following lease agreements of significance:

Rental/Lease agreements:	Maturity	1 year	1-5 years	6th year
Rent at Heddalsvegen 11, 3674 Notodden	July 2018	632 724	2 560 000	660 000
Rent at Sjølyst plass 2, Oslo	July 2017	115 300	520 000	150 000
Oper. Lease agreements at New NEL Hydrogen, Notodden:				
Machines		80 000	400 000	110 000
IT systems		910 000	4 000 000	1 100 000
Office machines		45 000	200 000	60 000
Misc. Operational lease agreements at H2 Logic AS, Denmark:		906 237	1 213 043	

Note 17 Accounts receivable - figures in NOK

Group:
As at 31 December, the ageing analysis of accounts receivables is, as follows:

			Past due but not impaired				
	Total	Neither past due nor impaird	<30 days	30-60 days	61-90 days	91-180 days	>180 days
2015	40 361 155	29 107 582	5 007 137	1 785 363	267 595	990 979	3 202 501

Bad debts:	2015	2014
Accruals for bad debts	1 007 074	1 200 000

Accounts receivables are non-interest bearing and are on 30 days terms.

See Note 24 on credit risk of accounts receivables, which explains how the Group manages and measures credit quality of accounts receivables that are neither past due nor impaired.

Note 18 Other current balance sheet items - figures in NOK

ASA:

Specification of current assets:	2015	2014
Account receivables	0	250 000
Miscellaneous receivables	1 062 110	608 041
Total lending and receivables	**1 062 110**	**858 041**

Specification of other current liabilities:		
Account payable	5 190 492	1 355 005
Public duties payable	300 616	309 746
Other current liabilities	130 128	0
Vacation acc.and Board of Directors remuneration accrual	513 333	331 667
Total other current liabilities	**6 134 569**	**1 996 418**

Group

Specification of lending and receivables:	2015	2014
Account receivables	40 361 155	18 926 648
Projects periodization, net receivable	8 130 570	
VAT net receivable	813 454	
Miscellaneous receivables	1 773 414	1 405 693
Total lending and receivables	**51 078 593**	**20 332 341**
	0	0

Specification of other current liabilities:	2015	2014
Account payable	16 759 614	3 099 501
Taxes payable	914 216	
Credit facilities	2 177 827	
Projects periodization, net payable	3 419 285	
Public duties payable	1 883 925	1 734 666
VAT net payable	1 623 827	
Prepayments from suppliers	10 625 018	
Vacation acc.and Board of Directors remuneration accrual	5 809 080	331 667
Conditioned liability reg. acquisition of Rotoboost AS	3 289 704	
Other current liabilities	2 469 749	14 514 867
Total other current liabilities	**48 972 246**	**19 680 701**

Note 19 Investments in associated companies - figures in NOK

Group:

				Acquisition values		Carrying values	
	Country	Industry	Ownership	2015	2014	2015	2014
Sagim SAS	France	Hydr. Electrol.	37,03 %	100 000	100 000	100 000	100 000
Danish Hydrogen Fuel A/S *)	Denmark	Hydr. Fueling S.	51,50 %	21 480 694		7 196 958	
Hyme AS **)	Norway	Hydr. Electrol.	100% **)		162 750		162 750
Total				**21 580 694**	**262 750**	**7 296 958**	**262 750**

*) The company was established July 7th 2014, hence no statutory accounts for 2014 was published.
*) Danish Hydrogen Fuel A/S is considered to be an associate company because it is regulated in both an investment - and shareholder agreement that no party may hold more than 49.99 % of the votes in the company.
**) 2014: Ownership of 31%. The remaining shares were acquired in 2015, thus Hyme AS is included in Group figures in 2015.

	Danish Hydrogen Fuel AS	Sagim SAS 2)
	7.7.2014 - 31.12.2015	**2014**
Current assets	33 349 382	5 270 945
Non-current assets	2 304 911	2 209 415
Current liabilities	11 766 477	1 955 526
Non-current liabilities	36 242 216	1 389 452
Equity	-12 354 401	4 135 383
Group's carrying amount of the investment		
Revenues	0	12 490 747
Depreciations	-13 884 790	317 722
Other costs	-869 470	11 855 154
Interest income	0	15 988
Interest costs	-9 982	77 394
Profit before tax	0	256 466
Tax costs	0	-70 912
Net profit	**-14 764 242**	327 378
Group's share of profit for the year	**-6 116 705**	
Elimination of internal profit related to sale to DHF 1)	**-7 169 241**	
Share of profit (loss) from an associate	**-13 285 946**	

1) Sale from H2 Logic A/S to Danish Hydrogen Fuel A/S is recognized with 100 % in other operating income in the consolidated statement of comprehensive income, and the elimination of internal profit related to this sale is included in share of profit (loss) from an associate under net financial items in the consolidated statement of comprehensive income.
2) Statutory accounts for 2015 are not approved yet.

Note 20 Subsidiaries

Group:

The following subsidiaries are included in the consolidated financial statements:

Company	Location	Main operations	Consolidated from:	Ownership / votes 2015	Ownership / votes 2014
New NEL Hydrogen Holding AS	Notodden, Norway	Investment		100 %	100 %
New NEL Hydrogen AS	Notodden, Norway	Hydrogen		100 %	100 %
New NEL Hydrogen Eiendom AS	Notodden, Norway	Real estate		100 %	100 %
New NEL Hydrogen P60 AS	Notodden, Norway	Hydrogen		100 %	100 %
Hyme AS	Oslo, Norway	Hydrogen	31.03.15	100 %	31 %
Rotoboost H2 AS 2)	Notodden, Norway	Product Development	30.09.15	100 %	0 %
H2 Logic A/S (DK) 1)	Herning, Denmark	Hydrogen fuel stations	30.06.15	100 %	0 %
NEL Fuel AS	Oslo, Norway	Investment		100 %	0 %
NEL Fuel Norway AS 3)	Oslo, Norway	Hydrogen fuel stations		100 %	0 %

1) Please refer to note 22 for details related to this acqusition.
2) Please refer to note 23 for details related to this acqusition.
3) Please refer to note 25 for events after the balance date, related to this subsidiary.

Note 21 Acquisition of NEL Hydrogen AS

NEL acquired 100% of the shares in NEL Hydrogen AS for a total consideration of NOK 120 million. The acquisition was financed through NOK 40 million in cash and NOK 80 million in new shares. The consideration shares issued were valued at NOK 0.65 per share. The transaction was closed and the shares were transferred to NEL ASA on 9 October 2014. In the Consolidated financial statemen it is the Q4 figures for NEL Hydrogen that are included.

On 28 October 2013, the Company announced an evaluation of various strategic options to restructure the Company and/or divest selected company assets. As a result of the strategic initiative the Company decided to diversify its business activities by creating a new business unit, to cover the hydrogen electrolysis market through the acquisition of New NEL Hydrogen Holding. ("NEL Hydrogen" or "NEL").

The acquisition of NEL Hydrogen 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 purchase price, it is assessed that the carrying amount of assets and liabilities in NEL Hydrogen AS represents its fair value at the acquisition date. Based on the purchase price allocation, NEL Hydrogen AS has allocated fair value adjustments as described below. The gross purchase price is NOK 121.2 million. Adjusted for treasury shares held by NEL Hydrogen AS, the net purchase price is NOK 118.1 million. Book value of equity is NOK 43.7 million, which give an excess value of NOK 74.1 million (adjusted for the goodwill pre acquisition of NOK 24.1 million amounts to an excess value of NOK 98.5 million to be allocated). The identified intangible assets include: customer contracts (NOK 9.6 million), related customer relationships (NOK 33.0 million), technology (NOK 9 million), deferred tax on excess value amounts (NOK 13.9 million) which leaves a recognized goodwill of NOK 60.8 million.

Cost of business combination	**Shares acquired**	**Amount (MNOK)**
Agreed purchase price	100 %	120.0
Consideration – gross		121.2
- Adjustment for treasury shares held by NEL Hydrogen		-3.1
Net consideration		118.1
Fair value of previously held associated companies/		
Acquisition of subsidiary in stages		
Non-controlling interests		
Cost of business combination		
Book value equity		-43.7
Excess value		74.1
Goodwill pre-acquisition		24.1
Excess value to be allocated		98.5
Excess value is allocated to:		
Customer contracts		9.6
Customer relationships		33.0
Technology		9,0
Deferred tax		-13.9
Total allocated		37.7
Goodwill		60.8
The acquired goodwill is not tax deductible		

Measured from the transaction date total revenue and profit related to NEL Hydrogen AS is NOK 12.1 million and NOK 0.4 million respectively.

If NEL Hydrogen AS had been acquired on 1 January 2014 total revenue for the combined entity for 2014 would have been NOK 69.3 million in 2014 and total profit would have been NOK - 3.4 million.

The goodwill of NOK 60.8 million comprises the value of expected synergies arising from the acquisition and pre-qauisition. Goodwill is allocated entirely to the Hydrogen segment. None of the goodwill recognized is expected to be deductible for income tax purpose.

Note 22 Acquisition of H2 Logic A/S

NEL ASA acquired 100% of the shares in H2 Logic A/S for a total purchase price and consideration of MNOK 300 million. The acquisition was financed through NOK 100 million in cash and NOK 200 million in a share emission towards the former owner of H2 Logic A/S. These shares were issued at NOK 1,35 per share. The transaction was closed on June 26th 2015. In the Consolidated financial statement, H2 Logic A/S' figures are included as from third quarter 2015 onwards.

The transaction represents an increased focus on the Hydrogen Refuelling Station market which is one of NEL`s three strategic focus areas within its hydrogen business segment.

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 purchase price, it is assessed that the carrying amount of assets and liabilities in H2 Logic A/S represents its fair value at the acquisition date. Based on the purchase price allocation, H2 Logic A/S has allocated fair value adjustments as described below.

Cost of business combination	**Shares acquired**	**Amount (MNOK)**
Agreed purchase price	100 %	300,0
Book value equity		20,0
Excess value		280,0
Goodwill pre-acquisition		-
Excess value to be allocated		280,0
Excess value is allocated to:		
Financial assets		6,0
Customer relationships		2,6
Technology		20,8
Deferred tax		-5,8
Total allocated		**23,5**
Goodwill		256,5
The acquired goodwill is not tax deductible		

Measured from the transaction date total revenue and profit generated from H2 Logic AS are MNOK 41,0 and MNOK minus 4,9 respectively.

If H2 Logic AS had been acquired on 1 January 2015 total revenue and profit for the combined entity for 2015 would have been 42,0 MNOK and 10,7 MNOK higher, respectively.

The goodwill of NOK 256,5 million comprises the value of expected synergies arising from the acquisition. Goodwill is allocated entirely to the Hydrogen fueling station segment. None of the goodwill recognized is expected to be deductible for income tax purpose.

Note 23 Acquisition of Rotoboost H2 AS

NEL ASA's sub-subsidiary New Rotoboost H2 AS acquired 100% of the shares in RotoBoost H2 AS for a conditioned acquisition price. 8,0 MNOK was a base price, whereas the conditioned fullfilment of 2 specific conditions/milestones will increase the total consideration with respectively 2,0 MNOK and 3,0 MNOK. The acquisition was financed through cash payment. The transaction was closed and the shares were transferred to NEL / New Rotoboost H2 AS on 20 September 2015. In the Consolidated financial statement, Rotoboost H2 AS' figures are included as from fourth quarter 2015 onwards.

RotoBoost AS develops a rotoLyzer, which is 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. The technology is patented and has been verified through extensive testing.

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 purchase price, it is assessed that the carrying amount of assets and liabilities in Rotoboost H2 AS represents its fair value at the acquisition date. Based on the purchase price allocation, Rotoboost H2 AS has allocated fair value adjustments as described below.

Cost of business combination	**Fullfilment probability**	**Shares acquired**	**Amount (MNOK)**
Agreed purchase price	75 %	100 %	8,0
1. conditional addition, based on fullfilment of certain conditions	75 %		2,0
2. conditional addition, based on fullfilment of certain conditions			3,0
Maximum total acquisition price			13,0
Estimated total acquisition price, based of fulfillment probability			11,8
Book value equity			9,6
Excess value			2,2
Goodwill pre-acquisition			-
Excess value to be allocated			2,2
Excess value is allocated to:			
Technology			2,2
Deferred tax			-0,6
Total allocated			**1,6**
Goodwill			0,6

The acquired goodwill is not tax deductible

Measured from the transaction date total revenue and profit generated from RotoBoost H2 AS are MNOK 0 and MNOK -0,2 respectively.

If RotoBoost H2 AS had been acquired on 1 January 2015 total revenue and profit for the combined entity for 2015 would have been 0 MNOK and 0,6 MNOK lower, respectively.

The goodwill of NOK 60.8 million comprises the value of expected synergies arising from the acquisition. Goodwill is allocated entirely to the Hydrogen segment.

None of the goodwill recognized is expected to be deductible for income tax purpose.

NEL ASA annual report 2015

Note 24 Risk - figures in NOK

Group:

Risks relating to the aquisition of H2Logic A/S and Rootoboost H2 AS
Prior to the acquisition of H2 Logic A/S and Rotoboost H2 AS, NEL completed a full and comprehensive due diligence of the aquired companies based on the information and documentation received by the seller and its advisor. If it, at a later stage, becomes evident that the information provided does not properly reflect the acquired companies' business and financial condition, this may affect the Group's business, financial condition and results of operations.

OPERATIONAL RISK FACTORS

Technological change
There are risks associated with technological change, and if competitors gain advantages in the development of alternative technologies, this could affect the competitive position of the company

The market for NEL's products and services is subject to technological change. The success of the company depends on the timely perception of new trends, developments and customer needs, constant further development of engineering expertise and ensuring that the portfolio of products and services keeps pace with technological developments. This presents the risk that competitors may launch new products and services earlier or at more competitive prices or secure exclusive rights to new technologies. If these circumstances were to materialize, it could have a significant adverse effect on the company's business, prospects, financial results or results of operations.

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

- people may not be deterred from misappropriating its technologies despite the existence of laws or contracts prohibiting misappropriation;
- policing unauthorized use of the Group's intellectual property is difficult, expensive and time-consuming, and the Group may be unable to determine the extent of any unauthorized use; and
- the laws of certain countries in which the Group markets or plans to market its products may offer little or no protection for its proprietary technologies.

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

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

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

Disputes
the Group could get involved in intellectual property disputes that could be time-consuming and costly and could result in loss of significant rights and/or penalties. From time to time, the Group, its customers or third parties with whom the Group works may receive claims, including claims from various industry participants, alleging infringement of their patents. Although the Group is not currently aware of any parties pursuing infringement claims against the Group, there can be no assurance that it will not be subject to such claims in the future.

the Group has certain registered trademarks and has applied for registration of certain trademarks. Although the Group does not consider registration of trademarks to be critical in the marketing of its products, and that the present use of such trademarks to the Group's knowledge most likely does not violate any third party's rights, there can be no guarantee that no third party will be successful in claiming damages from the Group and/or in stopping the Group from using such trademarks in the relevant jurisdiction, in which case it could harm the Group's ability to compete, generate revenue and to grow its business.

Although the Group is currently not aware of infringement of the Group's intellectual property by other parties, it cannot guarantee that such infringement does not currently exist or will not occur in the future. To protect its intellectual property rights and to maintain its competitive advantage, the Group may file suits against parties who it believes are infringing its intellectual property. Intellectual property litigation is expensive and time consuming, could divert management's attention from the Group's business and could have a material adverse effect on the Group's business, prospects, financial results or results of operations. In addition, the Group's enforcement efforts may not be successful.

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

The success of the Group depends on qualified executives and employees, in particular certain executive officers of the Group and employees with research and development expertise. The loss of executives, key employees in the area of research and development, or other employees in key positions could have a material adverse effect on the market position and research and development expertise of the Group. Considerable expertise could be lost or access thereto gained by competitors. Post-contractual prohibitions on competition exist only for certain members of the Group's management and despite the existence of such post-contractual prohibitions, no assurance can be given that such prohibitions will be complied with or, if breached, can be enforced effectively. Due to intense competition, there is a risk that qualified employees will be attracted by competitors and that the Group will be unable to find a sufficient number of appropriate new employees. There can be no assurance that the Group will be successful in retaining these executives and the employees in key positions or in hiring new employees with corresponding qualifications. If the Group fails to do so, it could have a significant adverse effect on the Group's business, prospects, financial results and results of operations."

Adverse publicity
Product liability claims against the Group could result in adverse publicity and potentially monetary damages. Currently there are no product liability claims against the Group. It is possible that its products could result in injury, whether by product malfunctions, defects, improper installation or other causes. the Group cannot predict whether or not product liability claims will be brought against it or the effect of any resulting negative publicity on its business. Moreover, the Group may not have adequate resources in the event of a successful claim against it. The successful assertion of product liability claims against the Group could result in potentially significant monetary damages, which could have a significant adverse effect on the Group's business, prospects, financial results and results of operations. As of the date of this Prospectus, the Group is unaware of any current or pending product liability claims made against the company.

Dependence of third parties in manufacturing
The Group's manufacturing operations rely on external subcontractors and suppliers of services and goods to varying degrees. This operating model inherently contains a risk to the Group's goodwill and branding. If suppliers fail to meet agreed or generally accepted standards in areas such as environmental compliance, human rights, labour relations and product quality, this could have a significant adverse effect on the the Group's business, prospects, financial results and results of operations. If the the Group fails to develop or maintain its relationships with its suppliers or such suppliers are prevented from supplying, the the Group may be unable to manufacture its products or its products may be available only at a higher cost or after a long delay, which could prevent the the Group from timely delivering its products to its customers and the the Group may experience order cancellation, customer claims and loss of market share.

Financial risk:
The Group is exposed to financial risk associated with changes in foregin exchange rates. The Group doesn`t uses financial derivatives instruments with the purpose of speculating in currency.
The Group does not use financial instruments in connection with the management of financial risk. The Group uses financial instruments such as bank loans.
The purpose of this financial instrument is to provide capital for investments that are necessary for its operations. In addition, financial instruments such as accounts receivable, accounts payable, etc. that are directly related to the Group's daily operations.

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

Liquidity risk:
Liquidity risk is the potential loss that occurs when the Group fails to fulfil its contractual obligations when they fall due. The Group strengthened its financial position in 2015 through several share issues and reducing the Group's liquidity risk. The Group monitors its risks associated for lack of capital up against the company's planned activities. The Group will if necessary attempt to raise capital through private placements, debt financing, partnerships, and strategic alliances or from other sources. The Group may fail to raise capital on acceptable terms, or not do it at all, and can result in a liquidation. Please refer to maturity analysis in note 10.

Currency risk:
The Group's transactions mainly take place in NOK, DKK, EUR, and USD. The Group's revenues will be influenced by variations in the exchange rate against NOK, the same will apply to expenses in other currencies. The Group also gets advance payments for customers and will thus reduce the fluctuation risk. The Group is currently not using financial hedging instruments, but may consider such instruments for larger contracts. The risk is considered to be medium.

Currency fluctuation effects on net profit of the year:

			Changes in exchange rate NOK/foreign currencies			
P&L accounts			**-10%**	**-5%**	**+5%**	**+10%**
Net profit in foreign currencies		**Value in NOK**				
DKK	15 738 466	19 481 073	-1 948 107	-974 054	974 054	1 948 107
EUR	534 487	4 585 614	-458 561	-229 281	229 281	458 561
USD	981 374	10 626 164	-1 062 616	-531 308	531 308	1 062 616
SEK	-4 101 384	-3 926 027	392 603	196 301	-196 301	-392 603
Other		-232 079	23 208	11 604	-11 604	-23 208
Effect on net profit			**-3 053 474**	**-1 526 737**	**1 526 737**	**3 053 474**
Balance sheet						
Net receivables/liabilities in foreign currencies						
DKK	5 345 793	6 891 262	-689 126	-344 563	344 563	689 126
EUR	514 461	4 948 600	-494 860	-247 430	247 430	494 860
USD	404 191	3 560 519	-356 052	-178 026	178 026	356 052
Other		-4 418	442	221	-221	-442
Effect on net profit			**-1 539 596**	**-769 798**	**769 798**	**1 539 596**
Total effect on net profit			**-4 593 071**	**-2 296 535**	**2 296 535**	**4 593 071**

Interest rate risk:
The Group's risk exposure in relation to changes in market interest rates are the Group's loans and bank deposits, and a change in interest rates may therefore affect the capital return. The Group has small amount of long-term debt obligations and the marked interest looks to be stabile low in the nearest future. Due to the low amount of debt in the Group it is considers that a change in interest rates will have an unsignificant effect for the Group. A change on 100 points will have an effect on +/- NOK 150,000. Thus the risk is considered to be medium since the marked interest are low.

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

Trade receivables
Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management.
Credit quality of a customer is assessed based on an credit rating scorecard and individual credit limits are defined in accordance with this assessment. Other receivables are prepaid expenses or accruds. Outstanding customer receivables are regularly monitored. Maximum risk exposure is outstanding receivables of MNOK 41,4. NEL credit risk is considered to be medium, as claims are mainly against various international companies.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 17. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

RISK FACTORS RELATED TO MARKET

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

The Group's production depends on various discharge permits granted by various authorities. From time to time, breaches of the allowed emission limits set out in such permits may occur. If such limits of the relevant permits should be exceeded, this may have a significant effect on the Group's operations and result, as the Group may be ordered to temporarily halt production, be subject to fines and/or be ordered to undertake corrective measures.

The Group cannot predict the impact of new or changed laws or regulations relating to health, safety, the environment or other concerns or changes in the ways that such laws or regulations are administered, interpreted or enforced. The requirements to be met, as well as the technology and length of time available to meet those requirements, continue to develop and change. To the extent that any of these requirements impose substantial costs or constrain the Group's ability to expand or change its processes, the Group's business, prospects, financial results and results of operations could suffer. Any breach of such requirements could in addition result in fines or other substantial costs and/or constraint the Group's ability to operate its production plant, which could have a significant adverse effect on its business, prospects, financial results and results of operations.

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

Financial assets and liabilities
All significant financial assets are classified as loans and receivables and all significant financial liabilities are measured at amortised cost. The group does not hold significant financial assets or liabilities measured at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets.

Note 25 Events after the balance sheet date

Group:
12 January: The share capital increase pertaining to the 50 million new shares issued in the Private Placement was registered with the Norwegian Register of Business Enterprises. The Company's registered share capital was NOK 77,785,820.80 corresponding to a total of 388,929,104 shares with a nominal value of NOK 0.20 per share.

14 January: NEL Fuel Norway AS, a subsidiary of NEL ASA, was awarded a grant by Enova SF in excess of NOK 7.5 million for the construction and completion of one hydrogen refuelling station as a part of NELs strategy for the rollout of a network of refuelling stations in Norway.

23 January: The Subsequent Offering that was announced 12 January was oversubscribed, and resulted in gross proceeds of NOK 13 million through the issuance of 10 million new shares at a subscription price of NOK 1.30.

2 February: The share capital increase pertaining to the 10 million new shares issued in the Subsequent Offering was registered with the Norwegian Register of Business Enterprises. The Company's new registered share capital is NOK 79,785,820.80 corresponding to a total of 398,929,104 shares with a nominal value of NOK 0.20 per share. There are no share options. After completion of the Subsequent Offering, current cash position in NEL ASA amounts to approximately NOK 170 million.

2 March: NEL Fuel AS (NEL), a subsidiary of NEL ASA, and Uno-X entered into a final agreement for the rollout of minimum 20 hydrogen refuelling stations covering all the major cities in Norway within 2020. NEL and Uno-X established the joint venture Uno-X Hydrogen AS, owned by Uno-X and NEL with 51 % and 49 % respectively.

Note 26 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.

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

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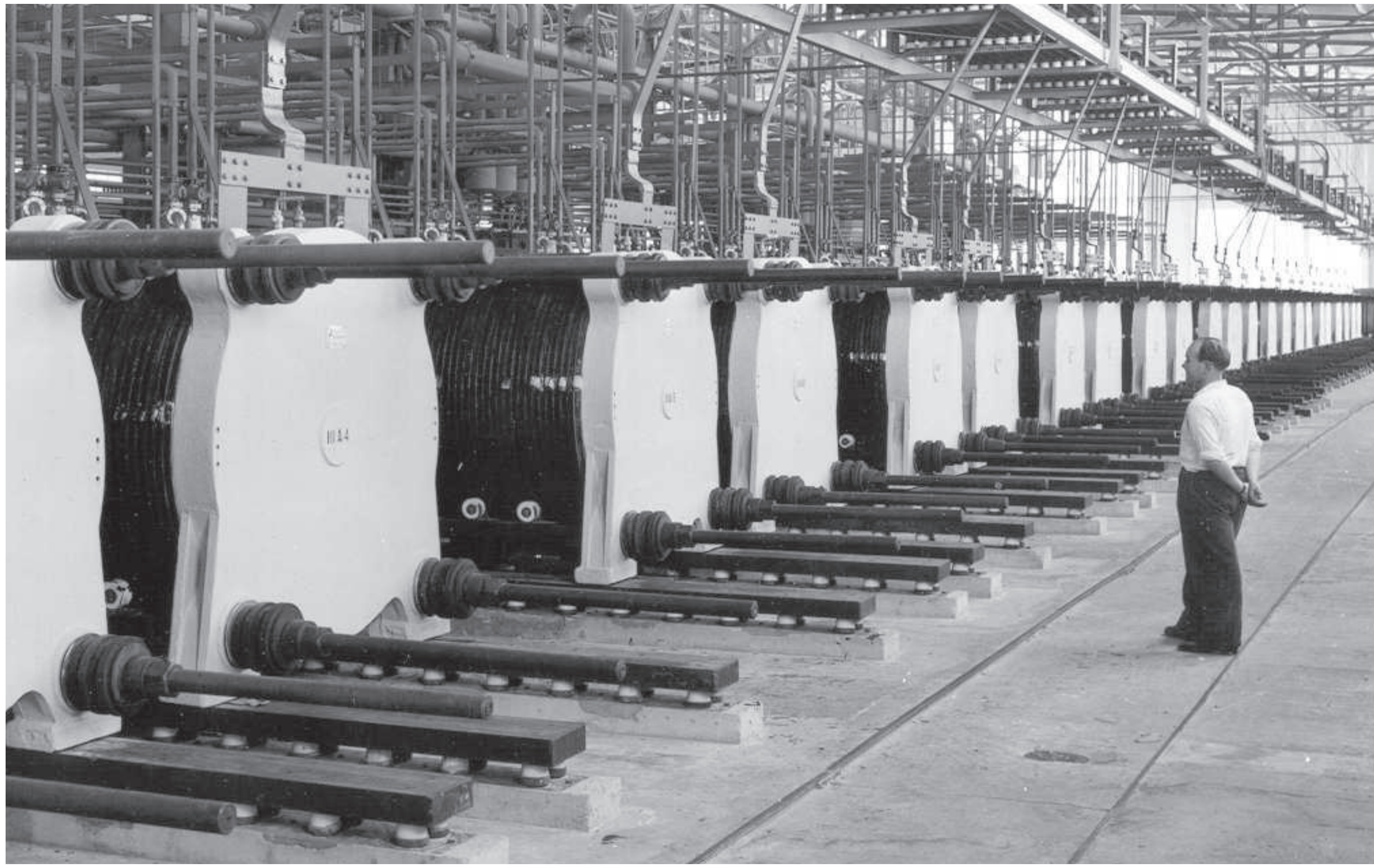
Declaration by the board of directors and the CEO

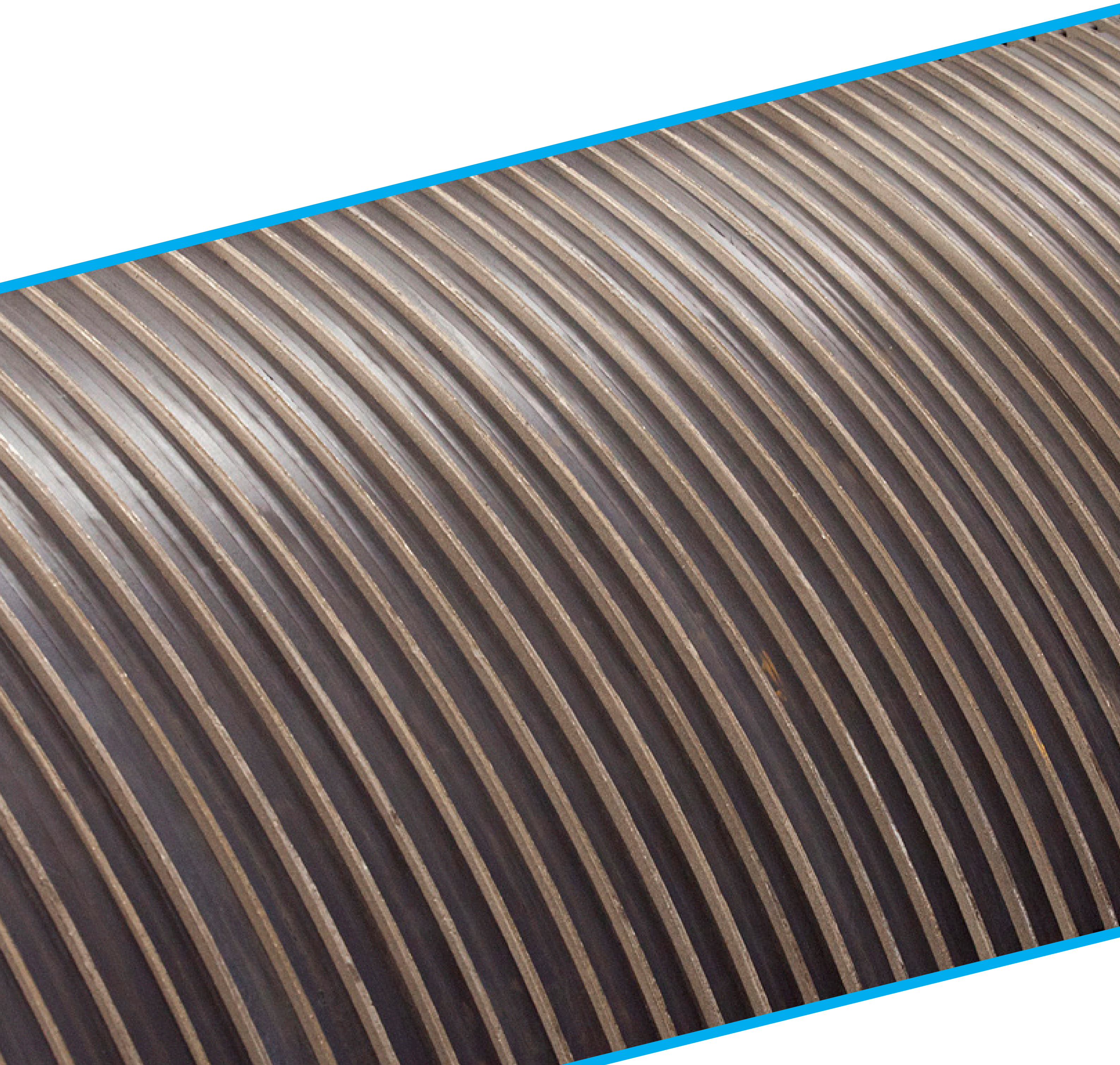
"We confirm that, to the best of our knowledge, the financial statements for the period from 1 January 2015 up to and including 31 December 2015, have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and that the directors' report includes a fair review of the development and performance of the business and the position of the company as a whole, together with a description of the principal risks and uncertainties the company faces."

The board of directors and acting CEO of NEL ASA.

Oslo, 29 April 2015
The Board of Directors

Øystein Stray Spetalen *Board member*	Martin Nes *Chairman*	Anne Marie Gohli Russel *Board member*
Eva Dugstad *Board member*	Jan Christian Opsahl *Board member*	Mikael Sloth *Board member*
Kristin Hellebust *Board member*	Jon André Løkke *CEO*	





Building a better
working world

Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av den norske revisorforening

To the Annual Shareholders' Meeting of NEL ASA

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of NEL ASA, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company and the Group comprise the statement of financial position as at 31 December 2015, the statements of comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Chief Executive Officer's responsibility for the financial statements

The Board of Directors and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards as adopted by the EU, and for such internal control as the Board of Directors and Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Parent Company and the Group.

Building a better working world

Opinion

In our opinion, the financial statements of NEL ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Parent Company and the Group as at 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

Report on other legal and regulator requirements

Opinion on the Board of Directors' report and on the statements on corporate governance and corporate social responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report and in the statements on corporate governance and corporate social responsibility concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Chief Executive Officer have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Oslo, 29 April 2016
ERNST & YOUNG AS

Per Øyvind Borde-Hans
State Nuthorised Public Accountant (Norway)