



SECOND QUARTER RESULTS 2017

July 21, 2017

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Highlights



Q2 2017 Highlights

- Strong operational performance in challenging market

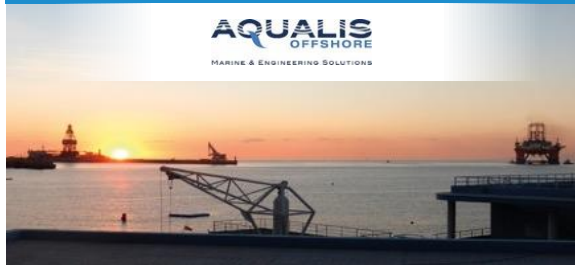
- Revenues of USD 7.3 million in Q2 2017 vs USD 8.2 million in Q2 2016
- Operating profit (EBIT) of USD 0.4 million in Q2 2017 vs loss of USD 0.8 million in Q2 2016
- Billing ratio¹ for technical staff of 83% in Q2 2017, up from 78% in Q1 2017
- Profitability measures took effect throughout the quarter
- Activity in the offshore wind market remains high and new contracts have been secured
- Positive contribution from ADLER Solar² as profitability measures are taking effect
- Order backlog at USD 10.3 million vs USD 10.0 million at the end of Q1 2017
- Cash balance of USD 8.9 million at the end of Q2 2017
- Continued solid HSE performance and no lost time incidents (LTIs) during the quarter

(1) Billing ratio for Technical Staff including subcontractors

(2) ADLER Solar is accounted for as an associate company

Energy consultancy with significant market niche positions

Offshore Oil and Gas



- Global presence with established market position
- Marine consultancy and engineering services
- Clients: Asset owners, oil companies, EPC contractors, financial institutions, insurance companies

Offshore renewables



- Main activity in Europe
- Geotechnical & engineering, project management and due diligence for technology, projects and markets
- Clients: Developers, utilities, vessel owners, financial institutions, insurance companies, investors

Solar¹



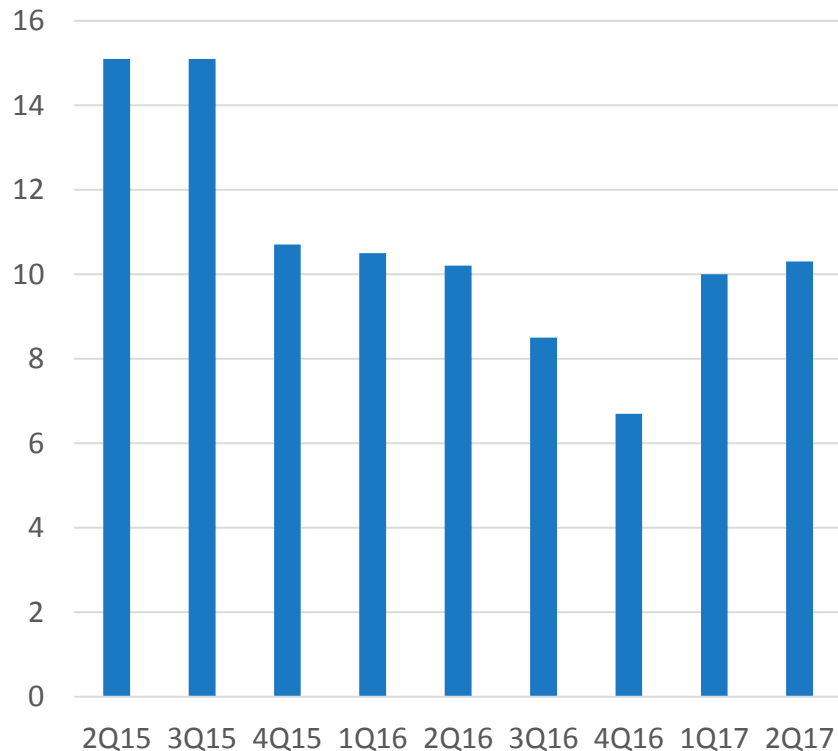
- Strong position in Germany. Increasing exposure in Japan
- Technical services for the entire life cycle of PV plants
- Clients: PV manufacturers, plant operators, EPC contractors, financial institutions, insurance companies, investors

Enhanced service offering through the groups global network, client base, resources and expertise

1) Aqualis has an ownership of 49.9% in ADLER Solar

Order backlog development

Order backlog (USDm)

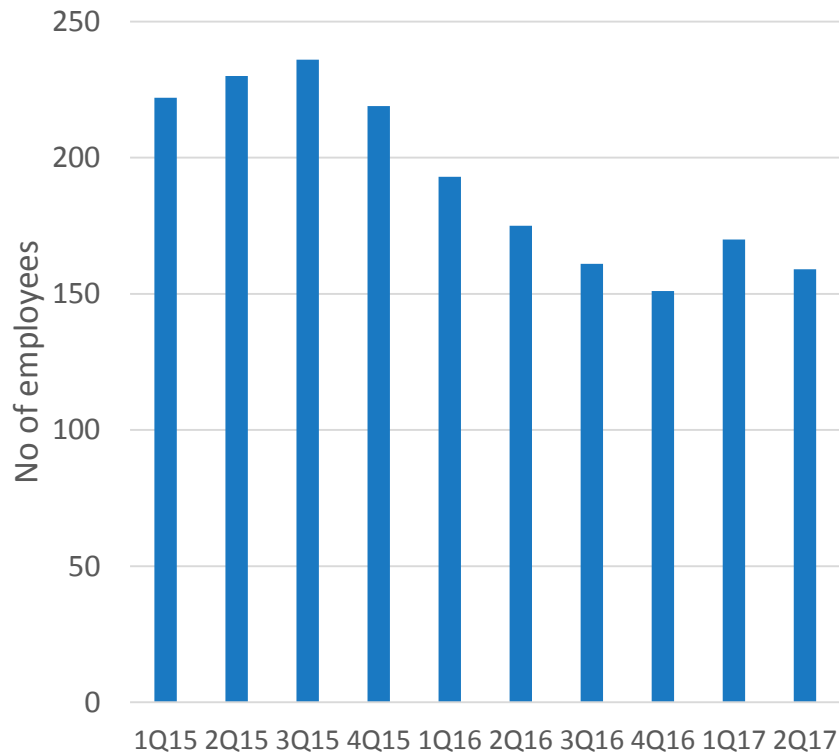


Highlights Q2 2017

- Increase in order backlog to USD 10.3m
- Pipeline of work expected from call out contracts is more positive, but visibility is limited and timing is hard to predict.
- Backlog upside affected by re-focused strategy of supporting clients on day-to-day service operations which are typically call-out contracts that do not get included in backlog figures

Staff level development

Staff level development¹



(1) Full time equivalent. Numbers include subcontractors on 100% utilization equivalent basis

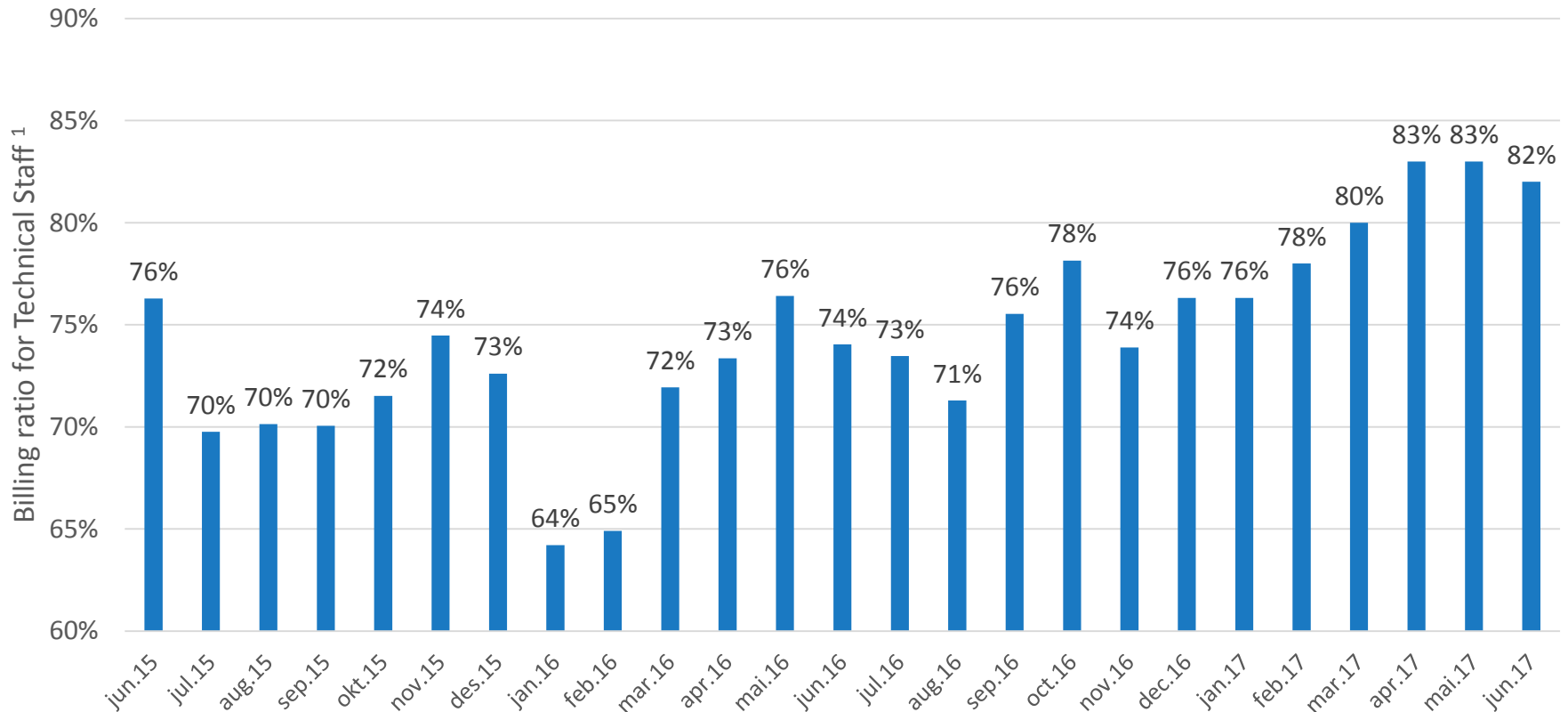
(2) Figures excluding ADLER Solar and staff made temporary redundant

Highlights Q2 2017

- The net decrease in staff levels is related to reduction in administrative and specialist technical staff
- Increased use of subcontractors allows a more flexible cost base whilst the short term outlook / position of the market is assessed

Improved billing ratio trend at start of 2017

- Total technical staff (including subcontractors), billing ratio %



Notes:

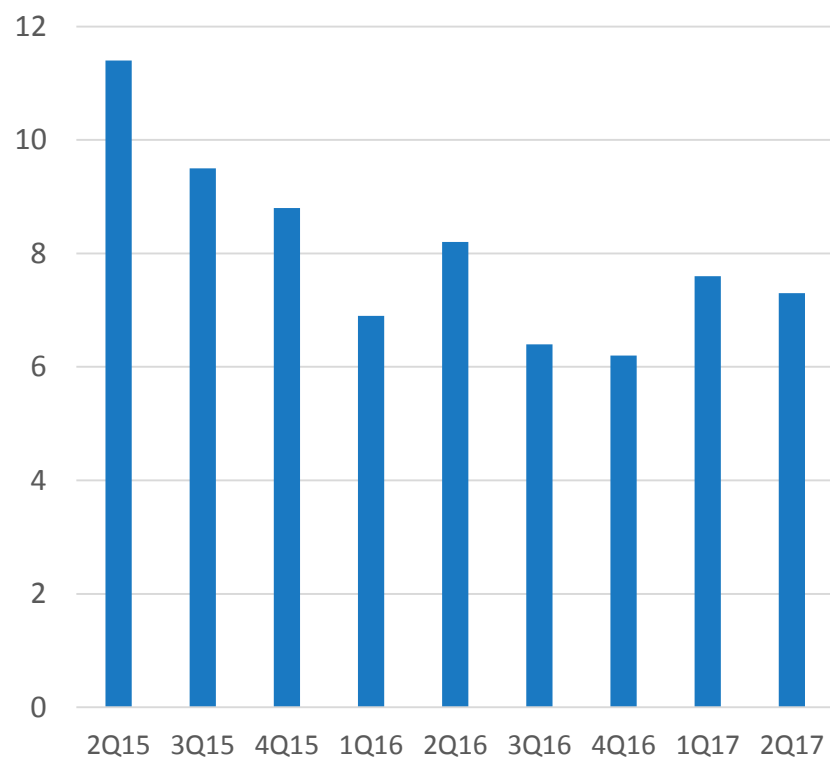
- (1) Billing ratio for Technical Staff including subcontractors. Excludes management, business development, admin support staff and temporary redundancies. Figure calculated as billable hours / net hours available. Net hours available excludes paid absence (public holidays, time off in-lieu, compassionate leave, authorized annual leave) and unpaid absence (sabbatical and other unpaid leave). Figures excluding ADLER Solar

Financial review

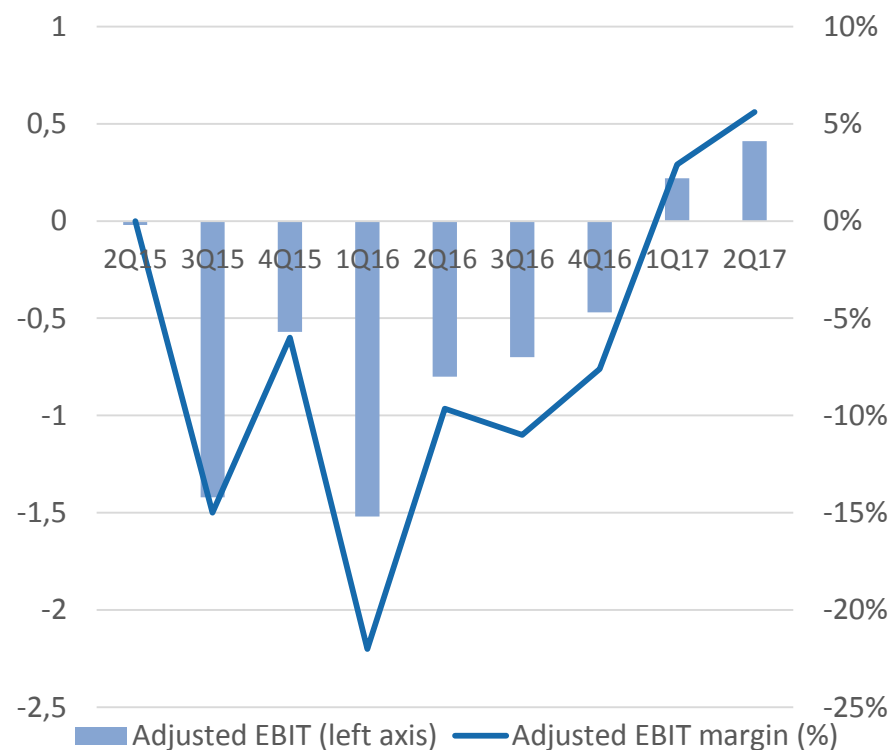


Revenue and adjusted EBIT trend

Revenue development (USDm)



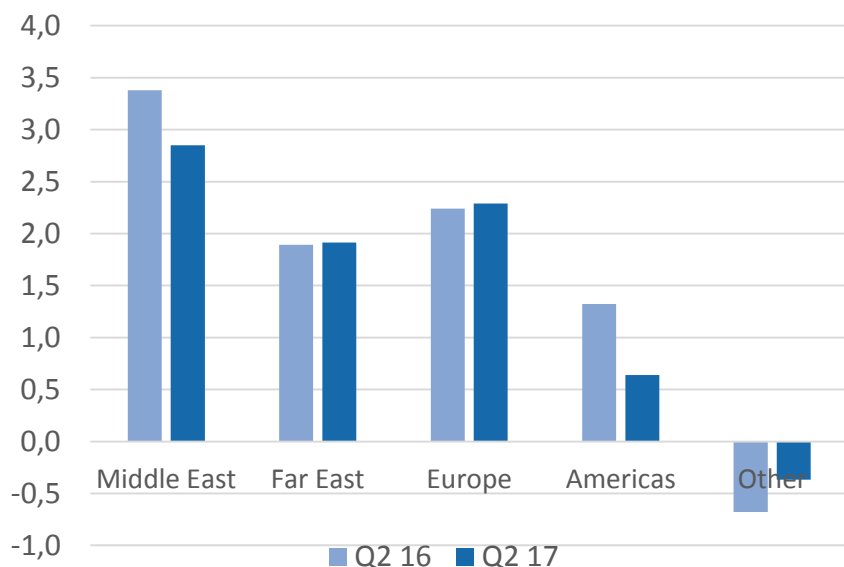
Adjusted EBIT trend (USDm, %)



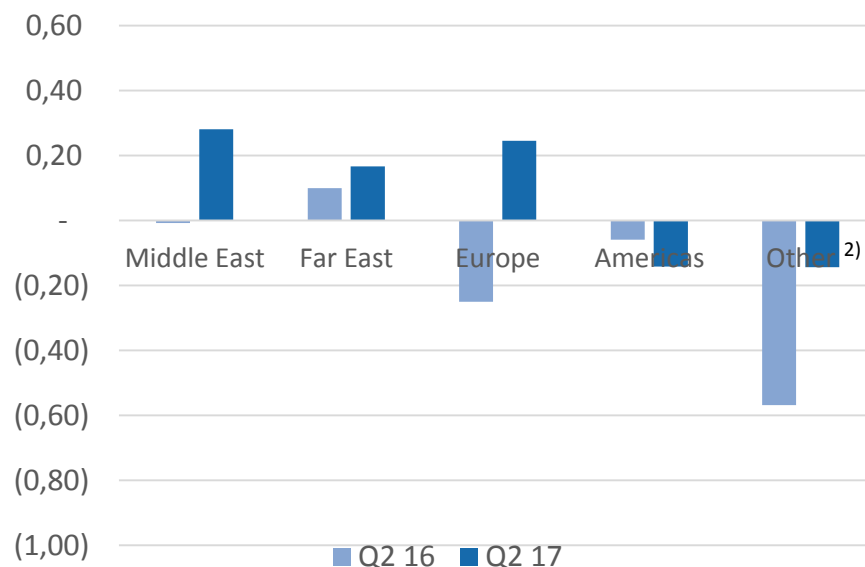
Adjusted EBIT: Earnings Before Interest and Taxes adjusted goodwill impairments

Geographical split

Revenue split (USDm)



EBIT¹ split (USDm)



- Regional revenue differences y-o-y for entities respectively in Middle East -16%, Far East +1%, Europe +2% (driven by increased turnover within offshore wind and decreased within oil and gas) and Americas -52%

1) After allocation of group costs to entities. Corporate group costs that are not allocated to entities are included in «other»

2) Includes share of net income from associates, eliminations and corporate group costs

Income Statement

<i>Amounts in USD thousands</i>	Q2 17	Q2 16	H1 17	H1 16	FY 2016
Total revenues	7,324	8,156	14,874	15,016	27,564
Payroll and payroll related expenses	(3,667)	(5,256)	(7,754)	(10,908)	(19,303)
Other operating expenses	(3,228)	(3,482)	(6,198)	(6,060)	(11,016)
Depr., amort. and impairment	(31)	(58)	(63)	(130)	(794)
Total operating expenses	(6,926)	(8,796)	(14,015)	(17,099)	(31,113)
Share of net income from associates	7	(147)	(233)	(226)	(506)
Operating profit (loss) (EBIT)	406	(787)	626	(2,308)	(4,055)
Finance income	22	4	41	15	47
Finance expenses	(2)	(1)	(2)	(1)	(0)
Net foreign exchange gain (loss)	(322)	(71)	(442)	(902)	(10)
Profit (loss) before taxes	104	(855)	224	(3,196)	(4,018)
Income tax income (expenses)	(24)	(25)	(44)	(42)	144
Profit (loss) after taxes	79	(880)	180	(3,238)	(3,874)
Financial ratios					
<i>Operating margin (EBIT), %</i>	<i>5.5</i>	<i>(9.6)</i>	<i>4.2</i>	<i>(15.4)</i>	<i>(14.7)</i>
<i>Profit after tax, %</i>	<i>1.1</i>	<i>(10.8)</i>	<i>1.2</i>	<i>(21.6)</i>	<i>(14.1)</i>

- Revenues for Q2 2017 down 10% from Q2 2016
- Operating profit of USD 0.4 million
- Positive contribution from ADLER Solar as profitability measures are taking effect
- Measures to improve profitability, competitiveness and increased flexibility continued to be phased in during Q2 2017

Strong Balance Sheet

<i>Amounts in USD thousands</i>	30.06.2017	31.12.2016
Equipment	162	184
Intangible assets	16,696	16,257
Investment in associates	2,731	2,853
Loan to associates	278	289
Deferred tax assets	127	122
Trade receivables	5,994	5,475
Other current assets	3,673	2,815
Cash and cash equivalents	8,949	9,910
Total assets	38,610	37,905
Equity	34,278	33,081
Deferred tax liability	437	425
Other non-current liabilities	555	527
Trade payables	1,046	1,093
Other current liabilities	2,295	2,779
Total equity and liabilities	38,610	37,905
Financial ratios		
Net debt, USD thousands	(8,949)	(9,910)
Equity/Assets ratio, %	89%	87%

- Strong financial position, cash of USD 8.9 million
- No interest bearing debt
- Increase in net working capital. The net working capital will fluctuate during the year with type of projects, milestone payments and the overall revenues
- Increased activity for OWC and higher working capital for marine consultancy operations in Saudi Arabia have contributed to the increase in the working capital for the group.

Cash Flow

<i>Amounts in USD thousands</i>	Q2 17	Q2 16	H1 17	H1 16	FY 2016
Operating cashflow	(691)	(1,414)	(1,016)	(2,880)	(4,127)
Investing cash flow	(17)	(3)	(3)	(4)	(382)
Financing cash flow	-	-	-	(368)	(368)
Net change in cash and cash equivalents	(708)	(1,416)	(1,020)	(3,252)	(4,877)
Cash and cash equivalents beginning period	9,615	13,171	9,910	14,864	14,864
Net change in cash and cash equivalents	(708)	(1,416)	(1,020)	(3,252)	(4,877)
Net foreign exchange difference	41	(68)	58	74	(77)
Cash and cash equivalents end period	8,949	11,686	8,949	11,686	9,910

- Net operating cash flow of negative USD 0.7 million. Positive operating results offset by increase in net working capital

Outlook



Outlook: Challenging market conditions expected in 2017

- The oil and gas market has shown more stability and some strengthening in certain regions in Q2 2017. The overall market is expected to remain challenging for the rest of 2017 with continued price and margin pressure. The order backlog and visibility remains primarily short term. The activity level for Aqualis in Q3 2017 is expected to be lower than in Q2 2017 due to adverse weather conditions associated with the monsoon period offshore the Indian Ocean and vacation months
- The offshore wind market is expected to maintain high activity levels with continued rate pressure over the next quarters
- ADLER Solar has not yet completed the turnaround of its business. ADLER Solar aims to increase its revenues from integrated services / solutions and gradually move to a more flexible business model to mitigate demand fluctuations. It is facing challenging market conditions and the focus is currently on strengthening the sales activity and increasing the proportion of large projects
- Aqualis will continue to adapt to changes in market conditions, move gradually to a more flexible cost base and aim to strengthen its overall market position

Appendix



Top 20 shareholders

#	Name		Shares	%
1	GROSS MANAGEMENT AS		7 367 996	17,42
2	TIGERSTADEN AS		3 330 090	7,87
3	MP PENSJON PK		1 667 628	3,94
4	AGITO HOLDING AS		1 350 000	3,19
5	J.P. Morgan Bank Lux	JP MORGAN BANK	1 017 776	2,41
6	DIAB BADREDDIN		1 001 302	2,37
7	DnB NOR MARKETS, AKS	DNB Bank ASA	1 000 000	2,36
8	SAXO BANK A/S	NOM	886 209	2,10
9	LENOX PHILIP ALAN		830 583	1,96
10	GISLERØD MAGNE		800 000	1,89
11	Carnegie Investment	NOM	754 924	1,78
12	SIX SIS AG 25PCT ACCOUNT	NOM	629 006	1,49
13	ALSTO CONSULTANCY LT 1 ST FLOOR 5		598 122	1,41
14	NORDNET BANK AB	NOM	565 201	1,34
15	BONNON IAN DENNIS		555 074	1,31
16	VERDIPAPIRFONDET DNB		533 054	1,26
17	THEOFANATOS ANDREAS		512 188	1,21
18	KULA INVEST AS		504 362	1,19
19	OMA INVEST AS		500 000	1,18
20	SIX-SEVEN AS		472 717	1,12
Top 20 shareholders			24 876 232	58,82

Source: VPS, 17.07.2017

Global footprint – active in all major oil and gas regions

Corporate HQ: London

Operating in 21 offices in 15 countries

Approximately: 159 FTEs¹

Traded on Oslo Stock Exchange

No interest bearing debt

ISO 9001:2008 & 18000:2007 approved



Energy consultants to the oil & gas, offshore renewable and solar sectors

1) Per June 2017. Including FTE subcontractors but excluding ADLER Solar. Adler Solar has ~80 employees

Alternative Performance Measures

The European Securities and Markets Authority (ESMA) issued guidelines on Alternative Performance Measures (“APMs”) that came into force on 3 July 2016. The Company has defined and explained the purpose of the following APMs:

Operating profit adjusted

Management believes that “Operating profit adjusted” which excludes impairments of goodwill and other charges/(income) is a useful measure because it provides an indication of the profitability of the Company’s operating activities for the period without regard to significant events and/or decisions in the period that are expected to occur less frequently

Profit (loss) after taxes adjusted

Management believes that “Profit (loss) after taxes adjusted” which excludes impairments of goodwill and other charges/(income) is a useful measure because it provides an indication of the profitability of the Company’s operating activities for the period without regard to significant events and/or decisions in the period that are expected to occur less frequently.

Order backlog

Order backlog is defined as the aggregate value of future work on signed customer contracts or letters of award. Aqualis’ services are shifting towards “call out contracts” which are driven by day-to-day operational requirements. An estimate for backlog on “call out contracts” are only included in the order backlog when reliably estimates are available. Management believes that the order backlog figure is a useful measure in that it provides an indication of the amount of customer backlog and committed activity in the coming periods

