



Interim report Q2 2017

AQUALIS

STRONG OPERATIONAL PERFORMANCE IN CHALLENGING MARKET

HIGHLIGHTS

- Revenues of USD 7.3 million in Q2 2017 vs. USD 8.2 million Q2 2016
- Operating profit (EBIT) of USD 0.4 million in Q2 2017 vs. loss of USD 0.8 million in Q2 2016
- Billing ratio for technical staff of 83% in Q2 2017, up from 78% in Q1 2017
- Profitability measures took effect throughout the quarter
- Activity in offshore wind market remains high and new contracts have been secured
- Positive contribution from ADLER Solar 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

“We are delighted that we have been able to deliver a profitable quarter and positive figures for Q2 2017 and 1H 2017. It has been great team effort with many of our entities delivering strong performance. The result is underpinned by strong operational performance and the increased flexibility of our business model.

Our renewable businesses, Offshore Wind Consultants Ltd and ADLER Solar GmbH, have both delivered good performance. We will continue to identify market opportunities in the offshore wind sector to leverage our strong market position, brand name, skill base and global network. We expect more activity in the offshore wind market driven by increased demand as costs continue to fall.

ADLER Solar has taken steps to re-position its services to new market segments over the past year and implemented profitability measures to improve efficiencies. We are pleased that ADLER Solar delivers positive results in Q2 2017 and that the implemented profitability measures are taking effect. The company will need to take further measures to improve sales activity and increase the proportion of larger projects.

The oil and gas market is still challenging and expected to remain so for the rest of 2017. I am confident that we have a strong basis on which to continue to improve our business and deliver excellent service to our customers” says Mr David Wells, CEO of Aqualis ASA.

KEY FIGURES

Amount in USD thousands (except shares, backlog, employees)	Q2 17	Q2 16	H1 17	H1 16	FY 2016
FINANCIAL					
Total revenues	7,324	8,156	14,874	15,016	27,564
Operating profit (loss) (EBIT)	406	(787)	626	(2,308)	(4,055)
Operating profit (EBIT) adjusted ⁽¹⁾	406	(787)	626	(2,308)	(3,476)
Profit (loss) after taxes	79	(880)	180	(3,238)	(3,874)
Profit (loss) after taxes adjusted ⁽¹⁾	79	(880)	180	(3,238)	(3,295)
Basic earnings per share (USD)	0.00	(0.02)	0.00	(0.08)	(0.09)
Average number of outstanding shares (thousands)	42,293	42,293	42,293	42,693	42,492
Cash and cash equivalents at the end of the period	8,949	11,687	8,949	11,687	9,910
OPERATIONS⁽⁴⁾					
Order backlog at the end of the period (USD million) ⁽¹⁾	10.3	10.1	10.3	10.1	6.7
Employees at the end of the period ⁽²⁾	159	175	159	175	152
Billing ratio ⁽³⁾	83%	70%	80%	68%	73%

(1) See note 2 for definition and note 11 for reconciliation of Alternative Performance Measures

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

(3) Billing ratio for technical staff including subcontractors on 100% basis. Excludes management, business development, admin support staff and temporary redundancies. Figure calculated as billable hours / net hours available. Net hours available excludes paid absence and unpaid absence.

(4) Figures excluding Adler Solar

SECOND QUARTER GROUP REVIEW

(Figures in brackets represent same period prior year or balance sheet date 2016. Certain comparative figures have been reclassified to conform to the presentation adopted for the current period.)

Group results

Total operating revenues decreased by 10% to USD 7.3 million in Q2 2017 (USD 8.2 million in Q2 2016). The decrease in revenues is mainly due to reduced activity levels for the entities in the Middle East (in particular related to engineering) and in the Americas.

The total operating revenues were USD 14.9 million in H1 2017 (USD 15.0 million in H1 2016).

Payroll and other operating expenses have been actively decreased by 21% to USD 6.9 million in Q2 2017 (USD 8.7 million in Q2 2016). The reduction in total operating expenses were mainly due to the phase in of cost measures.

Operating expenses were USD 14.0 million in H1 2017 (USD 17.0 million in H1 2016).

EBIT amounted to a profit of USD 0.4 million in Q2 2017 (loss of USD 0.8 million in Q2 2016). Strong operational performance and phase in of profitability measures taken throughout 2016 and start of 2017 contributed to the improved results in quarter. The billing ratio for technical staff (including subcontractors) was 83% in Q2 2017, up from 78% in Q1 2017. Most entities have had strong operational performance in the quarter despite continued weak market conditions in the oil and gas sector.

EBIT amounted to profit of USD 0.6 million in H1 2017 (loss of USD 2.3 million in H1 2016).

Results from associated companies amounted to a gain of USD 0.0 million in Q2 2017 (loss of USD 0.1 million in Q2 2016) and relates to the investment in ADLER Solar. ADLER Solar is gradually focusing its resources towards new services launched at the start of 2016. The cost reduction program, that commenced in mid 2016, has reduced the quarterly operating costs by around USD 0.5 million and was fully phased during Q2 2017. The results in Q2 2017 were improved due to increased gross revenues from repowering projects and the implementation of profitability measures. Results from associated companies amounted to a loss of USD 0.2 million in H1 2017 (loss of USD 0.2 million in H1 2016).

Net currency loss of USD 0.3 million in Q2 2017 (loss of USD 0.1 million in Q2 2016) mainly represents unrealised losses on revaluation of USD bank accounts. The net currency losses were USD 0.4 million in H1 2017 (loss of USD 0.9 million in H1 2016).

Profit after taxes for Q2 2017 was USD 0.1 million (loss of USD 0.9 million in Q2 2016). The profit after taxes

was USD 0.2 million in H1 2017 (loss after taxes of USD 3.2 million in H1 2016).

Financial position and liquidity

At 30 June 2017, cash and cash equivalents amounted to USD 8.9 million. This compares with USD 9.6 million as of 31 March 2017. The decrease in the cash and cash equivalents is mainly due to an increase in net working capital that is offsetting a positive operating result. Increased activity for OWC and higher working capital for our marine consultancy operations in Saudi Arabia have contributed to the increase in the working capital for the group. The net working capital will fluctuate during the year with type of projects, milestone payments and the overall revenues.

Aqualis does not have any interest bearing debt.

Order backlog

Following new contract wins the order backlog at the end of Q2 2017 increased to USD 10.3 million compared with USD 10.0 million at the end of Q1 2017. Services are now primarily driven by "call out contracts" which are driven by day-to-day operational requirements. An estimate for backlog on "call out contracts" is only included in the order backlog when reliable estimates are available. Aqualis was able to win some larger marine and engineering contracts during Q2 2017.

Organisational development

At end of Q2 2017, Aqualis had 159 employees (full time equivalents, including contractors on 100% equivalent basis), down from 170 at the end of Q1 2017. The decrease is mainly due to a reduction in specialist technical staff and administrative staff. The use of subcontractors continues to increase demonstrating the groups gradual move to a more dynamic business model that is more aligned with demand fluctuations.

Resource availability is no longer an issue in the current market with a surplus of experienced people actively seeking work.

Health, safety, environment and quality

Aqualis' HSEQ management system provides the framework to manage all aspects of our business. The management system is designed to ensure compliance with regulatory requirements, identify and manage risks and to drive continuous improvement in HSEQ performance. Aqualis has now roughly 1.2 million man-hours without a lost time incident (LTI) since its incorporation.

Market update

Oil and gas market

The activity level in the overall O&G sector continues to be weak and the market is competitive. The industry continues to be under pressure to reduce costs and be more efficient. The gradual increase in rigs / vessels

being stacked and off-contract has slowed indicating that the market might be nearing the low point but until the oil companies resume new infrastructure investment, the oil service industry will have a reduced momentum. Visibility is still short term.

The market conditions in particular in Americas and Europe are challenging as the market has contracted significantly over the past year. The activity in the Middle East region reduced at the end of Q2 2017 due to both the start of the monsoon period offshore India and the seasonal Ramadan slowdown.

During the quarter additional bidding opportunities were continued to be identified.

Focus remains on supporting our clients with their day-to-day offshore operations, since capex related opportunities remain limited. The group's organizational structure is becoming leaner and gradually more flexible at being able to adapt to new opportunities.

Renewables

Offshore Wind Consultants (OWC) had increased activity level in Q2 2017 and secured new contract awards. The staff have been able to maintain high billing ratios in the quarter. OWC continues to build and expand its client base with a number of good market opportunities and new recruitment processes for both technical staff and subcontractors are ongoing. This is despite the industry remaining competitive and facing rate pressures / low margins as new players continue to enter the market.

The demand for ADLER Solar's services in the solar market improved in Q2 2017 supported by the seasonal effects of warmer weather conditions. The industry remains competitive and margins are tight

Outlook

Aqualis financial performance is driven primarily by activity within the European renewables sector and the global oil and gas markets.

The activity in the offshore renewables market remains high and Northern Europe has a reasonable project pipeline predicted through to 2020. Offshore wind has improved its competitiveness compared to other energy sources as the levelized cost of energy for offshore wind has fallen significantly. OWC has strengthened its market position in Europe over the past quarters and is exploring growth opportunities in other emerging offshore wind market such as China, Taiwan, and the US.

Germany is a mature solar market with 41 GW cumulative solar capacity at the end of 2016. The demand for ADLER Solar's services is expected to grow as the installed solar plants age and new solar plants are installed. ADLER Solar has not yet completed the turnaround of its business. ADLER Solar aims to

increase its revenues from integrated service / solutions and gradually move to a more flexible business model to mitigate demand fluctuations. It is facing challenging market conditions and focus is currently on strengthening the sales activity and increasing the proportion of large projects.

The activity level and demand visibility still remains short term across the oil and gas market. The oil and gas market is expected to remain challenging for the rest of 2017 with continued price and margin pressure. The activity level in Q3 2017 is expected to be lower than in Q2 2017 due to the adverse weather conditions associated with the monsoon period offshore the Indian Ocean and vacation months.

The marine consultancy and engineering industry is still oversupplied leading to very competitive market conditions. The industry would benefit from further consolidation. Aqualis aims to be proactive and assess consolidation opportunities to enhance shareholder value.

Strong project execution, adaptability to market changes, responsiveness and a continued broadening of the client base remains the foundation for developing Aqualis. Aqualis' greatest long term growth potential lies with its' ability to widen and strengthen the global client portfolio and client loyalty. Aqualis' move to a more flexible business model with the ability to adapt more quickly to market demand fluctuations will be important for the management in order to ensure consistent profitability.

Asker, 20 July 2017

The Board of Directors of
Aqualis ASA

Condensed interim Financial Statements Q2 2017

Consolidated Statement of Income

<i>Amounts in USD thousands</i>	Note	Q2 17	Q2 16	H1 17	H1 16	FY 2016
Revenues	5	7,324	8,156	14,874	15,016	27,564
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	6	(3,228)	(3,482)	(6,198)	(6,060)	(11,016)
Depreciation, amortisation and impairment		(31)	(58)	(63)	(130)	(794)
Share of net profit (loss) from associates	8	7	(147)	(233)	(226)	(506)
Operating profit (loss) (EBIT)	6	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)

Consolidated Statement of other Comprehensive Income

<i>Amounts in USD thousands</i>	Note	Q2 17	Q2 16	H1 17	H1 16	FY 2016
Profit (loss) after taxes		79	(880)	180	(3,238)	(3,874)
Other comprehensive income						
Currency translation differences		660	(103)	1,000	1,382	(516)
Income tax effect		-	-	-	-	66
Total comprehensive income		740	(983)	1,180	(1,856)	(4,324)
Attributable to:						
Equity holders of the parent company		740	(983)	1,180	(1,856)	(4,324)
Non-controlling interests		-	-	-	-	-
Earnings per share (USD): basic and diluted		0.00	(0.02)	0.00	(0.08)	(0.09)

Condensed interim Financial Statements Q2 2017

Consolidated Statement of Financial Position

<i>Amounts in USD thousands</i>	Note	30.06.2017	31.12.2016
ASSETS			
Non-current assets			
Equipment		162	184
Intangible assets	7	16,696	16,257
Investment in associates	8	2,731	2,853
Loan to associates		278	289
Deferred tax assets		127	122
Total non-current assets		19,994	19,705
Current assets			
Trade receivables	9	5,994	5,475
Other current assets	10	3,673	2,815
Cash and cash equivalents	4	8,949	9,910
Total current assets		18,616	18,200
Total assets		38,610	37,905
EQUITY AND LIABILITIES			
Equity			
Share capital		690	690
Share premium		47,344	47,344
Other paid in capital		561	543
Retained earnings		(14,317)	(15,496)
Total equity		34,278	33,081
Non-current liabilities			
Deferred tax liability		437	425
Other non-current liabilities		555	527
Total non-current liabilities		992	952
Current liabilities			
Trade payables		1,046	1,093
Other current liabilities		2,295	2,779
Total current liabilities		3,340	3,871
Total liabilities		4,332	4,824
Total equity and liabilities		38,610	37,905

Condensed interim Financial Statements Q2 2017

Consolidated Cash Flow Statement

<i>Amounts in USD thousands</i>	Note	Q2 17	Q2 16	H1 17	H1 16	FY 2016
Cash flow from operating activities						
Profit (loss) before taxes		104	(855)	224	(3,196)	(4,018)
Non-cash adjustment to reconcile profit before tax to cash flow:						
Estimated value of employee share options		3	40	18	80	111
Depreciation, amortisation and impairment		31	58	63	130	794
Share of net (profit) loss from associates	8	(7)	147	233	226	506
Changes in working capital:						
Changes in trade receivables and trade payables		(873)	1,364	(566)	1,861	2,157
Changes in other assets and other liabilities		(239)	(1,822)	(1,315)	(2,195)	(2,783)
Interest received		(12)	-	(31)	(3)	(4)
Income tax paid		(24)	(545)	(44)	(562)	(691)
Effects related to currency unrealised		327	199	402	779	(199)
Cash flow used in operating activities		(691)	(1,414)	(1,016)	(2,880)	(4,127)
Cash flow from investing activities						
Purchase of equipment		(29)	(3)	(34)	(7)	(16)
Interest received		12	-	31	3	4
Loan to associates		-	-	-	-	(370)
Cash flow from/(used in) investing activities		(17)	(3)	(3)	(4)	(382)
Cash flow from financing activities						
Buy back of shares		-	-	-	(368)	(368)
Cash flow used in financing activities		-	-	-	(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
Effect of movements in exchange rates		41	(68)	58	74	(77)
Cash and cash equivalents end period	4	8,948	11,686	8,948	11,686	9,910

Condensed interim Financial Statements Q2 2017

Consolidated Statement of Changes in Equity

<i>Amounts in USD thousands</i>	Share capital	Share premium	Other paid in capital	Retained earnings	Foreign currency translation reserve	Total equity
Equity at 01.01.2017	690	47,344	543	(1,082)	(14,414)	33,081
Profit (loss) after taxes	-	-	-	180	-	180
Foreign currency translation reserve	-	-	-	-	1,000	1,000
Share-based payment	-	-	18	-	-	18
Equity at 30.06.2017	690	47,344	561	(903)	(13,414)	34,278

Condensed interim Financial Statements Q2 2017

Notes to the interim Financial Statements

Note 1: General information

Aqualis ASA (“the Company”) is a Norwegian public limited liability company. The Company was established when the owners of Weifa ASA established it as a fully owned subsidiary and transferred the offshore business from Weifa ASA to this new company. The transfer of business within the group did not result in any change of economic substance and it is therefore not considered a business combination. Accordingly, the consolidated interim financial statements of Aqualis ASA are a continuation of the group values transferred from Weifa ASA in the spin-off of the marine and offshore business.

Weifa ASA transferred 100 percent of the shares in the subsidiaries Aqualis Offshore Ltd, Tristein AS and Offshore Wind Consultants Ltd to Aqualis ASA on the 24 July 2014. The ownership of the subsidiaries and the related excess values from the acquisitions of the subsidiaries are consequently continued in the group interim financial statement of Aqualis ASA.

The shares of the Company were listed on Oslo Stock Exchange on 13 August 2014. The Company and its subsidiaries (together the Aqualis Group/the Group) is a public company that offers energy consultancy services to the oil and gas, wind and solar sectors globally. The group, including associates employs experienced consultants across 21 offices in 15 countries worldwide.

Note 2: Basis of preparations and statements

Basis for preparation

The financial statements are presented in USD, rounded to the nearest thousand, unless otherwise stated. As a result of rounding adjustments, the figures in one or more row or column included in the financial statements and notes may not add up to the total of that row or column.

Statements and accounting policies:

The financial information is prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”), and according to the group accounting principles as described in this report. The accounting policies applied are consistent with those applied and described in the consolidated annual financial statements for the year ended 31 December 2016.

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. A reconciliation between reported operating profit/(loss) and operating profit adjusted is shown in note 11.

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. A reconciliation between profit (loss) after taxes adjusted and profit (loss) after taxes is shown in note 11.

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 contacts” 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.

Note 3: Critical accounting estimates and judgements in terms of accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The most significant items affected by estimates in the consolidated group accounts includes intangible assets, investments in associates and assessment of value of trade receivables.

Note 4: Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents are comprised of the following:

Amounts in USD thousands	30.06.2017	31.12.2016
Cash at banks	8,949	9,910
Total	8,949	9,910

Distributed in the following currency:

Amounts in USD thousands	Local Currency	USD	Local Currency	USD
US Dollars (USD)	7,450	7,450	8,423	8,423
Norwegian Krone (NOK)	2,255	269	6,010	697
Other currencies		1,229		790
Total		8,949		9,910

Note 5: Segment information

Aqualis has one operating segment, which services the marine and offshore sector. This is the only business segment used for internal reporting. The table below shows operating revenues and profit for entities in different geographical areas.

Amounts in USD thousands	Q2 17	Q2 16	H1 17	H1 16	FY 2016
Revenues					
Middle East	2,851	3,381	6,218	6,403	10,867
Far East	1,913	1,893	3,556	3,491	6,725
Europe	2,288	2,239	4,340	4,075	7,658
Americas	640	1,322	1,412	2,241	4,081
Eliminations	(368)	(679)	(653)	(1,194)	(1,767)
Total revenues	7,324	8,156	14,874	15,016	27,564
Operating profit (loss) (EBIT)					
Middle East	281	(8)	580	(270)	(524)
Far East	166	99	297	(82)	(146)
Europe	245	(250)	440	(864)	(1,010)
Americas	(142)	(59)	(145)	(140)	(226)
Share of net income from associates	7	(147)	(233)	(226)	(506)
Corporate group costs	(148)	(311)	(296)	(592)	(952)
Eliminations	(3)	(111)	(18)	(134)	(691)
Total operating profit (loss)	406	(787)	626	(2,308)	(4,055)

Note 6: Other operating expenses

Amounts in USD thousands	Q2 17	Q2 16	H1 17	H1 16	FY 2016
Subcontractors cost	1,879	1,706	3,613	2,813	5,267
Office lease and maintenance expenses	249	340	501	694	1,249
Insurance cost	111	165	187	326	589
Cost of recharged expenses	287	378	518	508	873
General and administrative expenses	702	892	1,379	1,720	3,037
Total other operating expenses	3,228	3,482	6,198	6,061	11,016

Note 7: Intangible assets

<i>Amounts in USD thousands</i>	Customer contracts	Goodwill	Total
Cost			
At 01.01.2017	547	18,394	18,941
Additions	-	-	-
Effect of movements in exchange rates	-	481	481
At 30.06.2017	547	18,875	19,422
Amortisation and impairment			
At 01.01.2017	547	2,137	2,684
Impairment charge for the period	-	-	-
Effect of movements in exchange rates	-	42	42
At 30.06.2017	547	2,179	2,726
Net book value at 30.06.2017	-	16,696	16,696
Net book value at 31.12.2016	-	16,257	16,257

Goodwill is tested for impairment at least annually, or when there are indications of impairment. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculations requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Note 8: Investment in associates

Aqualis acquired a 49.9% share in ADLER Solar Services GmbH ("ADLER Solar") on 29 October 2015. The investment is classified as an associate in which Aqualis has significant influence. The investment is accounted for through the equity method in the group financial statements.

In order to conclude on the classification of the investment, management has considered the relevant facts and circumstances including the ownership of shares, the composition of remaining shareholders, options to acquire further shares, composition of the Board of Directors and the decision-making processes related to relevant activities. Aqualis has an option right to acquire an additional 10.1% in ADLER Solar during the period 1 April 2017 through 31 March 2019. Movements during 2017 and 2016 are as follows:

<i>Amounts in USD thousands</i>	30.06.2017	31.12.2016
Balance at beginning of the period	2,853	3,283
Share of net profit (loss)	(203)	(445)
Amortisation of customer relationships (net of taxes)	(15)	(60)
Effect of movements in exchange rates	96	76
Balance at end of the period	2,731	2,853

Following are Adler Solar's consolidated financial position and consolidated statement of income:

<i>Amounts in USD thousands</i>	30.06.2017	31.12.2016
Current assets	2,575	2,800
Non-current assets	989	1,096
Current liabilities	(3,559)	(3,482)
Non-current liabilities	-	(0)
Net assets	6	414

<i>Amounts in USD thousands</i>	Q2 17	Q2 16	H1 17	H1 16	FY 2016
Revenue	2,932	2,663	5,671	6,805	13,355
Profit and loss for the period	45	(264)	(408)	(394)	(893)

Reconciliation of the above summarised financial information to the carrying amount of the interest in ADLER Solar recognised in the consolidated financial statements presented below:

Amounts in USD thousands (49.9%)	30.06.2017	31.12.2016
Proportion of the Group's ownership interest in ADLER Solar	3	207
Goodwill	2,425	2,241
Customer relationships	207	220
Deferred tax liability	(33)	(32)
Currency translation differences	129	217
Carrying amount of Group investment in ADLER Solar	2,731	2,853

Note 9: Trade receivables

The ageing analysis of unimpaired trade receivables at the reporting date is as follows:

Amounts in USD thousands	30.06.2017	31.12.2016
Not overdue	2,653	1,934
Overdue 1-30	1,479	1,364
Overdue 31-60	561	368
Overdue 61-90	444	312
More than 90 days	857	1,497
Total	5,994	5,475

As at 30 June 2017, trade receivables of USD 328 thousands (31 December 2016 - USD 151 thousands) were impaired.

Note 10: Other current assets

As at 30 June 2017, other current assets include revenue earned but not invoiced of USD 2,099 thousands (31 December 2016 - USD 1,533 thousands).

Note 11: Reconciliation of selected Alternative Performance Measures

Amounts in USD thousands	Q2 17	Q2 16	H1 17	H1 16	FY 2016
Operating profit (loss) (EBIT)	406	(787)	626	(2,308)	(4,055)
Goodwill impairment	-	-	-	-	579
Operating profit (loss) adjusted	406	(787)	626	(2,308)	(3,476)

Amounts in USD thousands	Q2 17	Q2 16	H1 17	H1 16	FY 2016
Profit (loss) after taxes	79	(880)	180	(3,238)	(3,874)
Goodwill impairment	-	-	-	-	579
Profit (loss) after taxes adjusted	79	(880)	180	(3,238)	(3,295)

Note 12: Subsequent events

There are no significant events after balance sheet date.

RESPONSIBILITY STATEMENT

We confirm that, to the best of our knowledge, the condensed set of financial statements for the first half year of 2017, which has been prepared in accordance with IAS 34 Interim Financial Statement, gives a true and fair view of the Company's assets, liabilities, financial position and results of operations, and that the interim management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

Oslo, 20 July 2017

Glen Rødland
Chairman of the Board

Yvonne L. Sandvold
Board member

Reuben Segal
Board member

Synne Syrrist
Board member

David Wells
CEO



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