



**AQUALIS**

**Pareto Oil & Offshore conference**  
September 14, 2017

[aqualis.no](http://aqualis.no)

# Disclaimer

---

- This Presentation has been produced by Aqualis ASA (the “Company” or “Aqualis”) solely for use at the presentation to investors and other stake holders and may not be reproduced or redistributed, in whole or in part, to any other person. This presentation is strictly confidential, has not been reviewed or registered with any public authority or stock exchange, and may not be reproduced or redistributed, in whole or in part, to any other person. To the best of the knowledge of the Company, the information contained in this Presentation is in all material respect in accordance with the facts as of the date hereof, and contains no material omissions likely to affect its importance. However, no representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, neither the Company nor any of its subsidiary companies or any such person’s officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this Presentation. This Presentation contains information obtained from third parties. Such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information to be inaccurate or misleading.
- This Presentation contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “anticipates”, “targets”, and similar expressions. The forward-looking statements contained in this Presentation, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. None of the Company or any of its parent or subsidiary undertakings or any such person’s officers or employees provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments. The Company assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to our actual results.
- AN INVESTMENT IN THE COMPANY INVOLVES RISK, AND SEVERAL FACTORS COULD CAUSE THE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE COMPANY TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS THAT MAY BE EXPRESSED OR IMPLIED BY STATEMENTS AND INFORMATION IN THIS PRESENTATION, INCLUDING, AMONG OTHERS, RISKS OR UNCERTAINTIES ASSOCIATED WITH THE COMPANY’S BUSINESS, SEGMENTS, DEVELOPMENT, GROWTH MANAGEMENT, FINANCING, MARKET ACCEPTANCE AND RELATIONS WITH CUSTOMERS, AND, MORE GENERALLY, GENERAL ECONOMIC AND BUSINESS CONDITIONS, CHANGES IN DOMESTIC AND FOREIGN LAWS AND REGULATIONS, TAXES, CHANGES IN COMPETITION AND PRICING ENVIRONMENTS, FLUCTUATIONS IN CURRENCY EXCHANGE RATES AND INTEREST RATES AND OTHER FACTORS.
- SHOULD ONE OR MORE OF THESE RISKS OR UNCERTAINTIES MATERIALISE, OR SHOULD UNDERLYING ASSUMPTIONS PROVE INCORRECT, ACTUAL RESULTS MAY VARY MATERIALLY FROM THOSE DESCRIBED IN THIS PRESENTATION. THE COMPANY DOES NOT INTEND, AND DOES NOT ASSUME ANY OBLIGATION, TO UPDATE OR CORRECT THE INFORMATION INCLUDED IN THIS PRESENTATION.
- By attending or receiving this Presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company’s business. This Presentation does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

# Energy consultancy with strong 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

## Solar<sup>1</sup>



- Strong position in Germany. Growing 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

# Global footprint – active in all major oil and gas regions

Corporate HQ: London

Operating in 21 offices in 15 countries

Approximately: 159 FTEs<sup>1</sup>

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

# Aqualis' competitive advantage

---



Global service offering



Quality



Flexibility



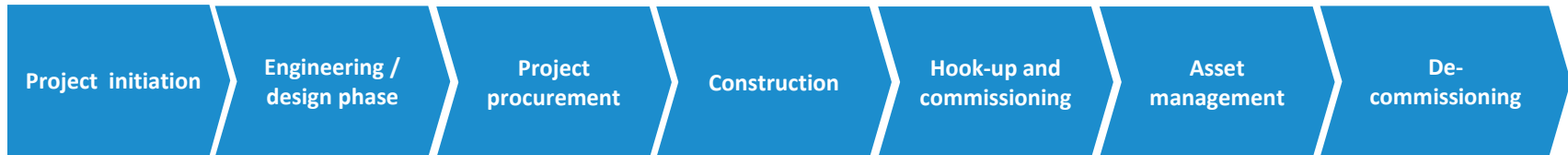
Experience

# Offshore Oil & Gas

- Service offering covering the life cycle of offshore assets



## Marine project / asset life cycle



### Aqualis Offshore services

#### Engineering (niche-focus):

Basic / conceptual design / FEED  
Modifications and upgrades of drilling rigs / FPSOs / FSOs / lift-boats  
Transportation & installation analysis

#### Construction yard supervision:

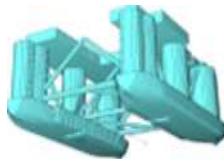
Site attendance on behalf of owners, shipyards, financial institutions, 3<sup>rd</sup> parties  
Conversions & upgrades + New-builds  
Due diligence / compliancy; financial community focus

#### Marine operations:

Transport and installation services; "moving of offshore assets"  
Rig moving  
Float-overs  
Site attendance & procedure management

#### Inspection & approvals:

Marine warranty services  
Mooring analyses  
Condition and suitability surveys / audits  
DP inspections and audits  
Jack-up site assessments



Aqualis' key competencies cover both offshore opex and capex cycles

# Offshore Oil & Gas

- Extensive client list



## NOCs / IOCs



## Offshore contractors / shipyards



## Rig / vessel owners



## Underwriters / financial institutions



# Offshore renewables

- Broad service offering with a high reputation



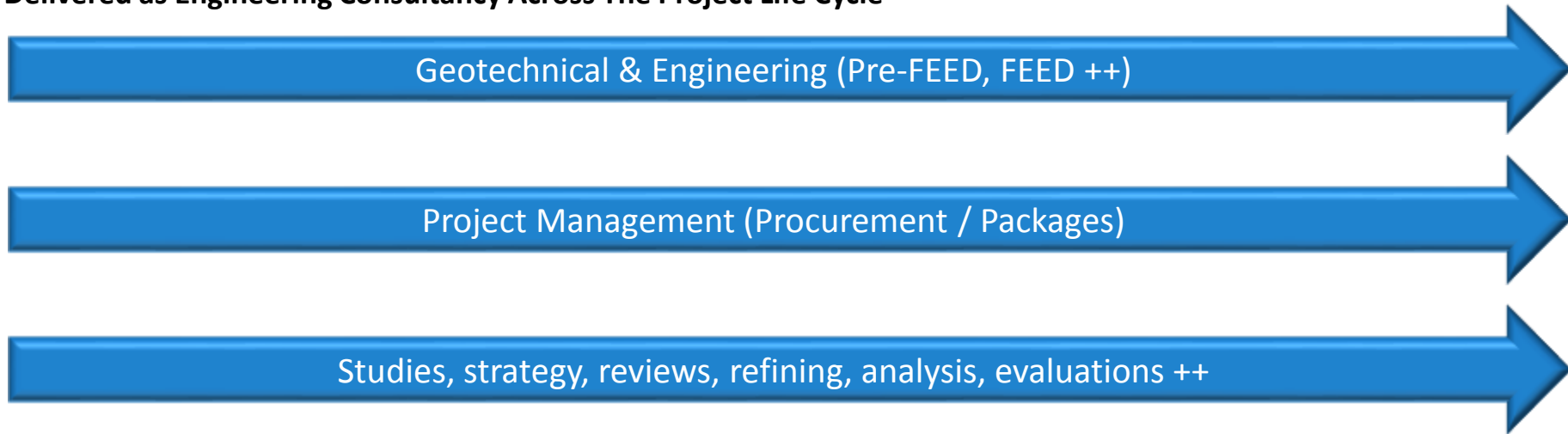
## Offshore Wind Project Lifecycle



## In-house Capability / Experience



## Delivered as Engineering Consultancy Across The Project Life Cycle





# Offshore renewables

## - The Offshore Wind Experience We Bring



### Selected clients



### Selected projects

- East Anglia ONE (UK)
- East Anglia THREE (UK)
- Navitus Bay (UK)
- Kentish Flats Ext (UK)
- West of Duddon Sands (UK)
- Galloper (UK)
- Beatrice (UK)
- Hornsea (UK)
- Nearth na Gaoithe (UK)
- London Array (UK)
- Walney 1 & 2 (UK)
- Barrow (UK)
- Lincs (UK)
- Ormonde (UK)
- Robin Rigg (UK)
- Westernmost Rough (UK)
- Gwynt y Mor (UK)
- Triton Knoll (UK)
- Wikinger (DE)
- Borkum West II Phase 1 & 2 (DE)
- Nordsee Ost (DE)
- Hornsea (UK)
- Horns Rev 3 (DK)
- Fecamp (FR)
- Kincardine (UK) – Floating

### Track record

Geotechnical assessment & support:	<b>13.0 GW</b>
Project management & support (incl. OE):	<b>4.0 GW</b>
Subsea cables consultancy (route, risk, remediation):	<b>12.0 GW</b>
Offshore Substations advisory:	<b>2.2 GW</b>
TDD & Peer Review of offshore wind projects:	<b>5.1 GW</b>
<b>Total Experience*</b>	<b>22.0 GW</b>

Note: Excludes work on assignments considered confidential, so above project list is not exhaustive. \* Experience is since 2011

# Offshore renewables

## - Mitigating challenges in offshore wind



### Challenges

- Offshore wind is a scalable solution, now!
- The sector globally is being pushed forward by very strong drivers
- However number of challenges coexist
  - **Financial** - Utilities with poor balance sheets, therefore need for new capital
  - **Technical** - Trends of bigger, farther and deeper pushing technology
  - **New markets** – New markets opening up with inexperienced players
  - **Cost** - Need to reduce LCOE and reduce subsidy dependency
- And they do not sit comfortably together...

### How we mitigate them

- Developing **innovative new tools** to **reduce DevEx costs and risks** earlier in projects – The EA projects Project Case Study
- **Commercialising floating wind foundations** for deeper waters – The Kincardine Project Case Study
- **Improving cable route and installation design and cable O&M** – BTLAL, Transmission Capital and DONG Energy Project Case Study

**Our service portfolio in accordance with the “lifecycle” of a PV system**

Before grid connection: < 2 years

After grid connection: < 25 years

Planning	Delivery	Construction	Operation	End of life
<p><b>Engineering Services</b> Surveys, expert reports, analysis, consulting</p> <p>Owners / lenders engineering</p> <p>Planning support and Project development</p> <p>Technical documentation</p> <p><b>Consulting</b></p> <p>Advice on the selection and procurement of modules and components</p> <p><b>EPC projects</b></p>	<p><b>PV test center (onsite or lab testing)</b> Incoming goods inspection</p> <p><b>Logistics</b></p> <p>Logistics Management</p> <p>Transportation</p> <p>Warehousing</p> <p><b>EPC projects</b></p>	<p><b>Engineering Services</b> Technical consultation</p> <p>Construction supervising and monitoring</p> <p>Expert reports</p> <p>Measurements for the commissioning</p> <p>Acceptance testing</p> <p>Documentation</p> <p><b>EPC projects</b></p>	<p><b>Engineering Services</b></p> <p><b>Repowering</b></p> <p>Technical Due Diligence Performance and data analysis</p> <p><b>Claims management for insurance companies</b></p> <p>Warranty/guarantee check</p> <p><b>PV and inverter test center (onsite or lab testing)</b> Visual inspection, testing, measurements, repair (inverters and modules)</p> <p><b>Service Teams</b> Maintenance, inspection, fault clearance</p> <p>Repair and Replacement</p> <p><b>Dialog Center</b> Warranty management</p> <p><b>Procurement</b> Spare parts / components of modules and inverters</p>	<p><b>Engineering Services</b> 2<sup>nd</sup> life concepts</p> <p><b>Service Teams</b></p> <p>Replacement / exchange of components</p> <p>Dismantling</p> <p>Packing</p> <p><b>Logistics</b></p> <p>Transportation</p> <p>Warehousing</p> <p>Spare part management</p> <p>Recycling</p> <p><b>Sales support</b></p> <p>Marketing of modules and components on the secondary market</p>

# Solar

## - Strong track record

ADLER**SOLAR**<sup>2</sup>

### Selected clients

- e.on
- First Solar
- IBC Solar AG
- Juwi Energieprojekte
- KOSTAL Industrie Elektrik
- LG Chem
- Masdar PV
- REC Solar
- R+V Allgemeine Versicherungen
- RWE
- SolarWorld
- Sonnedix
- Soventix
- Stadtwerke Münster
- SV Sparkassenversicherung
- Viessmann
- VR Leasing
- Westfälische Provinzial Versicherung

### Track record

Incoming goods inspection: **100 MWp**

Repowering: **>10 MWp**

System tests & measurements  
(IR, IV, EL, VIS, ISO): **650 MWp**

PV system repair and  
overhaul : **> 1,000  
projects**

Expert reports (insurance  
damage) **> 1,800  
projects**

Performance reports and  
technical Due Diligence **300 MWp**

**Total Experience** **2.7 GWp**  
**> 3,000 projects**

Client List Note: ADLER Solar also work on assignments considered confidential, so above list is not exhaustive.

# Technical Due Diligence services within Oil & Gas, Offshore renewables and Solar

---

## Overview of services offered

---

- Assessment of asset requirements vs. capabilities
- Design review, professional peer review
- Assessment of owner, project management team and project plans/schedule
- CAPEX/OPEX budget evaluation
- Review of Energy Production Assessment (EPA)
- Identify delay risks and other project risks
- Pre- and post- contract reviews
- Yard / site evaluation and inspection
- Verification of project progress / payment milestone audits
- Suitability survey, condition survey, assessment of marine vessel functions, lifetime assessments

### Audits of FPSOs, rigs, vessels :

**Live units** : Inspections and opine on condition and function, budgets, and lifetime extension, valuations.

**Stacked units** : Verify preservation of entire vessel, mooring arrangement, implementation of class recommendations, competence of crew/watch-men, lay-up plan, opine on deactivation, stacking and reactivation costs

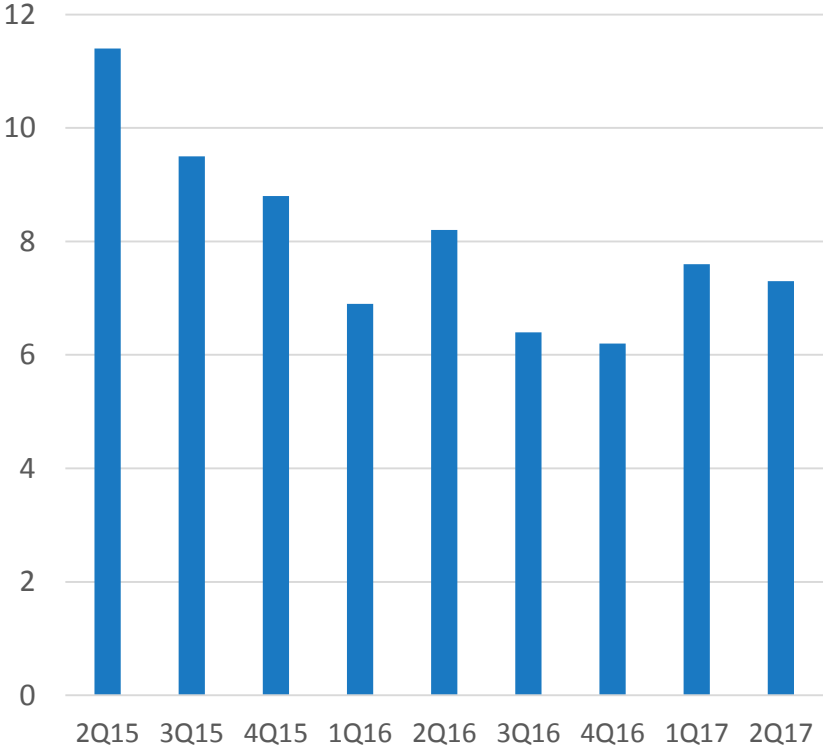
**Audits of new vessels under construction:** Verify and opine on schedule, progress, approve further drawdown on loans, budget yard capacity, experience, plans, execution and opine on delay risks and other risks to the project

**Audits of floating wind farm:** Review and opine on risks of worlds largest floating wind farm prior to acquisition of the project. Focus was on consent, subsidy regime, technical and schedule risks

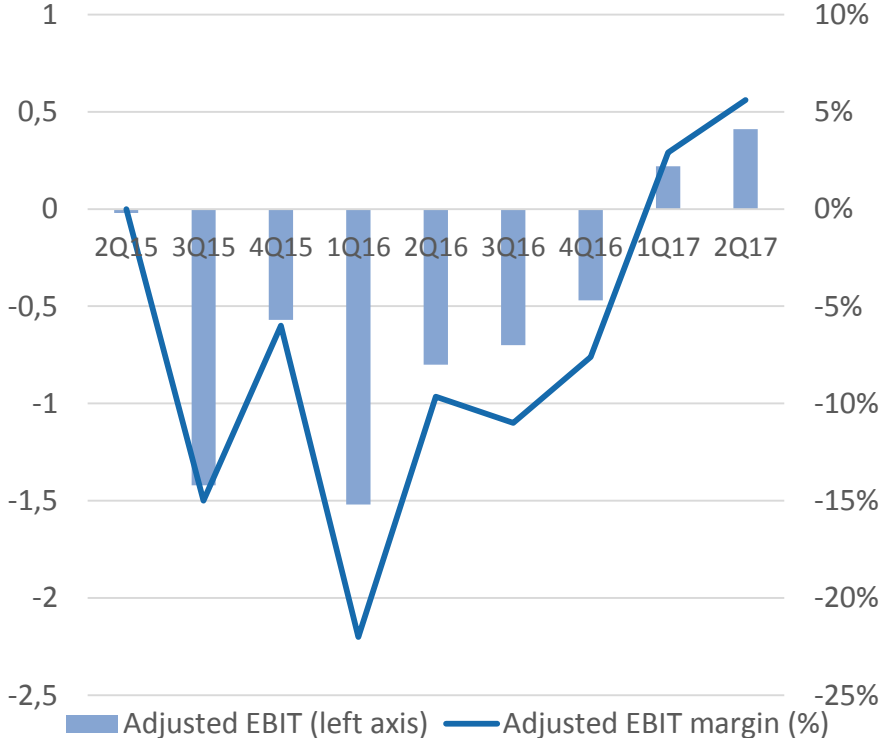
**Audits of solar farms:** assessment of performance and condition, checking of output, assessment of solar panels / cabling / inverters, calculation of costs of upgrading / repowering opportunities

# Revenue and adjusted EBIT trend

## Revenue development (USDm)



## Adjusted EBIT trend (USDm, %)



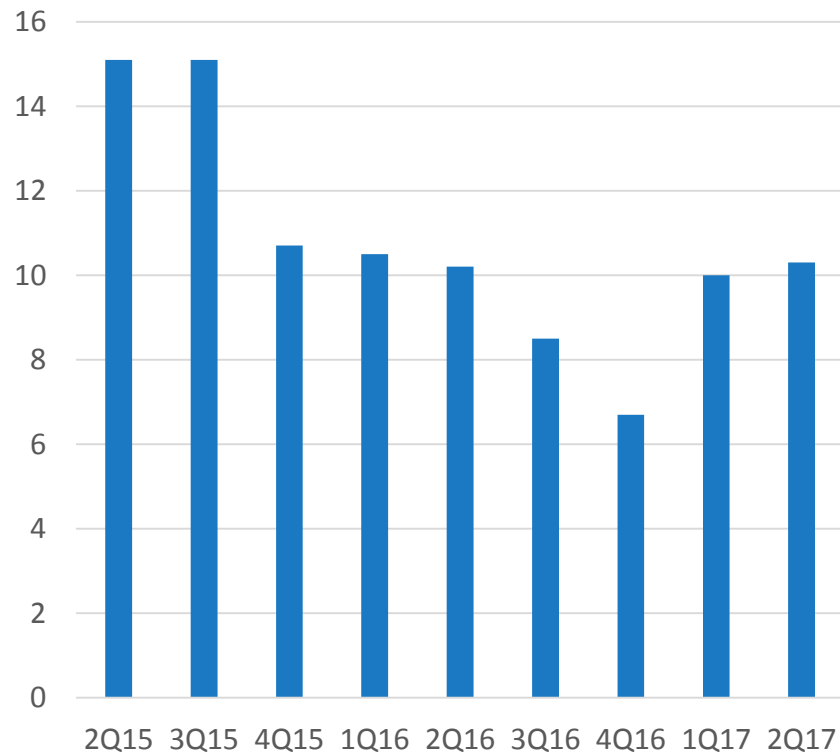
Adjusted EBIT: Earnings Before Interest and Taxes adjusted goodwill impairments

# Order backlog development

---

## Order backlog (USDm)

---

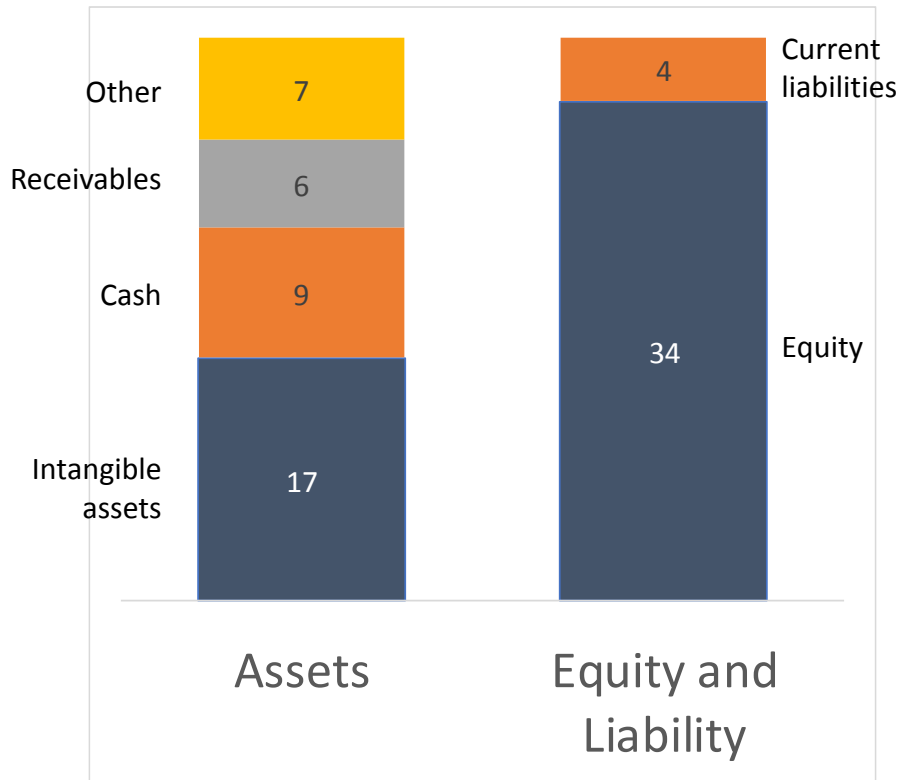


## Highlights Q2 2017

---

- 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

# Strong balance sheet



- Cash balance of USD 8.9 million
- No interest bearing debt
- Equity ratio of 89%



# Selected recent projects



# Global Rig Moving Operations

---

Aqualis Offshore's expertise is well known within the industry for the movement of drilling rigs and this is one of our strongest business lines

Our operations are global and cover US / Mexico / Middle East / North Sea / Asia Pacific

Clients, often through support from the major insurance companies, include many of the major blue chip rig owners and a number of oilco's (NOC's and IOC's).

One of our busiest regions in 2016/17 was offshore India where we attended on 84 rig moves (33 in April / March 2017 alone)



# Aqualis Offshore involvement in global HLV transports

---

Aqualis Offshore provides global services to asset owners and HLV ship owners for independent technical assurance of marine operations

This service covers a wide range of cargoes

Aqualis Offshore had involvement in 2016/17 with approximately one transportation per month



# Aqualis Offshore involvement in global HLV transports

---

The services include:

- Marine Warranty Services
- Review of marine doc & procedure
- Marine Consultancy
- Client representative
- Engineering
- Vessel inspections and surveys
- Crew competency assessments
- Onshore & offshore attendances



# Norway - Johan Sverdrup Drilling Platform

---

The various modules for the Johan Sverdrup Drilling Platform have been manufactured at different yards.

Aqualis Offshore AS has performed on behalf of Nymo AS hazard analyses (HAZOPS) for the loadout, transportation, lifting and stacking of the modules as well as a HAZOP of the final transport of the Drilling Equipment Set (DES).



# Norway - Nexan's cable vessels

---

Aqualis has provided stability calculations, drawings update, seafastening calculations, inspections as well as structural analysis for Nexan's cable lay vessels.

Aqualis Offshore has also provided consultancy for the Client's newbuilding projects.



# Norway - Ferry companies

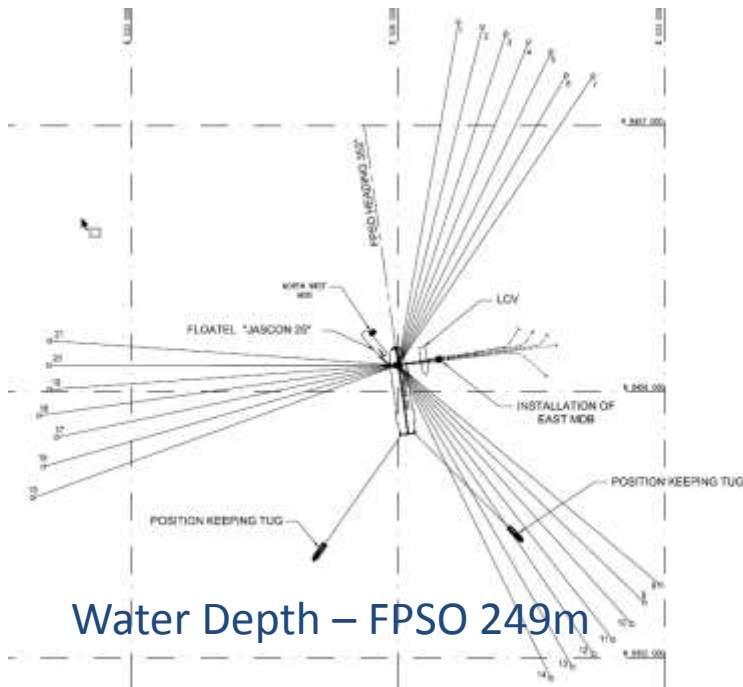
---

Aqualis provides services to major Norwegian ferry companies.

Services includes engineering support for port and harbor infrastructure, update of ships records, surveys, stability calculations in order to ensure safe and stable ships.



# Australia - Ichthys project – Positioning of CPF and FPSO



Water Depth – FPSO 249m

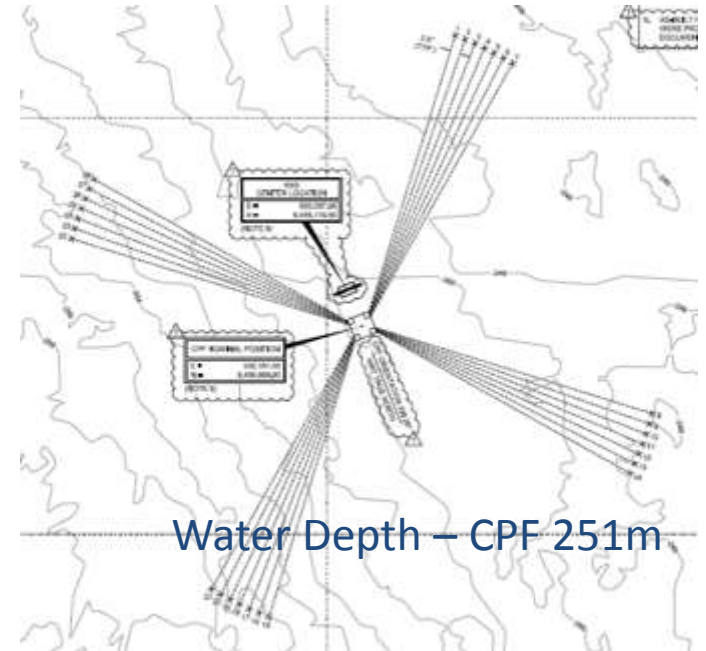
- Engineering
- Position Keeping Marine Procedure and Execution
- Attendance offshore to supervise the station keeping operation
- Provision of Station Keeping Masters
- 24 hours operation

## FPSO

- ▶ 21 mooring lines (spread) in clusters of 7
- ▶ Mooring lines are to be pre-installed and pre-laid on the seabed, before the vessel arrives in field

## CPF

- ▶ 28 mooring lines (spread) in clusters of 7



Water Depth – CPF 251m



# Ichthys Explorer – Positioning of CPF (Ichthys Explorer)



On 29 May 2017 the 120,000 tonnes “Ichthys Explorer” reached its final destination in Australian waters, 220 kilometres off the north coast of Western Australia.



# Ichthys Explorer – Positioning of CPF

Aqualis Offshore managed the position keeping procedure and provided the position keeping masters offshore while the CPF has been secured with eight anchors in total – two in each corner – to make it storm safe.



The full mooring of the CPF uses a 28-point spread mooring system with chain-wire rope-chain line make-up attached to driven anchor piles.

# Ichthys Venturer – Positioning of FPSO (Ichthys Venturer)

---

In August 2017 Aqualis Offshore successfully completed our position keeping role for the Ichthys Venturer FPSO which is now fully moored in Australian waters.

Vessel specs : Length 335 m Beam 59m Deadweight 340,000 tonnes



# Ichthys Venturer – Positioning

---

Aqualis Offshore also managed the position keeping procedure and provided position keeping masters offshore while the FPSO was secured with a 21-line mooring system.

With all mooring lines connected, Aqualis Offshore's position keeping masters are staying on board for heading control through the installations of the umbilical and flexible risers.



**DSME**

**POSH  
TERASEA**

**AQUALIS  
OFFSHORE**

# Bahrain LNG Terminal – Platform Transportation & Installation

---

The project is being developed to supplement local gas production in Bahrain to ensure capacity to meet peak seasonal gas demand and industrial growth.

The LNG import terminal will be located offshore approximately 4 km east of the onshore receiving facility at the Khalifa Bin Salman port.



An offshore LNG terminal with an FSU will be constructed. The project will have a capacity of 800 million standard cubic feet per day and will be completed in early 2019.

It will comprise a floating storage unit (FSU), an offshore LNG receiving jetty and breakwater, an adjacent regasification platform, subsea gas pipelines from the platform to shore, an onshore gas receiving facility, and an onshore nitrogen production facility.

Aqualis Offshore's scope of work covers the regasification platform

---

# Bahrain LNG Terminal – Jacket Transportation & Installation

---

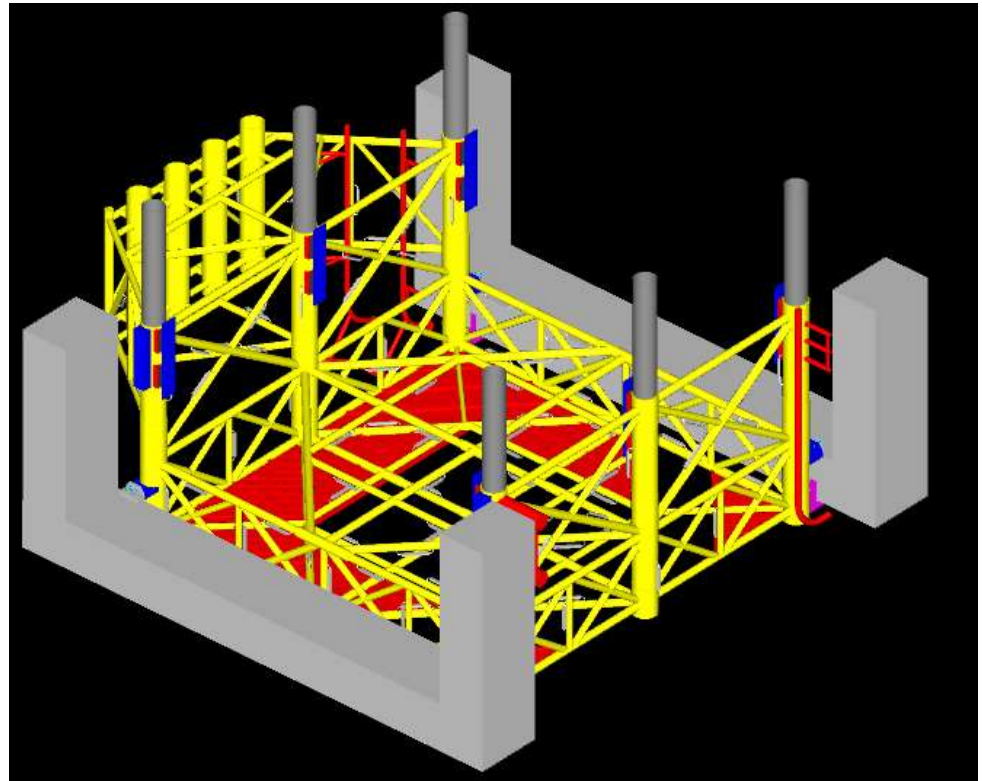
Aqualis SOW:

- Engineering related loadout, transportation and float on / off operation for jacket installation, including marine procedures.
- Site supervision during loadout and installation.

Jacket Weight (NTE) = 2,022 MT

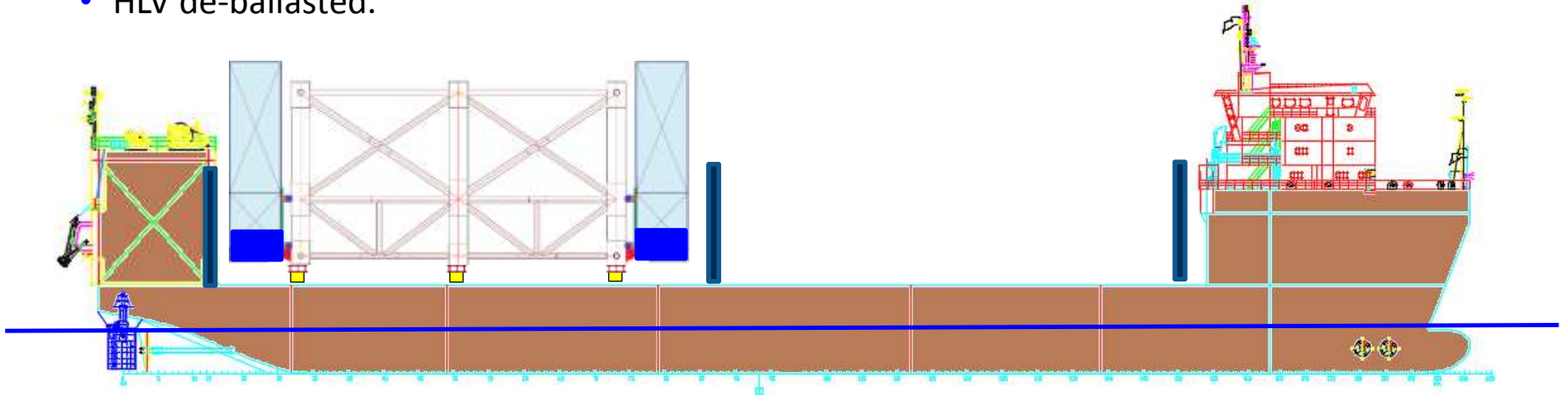
Transportation Vessel “CCCC Semi-Submersible HLV Wishway”

Route: South Korea to Bahrain  
(floatoff location water depth > 20m)



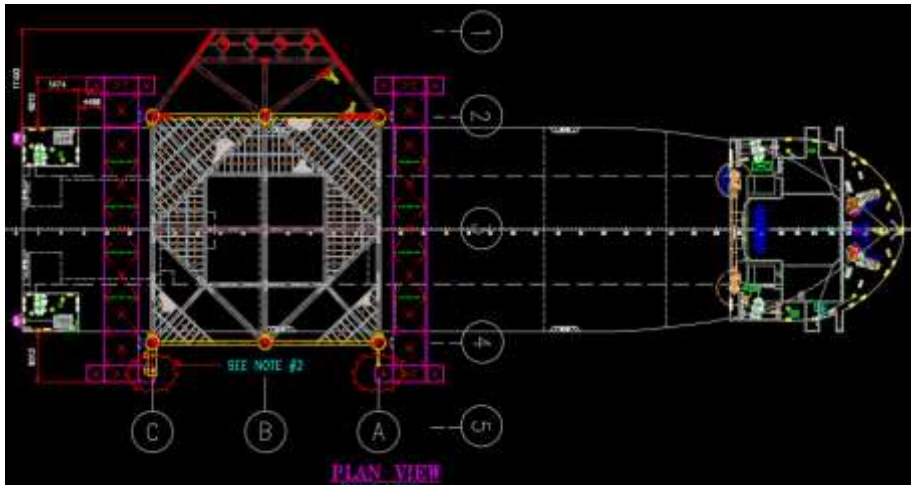
# Bahrain LNG Terminal - Jacket Float-off Operation

- Anchoring at the designated area with at least 20.0m of water depth.
- Seafastening removal and jacket secured with mooring lines at guide bumpers.
- Ballast added in buoyancy tanks to ensure even trim and heel for jacket offload.
- HLV submerged up to 13m for Intermediate check.
- Ballast down further.
- Continue to ballast down to 18.5m until jacket in floating condition.
- Ballast down further 0.5m and offload jacket with tug assistance.
- HLV de-ballasted.



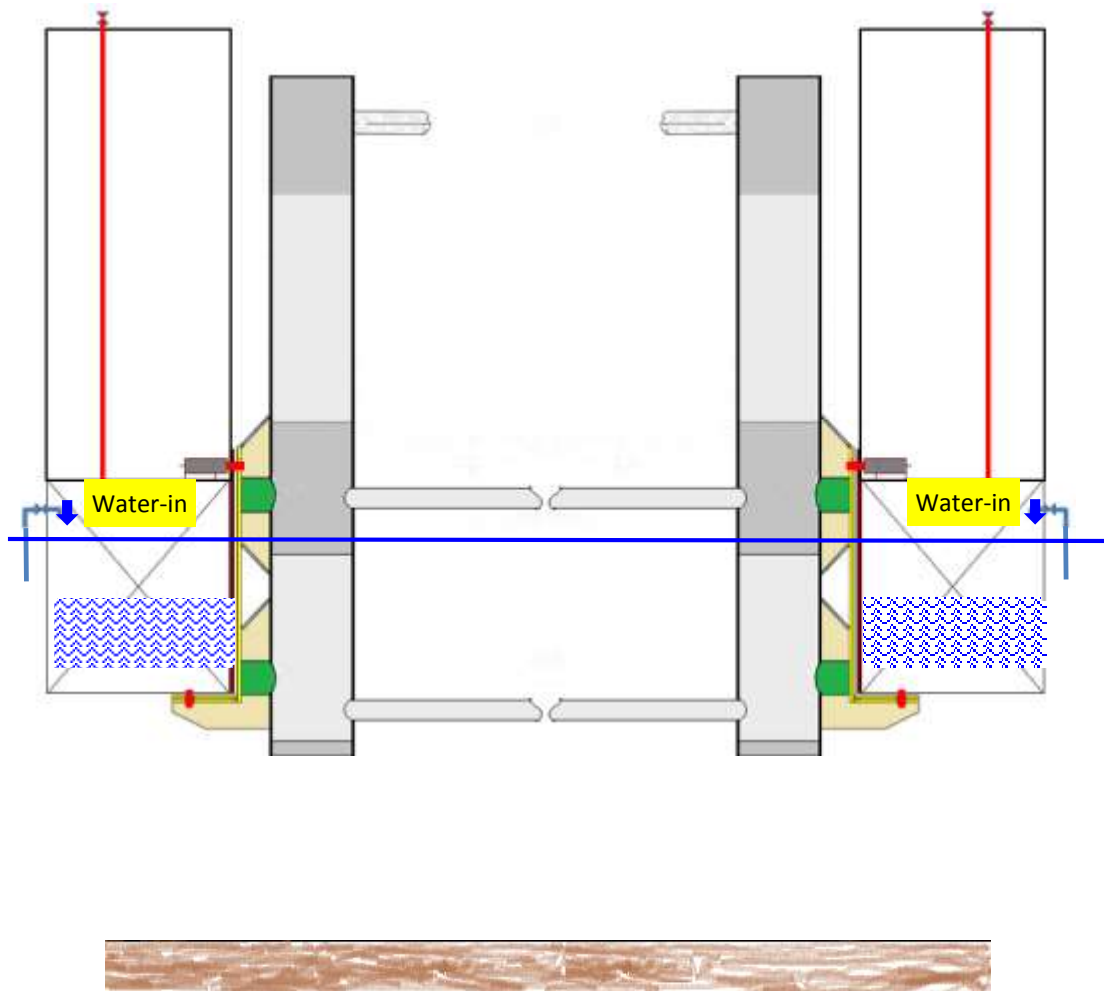
# Bahrain LNG Terminal – Jacket Stowage Plan

- Bumper guides to be installed to protect jacket during float-off operation.
- Grillage and seafastenings to secure jacket for transportation.



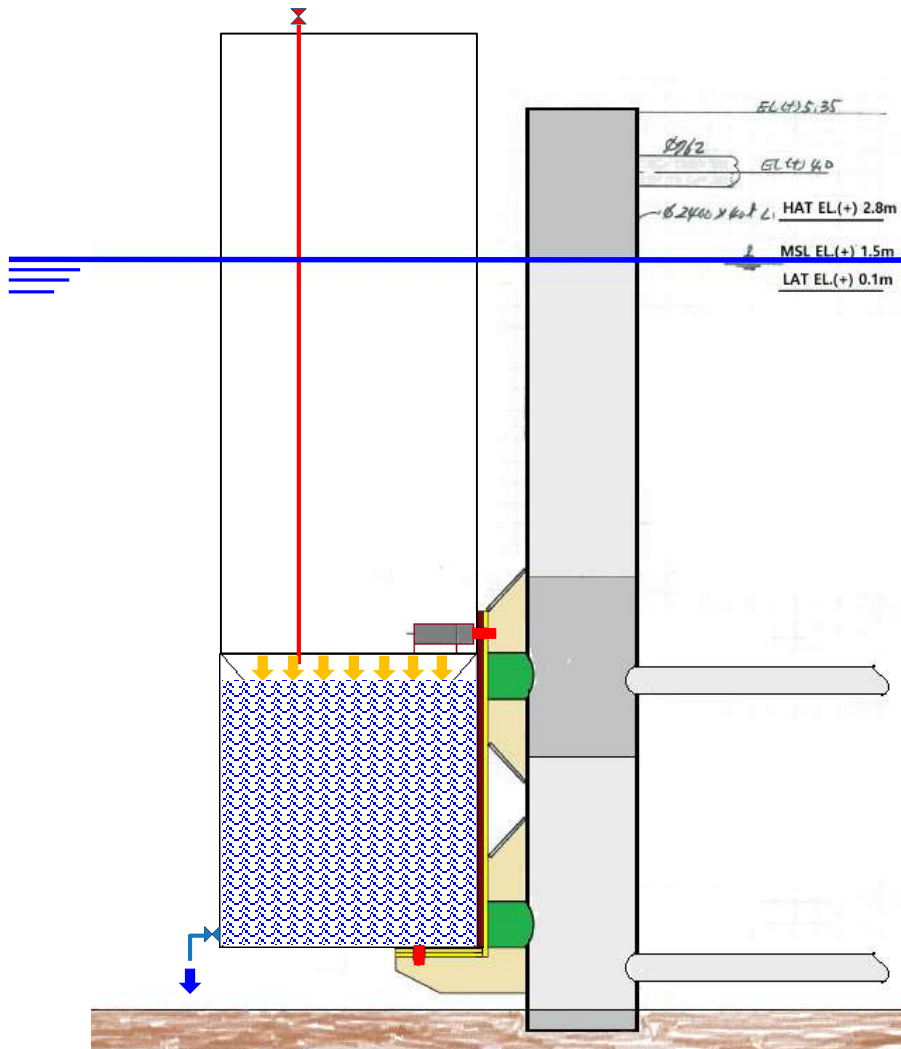


# Bahrain LNG Terminal – Jacket Lowering Sequence



- Water-in.
- Tanks fill.
- Continue to ballast down.
- Touch down to seabed.
- Position monitoring/check.
- Lock all valves.

# Bahrain LNG Terminal – Buoyancy Tank Removal Sequence



- Release horizontal pins by stud jacks.
- Water out.
- Buoyancy tanks start to rise and continue water-out.
- Buoyancy tank secured with tugs and removed.

# Bahrain LNG Terminal – Topside Transportation & Installation

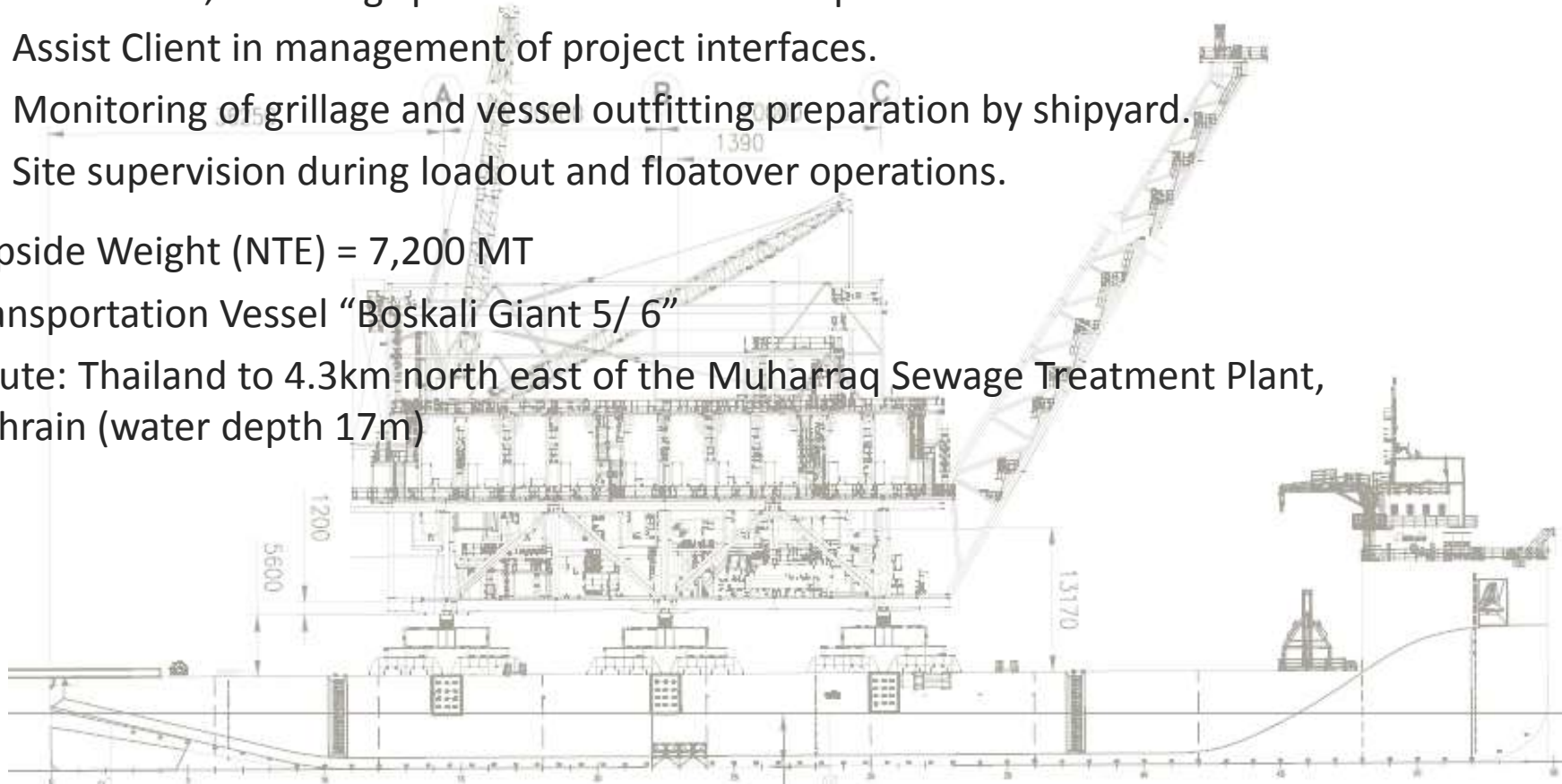
Aqualis SOW:

- All engineering related loadout, transportation and floatover operations for topside installation, including specification and marine procedures.
- Assist Client in management of project interfaces.
- Monitoring of grillage and vessel outfitting preparation by shipyard.
- Site supervision during loadout and floatover operations.

Topside Weight (NTE) = 7,200 MT

Transportation Vessel “Boskali Giant 5/ 6”

Route: Thailand to 4.3km north east of the Muharraq Sewage Treatment Plant, Bahrain (water depth 17m)



# UK – Offshore Wind Geotechnical Project

---

Offshore Wind Consultants Limited (OWC) has been awarded a contract for Scottish Power Renewables' East Anglia THREE offshore windfarm to provide project management services on a geotechnical site investigation covering:

- conceptual foundation design
- risk appraisal
- turbine layout assessment
- strategy support

The East Anglia THREE project is the second project to be developed in the East Anglia Zone

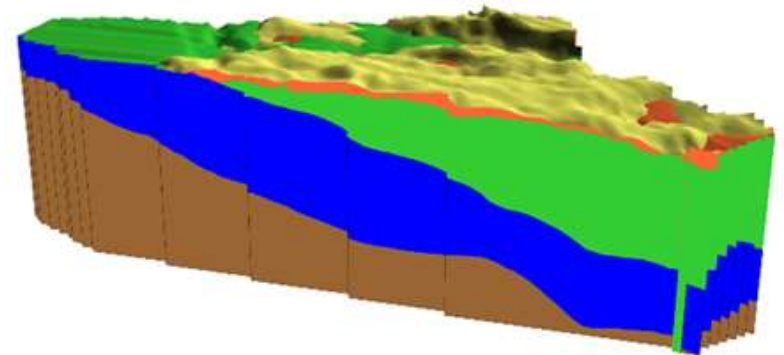
It covers an area of approximately 305 square kilometres, and ScottishPower Renewables anticipates up to 172 wind turbines, each having a rated capacity of between 7 megawatts (MW) and 12 MW with an installed capacity of up to 1,200 MW.



# UK – Offshore Wind Farm Geotechnical Scope

---

OWC were (and are) heavily involved in the East Anglia ONE project, and this additional work on ScottishPower’s next windfarm in the cluster is testament to the valuable services provided by OWC over the last 3 years



OWC’s site investigation management and ground model preparation

OWC will carry out an assessment of the layout constraints across the East Anglia THREE site, to assist with the development of the overall layout of the wind turbine generators, considering a number of variables including bathymetry, soil conditions, seabed mobility, foundation type and foundation installation.

This will be followed by the technical and project management of their site investigation, comprising three vessels working simultaneously at the site in September 2017, which will utilise OWC’s proprietary “live SI” tool.

# UK - Floating Offshore Wind Project

---

OWC was contracted to provide:

- owners engineer and
- project management services

to the 50MW Kincardine Project.

The project was to utilize an innovative Semi-Spar substructure design with 6.2MW WTGs, to be constructed in Kishorn Dry Dock, West Coast Scotland.

Services include supporting the following:

- Negotiation of major contracts (WTG, substructure, cables, moorings, tow and installation, onshore electrical)
  - Design management; substructure & mooring
  - Site investigation management;
  - Scope of work and employer requirements preparation
- *This project utilizes the OWC wind expertise and the Aqualis Offshore expertise in floating units and is therefore a good cross sell of expertise*



# Brazil - MWS for 3 x Pre-Salt Petrobras FPSO's

---

- Integration of Modec's FPSO MV29 at BrasFELS shipyard in Rio de Janeiro.
- Integration of FPSO Petrobras-76 at Techint Yard in Paranagua, Brazil.
- Replicate FPSO Petrobras-69: Certification of Lifts above 50 tonnes and of inshore marine operations at BrasFELS shipyard, Rio de Janeiro.
- Aqualis Offshore covers as MWS:
  - Loadouts, Transportations and Installation of Modules and High-Value Equipment
  - Docking, Quayside Mooring and Anchoring
  - Tow to Field and Mooring Hook-up
- FPSO MV29 departed from shipyard in August.
- FPSO's P-69 and P-75 to be delivered in 2018.
- All FPSO's to be installed at Pre-Salt Fields



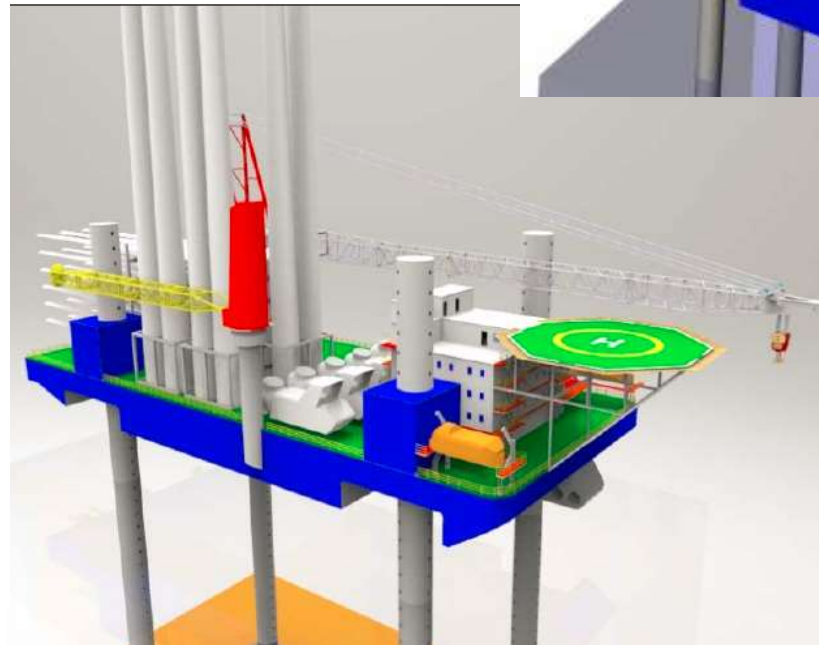
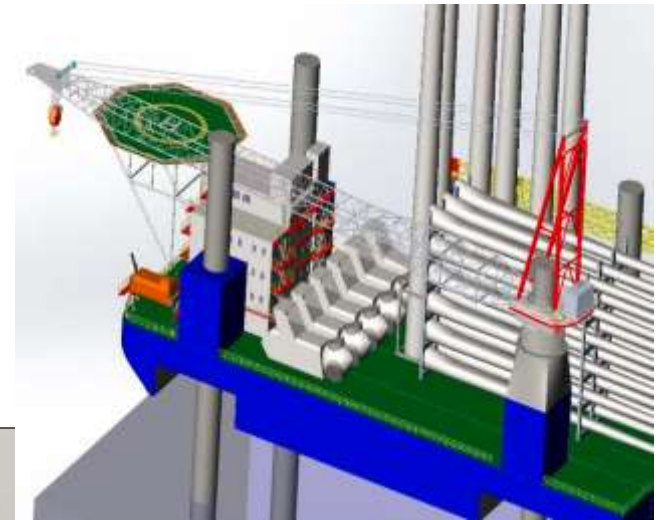
# AQUA-100 Wind Turbine Installation Vessel (WTIV) Design

## PRINCIPAL CHARACTERISTICS

Length Overall	130 m
Length	108 m
Beam	42 m
Depth	7.8 m
Maximum Draft	4.9 m
No. of Legs	4 (cylinder)
Leg Length	90 m
Leg Spacing	
Longi	68.0 m
Trans	31.2 m
Deck Area	3200 m <sup>2</sup>
Deck Loading	15 Mt/ m <sup>2</sup>
Cargo Capacity	5000 Mt
	(5 MW wind turbine x5)

## CRANES

- 1200 Mt Main Deck Crane
- 350 Mt Auxiliary Deck Crane
- 10 Mt Jib Crane





# GOM - MP261JP Platform Decommissioning Project

---

- Removal of jacket and Topside using Versabar's VB 10000 twin truss crane.



# Asset risks



# Idle Tonnage

---

- Huge investments made into new O&G assets during last decade
- Heavy recession in Oil and Gas Markets
- Many assets either now laid up / stacked or will be
- Are owners / underwriters / investors at Risk?



# The Risks

---

- Deterioration of equipment condition
- Moorings / site weather protection
- Fire
- Unit security - Equipment loss/theft
- Environmental pollution
- Water ingress
- Insurance / Class
- Corrosion / Degradation

Leading to reduced asset value and high reactivation costs?



# Outlook: Challenging market conditions

---

- 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

# Q&A



**AQUALIS**

# Appendix - 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