



Interim report Q4 2015

**AQUALIS**

## HIGHLIGHT AND KEY FIGURES Q4 2015

### HIGHLIGHTS

- Completion of the acquisition of 49.9% ownership in ADLER Solar
- Revenues of USD 8.8 million in Q4 2015 vs USD 10.6 million in Q4 2014
- Operating loss (EBIT) of USD 1.1 million in Q4 2015 vs EBIT loss USD 0.8 million in Q4 2014
- Adjusted EBIT loss of USD 0.6 million
- Operations impacted by lower activity level in the oil and gas market
- Order back-log of USD 10.7 million vs USD 20.0 million a year earlier
- Closing cash balance of USD 14.9 million vs USD 18.6 million a quarter earlier
- Rationalisation of engineering departments in Dubai, Houston and the office in Brazil to align capacity to changes in market conditions
- Continued solid HSE performance, no lost time incidents during the quarter
- 220 employees<sup>1</sup> at year end 2015 vs 236 a quarter earlier

"We are pleased with completing the acquisition of ADLER Solar and thereby expanding and strengthening our energy consultancy business in the renewable industry. Aqualis' Q4 2015 results have been impacted by softer market conditions in the oil and gas market, early terminations of ongoing projects and a strengthening USD" says Mr David Wells, CEO of Aqualis ASA.

### KEY FIGURES

<i>Amount in USD thousands (except shares, employees, backlog)</i>	<b>Q4 2015</b>	Q4 2014	FY 2015	FY 2014 <sup>2</sup>
<b>FINANCIAL</b>				
Total operating income	<b>8 755</b>	10 563	40 998	33 303
Operating profit (EBIT)	<b>-1 110</b>	-791	-2 048	-1 948
Operating profit (EBIT) adjusted <sup>3</sup>	<b>-568</b>	-791	-1 506	-580
Profit after taxes	<b>-870</b>	1 257	-1 339	-250
Profit after taxes adjusted <sup>3</sup>	<b>-328</b>	1 257	-797	1 118
Basic earnings per share (USD)	<b>-0,02</b>	0,03	-0,03	-0,01
Average number of outstanding shares (thousands)	<b>43 506</b>	43 191	43 358	43 191
Cash and cash equivalents	<b>14 864</b>	21 790	14 864	21 790
<b>OPERATIONAL</b>				
Order backlog (USD million)	<b>10,7</b>	20,0	10,7	20,0
Employees <sup>1</sup>	<b>220</b>	196	220	196

1) Includes contractors on 100% equivalent basis

2) Reimbursable travel costs have been reclassified in comparative revenues and other operating cost figures to conform to the presentation adopted for the current year

3) Figures excluding corporate restructuring and IPO costs of USD 1.4m in Q3 2014 and goodwill impairment of USD 0.5 million in Q4 2015

## FOURTH QUARTER 2015 GROUP REVIEW

(Figures in brackets represents same period prior year or balance sheet date 2014. Certain comparative figures have been reclassified to conform to the presentation adopted for the current year).

### Group results

**Total operating revenues** decreased by 17.5% to USD 8.8 million (USD 10.6 million). The decrease in revenues is due to softer market conditions in the oil and gas sector, early termination of ongoing projects and a strengthened USD.

**Operating expenses** decreased by 14.8% to USD 9.7 million (USD 11.4 million). The operating expenses are impacted by reversal of bonus accruals of USD 1.0 million accounted for in year 2015, reversal of bad debt provision of USD 0.3 million and a goodwill impairment of USD 0.5 million

**EBIT** amounted to a loss of USD 1.1 million (loss of USD 0.8 million). The result was impacted by project terminations, bonus and bad debt reversals and goodwill impairment.

**Results from associated companies** amounted to a loss of USD 0.2 million and relates to the investment in ADLER Solar. The loss in ADLER Solar is mainly due to seasonal slowdown and costs related to the transaction with Aqualis.

**Net currency gain** was USD 0.7 million (USD 2.0 million) represents unrealised gain on revaluation of USD bank accounts.

**Profit after taxes for the period** was a loss of USD 0.9 million (profit of USD 1.3 million).

### Financial position and liquidity

At 31 December 2015, cash balance amounted to USD 14.9 million. This compares with USD 18.6 million as of 30 September 2015. The decrease in the cash balance is mainly due to the acquisition of the 49.9% stake in ADLER Solar. The company had no interest bearing debt.

### Order backlog

The order backlog at the end of Q4 was USD 10.7 million (USD 15.1 million in Q3 2015), a decrease of 28.9%. The drop is mainly due to the early termination of ongoing projects. In addition, services are shifting towards "call out contracts" which are driven by day-to-day operational requirements and not included in order backlog.

### Organisation

As at 31 December 2015, Aqualis had 220 employees (full time employees, including contractors on 100% equivalent basis), down from 236 at the end of Q3 2015. The decrease was mainly related to release of

site teams in China and Singapore. Resource availability is not an issue in the current market with a surplus of experienced people actively seeking work. Aqualis appointed a new CFO, Kim Boman, with effect from January 2016.

The engineering departments in Dubai and Houston and the office in Rio have downsized during Q4 2015 to align capacity to the current market conditions. The adjustments will be effective in Q1 2016.

### Health, safety and environment

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. By Q4 2015, the company had logged over 0.7 million man-hours without a lost time incident (LTI).

### Market update

#### Oil and gas market

The fall in the oil price has developed an increasingly negative sentiment in the O&G market. Clients are under pressure to reduce both costs and headcount with many of their assets being stacked and off contract. Many projects are delayed, cancelled and reduced in scope. The service industry as a whole is becoming increasingly competitive.

All regions have seen somewhat softened market conditions in Q4 2015, but with the market in the Middle East experiencing relative high activity level. The market in Brazil has been especially weak.

Most of Aqualis' service lines have experienced lower demand. Bidding levels on smaller jobs, particularly within marine, has strengthened. The market for new large engineering and construction related opportunities is weak.

Our strategy in Q4 2015 has been to focus on supporting our clients with their day-to-day offshore operations as capex related opportunities weaken, and to expand into new market niches. During the quarter the Company entered into a number of new mid-sized O&G contracts globally.

### Renewables

OWC's market position is improving and it is continuing to build and expand its client base. It has successfully secured work from the major developers in Northern Europe. A new office opened in Hamburg in Q4 2015 to provide a strategic base for operations in the German sector.

Aqualis has through its acquisition of a 49.9% stake in ADLER Solar in October 2015 positioned itself as a

global energy consulting group. ADLER Solar is a full service and solutions provider for the PV industry. It offers engineering and maintenance services, test & repair, after sales services, recall campaigns and logistics. ADLER Solar has headquarter in Bremen, German and has a strong market position in Germany. It opened up an office in Japan in 2015.

### **Outlook**

Aqualis will continue to focus on further improving staff utilization, increasing efficiencies and aligning the cost base with the weakened market conditions. Aqualis will continue to monitor possible structural/add-on opportunities to enhance shareholder value

The negative sentiment in the O&G market appears to be escalating in some regions at the start of 2016

#### **Oil and gas market**

The overall oil and gas market is expected to be challenging, but with variations among regions. The negative sentiment in the O&G market appears to be escalating in some regions at the start of 2016. Outlook for the Americas and Europe is weak and we expect these regions to be challenging, whilst the Middle East region is expected to remain active, especially within marine related business.

#### **Renewables**

The offshore wind industry has been hurt by some changes in the subsidy regime in the UK. However, the offshore wind market in Northern Europe going forward remains positive with a reasonable project pipeline predicted through to 2020. Further afield, market potential will be explored in China, Taiwan and Thailand.

Industry analyst BNEF expect global PV demand in 2016 to be around 66 GW, an increase from 54 GW in 2015. The main driver for new business for ADLER Solar is the after sales services for the installed base of PV plants.

Oslo, 17 February 2016

The Board of Directors of  
Aqualis ASA

## Condensed interim Financial Statements Q4 2015

### Consolidated Statement of Income

<i>Amounts in USD thousands</i>	Note	<b>Q4 2015</b>	Q4 2014	FY 2015	FY 2014 <sup>1</sup>
Operating revenues	5	<b>8 755</b>	10 613	40 998	33 303
Other income		-	-50	-	-
<b>Total operating income</b>		<b>8 755</b>	10 563	40 998	33 303
Payroll and payroll related costs		<b>4 903</b>	6 206	22 695	18 563
Depreciation, amortisation and impairment	6	<b>622</b>	268	1 148	900
Other operating costs		<b>4 144</b>	4 880	19 007	15 788
<b>Total operating expenses</b>		<b>9 669</b>	11 354	42 850	35 251
Share of net income from associates	8	<b>-197</b>	-	-197	-
<b>Operating profit (EBIT)</b>	5	<b>-1 110</b>	-791	-2 048	-1 948
Finance income		<b>-2</b>	-13	92	120
Finance costs		<b>52</b>	82	45	205
Net currency gains/losses	4	<b>738</b>	2 124	1 355	1 994
<b>Profit before taxes</b>		<b>-426</b>	1 238	-647	-39
Taxes		<b>443</b>	-19	692	211
<b>Profit after taxes</b>		<b>-870</b>	1 257	-1 339	-250

### Consolidated Statement of other Comprehensive Income

<i>Amounts in USD thousands</i>	Note	<b>Q4 2015</b>	Q4 2014	FY 2015	FY 2014 <sup>1</sup>
Profit after taxes		<b>-870</b>	1 257	-1 339	-250
<b>Other comprehensive income</b>					
Currency translation differences		<b>1 676</b>	-7 361	-4 365	-8 834
Income tax effect		<b>-587</b>	-	-587	-
<b>Total comprehensive income for the period</b>		<b>806</b>	-6 104	-5 704	-9 084
<b>Attributable to:</b>					
Equity holders of the parent company		<b>806</b>	-6 104	-5 704	-9 084

1) Reimbursable travel costs have been reclassified in comparative revenues and other operating cost figures to conform to the presentation adopted for the current year

## Condensed interim Financial Statements Q4 2015

### Consolidated Statement of Financial Position

<i>Amounts in USD thousands</i>	Note	31.12.2015	31.12.2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
Equipment		371	629
Investment in associates	8	3 283	-
Intangible assets	6,7	17 208	20 710
<b>Total non-current assets</b>		<b>20 862</b>	<b>21 339</b>
<b>Current assets</b>			
Trade receivables		7 667	5 229
Other receivables		2 890	2 990
Cash and cash equivalents	4	14 864	21 790
<b>Total current assets</b>		<b>25 421</b>	<b>30 009</b>
<b>Total assets</b>		<b>46 282</b>	<b>51 348</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		705	702
Share premium		47 344	47 058
Other paid in capital		432	178
Retained earnings		-10 750	-3 491
<b>Total equity</b>		<b>37 731</b>	<b>44 447</b>
<b>Non-current liabilities</b>			
Deferred taxes		587	-
Other long-term liabilities		-	-
<b>Total non-current liabilities</b>		<b>587</b>	<b>-</b>
<b>Current liabilities</b>			
Trade payables		1 128	1 227
Tax payable		586	-
Other current liabilities		6 251	5 674
<b>Total current liabilities</b>		<b>7 965</b>	<b>6 901</b>
<b>Total liabilities</b>		<b>8 552</b>	<b>6 901</b>
<b>Total equity and liabilities</b>		<b>46 282</b>	<b>51 348</b>

## Condensed interim Financial Statements Q4 2015

### Consolidated Cash Flow Statement

<i>Amounts in USD thousands</i>	Note	Q4 2015	Q4 2014	FY 2015	FY 2014
<b>Cash flow from operating activities</b>					
Profit before taxes		-426	1 238	-647	-39
Non-cash adjustment to reconcile profit before taxes to cash flow:					
Estimated value of employee share options		39	73	254	178
Depreciation, amortisation and impairment		622	268	1 148	900
Share of net income from associates	8	197	-	197	-
Changes in working capital:					
Changes in trade receivables and trade payable		-592	1 502	-2 537	-2 497
Changes in other accruals		850	-370	1 263	1 570
Effects related to acquisition of subsidiaries		-	-	-	2 147
Effects related to currency unrealized		-1 072	-2 050	-3 181	-2 050
<b>Net cash flow from operating activities</b>		<b>-382</b>	<b>661</b>	<b>-3 503</b>	<b>208</b>
<b>Cash flow from investing activities</b>					
Purchase of equipment	5	-6	-182	-293	-691
Acquisition of associate	8	-3 480	-	-3 480	-
Acquisition of subsidiaries, net of cash		-	-	-	1 997
<b>Net cash flow from investing activities</b>		<b>-3 486</b>	<b>-182</b>	<b>-3 773</b>	<b>1 306</b>
<b>Cash flow from financing activities</b>					
Proceeds from share issue		-	-	289	10 642
Proceed from contribution in kind		-	-	-	8 857
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>-</b>	<b>289</b>	<b>19 499</b>
<b>Net change in cash and cash equivalents</b>		<b>-3 868</b>	<b>479</b>	<b>-6 987</b>	<b>21 014</b>
Cash and cash equivalents beginning period		18 611	21 365	21 790	838
Net foreign exchange difference		121	-54	61	-62
<b>Cash and cash equivalents end period</b>		<b>14 864</b>	<b>21 790</b>	<b>14 864</b>	<b>21 790</b>

## Condensed interim Financial Statements Q4 2015

### Statement of Changes in Equity

Amounts in USD thousands	Attributable to equity holders of the parent					Total equity
	Share capital	Share premium	Other paid in capital	Retained earnings		
Equity at 01.01.2014	-	-	-	12 335		12 335
Total comprehensive income	-	-	-	-250		-250
Foreign currency translation reserve	-	-	-	-8 834		-8 834
Issue of share capital	-	-	-	-		-
Foundation capital	167	-	-	-		167
Private placement	118	10 357	-	-		10 475
Contribution in kind (group continuity)	417	36 701	-	-6 742		30 376
Share-based payment	-	-	178	-		178
<b>Equity at 31.12.2014</b>	<b>702</b>	<b>47 058</b>	<b>178</b>	<b>-3 491</b>		<b>44 447</b>
Equity at 01.01.2015	702	47 058	178	-3 491		44 447
Opening balance currency difference	-	-	-	-968		-968
Foreign currency translation reserve	-	-	-	-4 952		-4 952
Profit after taxes	-	-	-	-1 339		-1 339
Share-based payment	-	-	254	-		254
Issue of shares	3	286	-	-		289
<b>Equity at 31.12.2015</b>	<b>705</b>	<b>47 344</b>	<b>432</b>	<b>-10 750</b>		<b>37 731</b>



## 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 was 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 employs experienced consultants across 19 offices in 14 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 2014 which are available on [www.aqualis.no](http://www.aqualis.no). The interim financial statements have not been audited.

### 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.

Assumptions and estimates are based on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the entity. Such changes are reflected in the assumptions when they occur. The items affected by estimates in Group accounts includes valuation of goodwill, purchase price allocations related to acquisitions 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:

<i>Amounts in USD thousands</i>		31.12.2015		31.12.2014
Cash at banks		14 864		21 790
<b>Total</b>		<b>14 864</b>		<b>21 790</b>
Currency split 31.12.2015:				
Amounts in USD thousands	Currency	USD	Currency	USD
USD	11 442	11 442	14 051	14 051
NOK	17 235	1 957	49 829	6 718
Held in other currencies		1 464		1 021
<b>Total</b>		<b>14 864</b>		<b>21 790</b>

**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 in different geographical areas.

<i>Amounts in USD thousands</i>	<b>Q4 2015</b>	<b>Q4 2014</b>	<b>FY 2015</b>	<b>FY 2014<sup>1</sup></b>
<b>Total operating revenues</b>				
Norway	1 679	2 127	8 077	6 836
Singapore	2 328	3 390	12 580	11 309
UAE	2 925	3 116	12 918	8 322
USA	596	996	3 447	3 746
Brazil	188	704	1 437	2 796
UK	1 139	1 034	4 707	2 015
Other entities	857	67	2 644	83
Elimination	-957	-821	-4 812	-1 803
<b>Total operating revenues</b>	<b>8 755</b>	<b>10 613</b>	<b>40 998</b>	<b>33 303</b>
<b>EBIT</b>				
Norway	37	-318	870	-80
Singapore	-290	331	964	1 648
UAE	159	-229	-169	-198
USA	3	57	-227	276
Brazil	-213	-38	-594	-86
UK	67	30	-58	97
Other entities	-128	-172	-452	-502
Share of net income from associates	-197	-	-197	-
Central costs	-32	-390	-932	-2 476
Elimination	-516	-62	-1 253	-626
<b>Operating profit (EBIT)</b>	<b>-1 110</b>	<b>-791</b>	<b>-2 048</b>	<b>-1 948</b>
<b>Capex</b>	<b>6</b>	<b>182</b>	<b>293</b>	<b>691</b>

1) Reimbursable travel costs have been reclassified in comparative revenues and other operating cost figures to conform to the presentation adopted for the current year.

2) Certain insurance costs allocated in Q4 2015 resulted in a reduction in central costs of USD 0.2m

**Note 6: Impairment test of goodwill**

The impairment test indicates a requirement to write down the goodwill related to our operations in Brazil with USD 0.5 million. In addition, there has been an adjustment to the goodwill of USD 2.4 million related to foreign currency translation difference. Recognised goodwill in the Group amounts to USD 17.2 million as of 31.12.2015 (USD 20.2 million in 2014) derived from the acquisition of Aqualis Offshore Ltd., Tristein AS and Offshore Wind Consultants Ltd.

Goodwill is tested for impairment for each cash-generating unit (CGU). The CGUs are listed below.

Carrying amount of goodwill (USD million)	31.12.2015	31.12.2014
Aqualis Offshore Pte. Ltd, Singapore	6.2	6.6
Aqualis Offshore Marine Services LLC, UAE	4.9	5.7
Aqualis Offshore AS, Norway	4.5	5.3
Aqualis Offshore Inc, USA	0.1	0.1
Offshore Wind Consultants Ltd, UK	1.4	1.5
Aqualis Offshore Servicos Ltda, Brazil	0.2	1.0
<b>Total</b>	<b>17.2</b>	<b>20.2</b>

Goodwill is tested for impairment at least annually, or when there are indications of impairment. The impairment test was performed by Aqualis management in connection with the reporting of the results for the fourth quarter of 2015.

The recoverable amount is set to the estimated value in use. The value in use is the net present value of the estimated cash flow before tax for each CGU, using a discount rate reflecting the timing of the cash flows and the expected risk.

The following assumptions were utilised when calculating the value in use as of 31 December 2015:

#### Cash flow projections and assumptions

A five year forecast of discounted cash flows plus a terminal value (Gordon's growth model) was used to determine net present value of each CGU. Discounted cash flows were calculated before tax.

Cash flow estimates covering the period 2016-2020 are based primarily on the budget for 2016 and a forecast for the following years. Based on the uncertainty in the current market environment in the offshore oil & gas market it is challenging to build a forecast based on the overall market development. The forecast assumes that the overall market conditions will remain challenging in 2016 and 2017 and that the market conditions will gradually improve from 2018 and onwards as the competitive pressures soften due to a more balanced supply/demand situation.

The projected cash flows are based on the expected development in the total overall market, the CGUs performance and that Aqualis over time will reach a margin level in line with what other businesses within the industry historically has achieved. These are reasonable assumptions based on the development of the business so far, and the management's expectations for the long term development of the market and the company.

The terminal growth rate after year 5 has been set to 1.0%. The estimated growth is mainly dependent on overall market growth for demand for our services and the CGU's ability to recruit the right personnel and its ability to create revenue growth through then proper utilisation of human resources.

#### Discount rate

The discount rate for each CGU is derived as the weighted average cost of capital (WACC) for a similar business in the same business environment. The input data is gathered from representative sources and this is used for management's best estimate of WACCs. The different WACCs were calculated pre tax. The same assumptions were used for all CGUs with the exception of country specific risk and risk free interest rates, which were differentiated based on country and the relevant currency. All parameters were set to reflect the long term period of the assets and time horizon of the forecast period of the cash flows.

Key inputs in determining the WACC:

- Risk free rate: USD 10yr government yield
- Beta: Based on selected peer group consisting of companies with statistical data for the last 5 years (0.94)
- Capital structure: Equity ratio of 85%.

The net cash flows have been discounted using individual discount rates as follows:

	Discount rate
Aqualis Offshore Pte. Ltd, Singapore	8.5 %
Aqualis Offshore Marine Services LLC, UAE	8.5 %
Aqualis Offshore AS, Norway	8.5 %
Aqualis Offshore Inc, USA	8.5 %
Offshore Wind Consultants Ltd, UK	8.5 %
Aqualis Offshore Servicos Ltda, Brazil	14.4 %

#### Sensitivity analysis for key assumptions

Sensitivity calculations are done for all CGUs that are tested for impairment.

As a basis for the sensitivity assessment, Aqualis uses the following assumption changes for each CGU:

- An increase of WACC discount rate of 2.0% points
- A reduction in the EBITDA margin of 3.0% points for the terminal year
- A reduction of nominal growth after year five of 0.5% point (to 0.5% growth)

A combined change of all three assumptions in the sensitivity analysis would result in a write down of a total of USD 2.7 million, with the split as follows;

	(USD million)
Aqualis Offshore Pte. Ltd, Singapore	0.9
Aqualis Offshore AS, Norway	0.8
Aqualis Offshore Servicos Ltda, Brazil	0.9
<b>Total</b>	<b>2.7</b>

**Impairment - test results and conclusion**

The value in use exceeds the carrying amounts for all CGUs except Brazil. The impairment test indicates a requirement to write down the goodwill in Brazil with USD 0.5 million. Aqualis has scaled down the operations in Brazil during 2015 due to the weaker market conditions.

**Note 7: Intangible assets**

Amounts in USD thousands	Customer contracts	Goodwill	Total
<b>Cost</b>			
At 01.01.2015	968	20 190	21 158
Additions for the year	-	-	-
Translation difference	-	-2 440	-2 440
<b>At 31.12.2015</b>	<b>968</b>	<b>17 750</b>	<b>18 718</b>
<b>Amortisation and impairment</b>			
At 01.01.2015	-448	-	-448
Amortisation for the year	-520	-	-520
Impairment charge for the year	-	-542	-542
<b>At 31.12.2015</b>	<b>-968</b>	<b>-542</b>	<b>-1 510</b>
<b>Net book value at 31.12.2015</b>	<b>-</b>	<b>17 208</b>	<b>17 208</b>

**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.

Amounts in USD thousands (100%)	31.12.2015	29.10.2015
Current assets	1 972	3 650
Non-current assets	1 003	958
Current liabilities	-1 350	-2 452
Non-current liabilities	-305	-439
<b>Net assets</b>	<b>1 320</b>	<b>1 717</b>

Amounts in USD thousands (100%)	29.10.15- 31.12.15
Revenue	1 481
Profit and loss for the period	-378

Amounts in USD thousands (49,9%)	31.12.2015	29.10.2015
Proportion of the Group's ownership interest in ADLER Solar	659	857
Goodwill	2 466	2 488
Deferred tax	-45	-47
Customer related assets	287	300
Currency translation difference	-84	-
<b>Carrying amount of Group interest in ADLER Solar</b>	<b>3 283</b>	<b>3 598</b>

**Note 9: Significant events and transactions after balance sheet date**

There are no significant events after balance sheet date.



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