



Q2 2021

Financial report

27 August 2021 | Torgeir E. Ramstad | CEO

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# Agenda

- |    |                                                      |
|----|------------------------------------------------------|
| 01 | First Half 2021 Financial Report                     |
| 02 | Operations and projects                              |
| 03 | Newbuilding status                                   |
| 04 | Combining with the Subsea 7 renewables business unit |
| 05 | Market & Outlook                                     |



# Second Quarter 2021

## Q2 2021 Income Statement

in \$ thousands	Q2 2021	Q1 2021
<b>Total revenue</b>	<b>17,752</b>	<b>11,666</b>
Voyage expenses	7,071	4,848
Ship operating expenses	4,179	4,236
Other operating expenses	218	241
General and administrative expenses	2,425	2,457
<b>Operating profit (loss) before depreciation and amortization expenses ("EBITDA")</b>	<b>3,859</b>	<b>(116)</b>
Depreciation and amortization expenses	4,065	4,028
<b>Operating loss</b>	<b>(206)</b>	<b>(4,144)</b>
<b>Net financial income (expenses)</b>	<b>59</b>	<b>(119)</b>
<b>Net loss</b>	<b>(147)</b>	<b>(4,263)</b>
<b>Basic and diluted loss - \$ per share</b>	<b>(0.001)</b>	<b>(0.035)</b>

### Comments

- TCE per day \$22,300 in Q2 2021, up from \$17,600 in Q1 2021. Utilization on the fleet was 93% in Q2 2021, up from 90% in Q1 2021.
- OPEX per day \$9,185 in Q2 2021.
- EBITDA was \$3.9 million in Q2 2021, compared to negative \$0.1 million in Q1 2021.



# Second Quarter 2021

## Q2 2021 Balance sheet and Cash flow

in \$ thousands	30 June 2021	31 March 2021
Non-current assets	263,863	259,856
Bank deposits and cash equivalents	16,978	16,276
Other current assets	19,267	21,259
<b>Total Assets</b>	<b>300,108</b>	<b>297,391</b>
Total Equity	229,318	229,464
Non-current lease liabilities	2,197	2,492
Debt to credit institutions	21,474	21,422
Total current liabilities	47,118	44,012
<b>Total equity and liabilities</b>	<b>300,108</b>	<b>297,391</b>

in \$ thousands	Q2 2021	Q1 2021
<b>Net cash flow from operating activities</b>	9,338	3,877
<b>Net cash flow used in investment activities</b>	(8,403)	(24,201)
<b>Net cash flow from financing activities</b>	(233)	21,813

### Comments

- Contingent liabilities related to Alfa Lift and VIND 1 specified in note 10, totalling \$381 million.
- \$28 million undrawn from RCF at end of Q2 2021.



# Status financing

- In our Q1 report we confirmed to have accepted a firm offer, subject to satisfactory documentation, for a \$135.0 million Senior Secured Green ECA Credit Facility agreement for the post-delivery financing of the wind foundation installation vessel Alfa Lift.
- After our 8 July announcement of OHT combining with Subsea 7's renewables business, we approached the financiers for a "time out" until the completion of the combination.
- Subsea 7 will contribute assets free of net debt or excess cash and will provide financial support for Seaway 7 ASA's working capital needs.
- Future capital expenditures are expected to be met through operating cashflows and, if required, new debt facilities supported by Subsea 7.



# Accounting treatment and listing prospects

## Accounting treatment of combination

- OHT ASA will be surviving entity and renamed to Seaway 7 ASA.
- From an accounting perspective Subsea 7's renewables business unit will be deemed to have acquired OHT ASA through a reverse takeover.
- Combination date 1 October.
- Q3 reporting will show current OHT ASA.
- Q4 reporting will show Seaway 7 Group.

## Listing prospects

- Seaway 7 ASA will keep its Euronext Growth listing.
- Shareholder Lotus Marine has been approved as part of free liquidity by OSE, so as a start Seaway 7 will have 14% free float.
- To be able to transfer to the main board, free float must be increased to minimum 25% (in some cases 20% may be accepted).

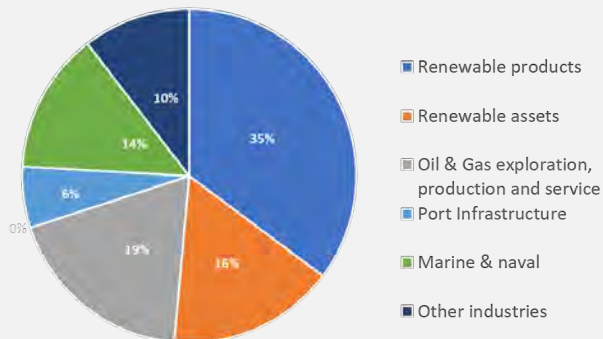


# Transportation

## Operations and projects

- Activity levels and pricing continue to improve as predicted.
- Utilisation in Q2 was 93%, up from 90% in Q1 and Opex was in line with budget at \$9,185 per day.
- Cumulative savings on fuel cost due to scrubber installations made in 2019 stand at \$9.9 million, corresponding to a payback on Capex of 87% so far.

Revenue per cargo category (July 20 - June 21)



Albatross with offshore wind jack-up “Apollo” on the way to China.  
Image courtesy Piet Sinke.

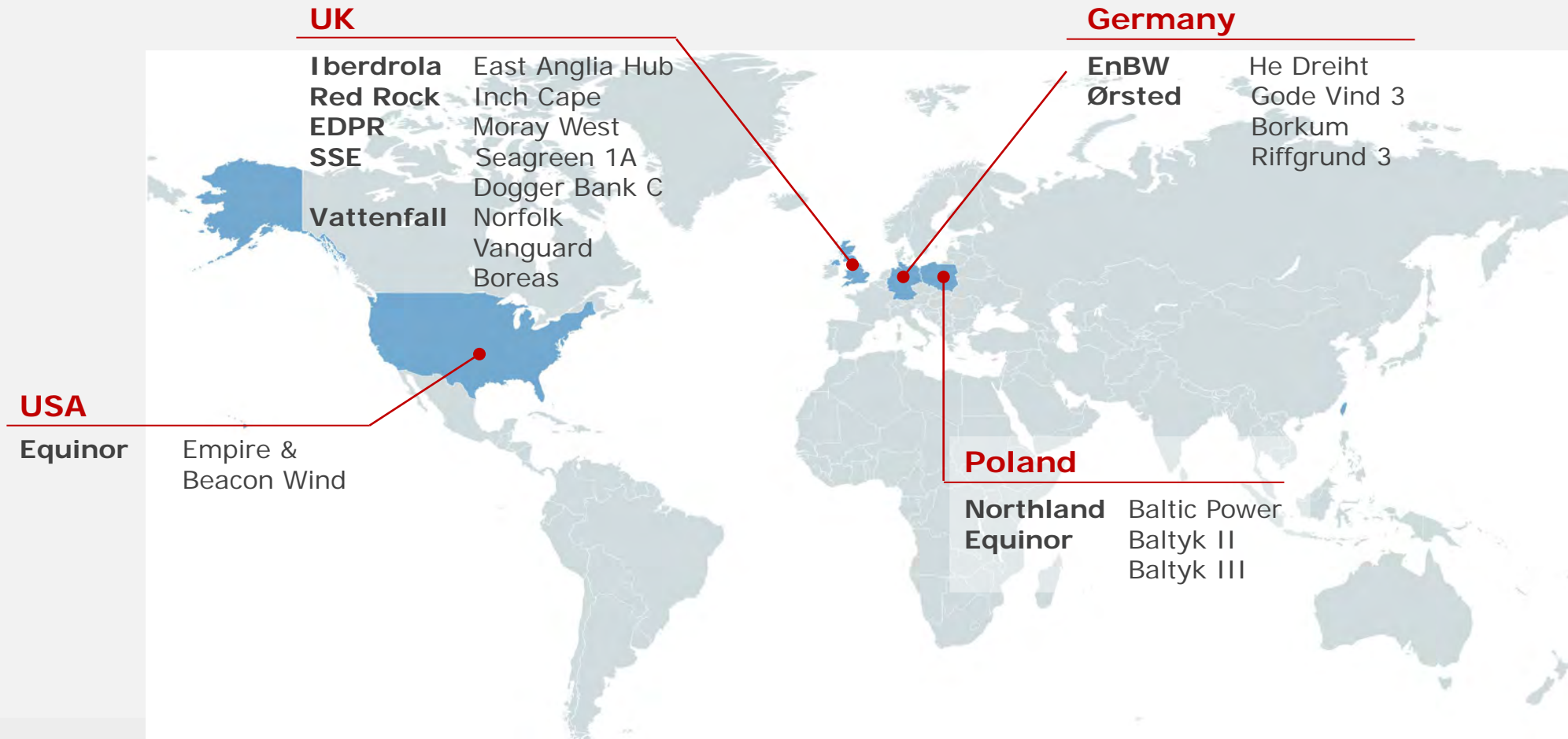


Hawk with a floating dock measuring 180 x 37m from Abu Dhabi to Brest.



# Windfarm Installation – high-quality project pipeline

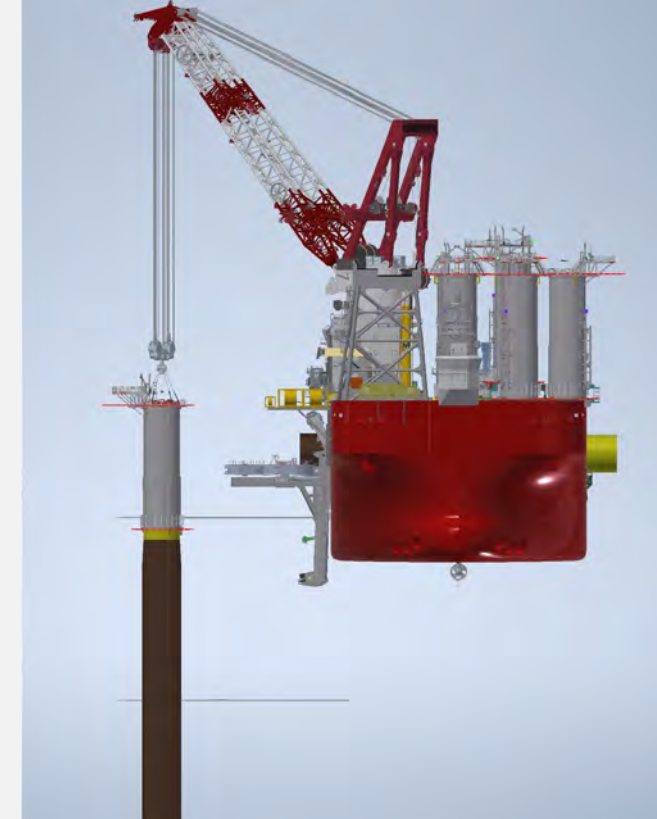
None of our target contracts have yet been awarded for 2024 or beyond



# Installation

## Operations and contracts

- The Dogger Bank A and B projects are in detail design and showing good progress.
- Continuing dialogue with the client regarding impact of certain changes introduced by the client.
- Subcontracts for grillage and lifting equipment have been placed or are imminent.
- No undesired incidents and the Client relationship remains good and constructive.
- Start offshore construction in Q3 2022.



Installation of Transition Piece following Monopile installation.

# Newbuilding status

## Alfa Lift

- General vessel construction has progressed satisfactorily.
- All preparations for crane installation were completed in May, and the main crane has since been installed onboard.
- The first two generator sets have been started and run.
- Shipyard maintains vessel delivery end 2021, but as we will install mission equipment before departure from China, we will keep the vessel at the shipyard in Q1 2022.

## VIND 1

- Detailed design: 67% of documents Issued for Approval.
- All key equipment selected, VDL target of >10,000t.
- Delivery mid-2023.



# Combining complementary strengths to become a leading player

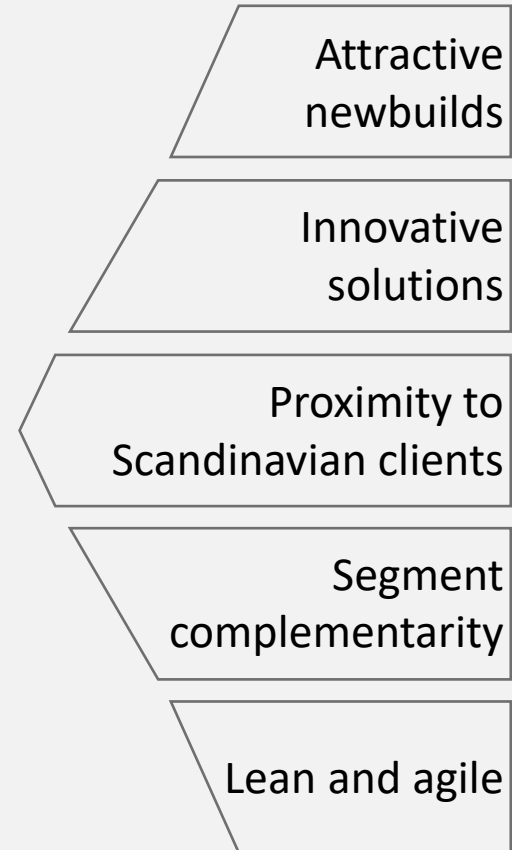
Focus will solely be on bottom-fixed offshore wind

**subsea 7**



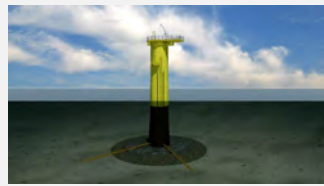
**seaway<sup>7</sup>**

**OHT** | 



# Twelve high-end vessels including two newbuilds

Covering all segments within the bottom fixed offshore wind value chain



Foundations

Turbines

Substations

Inter-array cables

Export cables



MV HAWK



MV OSPREY



ALFA LIFT



VIND 1



SEAWAY STRASHNOV



SEAWAY AIMERY



SEAWAY PHOENIX



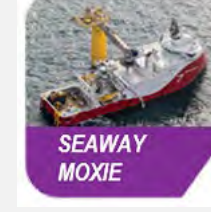
MV EAGLE



MV FALCON



SEAWAY STRASHNOV




SEAWAY MOXIE



MV ALBATROSS

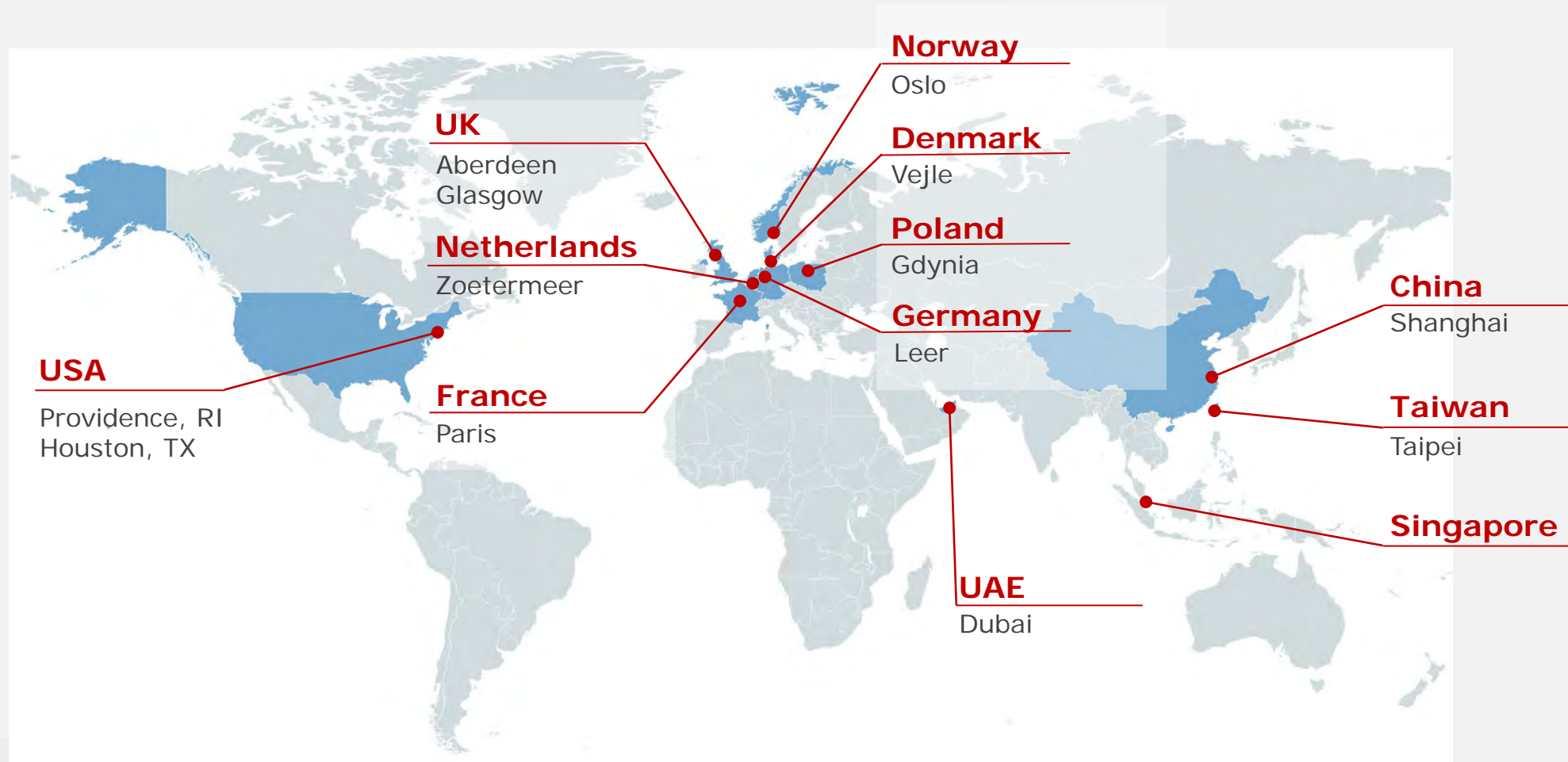


SEAWAY YUDIN

 Under construction



# Proximity to all the key clients and markets



## Status merger process

On track for the merger to be completed on 1 October 2021

- Integration planning on schedule.
- Approval process from relevant competition authorities is ongoing.
- Positive outcome from Employee Consultation process, and Works Council approvals process completed.
- As announced previously, Board approval is secured from Subsea 7 ASA and approval by Subsea 7's shareholders is not required.
- The two largest owners in OHT, representing 76.7% of all shares, have already confirmed they will support the combination.
- Closing of the transaction is anticipated on 1 October 2021.



# Market and Outlook

## Offshore wind

### Transportation

- We have already seen improved utilisation and stronger pricing, and prices will continue to increase.
- We see a material reduction of available capacity due to competitors' backlog on large oil & gas projects which have not been targeted by the Company.
- Bidding Offshore Wind related transportation projects up until 2027, which will represent a substantial part of the market with foundation components to be transported
  - from Asia to Europe, and
  - From Europe to the US.
- This is a strategically important market segment in support of our offshore wind strategy.

### Installation

- Government ambitions continue to increase.
- Many question if ambitions are realistic, due to bottlenecks in permitting, planning and not least the supply chain.
- There will be a critical bottleneck especially within monopile installation from 2024/25, with no international newbuilds having been announced in the last 22 months and long lead times for any new vessel ordering.
- Both our newbuilds are available from 2024 onwards.
- We will continue to be disciplined wrt pricing and are confident that our timing to market is right.
- Immediate positive market synergies will be gained from the formation of Seaway 7 ASA.





Thank you



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