



Pareto Securities 27th Annual Energy Conference

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aqualisbraemar.com

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AqualisBraemar business model



*High end consultancy services
to the global energy, shipping
and insurance industries*

Core services



Project consulting



Accident prevention



Incident management

Global footprint represents unique value to clients



448

Employees¹



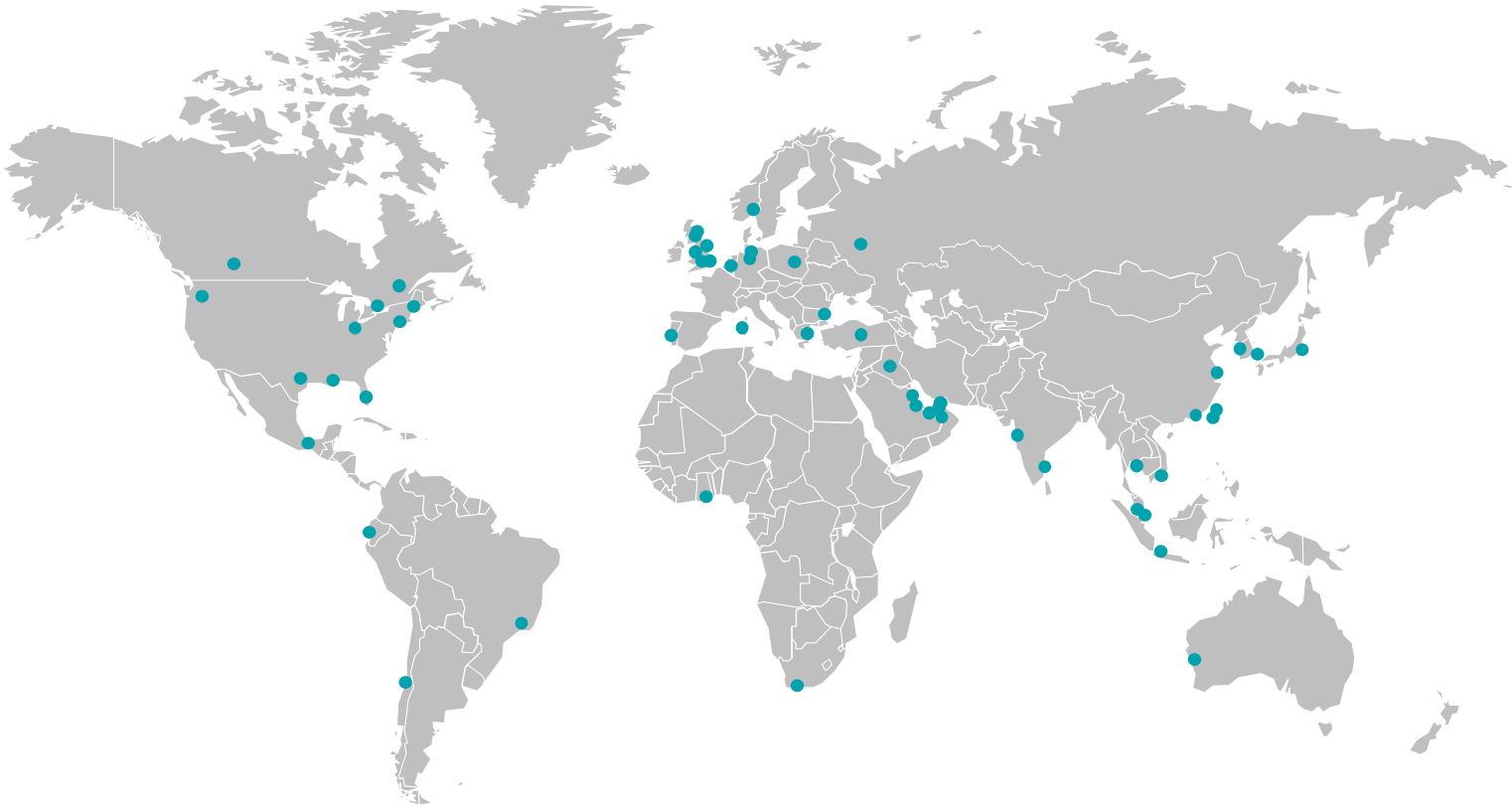
51

Offices



33

Countries



Global footprint provides clients with local expertise and swift response

⁴ ¹ Includes subcontractors on 100% utilisation basis. Calculated as an average during Q2 2020
Map shows partnerships and exclusive subcontractors in addition to AqualisBraemar locations

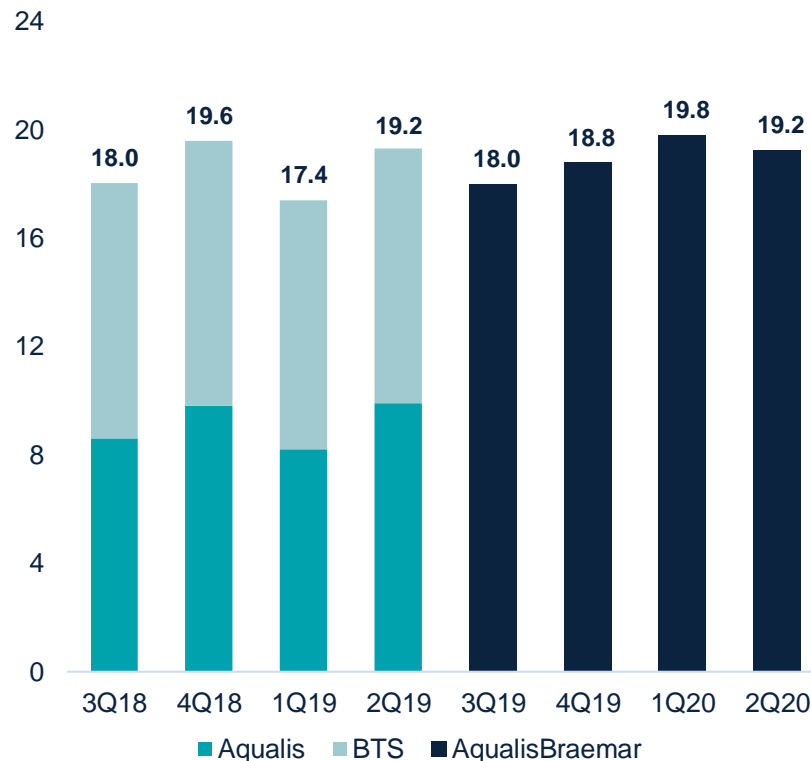
Successful acquisition of Braemar Technical Services

Acquisition of BTS



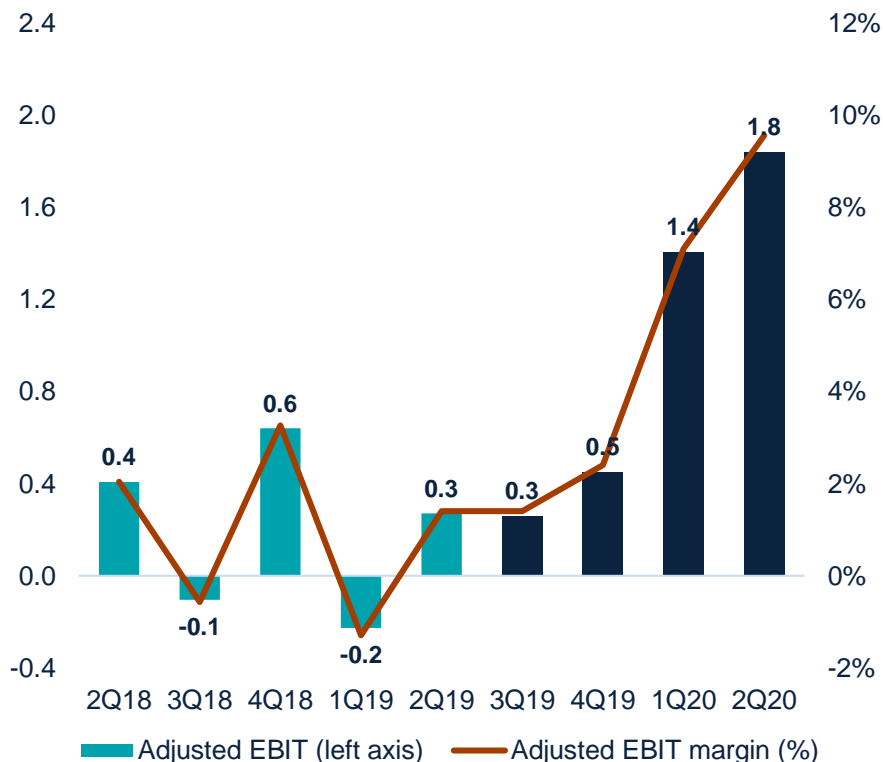
- In Q2 2019, Aqualis acquired Braemar Technical Services (BTS)
 - More than doubled the size of the company
 - Diversified revenue base, from ~80% to ~50% oil and gas
 - Expanded interface towards insurance markets
 - Strengthened client offering and global market position

Revenue, pro-forma combined (USDm)

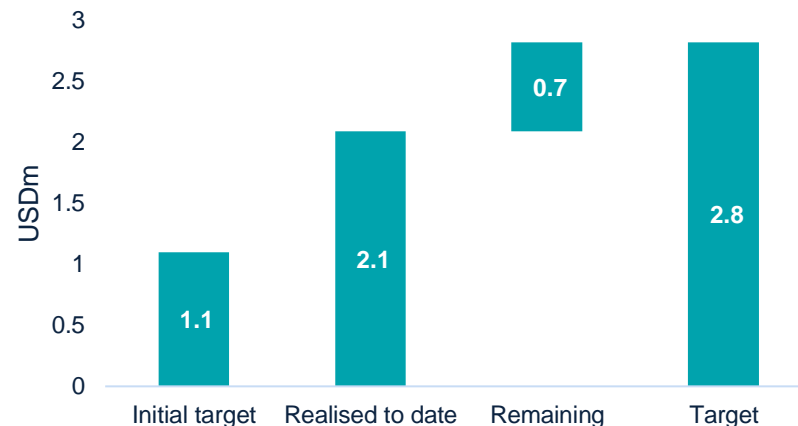


Strong improvement in profitability last 12 months

Adj EBIT¹, pro-forma combined (USDm)



Synergies



- Successful integration with significant realised synergies
 - Positive feedback from staff, clients and the markets
 - USD 2.1 million run rate cost synergies to date
 - Initial synergy target raised from USD 1.1 million to USD 2.8 million, to be realised by mid-2021
 - Significantly improved profitability and cash flow

6 Note: BTS results consolidated from 3Q19. Unless otherwise noted, figures prior to 3Q19 are as reported as Aqualis. BTS figures are pro-forma.

1) Adjusted EBIT: Refer to Alternative Performance Measures in Appendix

AqualisBraemar business streams

Renewables



Independent engineering and consultancy services to offshore wind industry

- Project management
- Engineering
- Consulting and advisory
- Experience from >80 projects representing total capacity of 58 GW

OWC
AN AQUALISBRAEMAR COMPANY

Offshore



Engineering and consultancy services to the offshore oil and gas industry

- Marine warranty surveys
- Rig moving (Tow master)
- Transport and installation
- Construction supervision
- Inspections & approvals
- Engineering
- Decommissioning, ++

Marine



Worldwide emergency incident response and surveys to marine insurance industry and asset owners

- Hull & machinery surveys
- Casualty investigations
- Condition surveys
- Risk assessments
- Technical due diligence
- Cargo and damage surveys, ++

Adjusting

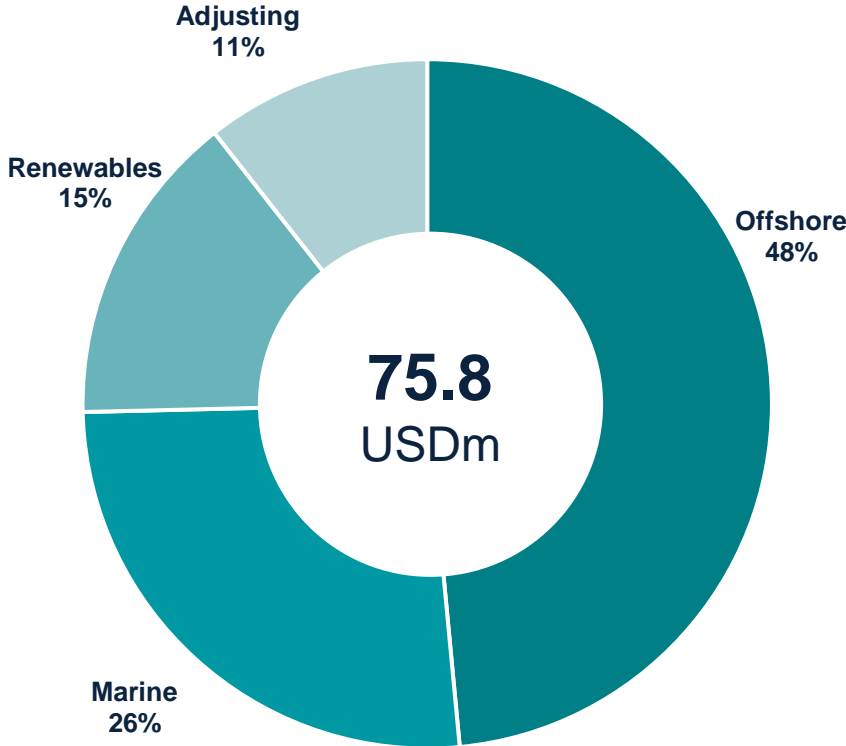


Loss adjusting and dispute resolution to the onshore and offshore energy insurance markets

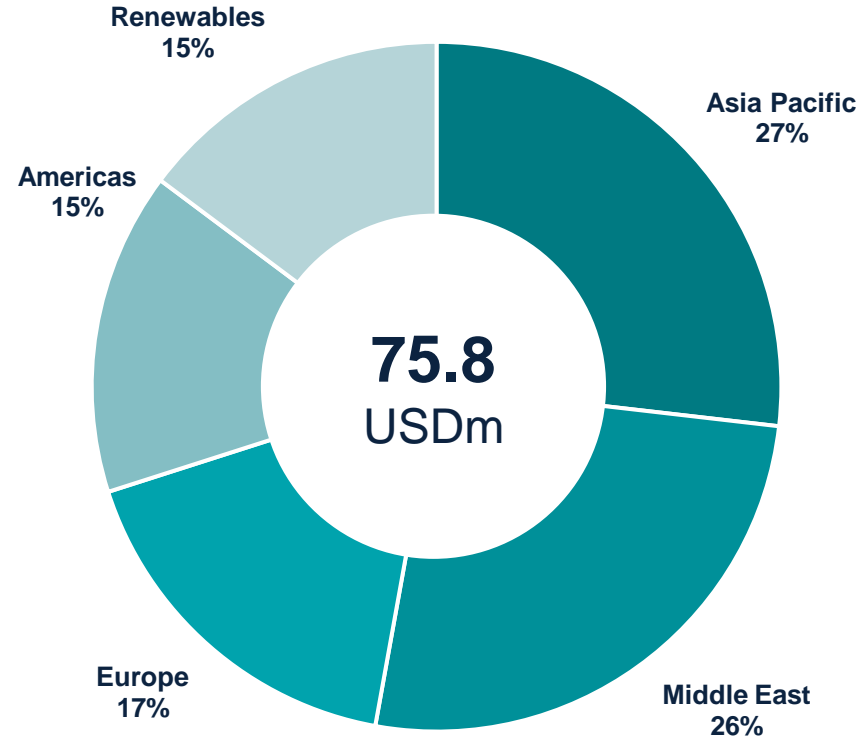
- Loss adjusting
- Expert witness
- Dispute resolution
- Servicing upstream and downstream oil and gas, power & utilities, renewables, mining, marine infrastructure, ++

Diversified across regions and services

Business stream revenue L12M



Segment revenue L12M



70% organic growth in renewables revenue from Q2 2019 to Q2 2020

8 Note: No adjustment for intercompany eliminations.
Note: Renewables segment defined as activity in OWC entities

The strategic vision

1

Drive growth through continued expansion in the rapidly growing offshore renewables industry



2

Leverage market leading positions within shipping, oil and gas to improve profitability



3

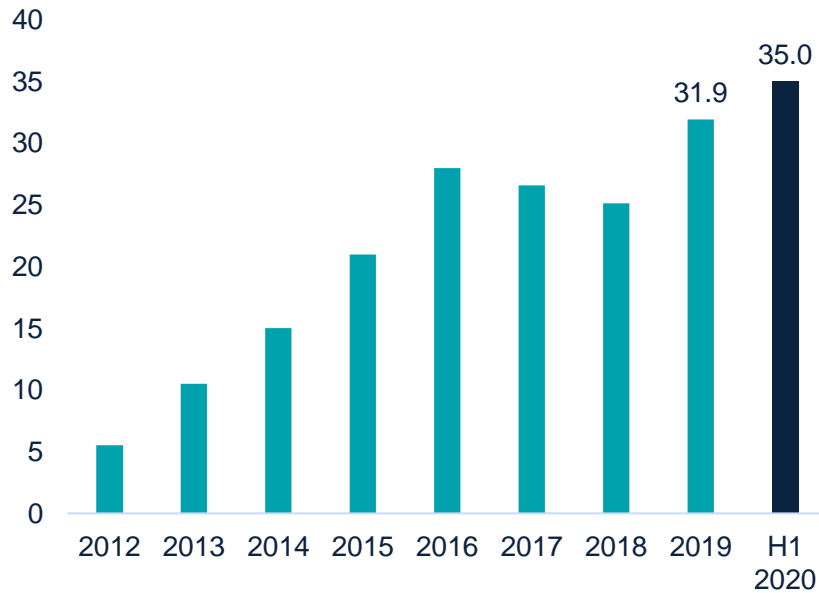
Consistently return capital to shareholders



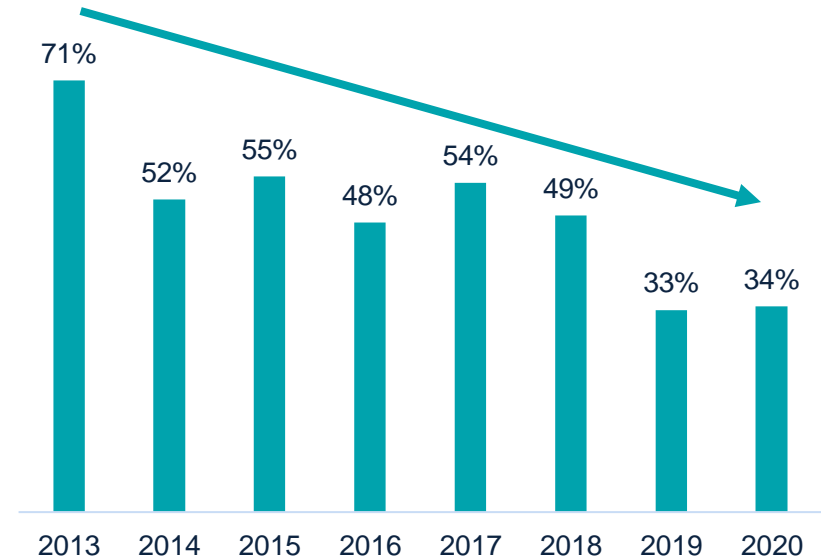
Ambition: 50% renewables and ESG driven services in business mix by 2025

Offshore wind with record investment decisions in 2020

Offshore wind FIDs (USDbn)



Market share, Top 3 developers²



- Project final investment decisions in H1 2020 totaling **USD 35 billion**, up **319%** year-on-year and well **above 2019's record full-year figure** (USD 31.9 billion)
- New geographies and new developers drive demand for project management and consulting

¹⁰ Source: 4C Offshore, BNEF, FS-UNEP

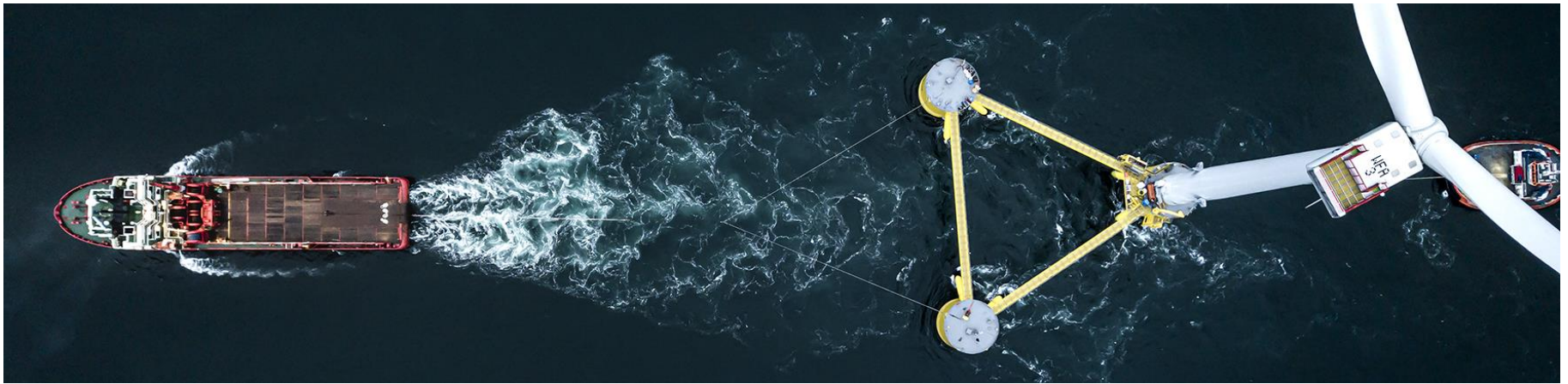
¹ By year of offshore commencement. ² Ørsted, Vattenfall, RWE. 3y rolling avg by year of offshore commencement, ex China

OWC continues expansion to serve new wind markets

	Market trends	OWC developments in 2020
 Poland	<ul style="list-style-type: none"> Aims to install 3.8 GW with 10 GW of new capacity awarded by 2030 	<ul style="list-style-type: none"> Recruited leading Polish offshore wind expert and opening Warsaw office (Q3)
 Japan	<ul style="list-style-type: none"> Launched first auction – targeting 10 GW new offshore wind capacity built by 2030 	<ul style="list-style-type: none"> Recruited leading Japanese wind expert and opened Tokyo office (Q2)
 S. Korea	<ul style="list-style-type: none"> Targeting 12 GW of new offshore wind capacity to be built by 2030 	<ul style="list-style-type: none"> Relocated respected offshore expert and opened new office in Busan (Q2)
 USA	<ul style="list-style-type: none"> 16 active commercial leases that could see 23 GW built by 2030 	<ul style="list-style-type: none"> Recruited leading US offshore wind grid/electrical expert and opened 2nd US office in New York (Q2) Awarded Mayflower Wind framework agreement (Q3)
 Floating	<ul style="list-style-type: none"> No longer just R&D: Forecasts of up to 19 GW built by 2030 Oil majors like Shell, Total and others taking positions in projects and technology 	<ul style="list-style-type: none"> Awarded owner’s engineering of Total’s Erebus project Working on project feasibility assignments & technology reviews from Asia to Europe Joined World Forum Offshore Wind’s Floating Wind Committee alongside Aker Solutions, Innogy, JERA, ++

Project: OWC to support Erebus floating wind farm

- OWC contracted to support Total and SBE's 96 MW floating wind project "Erebus" offshore Wales
 - Erebus will be installed at 70 meters water depth using Principle Power's WindFloat technology
- The contract is for a term of approximately three years
 - The scope of work includes owners engineering and project development support
 - Revenue under the awarded contract is expected to exceed USD 6 million over the full term
- Confirms OWC's leading position in floating wind – currently working on 4 floating wind projects across 2 continents



Leading position in Offshore, Marine, Adjusting

In 2019, Offshore...

...performed

600+

rig moves globally

...carried out

300+

MWS projects



MWS for transportation of FPSO P-67 from China to Brasil

In 2019, Marine...

...received

1,920

instructions globally

...dealt with total repair quantum of

>540 USDm



Cause investigation / salvage operations for capsized RoRo "Golden Ray"

In 2019, Adjusting...

...received

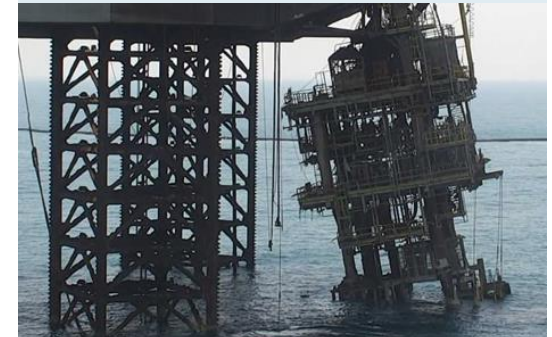
275

instructions globally

...was appointed on

all 5 largest

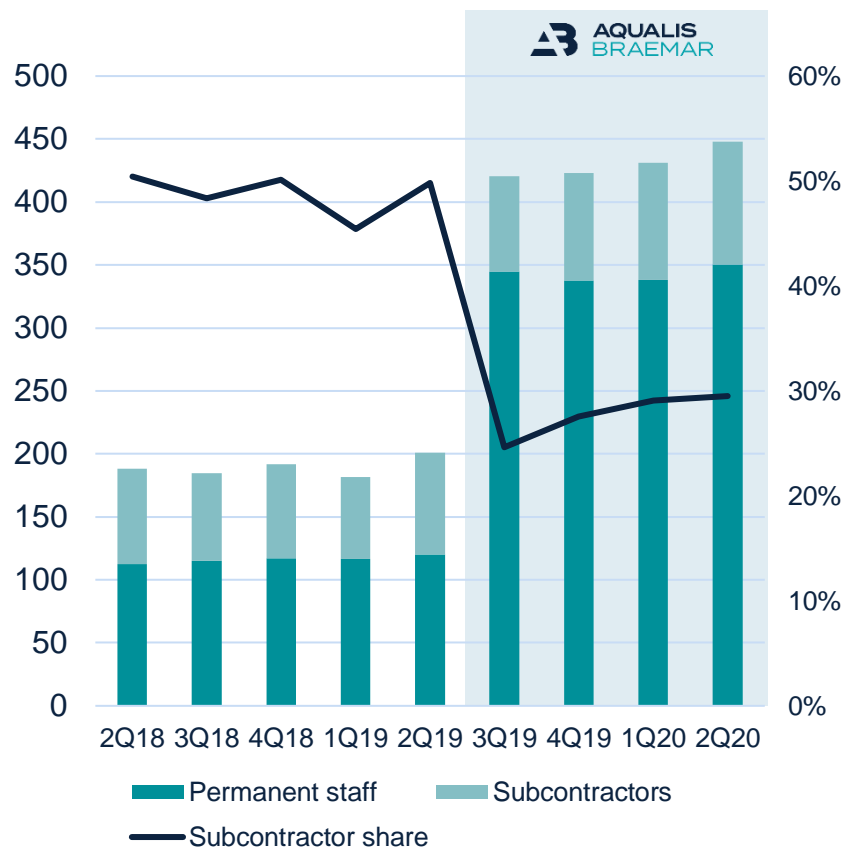
casualties in the Lloyd's market



Damage to Pertamina's YY-A platform offshore Indonesia

Staff growth continues with increasing cost base flexibility

Staff level development¹



Comments

- Average staff levels increasing, primarily driven by high activity and recruitment in Renewables
- Subcontractor share at 29% and growing
 - Subcontractor share significantly higher in offshore and renewables than in the less cyclical marine and adjusting divisions
 - The group aims to further increase the subcontractor share to allow for a more flexible cost base
- Targeted recruitment underway for additional technical staff

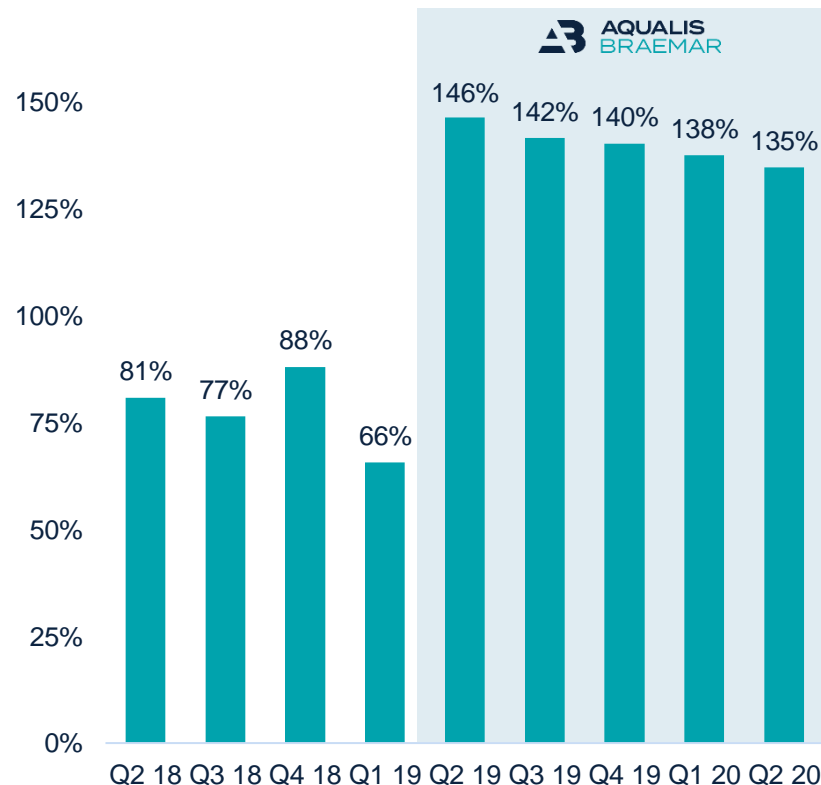
14 ¹ Average full-time equivalents in the quarter. Numbers include subcontractors on 100% utilisation basis and excludes staff made temporary redundant. BTS consolidated from 3Q19. Subcontractor share calculated in % of total technical staff

Strong financial position, freeing up working capital

Comments

- USD 11.0 million in cash
- No financial debt
 - Capitalised lease of USD 1.8 million
- Net working capital of USD 26.3 million
 - High focus on reducing high working capital, primarily in legacy BTS business
 - Working capital as % of revenue reduced for the fourth quarter running
 - Targeting ratio below 100% by end 2023
 - Improvements expected to accelerate when unified ERP system is implemented group wide in Q4 2020

Working capital¹ (% of quarterly revenue)



15 (1) Working capital ratio calculated as working capital over average quarterly revenues for last 2 quarters. BTS balance consolidated from Q2 2019.

Summary and outlook

- Record profitability and cash flow in Q2 despite challenging business environment
 - Expect lower activity and margins in Q3 due to seasonality and travel restrictions
- Targeting 50% renewables and ESG driven services in business mix by 2025
 - Focus on driving growth of renewables and profitability improvements in mature business
- Mixed market outlook
 - Rapid growth and increasing globalisation in the offshore wind market continues
 - Offshore O&G activity falling in short term amid spending cuts and COVID-19
- Improving capital efficiency and returning cash to shareholders
 - Dividend of NOK 0.2 per share paid in Q2 2020, corresponding to USD 1.5 million
 - The Board expects to pay additional dividend of approx. NOK 0.2 per share during Q4¹
- We will continue to be active in consolidation of energy consultancy industry

