Bonds Daily

ABGSC Daily Report Bonds

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Cegal: Invitation to an investor presentation
ABG Sundal Collier has the pleasure to invite investors to join a conference call for a Q4 update with Cegal. The call will be held on Thursday, 3 March 2022, at 10:00 CET / 09:00 UK time. The company will be represented by the CEO, Dagfinn Ringås, and the CFO, Trym Gudmundsen. Please contact your sales representative or reply to this e-mail to sign up for the call.

Øyfjellet Wind Investments: H2 '21 report
This morning, Øyfjellet Wind Investments of which the key takeaway could be summarised as follows; 1) The handover date is further delayed from earlier being communicated to take place in late Q1 '22 to now being communicated to take place during Q2 '22 (this is however already known in the market through Eolus Vind's Q4 report). The reason for the additional delay is cited to be due to severe winter conditions. 2) Under the existing project contracts, the operating company of Øyfjellet is entitled to 50% of any revenue generated from 1st January 2022 until the commercial operation date. 3) t is not expected that there will be any material adverse impact on the project company's financial position or ability to service the Power Purchase Agreement ("PPA") as a result of the revised commercial operations date.

Carucel Property: Signs of reopening already in Q4 as some tenants have reached turnover-rent in Oslo Bay
Carucel had Q4 rental income of NOK 52m, ~16% above our estimate and up ~28% q-o-q, while total revenue was NOK 63m, ~3% below our estimate driven by less revenue from its hotel in Lofoten and external property management. EBITDA of NOK 33m was ~16% above our estimate due to less costs. Cash flow was decent and Carucel had NOK 421m in liquidity. Net LTV was ~63%, which is better than our ~66% estimate due to less payments than we had assumed for the RSV portfolio and higher total property value. Carucel has stated that it will work on lowering net LTV to a level around 60% within 6-12 months (by e.g. selling properties).

Of the 20 properties in the RSV portfolio, Oslo municipality had the right of refusal for 15 properties, and has formally decided to not use it on 10. It has still not decided on the remaining five, but Carucel has received indications that the municipality intends to exercise the right on three properties with a combined property value of NOK 269m. Carucel has also acquired two other properties during Q4 with combined rental income of ~NOK 9m/annum, while it has sold one smaller property we believe has annual rental income of ~NOK 0.5m. Operationally, we find it encouraging that it has signed two new leases in the important Oslo Bay portfolio, and that occupancy rate in the portfolio has reached ~97% (~96% in Q3). Moreover, it states that three tenants in the Oslo Bay portfolio have surpassed the threshold for turnover-rent in 2021. This is important as we believe tenants surpassing the threshold for turnover-rent will be a key driver for rental income growth going forward. After quarter-end, it has entered into a letter of intent to acquire a property in Drammen for an undisclosed amount, and it has sold one property (for ~NOK 10m) and shares in a listed company for ~NOK 20m.

Kvalitena: Large investments in the US
Operating results in Q4´21 came in at ~SEK -38.1m, compared to SEK -26.5m Q4´20. Results after financials came in at SEK 14.3m, following the company´s sale of its project in Kvarnholmen at a SEK 590m valuation and other divestments in 5 wholly owned- and 10 partly owned properties. Kvalitena also participated in a rights issue in Oscar Properties, we estimated in our credit update 10 December that Kvalitena owns 18.6m shares in OP following this

transaction, valued at SEK 221m. Kvalitena has also acquired 42 properties in the US with a value at SEK 1.1bn. ABGSCe was 45 properties at a total valuation of SEK 1.5bn. This was due to the inclusion of 1. 3 properties that was not certain would be acquired during Q4´21 and 2. the expectation for a revaluation of the properties during Q4´21. The cash position in the Holco amounted to SEK 28m in the quarter.

In the ABGSC credit update we estimated the post-Q4´21 Gross LTV at 53.2%.

Borgestad: Private placement completed

Borgestad has raised about NOK 150m in gross proceeds through issuing 75m of shares at NOK 2kr per share. As mentioned in yesterday's bonds daily, NOK 30m of the net proceeds will be used for general corporate purposes (daily operations) and repayment of the bond at 102%. Moreover, Borgestad has received bond conversion interest of NOK 48.7m into equity (at NOK 1.9231kr per share), and the Board propose a subsequent equity offering of up to 50m shares (NOK 100m).

Delete: Signed contract with Pireva

The contract is stated to be worth "several millions" (we would guess in SEK), and relates to sludge emptying in in Piteå region in Sweden. The contract is a more comprehensive extension of a previous contract with Pireva. The work will commence 1 March 2022 and Delete estimates that 2-8 employees will be working for Pireva (contracted by Delete) each week.

Bluewater Holding: On the path to significantly de-risking

- USD 21.8m EBITDA in Q4'21
- Solid deleveraging in '21 despite weak SPM
- On track for Mizu extension and SPM recovery

The full credit report can be found here: *Read PDF*

Analyst certification

Analyst valuation methods

When evaluating the credit risk of the issuer, we look at credit ratios, management and corporate strategy, business risk, industry risk and management risk appetite. Further, we look at dividend and financial policies. From this analysis and after an assessment of the asset values as well as any potential structural subordination, ABG Sundal Collier also estimates the company's default probability and the bond's recovery rate.

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All prices are as of market close on 14 October, 2021 unless otherwise noted.

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