

File name: offshore_wind__karl_crockard___invest_ni (1080p).mp4

Moderator questions in Bold, Respondents in Regular text.

KEY: Unable to decipher = (inaudible + timecode), **Phonetic spelling** (ph) + timecode), **Missed word** = (mw + timecode), **Talking over each other** = (talking over each other + timecode).

Karl Crockard: Hello, my name's Karl Crockard and I'm the Managing Director for CASC. We were bullied into coming here today by Sian, I mean asked to come along by Sian and give a view of a local company operating in this space. So, who are we? We like to think of ourselves as a, an innovative tier two contractor that's solutions-based, and what that means is that we're operating and dealing directly with the clients and the O, O, OEMs. We offer professional labour services, engineering and electrical solutions. We were established in 2014 in a very humble way, three people, and we currently employ 44 people. We have a large bank of subcontractors that we also use, depending on project demands. It is a big statement but it's one we're very proud of, in the last five years, we've been responsible for mobilising the PCM activities for the world's largest offshore wind-farms. So those included in the UK, Hornsea One and Two, East Anglia, Beatrice, Galloper and the Walney Extension, which came out of the D1 facility. In Taiwan, we're currently still there working on Yuline, Formosa One and Two and Greater Changhua. In Germany, with Hohe See, Albatross and Arkona Becken, and in Holland, with Borssele and Fryslan. We were also involved in the prototype Coastal Virginia project for the USA.

So, okay, what do we do? So, as I said, we're specialists in the PCM stage on the quayside activities. We design and manufacture and install the components on location. In the most part, those components are the tower frames. These are large structures that allow the turbines to be upended, that allows a lot of the internal fitting work to be done on the quayside before the offshore installation. We also have our own new concept of power containers, which is electrical distribution for these sites. Some of the photographs you're seeing there are from the harbour (inaudible 02.03) some years ago. These sites are generally large, hardcore sites with incoming supplies, and we interface those around the world and then distribute the power requirement for the turbines and the pulling, and we do the full centralisation across the world, including the sea fastenings, the tower frames and the infrastructure M&E. That's a turnkey solution. We're the only people that currently offer that service. So, here are some photographs of some recent projects. You can see this is B1 in Belfast, looking across the loch. Next up, we've got the A1 jackets in Vlissingen in Holland for Lamprell. We were responsible for installing the manufacturing and installing the sea fastenings, transporting the jackets to the barge and securing them to the barge for the offshore voyage. The next up is Galloper in Great Yarmouth in the UK. You can see the towers in the background. They're installed to one of our tower frames, and one currently being lifted onto the vessel, that is one of their sea fastenings. (inaudible 02.58) next for Borssele contracts, with some of the components we manufacture from Belfast, and we're in Taiwan for Formosa One, our first project in the region.

These are our power containers. This is a fairly new concept that we come up with. Basically, we, we take

the incoming supplies, as we said. The voltages range around Europe, of 200, 400, 110 voltages, and then, in Taiwan, there's further challenges with the frequencies. So, we interface the, the incoming supplies and we standardise those for the equipment the guys are using. We also offer a full design and manufacturer of all the (mw 03.31) and components, and we're back in Harland & Wolff here with our frames for the A1 jackets again. You can see we're transporting them onto the barge and securing the sea fastenings. Okay. So, we call this the, the whistle-stop tour, I hope it's a bit better on your screen. We've been operating in the renewables industry since 2016. It's been a-, it's been a difficult journey. It's been a bit of a roller-coaster, and I could probably stand here for the next five years and tell all about it, but anyway, we'll, we'll go through a whistle-stop tour. In 2016, we got an opportunity, (mw 04.02) arrived to D1, with the foundation pieces for one of the extensions. We were asked to site, through some of our previous contacts, to look at some of the challenges the guys were having, and we were presented with an opportunity.

If we're being honest, it was probably an opportunity too soon. We were unprepared. We were still a very small business. We were already busy in construction and utilities, but as any good salesperson will tell you, when you're presented with an opportunity, there are really two ways the question and they both begin with, 'Yes.' So, we took the opportunity and we've done okay. In 2017, we moved on, sort of, for Siemens Gamesa and for Vestas. We won work orders scope to work with those guys, and have issues against 2017 because we had a very steep learning curve. We were doing a lot of work with two OEMs that pushed and pulled us a lot in our business. That meant, in 2017, we were massively over-trading, which put lots of pressure on our cash-flow, and our supply chain, at that point, was very undeveloped. So, in 2018, we had a little bit of a turning point. We were quite bold. We, we picked a horse, in this case, we backed Siemens Gamesa and we approached them and said that-, we, we were very honest, we told them about our issues, that we were over-trading and we were struggling to manage our business, with the, the, the peaks and troughs that these renewable projects present to you. So, we asked them for a pipeline of work. We asked them for five projects. We, we gave them some kickback, we told that it, it would benefit them and that we could plan our business better, we would be prepared for the troughs and we could plan for a future investment in tooling and manning.

So, they bought into that and they gave us a, a framework agreement for five projects, and that put us on a journey of investment at the end of 2019. We grew our business, as we said, from humble beginnings, we started to increase our manning, our training, our tooling and equipment. We also established CASC Engineering in 2019 and CASC Electrical. 2020, we go, 'Wow.' At the end of 2019, we were quite ambitious. We opened a new market in Taiwan and we were very enthusiastic. We were looking forward to a new year, with potentially three or four projects already in the bank on the other side of world, and then, of course, we had the, the pandemic. As I'm sure a lot of people in the room would agree, it was very difficult personally and professionally. For us, we were trying to send guys to the other side of the world at the beginning of the pandemic. Our first project was kicking off in March 2020, right at the coalface. So, we had the anxiety of the guys, anxiety of the people at home, sending loved ones across the world, and we were also going to a country that didn't really have COVID. They closed their borders, so we had lots of new restrictions and entry restrictions to get through, but we got through it, and, in 2021, we invested again. We opened a new premises in Lisburn, so we're now in, in two depots, and 2022, we

invested again, I'm sure you can get the picture now, a bit of a common theme. If you want to stay relevant in this industry, you've got keep reinvesting. As the guys have said earlier, the components keep getting bigger, and if you want to keep in the industry, unfortunately, you've got to keep putting back here. So, we've a video here for me to show you on our recent investments.

I'll say I, obviously, put that video in there because it meant I could talk less so-, okay, so the market evolution then, where we think the market's going. As we've already talked about today, the market pipeline of work coming down is bigger than ever before. Our clients have been communicating with us that they're gonna change their business models to suit the new-, the new demands, and in order to do that, they want to reduce the (mw 09.10) interface. So, all of our main OEMs and clients were telling us that they want to reduce the amount of people working on the critical path, and, of course, that presents a risk to us. We're still a small business based in Belfast, and we're, we're competing on a global stage with much larger competition with a much bigger pool or resources to, to pick from. So, the pessimist would focus on the, the risk but we choose to be optimists and focus on the opportunity, and for us, that's an opportunity to grow the business and our people, but the big one for us is the opportunity to collaborate. We're already collaborating with, like, all our businesses, some of which would be competitors previously. On-, today, we're collaborating with a company that was a competitor, and it's KZN, Rotterdam. If the clients have made the decision to remove the interface, it's up to us to find the, the way to still operate, and Ross is speaking with Belfast Met and Queen's about we fill the-, their skills gap.

So, in closing, I just wanted to run through, just really quickly, some lessons that we've learned. So, we talked about the, the demands on your cash, operating in this business. Today, we're operating with between 150 and 180 days payment terms, of course it's a challenge and it's probably move further right again. The supply chain, for us, was a, a big issue, because we were choosing the right partner that is able to react to the demands of this industry when it's so hard, and, of course, this isn't for everybody. There's a lot of travel in a global business, so the demands on the people. The client expectations, the HS, I think they're, they're second to none, it goes without saying. From a quality perspective, the OEMs are generally responsible for the assets for anywhere between 15 and 25 years after installation, so the quality, of course, is-, they won't anything but the best quality, and reputation, yes, there's a high focus on this industry all across the world. And when we go to a new market, like Taiwan, and maybe 150 or 200 Europeans arrive to your local harbour town, it gets noticed by the locals, and the, the client focus on their reputation is very, very high and they expect our guys to behave in a certain way, where they're going for a beer or going for food or going to do the tourist attractions, that's a very high focus for them. And the rewards, we've-, we spoke about the pipeline, I think there's opportunities for any business from any background with the person pipeline.

The margins that you would expect to achieve in this industry are probably greater than you would expect in traditional engineering or construction, providing you can meet the demands and the expectations, obviously. The people development, it's a global industry, so it's an opportunity to get your name out there. I think, at one point, we were the number one company in Taichung for offshore renewables. There

was some clever from the SU guys. Of course, it's a sustainable business that we've talked about, and the green revolution, we're very proud to be part of it, and it is a business but it's a business we can be proud of. Thank you.