

EDBI sells Mooreast stake to spin-off August Global Partners



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Mooreast says the project win in France underscores the growing confidence that international players in the floating renewable industry have in the company / Photo: Albert Chua

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EDBI, a substantial shareholder of Mooreast Holdings [1V3 0.00%](#), sold its entire stake of 29.5 million shares or an 11.4% stake for \$3.4 million to a fund managed by August Global Partners via a married deal on April 24. This works out to an average price of 11.5 cents per share sold.

AGP was spun out of EDBI last November with an initial asset under management of US\$250 million (\$340.3 million). Chu Swee Yeok, a longtime former CEO of EDBI, is the chair and founding partner of AGP. Another founding partner Basil Lui was the managing director of EDBI while Davian Sim, managing director for investments at AGP, was once EDBI's senior principal of investments.

EDBI, the venture capital arm of the national economic promotion agency Singapore Economic Development Board (EDB), first invested in Mooreast via a convertible bond ahead of its November 2021 IPO, which was priced at 22 cents.

As described in its IPO prospectus, EBDI is investing a total of \$10 million in Mooreast and the conversion to equity is to be done in two equal tranches. The first \$5 million was converted to 29.5 million shares two days before the listing date, which worked out to 16.9 cents each. The second \$5 million will be converted in 2026, five years after the first. Meantime, the bonds carry an interest of 9% a year.



Mooreast specialises in producing anchors, cables and other components for offshore structures such as windfarms. In recent years, its growth has been influenced by the wider growth of renewable energy.

On April 2, the company revealed its latest milestone: Securing an order to provide anchors for a 30MW floating offshore windfarm in southern France. This marks the inaugural venture of three planned floating wind energy projects in France. The initiative, named Eolmed, is a collaborative effort between Qair, a prominent European energy company, French industry leader TotalEnergies and floating technology supplier BW Ideol.

Installation contractor Bourbon Offshore will help transport and install Mooreast's MA5S mooring drag anchors, which weigh up to 35 tonnes each and have a holding power of up to 1,210 tonnes. They will be delivered by October. The order, whose contract size is not disclosed, will contribute positively to the company's FY2024 performance.

For the most recent FY2023 ended December 2023, Mooreast's revenue barely budged but expenses, including fabrication, supply and administrative costs, grew. As a result, the company was \$1.85 million in the red, compared to earnings of \$1.37 million in FY2022.

Since then, the company says it has seen an uptick in urgent demand, especially in Southeast Asia. It is also ramping up its marketing efforts within the region.

Mooreast's CEO Sim Koon Lam says the project win in France underscores the growing confidence that international players in the floating renewable industry have in the company: "The European floating wind energy sector is known for its rigorous standards and we are proud that Mooreast is able to achieve market acceptance in this region."

According to Sim, the company is in active discussions with several project developers looking to tap Mooreast's expertise and capacity for subsea foundation production. "We remain focused on offering differentiated value even as we see to capture more opportunities in the near future in this exciting sector," he adds.

As described in the company's AGM presentation, Mooreast is further enhancing its own yard capabilities to increase market share to further better value to potential customers.

Nonetheless, it warns that headwinds such as heightened labour and material costs, elevated interest rates and rising geopolitical uncertainty worldwide will weigh on its operating parameters.