

FairWind

Committed to green transformation

Q4 2023 FINANCIAL REPORT

Force BidCo A/S

February 2024



About FairWind

Force BidCo A/S is the parent company to FairWind A/S (together referred to as the “Group” or “FairWind”).

FairWind is the global market leader within onshore wind turbine installation, with a strong presence also within offshore and service. With its global presence and capabilities, FairWind is strategic partner and sub-supplier to wind turbine OEMs in +40 countries. The company is headquartered in Vejle, Denmark, with its main technician hub in Szczecin, Poland.

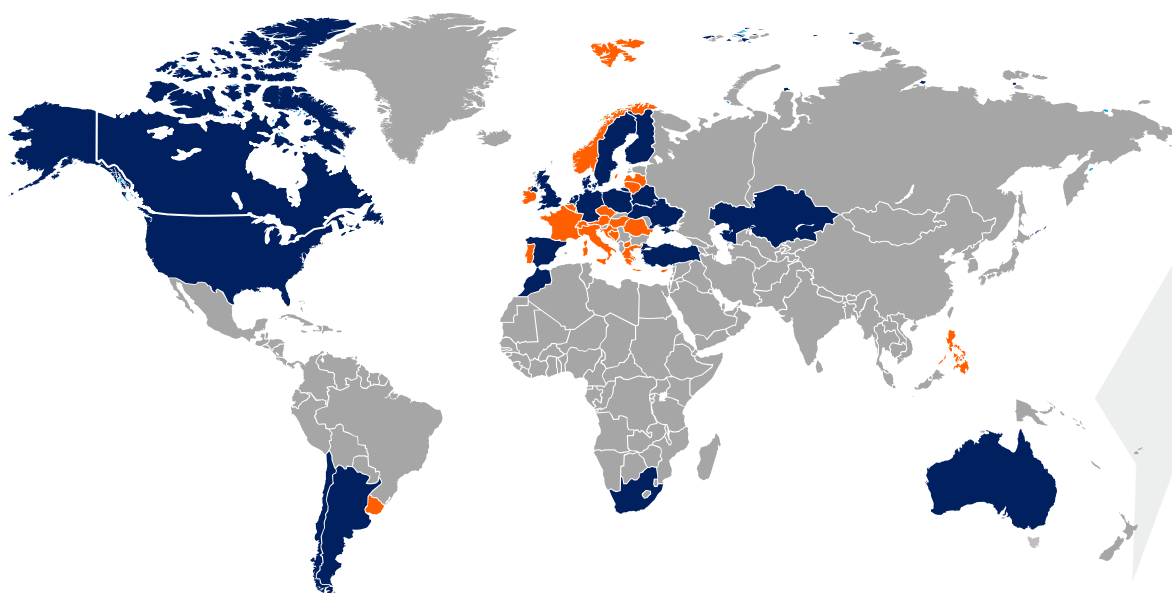
The underlying market is growing rapidly, as renewable energy is enjoying political support and support of the public. In addition, technology advancements make renewables an increasingly attractive energy source. Renewable energy sources will account for all growth in energy generation towards 2050 and wind is the single biggest contributor to the energy transition.

1 500+	40+	25.20	6 700
Technicians	Countries entered	GW installed (2016-2023)	Turbines installed (2016-2023)

Global Service

One-stop partner for installation and service solutions of onshore and offshore wind turbines worldwide. Business in over 40 countries and currently legal entities in 19.

- Operations with local legal entity
- Operations without local legal entity



Highlights Interim Report for Q4 2023

Key Figures¹

DKK '000	Q4 2023	Q4 2022	YTD Q4 2023	YTD Q4 2022	LTM Q4 2023
Net Revenue	292 876	280 256	1 191 916	1 021 078	1 191 916
Gross Profit	77 431	72 619	275 817	233 768	275 817
<i>Gross Margin</i>	26.4%	25.9%	23.1%	22.9%	23.1%
Adj. EBITDA	22 958	34 557	90 521	80 312	90 521
<i>Adj. EBITDA Margin</i>	7.8%	12.3%	7.6%	7.9%	7.6%
Adj. EBITA	13 858	25 617	57 649	53 328	57 649
<i>Adj. EBITA Margin</i>	4.7%	9.1%	4.8%	5.1%	4.8%
Net Debt	419 135	458 772	419 135	458 772	419 135

Highlights in Q4 2023

- The revenue and EBITDA for the 2023 financial year ended above the expectations communicated for the year in the 2022 annual report, with revenue growing 16.7% compared to last year, and adjusted EBITDA growing 12.7% (norm. EBITDA 16.4%) compared to last year, which is considered highly satisfactory.
- FairWind awarded the largest single order in company history with a record breaking 1.17GW crane and pre-assembly installation contract out of Esbjerg Harbor.
- FairWind announced our intention to acquire Wind1000, a regional leader of onshore wind solutions, primarily in Southern Europe and South America.
- Further positive development of the Net Working Capital in Q4.
- Positive performance on Net Debt, with a decrease of DKK 39.6m compared to the same period last year, in accordance with strategic improvement initiatives within the group.
- Adjusted EBITDA and EBITA performance in Q4 2023 compared to last year reflects strategic investments in the organization for future expansion impacting the EBITDA margin, particularly in Q4 2023.
- Signed the SPA for the acquisition of Wind1000.
- Increased training offering with the certification for 'GWO Basic Technical Training - Bolt Tightening', supporting our focus for diversified growth through service.

Events after the quarter end

- 2024 onshore awarding for 21 WTG in Ireland, 30 WTG in Finland, 14 WTG in Germany, and 16 WTG in Poland, amongst others.
- Onboarding of Regional Director for APAC, as part of regional expansion.
- Initiated implementation for 'Rope Access Training' with certification through the Industrial Rope Access Trade Association (IRATA) and 'GWO Lift User Training', further enhancing our Blade and Service offerings going forward.

¹ Consolidated figures for Force BidCo A/S

Message from CEO

I am very pleased to report our results in Q4 reflect a continued momentum from prior quarters, with revenues and EBITDA for the full year exceeding expectations. Revenues in 2023 grew by 16.7% and norm. EBITDA by 16.4%² as compared to 2022.

Q4 revenues of DKK 293m, an Adjusted EBITDA of DKK 22.9m, with revenues for the full year of DKK 1,192m.

Norm. EBITDA of DKK 94.6m for the full year is a significant achievement given ongoing challenges in our markets and considering the investments made in the business to support not only the increase in revenues in the year but also the long-term growth of the business, operationally and geographically.

The performance has been largely driven by the continued diversification into the Service sector, which increased to 33% of the Q4 revenues, significant growth in the US region, improvements in project execution, governance, and financial management.

The restructuring and reorganizing of our business model to better support customers regionally is on track and nears completion with leadership in place in the APAC region followed in Q1 with new leadership and facilities planned to consolidate the previous Northern, Central & Eastern European business units into a single Northern and Central European business in Hamburg Germany, with all regions being supported with shared service functions in Szczecin, Poland

With the SPA signed to acquire Wind1000 and working towards closure, planning is now well underway to leverage both FairWind and Wind1000's capabilities to enhance market share in Southern & Central Europe and Latin America

Our core customers have reported improved results in 2023 as compared to the prior year however the installation markets have remained challenged during the course of the year but noting a positive outlook in 2024.

In terms of outlook for 2024, bidding activity remains high with a very strong pipeline of opportunities in Service, Offshore and Training across all regions combined with healthy backlog for offshore preassembly with the Gode Wind & Borkum Riffgrund project. Combined with the 2024 pricing adjustments now completed for planned installation scopes, we expect to be in line the growth projections envisaged for the year.

I would like to thank all our "FairWinders", customers, and investors for your hard work dedication and support during 2023 and look forward to achieving all of our goals in 2024.

Sincerely,
Stewart Mitchell
CEO, FairWind A/S



² Refer to page 6 for further explanation of the normalized EBITDA and EBITA

Business and Market Overview

We have continued our expected growth trajectory in Q4, reporting growth on all revenue streams, gross profit, adjusted EBITDA and adjusted EBITA.

At the same time, we are continuing our positive trend of revenue diversification in accordance with our strategy, increasing our scope of Service work, which covered 33% of the Q4 revenue, having grown across all regions.

At the same time, we are advancing with the 1,170 MW Gode Wind & Borkum Riffgrund project, the largest offshore project in FairWind history, commencing work out of Esbjerg harbor in Q1 2024. The diversification on offerings is supported by our regional diversification, having seen aggressive growth in North America, and expecting increased activity in Southern Europe with the Wind1000 acquisition, as well as Asia Pacific with the addition of a Regional Director based in Melbourne Australia.

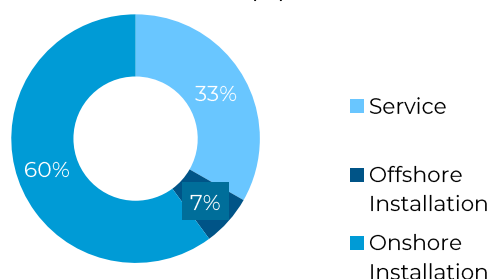
In terms of outlook, the first half of the year is expected to continue at the current level, as previously reported. We have been able to secure a stable pipeline and combined with the completed implementation of price adjustments with our customers, we have secured the foundation for stable operations, positioning ourselves for the significant increased activities in the wind industry in the latter half of 2024, starting up with the commencement of large-scale projects in Scandinavia during the summer season.

Notably the German market is poised for accelerated expansion throughout 2024. To support this anticipated increased market growth, we have recruited a seasoned Regional Director for NCE as of March 1st, who will be based in Hamburg Germany, joined by a Regional Sales Manager, focused on the German market.

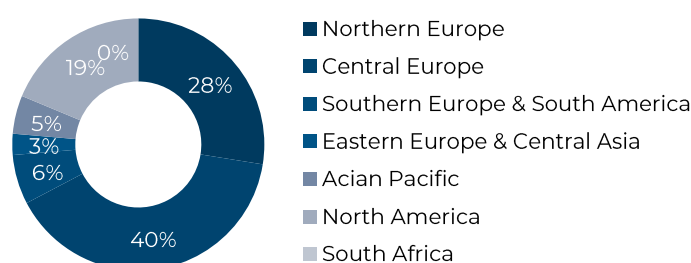
In anticipation of future market demands, we have initiated strategic discussions with our core OEM partners regarding capacity agreements. These discussions aim to ensure that FairWind maintains sufficient manpower capacity over the next 2-3 years to effectively meet the anticipated growth in both onshore and offshore markets worldwide.

Revenue split by business unit and geography.

Share of Revenue (%) - Q4 2023



Share of Revenue (%) - Q4 2023



Environment, Social, & Governance Overview

We are devoted to being a part of a more sustainable future. Our core work is an important part of this, and by erecting and servicing wind turbines worldwide, we are contributing to a sustainable transformation every day.

At FairWind, we invest in sustainable workplaces by creating local employment opportunities worldwide.

FairWind continues to work for a more sustainable future for the globe, especially with focus towards creating affordable and clean energy, taking climate action, and secure local economic growth through our work across the globe.



Our CSR efforts are directly linked to our Vision & Mission with focus on delivering to 3 of the 17 global **UN Sustainable development goals.**

- *Affordable and Clean Energy (7)*
- *Climate Action (13)*
- *Local economic growth through decent work (8)*

Progress as of Q4 2023

Focus for Q4 2023 was on the preparation for reporting under the EU Corporate Social Responsibility Directive (CSRD) in 2024, while also initiating initiatives to strengthen our corporate governance structure.

As we begin 2024, a new Global Legal & Compliance Director has been onboarded. With the anticipated growth in the coming years, we are fully dedicated to strengthening our risk profile, enabling our journey towards a larger share of the global market, while at the same time being able to continue the diversification of our offerings.

At the same time, initiatives have been taking to implement a digital solution for measuring our global CO₂ emissions, supporting our decarbonization strategy. These initiatives are closely related with our work to provide double materiality assessments across the group, where the first focus areas revolve around Climate Change and our own workforce.

Financial Overview

Net revenue for the Group was DKK 293m in Q4 2023 (2022: DKK 280m), a growth of 4.6% compared to the same period last year.

Gross margin saw an increase to 26.4% in Q4 2023, compared to 25.9% in Q4 2022, while also exceeding the previous quarter's gross margin of 23.6%. Furthermore, the gross margin year-to-date performance increased to 23.1% in 2023, compared to 22.9% in 2022.

As also explained in the previous quarter, the increase in margin is primarily a result of increased Service work, which provides stable margin levels as well as better performance in our onshore and offshore installation execution. The diversification of revenue streams also provides a positive effect on our gross margin.

Compared to Q4 2022, we had a decrease in adjusted EBITDA from DKK 35m in Q4 2022 to DKK 23m in Q4 2023, mainly driven by recruitment in Q4 2023 to support future growth, as well as a positive impact from a reactive customer settlement which was received in Q4 2022.

Introducing normalized EBITDA & EBITA

During the year we also occurred several normalized costs mainly related to the investor group, as well as one-off recruitment cost for members of the Senior Management team and are cost types that will be non-recurring for a new owner. Adding this cost to the adjusted EBITDA lifts the underlining business even further – compared to 2022 by 16.4% and the EBITA with 13.6%.

Normalized EBITDA & EBITA

DKK 'm	YTD 2023	Full 2022
Adj. EBITDA	90.5	80.3
Normalized costs	4.1	1.0
Normalized EBITDA	94.6	81.3
<i>Norm. EBITDA Margin</i>	7.9%	8.0%
Normalized EBITA	61.7	54.3
<i>Norm. EBITA Margin</i>	5.4%	5.3%

The non-recurring items increased in Q4 2023 and mainly relates to the M&A activities, restructuring the organization, as well as a liability case which has been closed in North America.

We continued to focus on improving our Net Working Capital, and good progress was obtained in Q4 with a total improvement of 18m, and for the full year we achieved an overall improvement of DKK 61m.

Capex investments in Q4 consist of new tools to support the growth and digitalization of the business.

The draw down on the Revolving facility decreased by DKK 3m compared to Q3 2023 and cash positions increased by DKK 34m, which is a net increase of DKK 37m mainly driven by the execution of the Bond tap to be used for the acquisition of Wind1000, as announced.

Net Debt

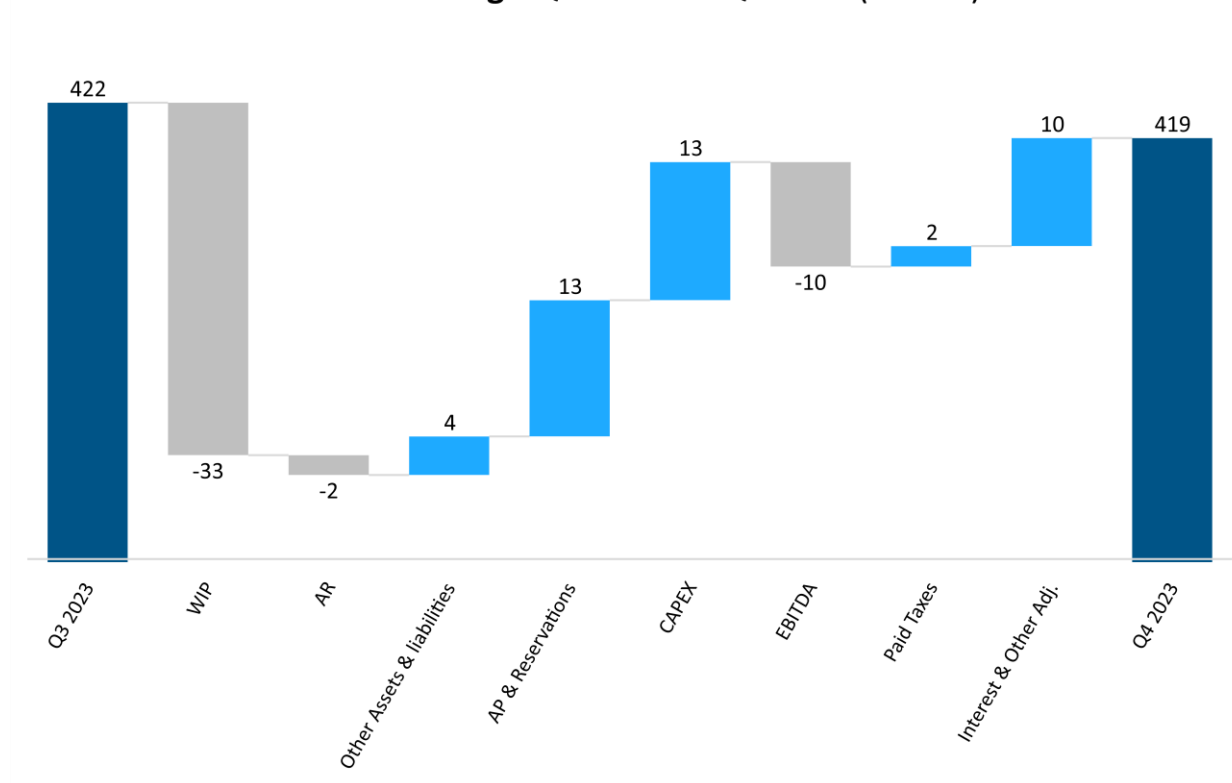
Net debt overview

DKK '000	Q4 2023	Q3 2023
Cash	(128 545)	(94 859)
Long term liabilities	399 688	365 727
Credit institutions	147 992	151 456
Net Debt*	419 135	422 324

*Net Debt does not include financial lease

Net debt slightly decreased compared to the previous quarter. At the same time, our Leverage ratio changed from 4.1 in Q3 2023 to 4.6 in Q4 2023 approx. by 11%.

Net debt Bridge Q4 2023 vs. Q3 2023 (DKK'M)



Profit & Loss Statement – Consolidated

Consolidated Profit & Loss Statement

Force Bidco A/S DKK '000	Q4 2023	YTD Q4 2023	YTD Q4 2022
Net revenue	292 876	1 191 916	1 021 078
Direct costs	(215 445)	(916 099)	(787 311)
Personnel expenses	(30 983)	(101 374)	(84 823)
Other external expenses	(23 489)	(83 922)	(68 633)
Adj. EBITDA	22 958	90 521	80 312
Non-recurring items	(13 258)	(17 451)	(36 135)
EBITDA	9 700	73 070	44 177
Depreciation and amortization	(9 100)	(32 872)	(27 984)
Non-recurring EBITA items	0	(928)	0
Operating profit/loss	601	39 270	16 193
Financing cost, net	(16 342)	(48 276)	(30 038)
Profit/loss before taxes	(15 741)	(9 006)	(13 845)
Taxes	8 509	4 748	(4 327)
Profit/loss for the period	(7 232)	(4 257)	(18 172)

Balance Sheet

Consolidated Balance Sheet

Force Bidco A/S DKK '000	Q4 2023	Q3 2023
Assets		
Goodwill and Trademarks	512 372	512 372
Tangible fixed assets	63 798	55 570
Total non-current assets	576 170	567 942
Trade receivables	222 884	224 724
Work in progress	73 805	106 498
Inventory	2 474	3 515
Other receivables	19 092	13 247
Accrued courses	23 893	22 875
Deferred tax	52 711	30 610
Cash	128 545	94 859
Total current assets	523 403	496 329
Total assets	1 099 574	1 064 271
Equity and liabilities		
Equity	309 330	298 640
Deferred Tax	20 199	16 032
Long term liabilities	413 976	377 453
Credit institutions	147 992	151 456
Trade payables	95 345	65 202
Accrued costs (reservations)	35 528	78 294
Corporate tax	9 140	16 290
Other liabilities	68 065	60 904
Short term liabilities	356 069	372 146
Total liabilities	770 045	749 598
Total equity and liabilities	1 099 574	1 064 271

Reporting Force Bidco A/S: IFRS and including Force Bidco A/S and subsidiaries

Cash Flow Statement

Consolidated Cash Flow Statement

Force Bidco A/S DKK '000	Q4 2023	YTD Q4 2023
EBIT	601	39 270
Depreciations and accrued courses	9 100	33 800
EBITDA	9 700	73 070
Changes in Working Capital:		
Change in Work in progress	32 693	70 951
Change in Trade Receivables	1 839	(9 499)
Change in inventories	1 042	742
Change in Other Receivables	(10 628)	(12 073)
Change in Trade Payables	30 142	(5 700)
Change in Accrued Cost (Reservations)	(42 766)	(359)
Change in Other Liabilities	7 043	23 688
Change in Accrual Courses	(1 018)	(4 612)
Change in Deposits	(429)	(1 305)
Changes in Working Capital total:	17 919	61 834
Paid Taxes	(1 893)	(18 782)
Cash flows from operating activities	25 726	116 121
Additions of Property, plant and equipment	(12 796)	(32 148)
Disposals of Property, plant and equipment	(29)	1 063
Additions of Training / Accrued Courses	-	-
Cash flows from investing activities	(12 824)	(31 084)
Leasing	(138)	(4 678)
Currency exchanges	4 135	5 687
Paid/received interest	(17 553)	(45 258)
Adjustment on RCF	(3 464)	1 786
Issuing of new bonds	37 280	37 280
Repayments, loans from shareholders	525	160
Cash flows from financing activities	20 784	(5 024)
Change in cash and cash equivalents	33 686	80 013
Opening Cash and Cash equivalents	94 859	48 533
Change in cash and cash equivalents for the period	33 686	80 013
Cash End of period	128 545	128 545

Notes to the financial statements

Reported EBITDA and Adjusted EBITDA

Force Bidco A/S DKK 'm	Q4 2023	YTD Q4 2023	LTM Q4 2023
Normalized EBITDA	24	95	95
Cost related to investor group	0	(1)	(1)
Senior Management recruitment cost	0	(2)	(2)
Consultant fees related to bond tap	(1)	(1)	(1)
Adjusted EBITDA	23	91	91
Final exclusion of the business in Russia	0	7	7
Double rent costs from move of offices in Szczecin, Poland	(0)	(1)	(1)
Mandatory wartime remuneration paid to Ukrainian technicians employed by FairWind	(0)	(0)	(0)
Organizational Changes	(2)	(10)	(10)
M&A	(2)	(4)	(4)
US Insurance liability case	(6)	(6)	(6)
Other	(2)	(3)	(3)
Reported EBITDA	10	73	73

Definitions

OEM: Original Equipment Manufacturer

PPA: Purchase Price Allocation

SESA: South Europe & South America

CE: Central Europe

NE: North Europe

APAC: Asia and Pacific

EECA: Eastern Europe & Central Asia

NA: North America

RCF: Revolving credit facility

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