

FairWind

Committed to green transformation

Q1 2024 FINANCIAL REPORT

Force BidCo A/S

May 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.

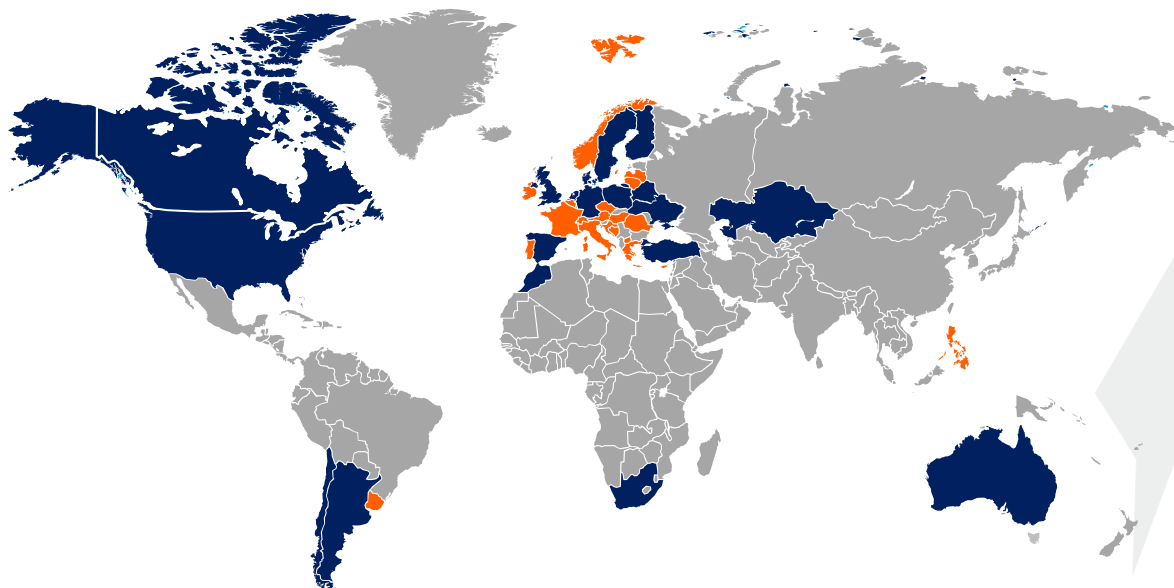
1 500+	40+	25.20	6 700
Technicians	Countries entered	GW installed (2016-2023)	Turbines installed (2016-2023)

*) KPI's excluding Wind1000

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



*) Geographical map excluding Wind1000

Highlights Interim Report for Q1 2024

Key Figures¹

EUR '000	Q1 2024	Q1 2023	YTD Q1 2024	YTD Q1 2023	LTM Q1 2024
Net Revenue	33 178	32 905	33 178	32 905	160 871
Gross Profit	7 677	6 831	7 677	6 831	37 858
<i>Gross Margin</i>	23.1%	20.8%	23.1%	20.8%	23.5%
Adj. EBITDA	499	1 444	499	1 444	11 201
<i>Adj. EBITDA Margin</i>	1.5%	4.4%	1.5%	4.4%	7.0%
Adj. EBITA	-765	466	-765	466	6 503
<i>Adj. EBITA Margin</i>	-2.3%	1.4%	-2.3%	1.4%	4.0%
Net Debt	72 261	58 414	72 261	58 414	72 261

Highlights in Q1 2024

- Overall, Q1 2024 has performed according to our expectations, reflecting the investments we have made in the organization and the future growth of the business.
- The acquisition of Wind1000 was finalized at the end of Q1 2024.
- Revenue for the period is similar to last year, which is expected.
- Margins have increased from 20.8% in the same period last year to 23.1%, attributed to improvements made in operations.
- Adjusted EBITDA is below the same period last year. The main drivers for this decrease are the organizational improvements and regionalization that have been implemented across the organization, with the result ending as expected for the quarter.
- There has been a high level of non-recurring costs in the period related to the closure of the Wind1000 acquisition.

Events after the quarter end

- Wind1000 was awarded a contract for the dismantling of 97 turbines in Spain.
- FairWind was awarded two major onshore installation projects in Finland totaling 600.6 MW, with one running throughout the second half of 2024 and the other from Q3 2024 to Q2 2025.
- A new Global HSEQ Director started as part of an overall strategic effort to further enhance the safety, quality, and ESG standards across the group.

¹ Consolidated figures for Force BidCo A/S

Message from CEO

Our Q1, 2024 results are in line with our prior expectations despite reduced levels of activity in the US resulting from seasonality delays, largely offset by higher levels of activity in our NCE and APAC business units. Gross Margins of 23.1% as compared to the same period last year of 20.8% reflecting the ongoing diversification of revenue streams.

Q1 revenues of EUR 33.2m with an Adjusted EBITDA of EUR 0.5m, a decrease from EUR 1.4 m as compared to the same period in 2023, driven mainly by the investment in recruitment to support the future growth, organizational improvements, and our regionalization strategy. All of which are in line with prior expectations.

The acquisition of Wind1000 was closed in the quarter and the company will operate as FairWind's Southern European and South America (SESA) business unit, where we are already starting to see leveraged opportunities in both the Installation and Service sectors evidenced by the recent award of the Tahivilla decommissioning project in Southern Spain.

The outlook for the remainder of 2024 remains in line with expectations, despite the slower start in the US, activity levels are increasing significantly with OEMs and Operators for service, maintenance, and retrofit campaigns. In the NCE region, our blade repair operations are expanding, with major projects underway. In the APAC region with the recently leased office and warehouse facilities in Melbourne, with key hires in, HSE, project management and recruitment, and along with ongoing discussions with major OEMs, we expect the region to drive revenues for the remainder of the year coupled with a sustained high level of performance on our current projects in Taiwan.

The implementation of our new finance, HR, resource planning, project management and inventory management systems are all on track and set to enhance performance across the organization during the remainder of the year.

Whilst I'm pleased with our Q1 results our focus turns to the safe and efficient execution of our backlog, securing the pipeline of projects and delivering on our growth strategies to meet our targets for the remainder of the year.

I would like to thank all our "FairWinders", customers, and investors for your hard work dedication and support in Q1, and look forward to your continued support.

Sincerely,

Stewart Mitchell
CEO, FairWind A/S



Business and Market Overview

In Q1, we made significant progress in expanding our global presence through the adoption of our regional delivery model, where especially the integration of Wind1000 into our business is progressing swiftly, combining resources and capabilities to enhance market growth in Southern Europe and South America. As part of this, we have already secured small maintenance projects in Southern Europe, facilitating Wind1000's diversification into operations and maintenance services.

Furthermore, Wind1000 brings extensive decommissioning expertise, complementing FairWind's strong track record in Northern Europe. This synergy is set to support the anticipated increase in turbine removal and repowering in key markets like Germany. Notably, Wind1000 secured one of Spain's largest decommissioning projects, involving the removal of 97 turbines at the Tahivilla wind farm.

In the Asia Pacific region, we leased new office and warehouse premises in Australia and expanded our team with key hires in Recruitment, HSEQ, and Project Management, all of whom will support our growth. Strategic discussions with major OEMs continue, aiming to support the significant growth planned for Australia. New installation projects are expected to drive revenues in 2024 and 2025.

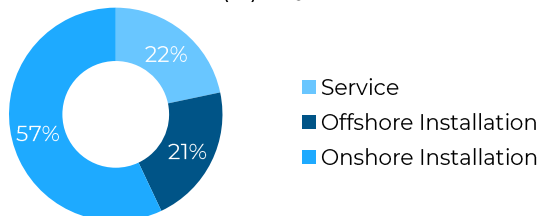
The North American market is poised for steady wind energy growth due to the Inflation Reduction Act. We are witnessing increased activity in service and maintenance tasks with clients, covering retrofit campaigns and routine maintenance.

In Europe, our blade repair operations are expanding, with major projects underway across Central Europe. This capability will be leveraged across all four regions as a core part of our diversification from installation services. The Gode Wind & Borkum Riffgrund project, one of Europe's largest offshore projects, commenced in Q1 and continues to scale up, requiring additional resources and expertise. It stands as our largest pre-assembly project to date.

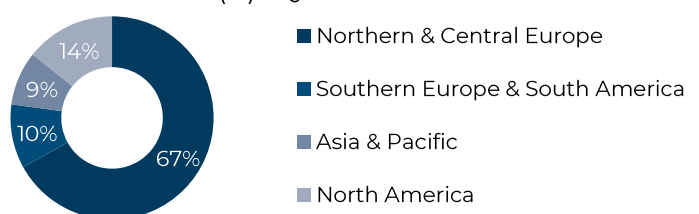
Our main clients, the turbine OEMs, have reported a steady increase in order backlog and growing service revenues. Most importantly, a return to profitability is a key theme, which assures that the positive trend of capacity additions will continue.

Revenue split by business unit and geography.

Share of Revenue (%) - Q1 2024



Share of Revenue (%) - Q1 2024



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

During Q1 2024, we remained committed to advancing our ESG goals and enhancing corporate sustainability. A key milestone was our comprehensive Double Materiality Assessment (DMA), enabling us to address both environmental initiatives and the social and governance impacts of our operations. We also progressed in implementing a digital solution for measuring global CO2 emissions, supporting our decarbonization goals.

We launched a new HR program focused on employee well-being, recognizing the critical role our workforce plays in our success. This program underscores our commitment to a workplace culture that prioritizes well-being, diversity, equity, and inclusion, fostering talent development and innovation.

Additionally, we introduced a Well-being Policy to create a healthy, inclusive, and happy workplace. As we move forward in 2024, we remain dedicated to our sustainability agenda, strengthening corporate governance, and driving positive impact across our value chain.

Financial Overview

Effective Q1 2024, the Company has changed its reporting currency from DKK to EUR to reflect our global operations. Comparative figures for previous periods have been restated in EUR.

Net revenue for the Group realized at EUR 33.2m in Q1 2024 (2023: EUR 32.9m), a growth of 0.8% compared to the same period last year.

Gross margin increased to 23.1% in Q1 2024, compared to 20.8% in Q1 2023.

Compared to Q1 2023, adjusted EBITDA decreased from EUR 1.4m in Q1 2023 to EUR 0.5m in Q1 2024, primarily driven by recruitment cost and investments to support future growth.

Doing the acquisition of Wind1000, the company has an existing local bank facility used for working capital purposes. This facility will remain in place and is accounted for within the parameters of the incurrence test.

The unaudited Closing Balance of Wind1000 is included in the financial figures for Q1 2024, as the acquisition was finalized 26th of March 2024, for reference of The Closing Balance see appendix 2024. Recognition of contribution will take effect from 1st of April, although in Q1 2024 Wind1000 recognized close to EUR 8m in revenue.

Normalized EBITDA & EBITA

During the period some normalized costs occurred, primarily related to the investor group. The cost is classified as a non-recurring expense for a potential new owner.

Normalized EBITDA & EBITA

EUR 'm	YTD 2024	Full 2023
Adj. EBITDA	0.5	12.1
Normalized costs	0.1	0.5
Normalized EBITDA	0.6	12.7
<i>Norm. EBITDA Margin</i>	1,7%	7.9%
Normalized EBITA	(0.7)	8.3
<i>Norm. EBITA Margin</i>	-2.1%	5.2%

Several non-recurring items recognized in the period and increased in Q1 2024 compared to Q1 2023, primarily relates to the M&A activities and restructuring the organization.

Capex investments in Q1 consist of new tools to support the growth and digitalization of the business.

The draw down on the Revolving facility increased by EUR 2,2m compared to Q4 2023 and cash positions decreased by EUR 1,4m, which is a net decrease of EUR 3,7m mainly driven by the acquisition of Wind1000.

Net Debt

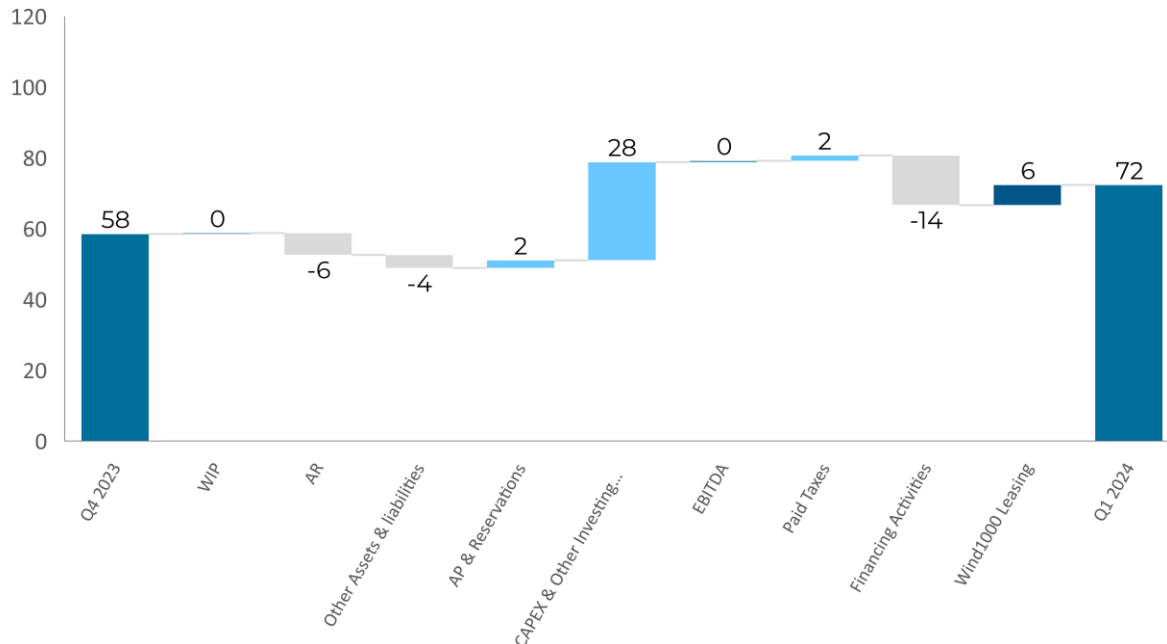
Net debt overview

EUR '000	Q1 2024	Q4 2023
Cash	(15 553)	(16 988)
Long term liabilities	65 989	55 546
Credit institutions	21 825	19 857
Net Debt	72 261	58 414

Net debt increased compared to the previous quarter, mainly driven by the acquisition of Wind1000. At the same time, our Leverage ratio changed from 4.8x in Q4 2024 to 4.2x in Q1 2024 approx. by 14%.

Long Term Liabilities in Net debt is now including Financial Lease debt, due to it now being a considerable amount. Furthermore, comparison figures have been adjusted accordingly. Additionally, calculation for Q1 Leverage Ratio is including LTM Adjusted EBITDA for Wind1000, which is not included in comparison figures.

Net debt Bridge Q1 2024 vs. Q4 2023 (EUR'M)



Profit & Loss Statement – Consolidated

Force Bidco A/S EUR '000	Q1 2024	Q1 2023	LTM Q1 2024
Net revenue	33 178	32 905	160 871
Direct costs	(25 502)	(26 074)	(123 013)
Personnel expenses	(3 994)	(3 040)	(14 559)
Other external expenses	(3 184)	(2 348)	(12 099)
Adj. EBITDA	499	1 444	11 201
Non-recurring items	(854)	(73)	(3 123)
EBITDA	(355)	1 370	8 078
Depreciation and amortization	(1 264)	(978)	(4 698)
Non-recurring EBITA items	0	0	(125)
Operating profit/loss	(1 620)	393	3 256
Financing cost, net	(2 001)	(1 743)	(6 736)
Profit/loss before taxes	(3 621)	(1 350)	(3 480)
Taxes	(627)	392	(957)
Profit/loss for the period	(4 248)	(959)	(4 438)

Balance Sheet – Consolidated

Force Bidco A/S EUR '000	Q1 2024	Q4 2023
Assets		
Goodwill and Trademarks	81 977	68 748
Tangible fixed assets	24 614	8 560
Total non-current assets	106 590	77 308
Trade receivables	29 976	29 906
Work in progress	12 538	9 903
Inventory	310	332
Other receivables	3 862	2 562
Accrued courses	4 350	3 206
Corporate Tax (Assets)	421	46
Deferred tax	5 042	4 038
Cash	15 553	16 988
Total current assets	72 051	66 980
Total assets	178 641	144 288
Equity and liabilities		
Equity	45 066	38 263
Deferred Tax	2 903	2 906
Long term liabilities	69 989	55 546
Credit institutions	21 825	19 597
Trade payables	14 134	12 793
Accrued costs (reservations)	5 994	4 767
Corporate tax	718	1 283
Other liabilities	18 012	9 133
Short term liabilities	60 683	47 574
Total liabilities	130 672	103 119
Total equity and liabilities	178 641	144 288

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

Cash Flow Statement– Consolidated

Force Bidco A/S EUR '000	Q1 2024	Q1 2023	LTM Q1 2024
EBIT	(1 620)	392	3 257
Depreciations and accrued courses	1 264	978	4 822
EBITDA	(355)	1 370	8 079
Changes in Working Capital:			
- Change in Work in progress	(285)	9 570	(335)
- Change in Trade Receivables	6 140	(4 632)	9 497
- Change in inventories	23	(18)	141
- Change in Other Receivables	(448)	(16)	(2 051)
- Change in Trade Payables	(2 632)	(3 182)	(215)
- Change in Accrued Cost (Reservations)	457	1 777	(1 368)
- Change in Other Liabilities	4 182	1 960	5 396
- Change in Accrual Courses	(1 122)	(52)	(1 689)
- Change in Deposits	(49)	22	(246)
Changes in Working Capital total:	6 266	5 429	9 129
Paid Taxes	(1 545)	(272)	(3 793)
Cash flows from operating activities	4 365	6 527	13 415
Additions of Property, plant and equipment	(1 291)	(670)	(4 935)
Disposals of Property, plant and equipment	(30)	29	84
Additions of Goodwill and other Intangible assets	(6 892)	-	(6 892)
Other Investing activities	(19 550)	-	(19 550)
Cash flows from investing activities	(27 763)	(641)	(31 293)
Leasing	(148)	(241)	(535)
Currency exchanges	39	(224)	1 037
Paid/received interest	(2 091)	(1 405)	(6 758)
Contribution from Shareholders	11 460	-	11 460
Credit Institution Loan	4 800	-	4 800
Opening Cash from Acquisition	5 680	-	5 680
Repayments, loans from shareholders	-	-	22
Cash flows from financing activities	19 740	(1 870)	20 707
Change in cash and cash equivalents	(3 658)	4 016	2 829
Opening Cash and Cash equivalents	16 984	6 512	6 813
Opening Credit Institutions	(19 597)	(19 629)	(15 914)
Change in cash and cash equivalents for the period	(3 658)	4 016	2 829
Cash End of period	(6 272)	(9 101)	(6 272)

Notes to the financial statements

Reported EBITDA and Adjusted EBITDA

Force Bidco A/S EUR '000	Q1 2024	YTD Q1 2024	LTM Q1 2024
Normalized EBITDA	554	554	11 800
Cost related to investor group	(55)	(55)	(183)
Senior Management recruitment cost			(315)
Consultant fees related to bond tap			(100)
Adjusted EBITDA	499	499	11 201
Final exclusion of the business in Russia			928
Double rent costs moving offices in Poland			(109)
Wartime remuneration for Ukrainian technicians	(3)	(3)	(25)
Organizational Changes	(165)	(165)	(1 442)
M&A	(548)	(548)	(1 097)
US Insurance liability case	(34)	(34)	(860)
Other	(104)	(104)	(517)
Reported EBITDA	(355)	(355)	8 078

Definitions

OEM: Original Equipment Manufacturer

PPA: Purchase Price Allocation

SESA: South Europe & South America

NCE: North & Central Europe

APAC: Asia and Pacific

NA: North America

RCF: Revolving credit facility

Appendix: Wind1000 Closing Balance

WIND1000 EUR '000	Q1 2024
Assets	
Goodwill and Trademarks	6 387
Tangible fixed assets	15 937
Total non-current assets	22 324
Trade receivables	6 326
Work in progress	2 456
Other receivables	1 005
Deferred tax	967
Cash	5 685
Total current assets	16 438
Total assets	38 762
Equity and liabilities	
Equity	19 560
Long term liabilities	9 662
Credit institutions	9
Trade payables	3 974
Accrued costs (reservations)	756
Other liabilities	4 801
Short term liabilities	9 540
Total liabilities	19 202
Total equity and liabilities	38 762

*) Unaudited figures.

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