

# FairWind

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Committed to green transformation

## Q3 2024 FINANCIAL REPORT

Force BidCo A/S

November 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 in onshore wind turbine installation, with a strong presence in offshore installation and maintenance and service delivery. With its global presence and capabilities, FairWind is a strategic partner and sub-supplier to wind turbine OEMs and asset owners in 40+ countries. The company is headquartered in Vejle, Denmark, with a shared service center in Szczecin, Poland and regional offices in Houston, Hamburg, Santiago de Compostela and Melbourne.

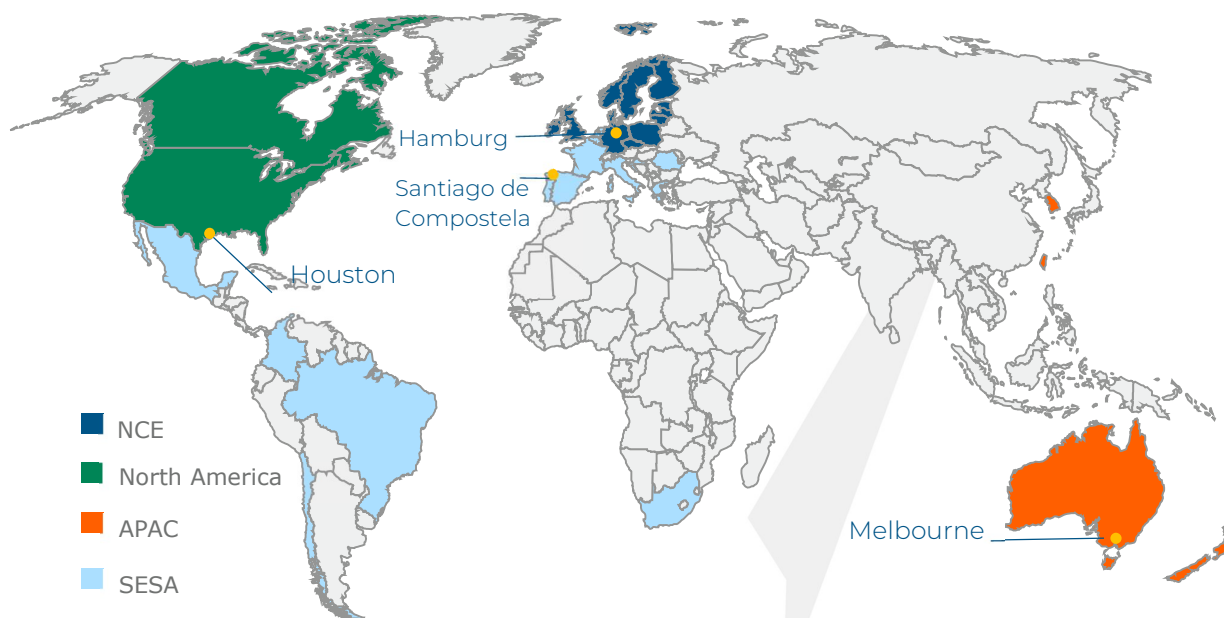
The underlying market is growing rapidly, as the climate crisis and need for energy sources to transition away from fossil fuels is a global issue. In addition, technological advancements make renewables an increasingly attractive energy source. Renewable energy sources will account for all growth in energy generation towards 2050 and wind is the single biggest contributor to the energy transition.

<b>1 800+</b>	<b>40+</b>	<b>25.2</b>	<b>6 700</b>
Technicians	Countries entered	GW installed (2016-2023)	Turbines installed (2016-2023)

\*) KPI's including Wind1000

### Global Service

Complete partner for installation and service solutions of onshore and offshore wind turbines worldwide. Business in over 40 countries and currently legal entities in 22.



## Highlights Interim Report for Q3 2024

### Key Figures<sup>1</sup>

EUR '000	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023	LTM Q3 2024
<b>Net Revenue</b>	<b>77 958</b>	<b>50 683</b>	<b>169 523</b>	<b>120 699</b>	<b>208 791</b>
Gross Profit	20 798	11 945	41 748	26 634	52 130
<i>Gross Margin</i>	26.7%	23.6%	24.6%	22.1%	25.0%
<b>Adj. EBITDA</b>	<b>11 934</b>	<b>5 622</b>	<b>17 149</b>	<b>9 071</b>	<b>20 226</b>
<i>Adj. EBITDA Margin</i>	15.3%	11.1%	10.1%	7.5%	9.7%
Adj. EBITA	<b>10 176</b>	<b>4 496</b>	<b>12 463</b>	<b>5 879</b>	<b>14 320</b>
<i>Adj. EBITA Margin</i>	13.1%	8.9%	7.4%	4.9%	6.9%
Net Debt	72 590	58 942	72 590	58 942	72 590

### Highlights in Q3 2024

- Q3 revenue met budget expectations, reflecting a positive annual trend. The increase of 53.8% compared to last year is mainly due to organic growth across all regions and just partly due to the acquisition of Wind1000.
- Our gross margins improved with 3.1% pts. compared to the same period last year. This performance increase is evident across the business, with notable improvements in our Offshore installation business.
- Adjusted EBITDA increased with 112.3% compared to 2023 reflecting improved project execution and well managed cost controlling.
- Significant improvement in leverage ratio – current level at 2.8x
- FairWind is projected to achieve a reduction in scope 1 and scope 2 emissions in 2024, compared to the previous year.
- Several projects have been awarded in the region Northern Central Europe both with Siemens Gamesa and Vestas for execution in 2025.
- Expanding our region in North America where we are experiencing significant growth, with its workforce now exceeding 300 team members. In Q3 alone, over 90 technicians were added, reflecting the region's rapid expansion. Also increasing the pool of customers by supporting e.g. Nextera and EDF needs for service activities.

<sup>1</sup> Consolidated figures for Force BidCo A/S

## Message from the CEO

I'm very pleased to announce that our Q3 results show positive momentum, increasing throughout the quarter. We have seen improvements in all the below P&L figures;

**Revenue at 78.0 mEUR,**

- 53.8% increase from last year.
- Organic growth of approx. 18 mEUR.
- Approx. 10 mEUR from Wind1000 acquired in April 2024

**Gross profit at 20.8 mEUR,**

- 74.1% increase from last year.
- Gross margin up with 3.1%pt. to 26.7%.

**Adj. EBITDA at 11.9 mEUR,**

- 112.3% increase from last year.
- Adj. EBITDA margin up with 4.2%pt to 15.3%.

**Adj. EBITA at 10.2 mEUR,**

- 126.3% increase from last year.
- Adj. EBITA margin up with 4.2%pt to 13.1%.

These positive results have been brought about with higher levels of activity in both our installation and service business, and across all regions. In particular the North America region is providing significant growth with a 100% topline increase compared to last year. We also achieved improved project execution in both our offshore and onshore installation, as well as service.

Our strategy for diversification both geographically and sector-wise continues to gain momentum and strength across all our business units, with our North America region now representing 15% of revenue from organic growth and the SESA region 19% of total revenue driven by the acquisition of Wind1000.

Bidding activities stayed high in Q3 with contracts in Taiwan boosting our APAC growth and a return to the Central American market via Mexico. In Central Europe, we've secured five wind farm installation projects starting in Q1 2025. Additionally, we were awarded major component exchange projects in Germany, Finland and Sweden as well as a turbine upgrade program in Sweden. All these projects significantly add to our 2025 order backlog.

Our HSEQ performance in Q3 and for H1 as compared to the same period last year marks an improvement, reflecting the efforts of the entire organization and customers to embrace the need for change, however there is always more work to do in not only improving quality but also ensuring the safety and wellbeing of all our employees and contractors. In addition, in line with our ESG and CSRD objectives, we have reached a major milestone in reporting our Greenhouse Gas Emissions reflection on our ongoing commitment to reduce our environmental footprint and increase our sustainability.

Our core customers are reporting increasing levels of activity in all business segments and are reporting more positive results in Q3. Whilst the global market for installation will still be challenging in 2025, our continued focus will remain on the growth in the service business, the offshore segment, and in the training sector across all our key geographic regions.

Our H1 positive notes continue into Q3 and hence our expectations for H2 and the full year 2024 are encouraging. We remain focused on the safe and efficient delivery and execution of our projects for the rest of 2024 and to continue and execute our longer-term growth strategies. I would like to take this opportunity to thank all our employees, contractors, customers and investors for your dedication, hard work and continued support in securing the prospects of Fairwind A/S.

In conclusion, I am very confident that the momentum we have been building in Q2 and Q3 will continue into Q4, providing a solid foundation for our further growth and expansion in 2025.

Sincerely,

**Stewart Mitchell - CEO, FairWind**



## Business and Market Overview

The FairWind regionalization strategy continues to pay dividends as we strengthen our customer relationships and broaden our market offer in the four key regions in which we are now well established.

The **Asia Pacific market** continues to grow with Australia taking a leading role with significant onshore wind growth ambitions; our major onshore construction project is ongoing in Victoria, and we have been invited to tender for the next stage. Projects with almost 5000 new wind turbines have been identified, representing a doubling of the installed base towards the end of the decade; a clear pipeline of future business for our growing Australian entity. Our new operational hub in Melbourne will support not only the local market but also strengthen our play in onshore and offshore business across the Greater Asia region. Offshore projects in Taiwan are now secured for 2025 and longer-term offshore prospects from our OEM strategic partners will be tendered in early 2025.

The maturity of the **Northern European market** presents both challenges and opportunities as low-cost competition seeks to gain market share. Our customers, however, continue to demand overall value comprising not only competitive pricing, but also excellence in quality and safety performance; a key strength of FairWind. A reduced project pipeline in 2025 from Siemens Gamesa is expected to have a small temporary impact on installation activity but this will be offset by increased service opportunities from our growing technician base and technical capability.

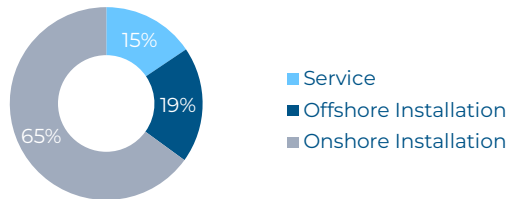
The **North America region** revenues continue to grow along with proactive technician recruitment to support new and installed assets. FairWind now has over 300 technicians in the field which will increase further in Q4 2024 and beyond. New business is being generated from OEMs and utility clients and we are expanding services with recent contract awards in areas such as turbine lift maintenance and our first service contract award in the emerging offshore sector.

**Southern Europe and South America**, managed through the acquired Wind1000 entity, will expand in 2025 to offer new services such as blade repair. Our contract award to decommission the Tahivilla wind farm, one of the largest projects in Europe, recognizes FairWind as a key player in the growing decommissioning and repowering market which is most prevalent in Spain and Germany. A new large installation contract has been secured in Mexico for delivery in early 2025 providing a strong foundation for regional growth.

**Global events**, most notably the recent USA election, create wide and varied speculation on the market outlook for wind but it remains too early to determine how the new administration will support the market. The Q3 2024 OEM investor reports however all show a continued growth, compared to 2023, in EBIT, revenue, and order backlog.

### Revenue split by business unit and geography.

Share of Revenue (%) - Q3 2024



Share of Revenue (%) - Q3 2024



## Environment, Social, & Governance Overview

We are committed 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.



Our Corporate Sustainability Reporting is directly linked to our Vision and Mission with focus on delivering to 3 of the 17 global **UN Sustainable development goals**.

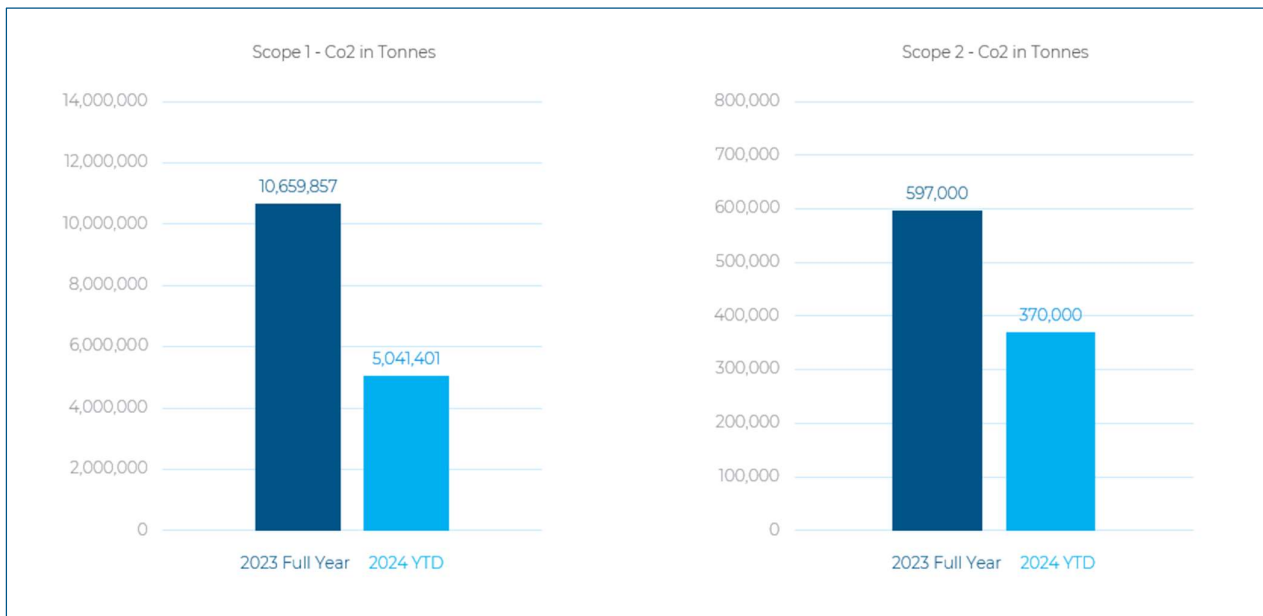
- Decent Work & Economic Growth (8)
- Affordable & Clean Energy (7)
- Climate Action (13)

### Progress as of Q3 2024

FairWind is making good progress on meeting the requirements for the Corporate Sustainability Reporting Directive (CSRD). The first Group sustainability report shall be released in Q2 2025, covering our performance for 2024.

FairWind has committed to signing up to the Science Based Targets Initiative (SBTi) as part of our ESG Plan 2025.

FairWind is on target for reducing scope 1 and scope 2 emissions in 2024 compared to the previous year.



## Financial Overview

Effective from 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 78.0m in Q3 2024 (Q3 2023: EUR 50.7m), a growth of EUR 27.3m or 53.8% compared to the same period last year. Wind1000 was not included in the comparative period but contributed EUR 10.1m in Q3 2024, approx. 13% of the total revenue for the quarter.

Gross margin increased to 26.7% in Q3 2024, compared to 23.6% in Q3 2023. The increased margins are primarily driven by improved project execution in the Installation business.

Compared to Q3 2023, the adjusted EBITDA increased from EUR 5.6m to EUR 11.9m in Q3 2024, mainly due to growth and margin improvements.

### 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.

EUR 'm	Q3 2024	Q3 2023
Adjusted EBITDA	11.9	5.6
Normalized costs	0.0	0.1
<b>Normalized EBITDA</b>	<b>12.0</b>	<b>5.7</b>
<i>Norm. EBITDA Margin</i>	15.4%	7.4%
<b>Normalized EBITA</b>	<b>10.2</b>	<b>4.5</b>
<i>Norm. EBITA Margin</i>	13.1%	5.8%

Several non-recurring items were recognized in Q3 2024 compared to Q3 2023, primarily relates to M&A activities and organizational changes.

Capex investments in Q3 consist of investments in tools to support the growth and digitalization of the business.

The drawing on the Revolving facility decreased by EUR 6.0m compared to Q2 2024 and cash positions increased by EUR 1.7m, which is a net improvement of EUR 7.7m mainly driven by the operational result.

The opening balance from Wind1000 included in Q1 is still unaudited. Expect to complete the final audit during Q4 2024.

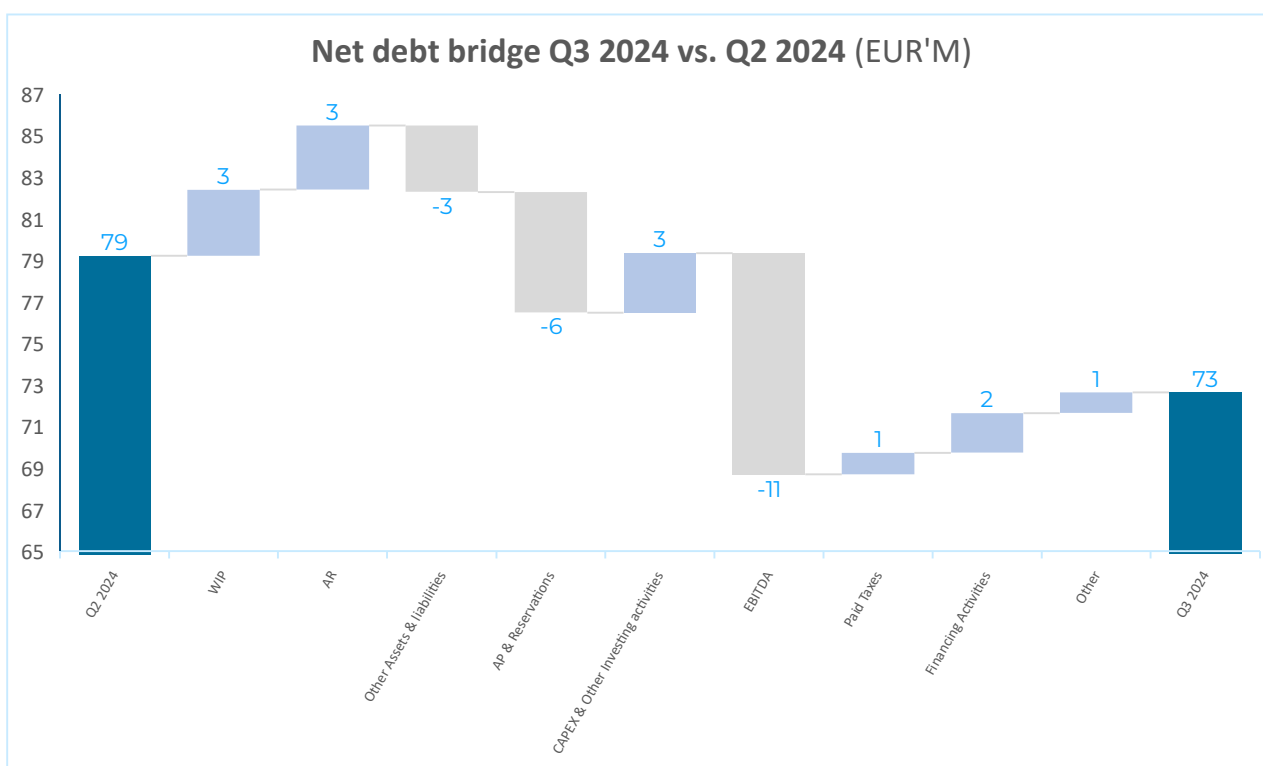
## Net Debt

### Net debt overview

EUR '000	Q3 2024	Q2 2024
Cash	(14 353)	(12 610)
Long term liabilities <sup>1</sup>	68 587	67 497
Credit institutions	18 357	24 331
<b>Net debt</b>	<b>72 590</b>	<b>79 218</b>

<sup>1</sup>: Long term liabilities including short-term lease debt

Net debt decreased compared to the previous quarter, mainly driven by the positive development in the operational result. The change in Net debt combined with improved LTM adjusted EBITDA resulted in an improvement Leverage ratio from 4.1x in Q2 2024 to 2.8x in Q3 2024.





## Profit & Loss Statement – Consolidated

EUR '000	Q3 2024	Q3 2023	LTM Q3 2024
<b>Net revenue</b>	<b>77 958</b>	<b>50 683</b>	<b>208 791</b>
Direct costs	(57 160)	(38 738)	(156 661)
Personnel expenses	(4 732)	(3 261)	(17 604)
Other external expenses	(4 132)	(3 062)	(14 300)
<b>Adjusted EBITDA</b>	<b>11 934</b>	<b>5 622</b>	<b>20 226</b>
Non-recurring items	(1 274)	(184)	(5 893)
<b>EBITDA</b>	<b>10 661</b>	<b>5 437</b>	<b>14 333</b>
Depreciation and amortization	(1 758)	(1 125)	(5 906)
<b>EBITA</b>	<b>8 903</b>	<b>4 312</b>	<b>8 427</b>
Financing cost, net	(2 569)	(1 525)	(8 733)
<b>Profit/loss before tax</b>	<b>6 334</b>	<b>2 787</b>	<b>(307)</b>
Taxes	(1 290)	(7)	(3 574)
<b>Profit/loss for the period</b>	<b>5 044</b>	<b>2 780</b>	<b>(3 881)</b>

## Balance Sheet – Consolidated

EUR '000	Q3 2024	Q2 2024
<b>Assets</b>		
Goodwill and Trademarks	77 270	77 553
Tangible fixed Assets	21 603	20 934
Other non-current Assets	4 000	4 000
<b>Total non-current Assets</b>	<b>102 873</b>	<b>102 486</b>
Trade receivables	43 471	40 493
Work in progress	20 233	17 048
Inventory	382	349
Other receivables	2 827	4 093
Accrued courses	5 149	5 154
Corporate Tax (Assets)	221	179
Deferred tax	4 891	4 968
Cash	14 353	12 610
<b>Total current assets</b>	<b>91 528</b>	<b>84 894</b>
<b>Total assets</b>	<b>194 401</b>	<b>187 381</b>
<b>Equity and liabilities</b>		
<b>Equity</b>	<b>48 447</b>	<b>44 486</b>
<b>Deferred Tax</b>	<b>6 893</b>	<b>6 892</b>
<b>Long term liabilities</b>	<b>67 441</b>	<b>66 476</b>
Credit institutions	18 357	24 331
Trade payables	25 350	23 605
Accrued costs (reservations)	10 879	6 826
Corporate tax	1 107	835
Other liabilities	15 927	13 930
<b>Short term liabilities</b>	<b>71 620</b>	<b>69 527</b>
<b>Total liabilities</b>	<b>139 060</b>	<b>136 003</b>
<b>Total equity and liabilities</b>	<b>194 401</b>	<b>187 381</b>

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

## Cash Flow Statement– Consolidated

EUR '000	Q3 2024	Q3 2023	LTM Q3 2024
EBIT	8 903	4 312	8 427
Depreciations and accrued courses	1 758	1 125	5 906
<b>EBITDA</b>	<b>10 661</b>	<b>5 437</b>	<b>14 333</b>
<b>Changes in Working Capital:</b>			
- Change in Work in progress	(3 182)	(6 834)	(3 498)
- Change in Trade Receivables	(3 085)	(1 155)	(6 995)
- Change in inventories	(31)	56	93
- Change in Other Receivables	1 643	28	(6 060)
- Change in Trade Payables	1 754	1	12 600
- Change in Accrued Cost (Reservations)	4 049	4 762	(384)
- Change in Other Liabilities	1 552	2 168	8 656
- Change in Accrual Courses	(117)	(44)	(2 149)
- Change in Deposits	(2)	(26)	(64)
<b>Changes in Working Capital total:</b>	<b>2 581</b>	<b>(1 046)</b>	<b>2 198</b>
Paid Taxes	(1 048)	(874)	(2 974)
<b>Cash flows from operating activities</b>	<b>12 194</b>	<b>3 517</b>	<b>13 557</b>
Additions of Property, plant and equipment	(2 466)	(738)	(7 505)
Disposals of Property, plant and equipment	37	7	30
Additions of Goodwill and other Intangible assets	297	-	(2 165)
Other Investing activities	(436)	-	(19 947)
<b>Cash flows from investing activities</b>	<b>(2 569)</b>	<b>(731)</b>	<b>(29 586)</b>
Leasing, net	980	(152)	1 424
Currency exchanges	(517)	585	316
Paid/received interest	(2 379)	(1 836)	(9 140)
Issuing of new bonds	-	-	5 002
Contribution from Shareholders	-	-	11 460
Credit Institution Loan	8	-	4 803
Opening Cash from Acquisition	-	-	5 684
Repayments, loans from shareholders	-	29	71
<b>Cash flows from financing activities</b>	<b>(1 907)</b>	<b>(1 374)</b>	<b>19 619</b>
<b>Change in cash and cash equivalents</b>	<b>7 718</b>	<b>1 413</b>	<b>3 590</b>
Opening Cash and Cash equivalents	12 610	9 128	12 728
Opening Credit Institutions	(24 331)	(18 135)	(20 322)
Change in cash and cash equivalents for the period	7 718	1 413	3 590
<b>Cash End of period</b>	<b>(4 004)</b>	<b>(7 594)</b>	<b>(4 004)</b>

## Notes to the financial statements

### EBITDA overview

EUR '000	Q3 2024	YTD Q3 2024	LTM Q3 2024
<b>Normalized EBITDA</b>	<b>11 967</b>	<b>17 291</b>	<b>20 706</b>
Cost related to investor group	(22)	(131)	(202)
Senior Management recruitment cost			(167)
Consultant fees related to bond tap	(11)	(11)	(111)
<b>Adjusted EBITDA</b>	<b>11 934</b>	<b>17 149</b>	<b>20 226</b>
Double rent costs moving offices in Poland			(37)
Wartime remuneration for Ukrainian technicians		(3)	(11)
Organizational Changes	(209)	(1 002)	(2 247)
M&A	(1 079)	(2 045)	(2 343)
US Insurance liability case		(34)	(860)
Other	14	(103)	(395)
<b>Reported EBITDA</b>	<b>10 660</b>	<b>13 962</b>	<b>14 333</b>

## 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

# FairWind



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