

# Q1 2023 Presentation

25 May 2023

# IWS | A fully integrated offshore wind solutions provider

- 1 IWS is building an offshore wind service company by integrating construction and CSOVs with engineering, product and manpower services in a windfarm's installation, commissioning and operations phases

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- 2 IWS Services is focused on solutions where time-to-market, entry barriers, and unique competencies will enable IWS to build and sustain premium margins

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- 3 IWS Fleet is a CSOV operator with six high-end CSOV newbuildings + two options, in a market where CSOV demand is expected to increase 3x by the end of the decade<sup>1</sup>

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- 4 PEAK Wind<sup>2</sup> is a leading renewable energy consultancy, operations & asset management service company with strong international growth

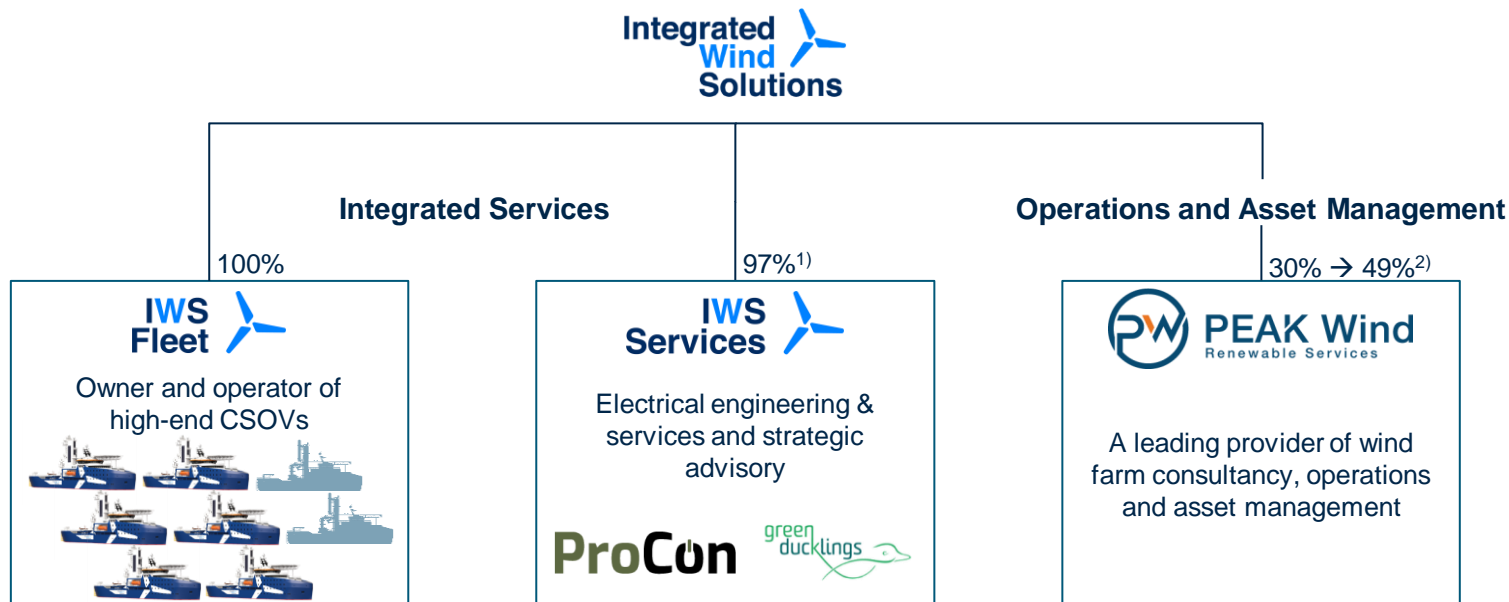


1) Clarksons

2) 30% ownership. Fixed price option exercisable within three years from original share purchase to acquire an additional 19% of shares (pre-dilution from share-based option program to key employees)



# IWS business areas | Covering integrated services and asset management



# Q1 2023 | Recent highlights

- 1 Total revenue of NOK 64m for Q1 2023, an increase of 25% from Q1 2022
- 2 IWS Services revenue of NOK 61.7m in Q1 2023, an increase of 24% from Q1 2022
- 3 PEAK Wind revenue in Q1 2023 increased by more than 40% compared with Q1 2022. The Group's share of net profit in PEAK Wind in Q1 2023 was NOK 2.7m before NOK -0.9m amortisation of acquisition-related intangible assets (NOK 2.1m before NOK -0.8m amortisation in Q1 2022)
- 4 Total EBITDA of NOK -11m for Q1 2023 compared with NOK -7m in Q1 2022, reflecting the higher activity level of an organisation with six vessels on order (four vessels on order at the end of Q1 2022)
- 5 Entered into newbuilding contracts with China Merchants Industry Holdings Co. for the construction of two additional CSOVs with a firm yard price of EUR 52.5m and with scheduled delivery in Q2 2025. IWS will have a fleet of six identical Skywalker class vessels when delivered. The Group has also secured options for two additional vessels.



## Q1 2023 | Recent highlights (cont.)

- 6 The Company successfully completed a private placement of NOK 350m gross proceeds in January by issuing 10,606,060 shares at a subscription price of NOK 33 per share.
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- 7 The Company agreed on a term sheet for a Green Senior Secured Credit Facility with Skandinaviska Enskilda Banken AB ("SEB"), SpareBank 1 SR-Bank ASA ("SR Bank") and Export Finance Norway ("Eksfin") for the debt financing of IWS Seawalker and IWS Starwalker. Upon signing, the first four vessels will have secured bank financing.
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- 8 Continued strong market for CSOVs with increased charter rates and newbuilding prices, improving the first-mover advantage of early market entrants.



# IWS Fleet | Vessels under construction at CMI shipyard

1

IWS Skywalker



*Construction is in the "commissioning phase" with start-up of gangway installation in June*

2

IWS Windwalker



*Successful launch in May*

3

IWS Seawalker



*Keel-laying in April*

4

IWS Starwalker



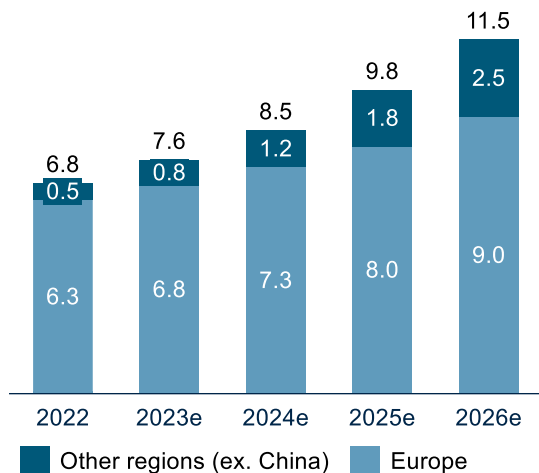
*Keel-laying in April*

*Construction of newbuilding 5 and 6, IWS Moonwalker and IWS Sunwalker, is scheduled to start in Q4 2023 and Q1 2024, respectively*

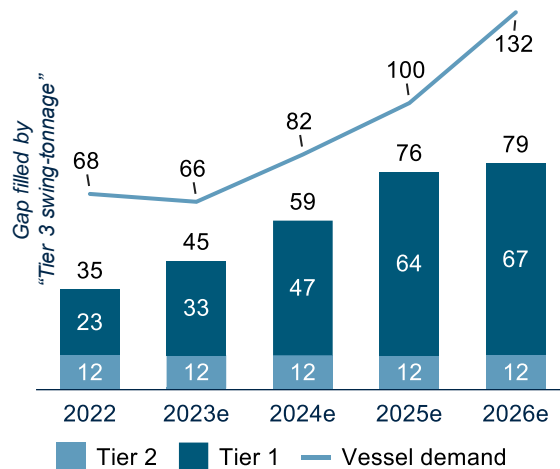


# CSOV market | Favourable market dynamics

Growth in offshore wind turbines (# '000)<sup>1</sup>



Vessel supply & demand (#)<sup>2</sup>



CSOV rate development (EUR/day)



*High oil & gas prices have led to a resurgence in oil & gas work for vessels that have used the wind market as a temporary source of employment during the downturn ("Tier 3 swing-tonnage").*

Source: Clarksons, IWS

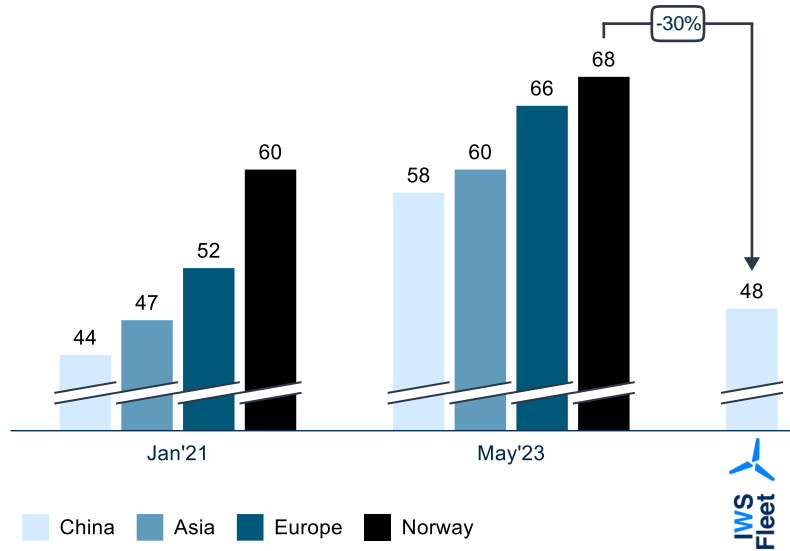
1) Assumes that turbines are installed over an average two-year construction period

2) Vessel demand excludes China and North America. Tier 1: CSOV/SOV, Tier 2: Converted offshore vessels



# IWS Fleet | CSOVs contracted at attractive prices

Newbuilding yard prices<sup>1</sup> (EUR million)

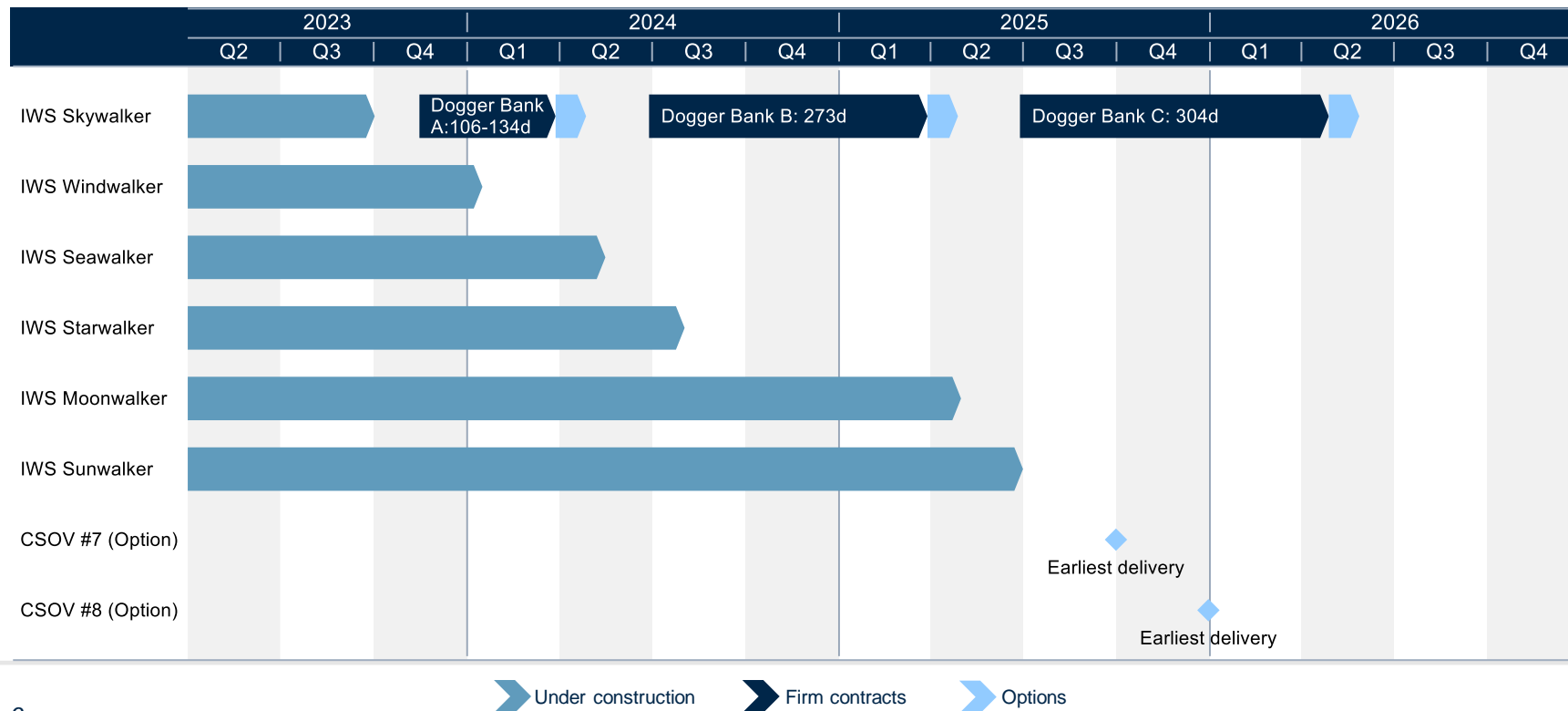


IWS Fleet's **six** CSOVs ordered at an attractive average fixed yard price of EUR 48m per vessel, which includes additional equipment and features that would add EUR ~5m to standard yard prices.





# IWS Fleet | Well positioned to benefit from a strong market



# Key financials | Q1 2023

Income statement (NOK '000)			
	Q4 2022	Q1 2023	
Operating revenue	52,726	61,990	PEAK Wind share of net profit of NOK 2.7m less NOK 0.9m amortisation of acquisition-related intangible assets.
Share of net profit of associates	500	1,840	
<b>Total revenue</b>	<b>53,226</b>	<b>63,830</b>	
Operating expenses	-57,122	-75,238	NOK 58.0m relates to IWS Services
<b>EBITDA</b>	<b>-3,896</b>	<b>-11,408</b>	
Depreciation and amortisation	-1,646	-1,067	ProCon order backlog fully amortised by mid-January
<b>EBIT</b>	<b>-5,542</b>	<b>-12,475</b>	
Finance income	924	2,267	
Finance expense	-701	-527	
Net foreign currency exchange gains	1,449	4,032	
<b>Net financial income / expense</b>	<b>1,672</b>	<b>5,772</b>	
<b>Profit before tax</b>	<b>-3,870</b>	<b>-6,703</b>	
Tax benefit / expense	-65	-428	
<b>Net profit</b>	<b>-3,935</b>	<b>-7,131</b>	
Attributable to non-controlling interests	768	754	Mainly relates to 25% minority interest in ProCon
<b>Attributable to shareholders of the parent</b>	<b>-4,703</b>	<b>-7,885</b>	



# Key financials | Q1 2023

## Balance sheet (NOK '000)

	Q4 2022	Q1 2023		Q4 2022	Q1 2023
Vessels under construction	532,776	657,597	Share capital	57,076	78,289
Other fixed assets	2,681	4,192	Share premium reserve	969,244	1,288,986
Intangible assets	66,611	71,479	Retained earnings	-28,440	3,359
Investments, equity method (PEAK Wind)	134,090	146,989	Non-controlling interests	30,581	34,164
Other assets	8,873	8,668	<b>Total equity</b>	<b>1,028,461</b>	<b>1,404,798</b>
<b>Total non-current assets</b>	<b>745,031</b>	<b>888,925</b>			
			Long term interest bearing debt	468	872
			Deferred tax liability	3,050	4,180
			Other non-current liabilities	3,943	4,705
			<b>Total non-current liabilities</b>	<b>7,461</b>	<b>9,757</b>
Contract assets	30,531	52,195			
Trade receivables	78,888	51,894	Trade payables	16,901	19,989
Other short term assets	6,134	5,641	Borrowings	17,042	22,502
Cash and cash equivalents	248,007	493,565	Other current liabilities	38,726	35,174
<b>Total current assets</b>	<b>363,560</b>	<b>603,295</b>	<b>Total current liabilities</b>	<b>72,669</b>	<b>77,665</b>
<b>Total assets</b>	<b>1,108,591</b>	<b>1,492,220</b>	<b>Total equity and liabilities</b>	<b>1,108,591</b>	<b>1,492,220</b>



# IWS Fleet | Capex & financing

IWS Fleet | Total yard payments (EUR million)

	Paid-in per Q1'23	2023	2024	2025	Total payments	Debt financing <sup>1</sup>	Equity financing
IWS Skywalker	16	28			44	28	16
IWS Windwalker	11	5	28		44	28	16
IWS Seawalker	12	5	31		48	31	17
IWS Starwalker	12	5	31		48	31	17
IWS Moonwalker	5	8	5	35	53	35	18
IWS Sunwalker	5		13	35	53	35	18
<b>Total</b>	<b>61</b>	<b>50</b>	<b>110</b>	<b>69</b>	<b>290</b>	<b>~ 190</b>	<b>~ 100</b>



1) Debt facility signed for IWS Skywalker & IWS Windwalker for up to EUR 56.25m. Term sheet agreed for up to EUR 62.4m bank financing of IWS Seawalker & IWS Starwalker. The bank financing for IWS Moonwalker & IWS Sunwalker is expected to be secured in 2024.



# Outlook

- 1 Continued positive outlook for the offshore wind industry.

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- 2 IWS is well-positioned to take part in the industry growth by providing CSOVs, electrical works (ProCon), offshore wind consultancy (Green Ducklings), and the consultancy & advisory and operations & asset management services of wind farms provided by PEAK Wind.

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- 3 PEAK Wind is expected to experience steady growth due to recurring revenues and foreseeable growth in consulting & advisory services. To secure and expand its position, the company expects to allocate additional resources to strategic initiatives and strengthen the operational platform.

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- 4 For ProCon, the offshore wind developers have a somewhat lower activity level for foundation and transition piece installation in construction in 2023 before the activity is back on solid growth track from 2024 onwards.

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- 5 IWS Skywalker is expected to commence its first out of three Dogger Bank Wind Farm (UK) contracts in Q4 2023. IWS Windwalker is scheduled to be ready for commercial operations in early Q1 2024. IWS Seawalker and IWS Starwalker will follow in Q2 and Q3 2024, and the recently ordered IWS Moonwalker and IWS Sunwalker are scheduled to be ready for operations in mid-2025.

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- 6 Management focuses on building a strong platform by hiring key personnel to secure the long-term success of the company. IWS will move into a new office and bring in-house processes that are currently provided by a related party.





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