

Q3 2023 Presentation

22 November 2023

IWS | A fully integrated offshore wind solutions provider

- 1 **IWS** is an offshore wind service and consultancy company that integrates construction and CSOVs with engineering, product and manpower services in a windfarm's installation, commissioning and operations phases

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

- 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 decade¹

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



IWS | A fully integrated offshore wind solutions provider



Q3 2023 | Recent highlights

- 1 Total revenue of NOK 63.1m for Q3 2023, an increase of 7% from Q3 2022.
- 2 IWS Services revenue of NOK 60.9m in Q3 2023, an increase of 5% from Q3 2022, with increased order backlog.
- 3 PEAK Wind continues to grow according to expectations and net revenue for Q3 increased by 17% compared with Q3 2022 (+26% year to date). The Group's share of the net profit in PEAK Wind in Q3 2023 was NOK 2.2m, before NOK -1.0m amortisation of acquisition-related intangible assets (NOK -0.2m loss before NOK -1.0m amortisation of intangibles in Q2).
- 4 Total EBITDA of NOK -4.3m for Q3 2023 compared with NOK -11.6m in Q2 2023 and NOK -4.2m in Q3 2022. The Group is ramping up for the delivery of the CSOVs and has established a full technical and operating team through the quarter.



Q3 2023 | Recent highlights (cont.)

- 5 IWS has signed a strategic partnership agreement with Pan Ocean to market our fleet for commissioning and maintenance work in the growing South Korean offshore wind market.

- 6 IWS Fleet has entered into a time charter contract at market terms with Asso.subsea in the construction phase, including inter-array cable works. The contract will commence in Q4 2024/Q1 2025 and will have a duration of up to eight months. IWS has the option under the contract to nominate which Skywalker class vessel will perform the services.

- 7 The CMI shipyard successfully launched IWS Seawalker and IWS Starwalker on 30 October. With these two additions, IWS Fleet now has four vessels on the water.

- 8 The Company has published its first Green Financing Framework. The second party opinion provider, S&P Global Ratings, has assessed the framework as Medium Green.



Offshore wind | Market observations¹

- 1 Europe is continuing its ambitious transition towards renewable energy. The projected outlook for 2030 anticipates 127 GW of offshore wind capacity, a significant rise from the 32 GW installed by H1'23.
- 2 While offshore wind developers have encountered cost pressures due to inflation and increased financial expenses, resulting in some project delays and cancellations, it has not significantly affected the overall outlook in Europe.
- 3 Following a record low in 2022, FID activity has notably increased, with over 6 GW of European projects reaching FID in 2023.
- 4 There have been awards in 2023, such as 3 GW in Ireland at a weighted average strike price of EUR86/MWh, 1 GW in France and 1.8 GW in Germany for zero-subsidy bids in four centrally pre-investigated areas, along with 7 GW in Germany for zero-subsidy bids in sites not centrally pre-investigated.
- 5 There has also been an increase in permitting activity in 2023, with several large projects being permitted in recent months in the UK (Hornsea 4, Awel Y Mor) and more.
- 6 The political support for offshore wind continues to be strong, as illustrated by the massive increase in CfD strike price in the upcoming UK Allocation Round 6 (AR6) for both fixed-foundation and floating.

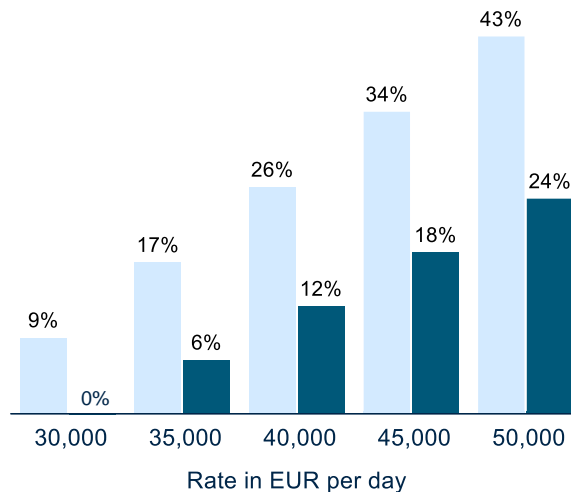
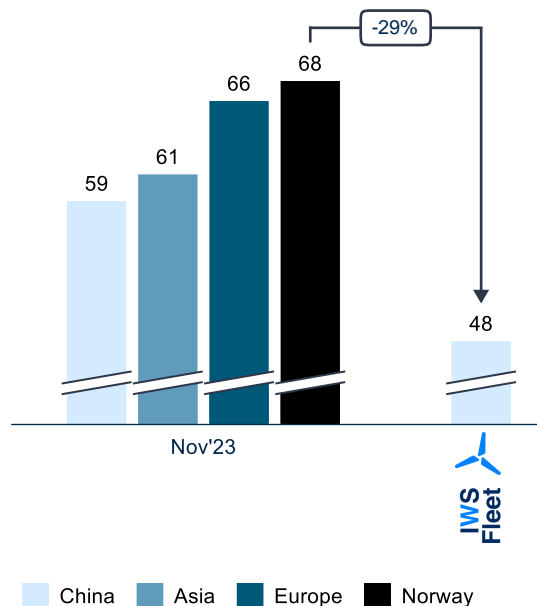


IWS Fleet | Low newbuilding prices → high cash flow yields

Newbuilding yard prices¹ (EUR million)



Attractive free equity cash flow yields²



IWS's favourable capex improves free cash flow yield in a rising market.

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.

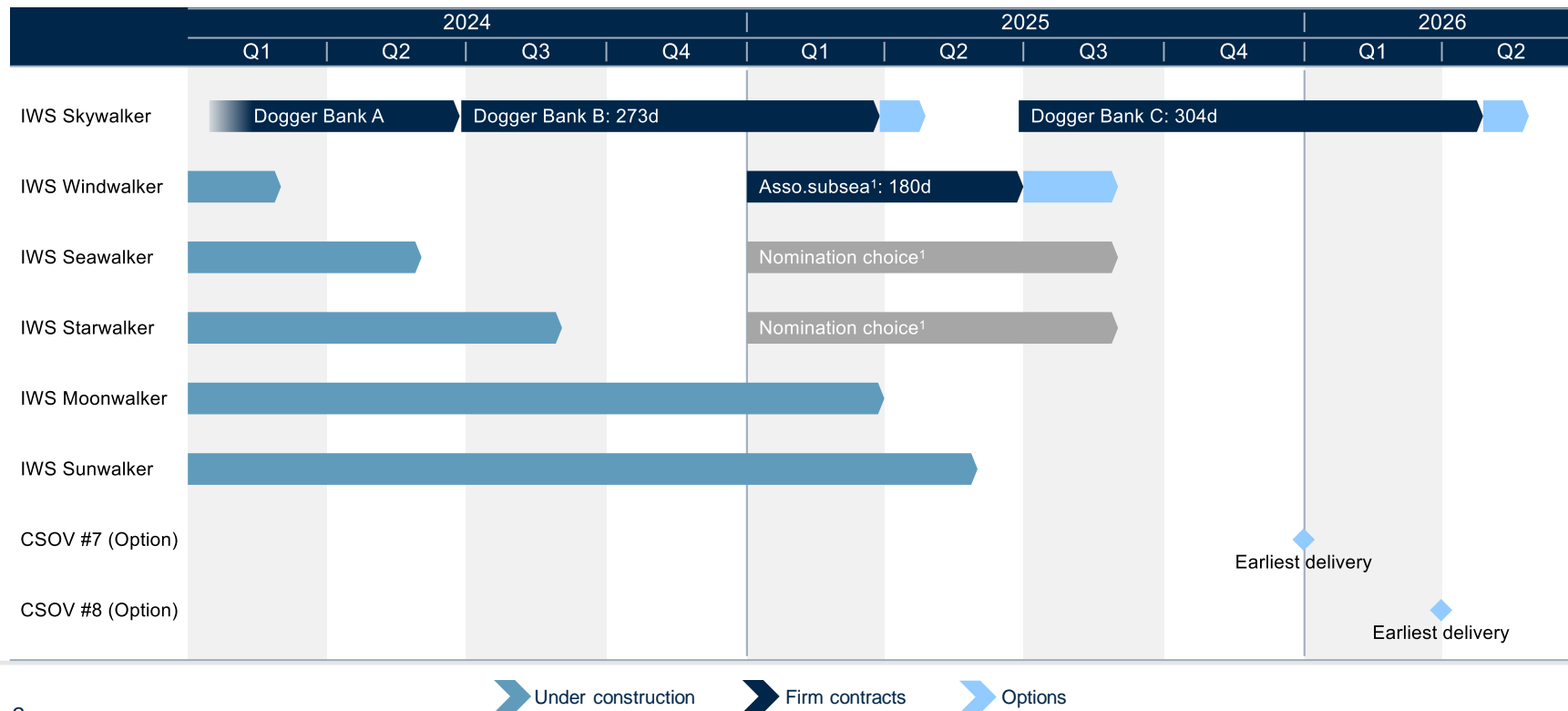
IWS Fleet's yard price is based on about 50% Norwegian equipment and content.

1) Source: Clarksons

2) Assumed for comparison only: 60% loan with 12-year amortisation profile and 6% interest, 90% utilisation, operating expenses of EUR 12k per day and EUR 1k margin on victualling



IWS Fleet | Well positioned to benefit from a strong market



1) IWS has the option to nominate which Skywalker class vessel will perform the services



IWS Fleet | Vessels under construction at CMI shipyard

1

IWS Skywalker



In final commissioning

2

IWS Windwalker



Late-stage construction and preparing for commissioning

3

IWS Seawalker



Launched 30 October

4

IWS Starwalker



Launched 30 October

The steel-cut of newbuilding 5 and 6, IWS Moonwalker and IWS Sunwalker, is scheduled to start in Q4 2023 and Q1 2024, respectively



The Skywalker class CSOV's







IWS Skywalker | Galley and Lounge at the Viking Panorama Deck



IWS Skywalker | Dining facilities



IWS Skywalker | Client office and conference room



IWS Skywalker | Recreational facilities



Key financials | Q3 2023

Income statement (NOK '000)		
	Q2 2023	Q3 2023
Operating revenue	61,454	61,826
Share of net profit of associates	-1,191	1,235
		PEAK Wind share of net profit of NOK 2.2m less NOK 1.0m amortisation of acquisition-related intangible assets.
Total revenue	60,263	63,061
Operating expenses	-71,904	-67,321
		NOK 58.2m relates to IWS Services
EBITDA	-11,641	-4,260
Depreciation and amortisation	-1,464	-1,795
EBIT	-13,105	-6,055
Finance income	3,184	3,087
Finance expense	-655	-736
Net foreign currency exchange gains	2,711	-2,628
Net financial income / expense	5,240	-277
Profit before tax	-7,865	-6,332
Tax benefit / expense	-284	-77
Net profit	-8,149	-6,409
Attributable to non-controlling interests	180	-206
Attributable to shareholders of the parent	-8,329	-6,203



Key financials | Q3 2023

Balance sheet (NOK '000)

	Q2 2023	Q3 2023		Q2 2023	Q3 2023
Vessels under construction	713,866	732,896	Share capital	78,289	78,289
Other fixed assets	21,392	20,262	Share premium reserve	1,288,976	1,288,976
Intangible assets	73,002	69,680	Retained earnings	3,196	-25,522
Investments, equity method (PEAK Wind)	149,819	145,079	Non-controlling interests	35,515	34,198
Other assets	9,006	16,200	Total equity	1,405,976	1,375,941
Total non-current assets	967,085	984,117			
			Non-current interest-bearing debt	13,634	13,019
			Deferred tax liability	5,307	5,202
			Other non-current liabilities	7,716	7,740
			Total non-current liabilities	26,657	25,961
Contract assets	29,396	37,089			
Trade receivables	75,287	55,028	Trade payables	15,423	19,587
Other short term assets	9,362	10,831	Current interest-bearing debt	12,701	5,742
Cash and cash equivalents	408,678	373,264	Other current liabilities	29,051	33,098
Total current assets	522,723	476,212	Total current liabilities	57,175	58,427
Total assets	1,489,808	1,460,329	Total equity and liabilities	1,489,808	1,460,329



IWS Fleet | Capex & financing

IWS Fleet | Total yard payments (EUR million)

	Paid-in per Q3'23	Remainder of 2023	2024	2025	Total payments
IWS Skywalker	16	28	-	-	44
IWS Windwalker	16	-	28	-	44
IWS Seawalker	12	-	36	-	48
IWS Starwalker	12	-	36	-	48
IWS Moonwalker	5	-	8	40	53
IWS Sunwalker	5	-	-	48	53
Total	65	28	109	88	290
Equity financing	65	0	18	19	102
Committed debt financing	-	28	91	-	119
Expected debt financing	-	-	-	69	69



Outlook

- 1 Positive outlook for the offshore wind industry, despite recent newsflow.

- 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.

- 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.

- 4 For IWS Services, 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 growth track from 2024 onwards.

- 5 For IWS Fleet, IWS Skywalker is expected to commence its first out of three Dogger Bank Wind Farm (UK) contracts in January. IWS Windwalker is scheduled to be delivered in Q1 2024. IWS Seawalker and IWS Starwalker will follow in late Q2 and late Q3 2024, whereas IWS Moonwalker and IWS Sunwalker are scheduled to be ready for operations in mid-2025.

- 6 Management focuses on building a strong platform by hiring key personnel to secure the long-term success of the company.





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