



# Q4 2022 Presentation

27 February 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



# Q4 2022 | Recent highlights

- 1 Total revenue of NOK 53m and EBITDA of NOK -4m for Q4 2022 vs. NOK 59m and NOK -4m for Q3 2022.

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- 2 Exercised options and entered into newbuilding contracts with China Merchants Industry Holdings Co. to construct two additional CSOVs with a firm yard price of EUR 52.5 million and scheduled delivery in Q2 2025. Upon delivery, IWS will have a fleet of six identical Skywalker class vessels.

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- 3 The Company has received a term sheet for a Green Senior Secured Credit Facility from Skandinaviska Enskilda Banken AB (“SEB”) and SpareBank 1 SR-Bank ASA (“SR Bank”) for the debt financing of IWS Seawalker and IWS Starwalker.

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- 4 IWS Fleet has signed the previously notified charter contract for Dogger Bank C, with the Dogger Bank Consortium. The charter will commence in 2025 with 304 firm days.



## Q4 2022 | Recent highlights (cont.)

- 5 The Company successfully completed a private placement of NOK 350 million gross proceeds in January by issuing 10,606,060 shares at a subscription price of NOK 33 per share.

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- 6 The 30% owned PEAK Wind continues the strong growth with an increase in Q4 2022 net revenues of 41% year over year in constant currency.

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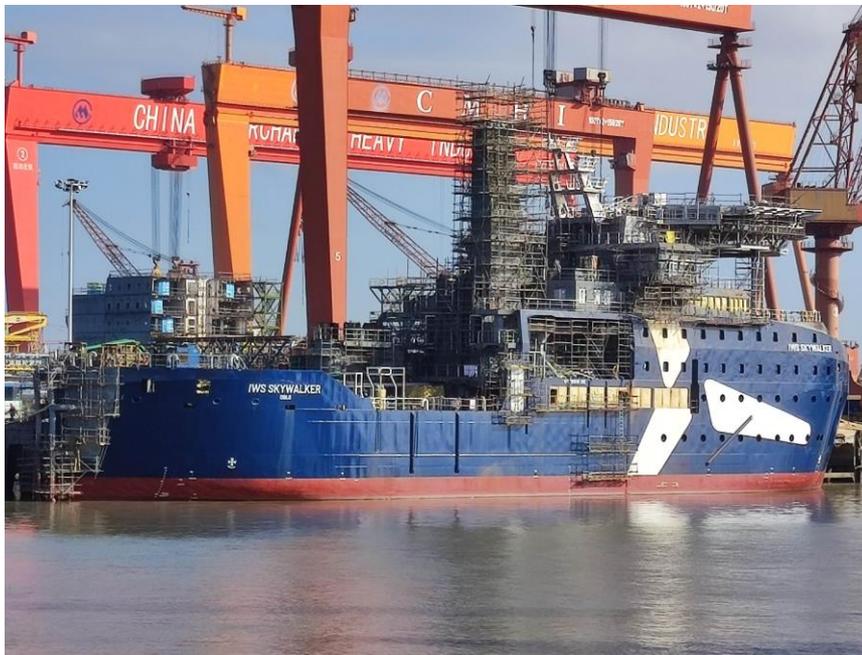
- 7 IWS Services revenues decreased by 10% in Q4 2022 vs. Q3 2022 due to lower construction revenue in ProCon partly offset by increased revenue from services in ProCon and Green Ducklings.

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- 8 Continued strong market for CSOVs with increased charter rates year-over-year and higher newbuilding prices, improving the first-mover advantage of early market entrants.



# IWS Skywalker | Commissioning Service Operation Vessel ("CSOV")

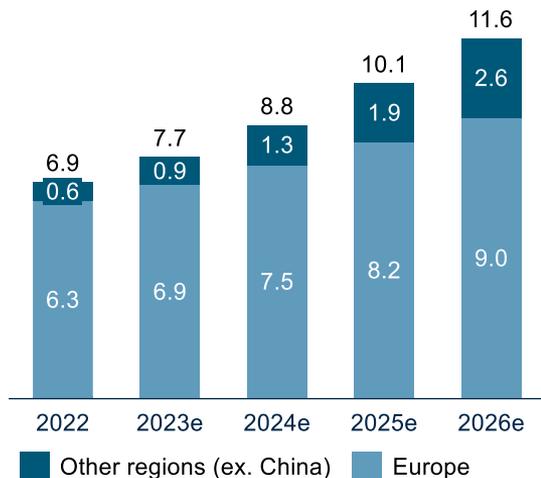


January 2023

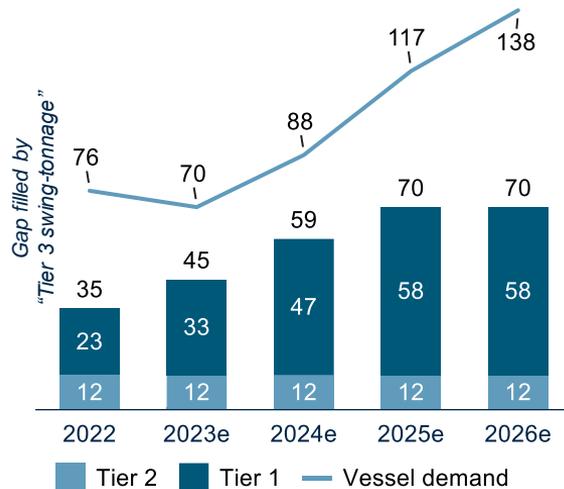


# CSOV market | Favourable market dynamics

Growth in offshore wind turbines (# '000)\*



Vessel supply & demand (#)



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

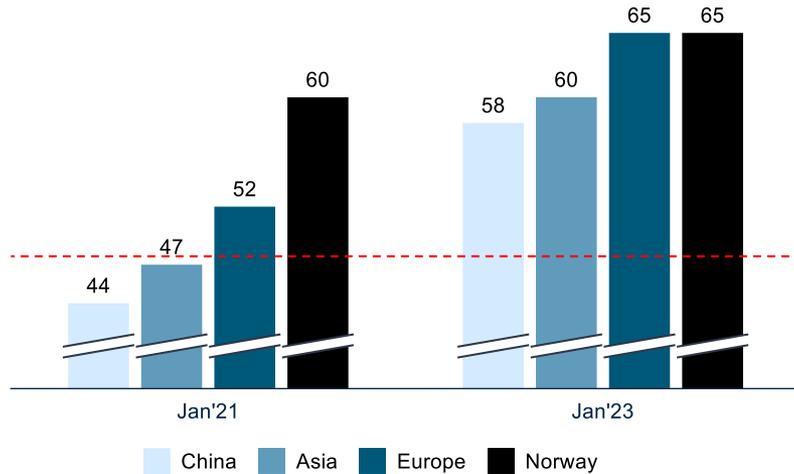
1) Assumes that turbines are installed over an average two-year construction period

2) Tier 1: CSOV/SOV, Tier 2: Converted offshore vessels



# IWS Fleet | CSOVs contracted at attractive prices

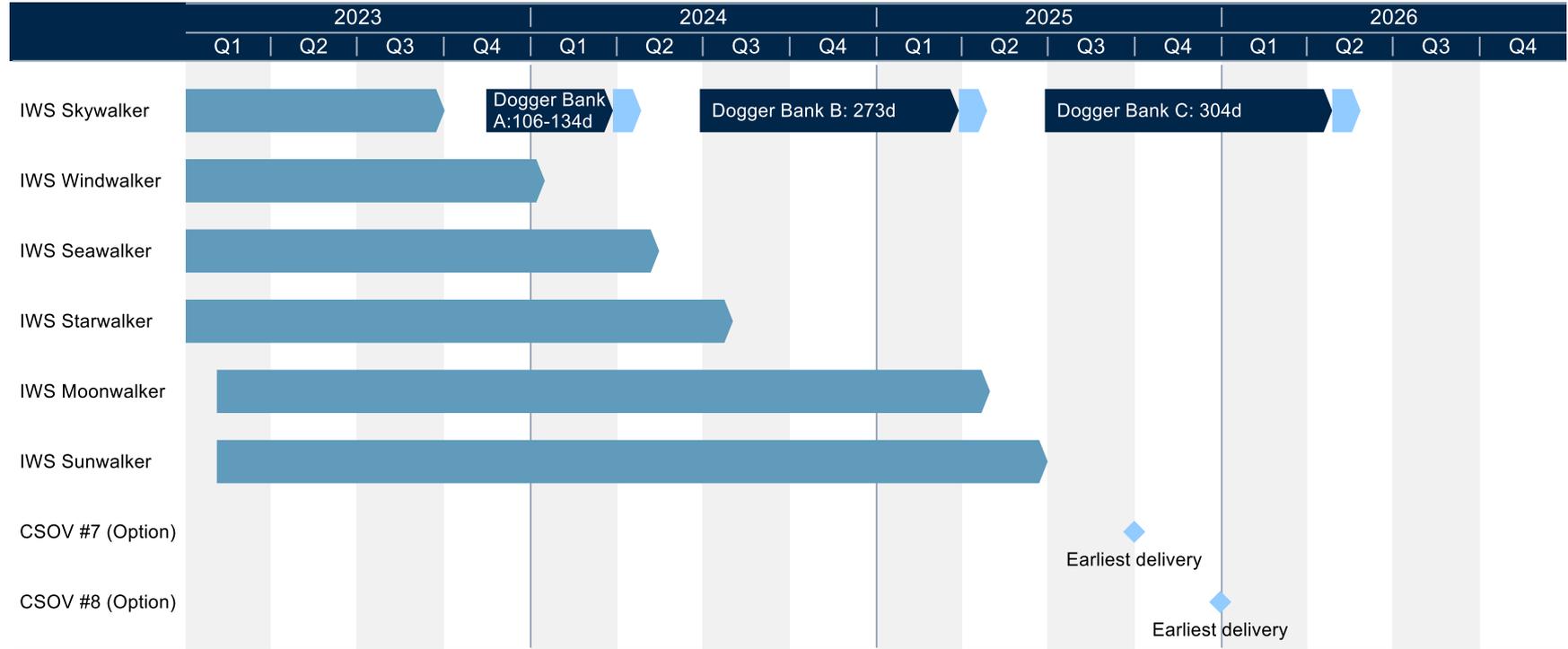
Newbuilding yard prices<sup>1</sup> (EUR million)



Six CSOVs ordered at an attractive average 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 | Q4 2022

Income statement (NOK '000)			
	Q3 2022	Q4 2022	
Operating revenue	58,388	52,726	PEAK Wind share of net profit of NOK 1.4m less NOK 0.9m amortisation of acquisition-related intangible assets.
Share of net profit of associates	605	500	
<b>Total revenue</b>	<b>58,993</b>	<b>53,226</b>	
Operating expenses	-63,230	-57,122	NOK 49m relates to IWS Services
<b>EBITDA</b>	<b>-4,237</b>	<b>-3,896</b>	
Depreciation and amortisation	-1,334	-1,646	
<b>EBIT</b>	<b>-5,571</b>	<b>-5,542</b>	
Finance income	243	924	
Finance expense	-933	-701	
Net foreign currency exchange gains	-415	1,449	
<b>Net financial income / expense</b>	<b>-1,105</b>	<b>1,672</b>	
<b>Profit before tax</b>	<b>-6,676</b>	<b>-3,870</b>	
Tax benefit / expense	-644	-65	
<b>Net profit</b>	<b>-7,320</b>	<b>-3,935</b>	
Attributable to non-controlling interests	227	768	Mainly relates to 25% minority interest in ProCon
<b>Attributable to shareholders of the parent</b>	<b>-7,547</b>	<b>-4,703</b>	



# Key financials | Q4 2022

## Balance sheet (NOK '000)

	Q3 2022	Q4 2022		Q3 2022	Q4 2022
Vessels under construction	384,648	532,776	Share capital	57,076	57,076
Other fixed assets	1,736	2,681	Share premium reserve	970,687	969,244
Intangible assets	68,233	66,611	Retained earnings	-15,024	-28,440
Investments, equity method (PEAK Wind)	137,034	134,090	Non-controlling interests	28,923	30,581
Other assets	11,778	8,873	<b>Total equity</b>	<b>1,041,662</b>	<b>1,028,461</b>
<b>Total non-current assets</b>	<b>603,429</b>	<b>745,031</b>	Long term interest bearing debt	10,437	468
			Deferred tax liability	8,773	3,050
			Other non-current liabilities	1,127	3,943
			<b>Total non-current liabilities</b>	<b>20,337</b>	<b>7,461</b>
Contract assets	42,184	30,531	Trade payables	21,072	16,901
Trade receivables	35,099	78,888	Borrowings	7,120	17,042
Other short term assets	2,880	6,134	Other current liabilities	31,269	38,726
Cash and cash equivalents	437,868	248,007	<b>Total current liabilities</b>	<b>59,461</b>	<b>72,669</b>
<b>Total current assets</b>	<b>518,031</b>	<b>363,560</b>	<b>Total equity and liabilities</b>	<b>1,121,460</b>	<b>1,108,591</b>
<b>Total assets</b>	<b>1,121,460</b>	<b>1,108,591</b>			



# IWS Fleet | Capex & financing

## IWS Fleet | Total yard payments (EUR million)

	Paid-in per Q4'22	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	0	13	5	35	53	35	18
IWS Sunwalker	0	13	5	35	53	35	18
<b>Total</b>	<b>50</b>	<b>69</b>	<b>102</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 for bank financing of IWS Seawalker & IWS Starwalker received for up to EUR 62.4m. 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, 2022 has been a year with high productivity and strong execution of backlog. With this high activity level, we foresee a somewhat lower activity in 2023. However, from 2024 onwards, the foundation and transition piece installation activity is expected to increase again.

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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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