

# Q2 2024 Presentation

28 August 2024

# 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

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- 2** **IWS Services** focus 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 the owner and operator of high-end CSOVs, with three vessels delivered and an additional three under construction, in a market where CSOV demand is expected to increase significantly throughout 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

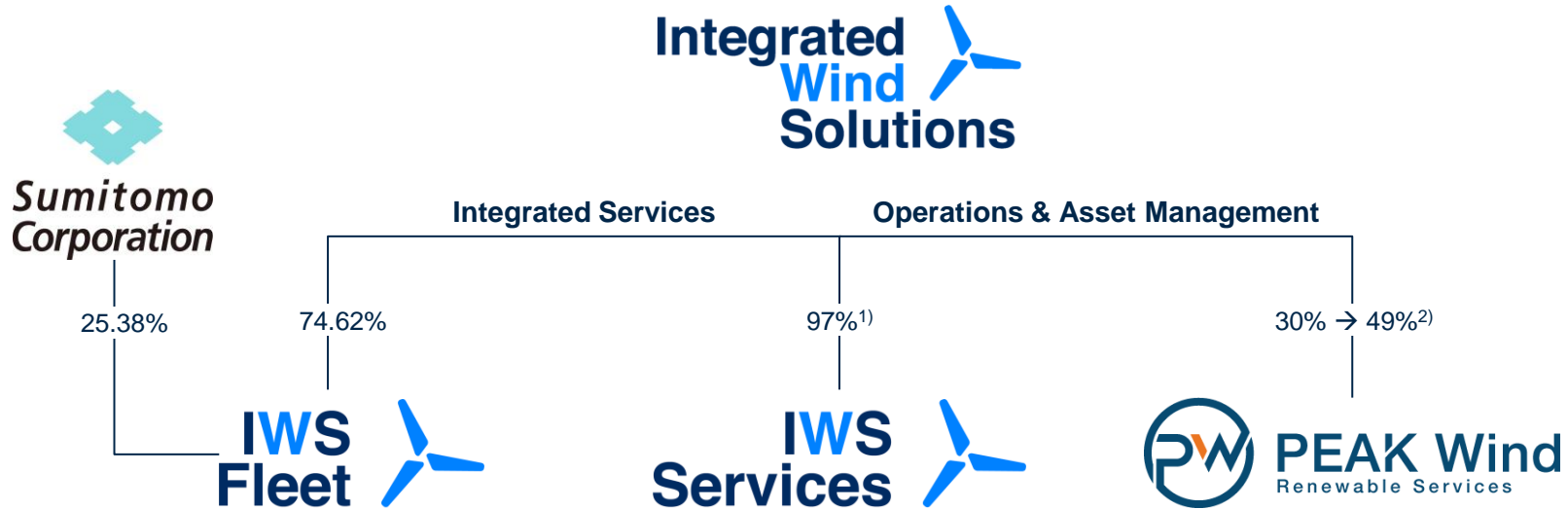


1) Clarksons

2) 30%\* ownership. Fixed price option exercisable by September 2024 to acquire an additional 19%\* of shares (\*pre-dilution from share-based option program to key employees)



# IWS | A fully integrated offshore wind solutions provider



# Q2 2024 | Recent highlights

**1** Total revenue of EUR 12.6m for Q2 2024, a 133% increase from Q1 and a 143% increase compared with Q2 2023.

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**2** Group EBITDA of EUR 1.6m for Q2 2024 compared with EUR -3.2m in Q1 and EUR -1.0m in Q2 2023. The positive EBITDA was driven by the charter operations of the first two vessels and positive contributions from IWS Services and PEAK Wind.

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**3** Group net profit was EUR 0.6m for Q2 2024 compared with EUR -2.8 m in Q1 and EUR -0.7m in Q2 2023.

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**4** IWS Fleet revenue of EUR 4.9m in Q2 2024 versus EUR 0.6m in Q1 and EUR 0.0m in Q2 2023. IWS Fleet had two vessels in operation in the quarter with IWS Skywalker on charter at the Dogger Bank Wind Farm for the full quarter, and IWS Windwalker on charter with TenneT TSO from early June. Furthermore, IWS Seawalker was delivered from the yard on 23 August and will arrive in Europe in late October.



## Q2 2024 | Recent highlights (cont.)

- 5** IWS Fleet signed two additional contracts as part of the frame term agreement with Siemens Gamesa. Both contracts were signed with additional firm days above the minimums defined in the frame agreement.

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- 6** IWS Services revenue of EUR 7.6m in Q2 2024, an increase of 65% from Q1, due to the nature of the project-driven construction business. The book-to-bill ratio in Q2 was well above 1, further improving the visibility for 2025. The guidance for the full year 2024 remains unchanged.

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- 7** PEAK Wind continues its strong growth with an increase in net revenue for Q2 by 26% compared with Q2 2023. The Group's share of the net profit in Q2 2024 was EUR 0.2m, after EUR -0.1m amortisation of acquisition-related intangible assets.

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- 8** IWS announced on 12 June the completion of a strategic partnership with Sumitomo Corporation ("Sumitomo"). IWS Fleet raised EUR 60m in equity in a private placement to Sumitomo for 25.38% ownership. Consequently, the equity attributable to the owners of the parent company increased by EUR 26.7m, corresponding to about NOK 8 per share.

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- 9** IWS Fleet has secured credit approval for an expanded Green Senior Secured Credit Facility of up to EUR 186.9m, securing debt financing for all six vessels. The expanded facility is expected to become effective in Q3.



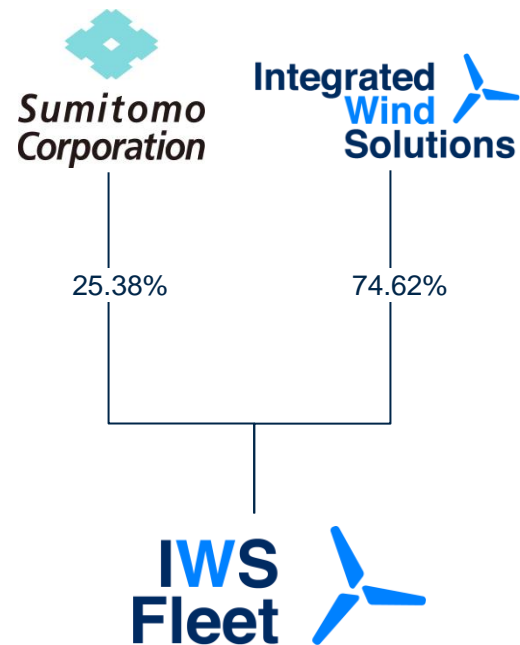
# Sumitomo Corporation | IWS Fleet strategic partnership

## Transaction summary

- IWS has through IWS Fleet entered into a strategic partnership with Sumitomo Corporation
- IWS Fleet AS has raised EUR 60 million in equity by issuing new shares
- Pre-money valuation of EUR 176 million
- IWS and Sumitomo Corporation share ambitions in the offshore wind industry and will together explore further expansion opportunities

## Sumitomo overview

- One of the largest general trading companies, listed on the Tokyo stock exchange
- Market cap. of USD ~32 billion and net profit of USD ~3.8 billion (FY2022)<sup>1)</sup>
- For more than 25 years Sumitomo has been ranked in the Fortune Global 500
- Globally, Sumitomo has 636 consolidated subsidiaries and 250 associated companies



# IWS Fleet | Ongoing and upcoming charter contracts

## DOGGER BANK WIND FARM

- IWS Skywalker is currently at Dogger Bank A, the first out of three charter contracts at the Dogger Bank project



- IWS Windwalker is currently on contract with TenneT, a leading European Transmission System Operator owned by the Dutch government
- The vessel supports maintenance of offshore substations in the Netherlands



- Time charter contract with Asso.subsea, an expert in cable installation, protection, repair and support and turn-key solution provider
- The contract will commence in Q1 2025 and have a duration of up to eight months

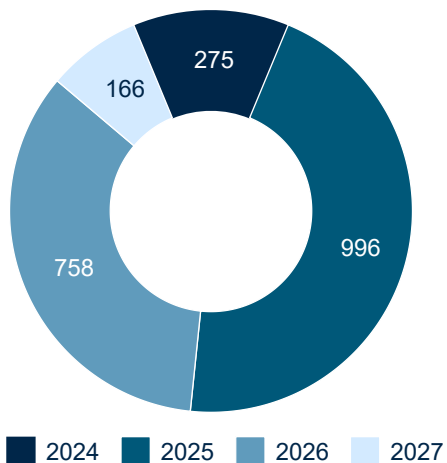


- IWS Fleet will support turbine commissioning works across multiple SGRE offshore projects in North Europe over a three-year period starting in the first half of 2025
- The first contract under the frame term agreement was signed in March 2024. Further two contracts were signed in June 2024 with additional firm days above the minimums defined in the frame agreement

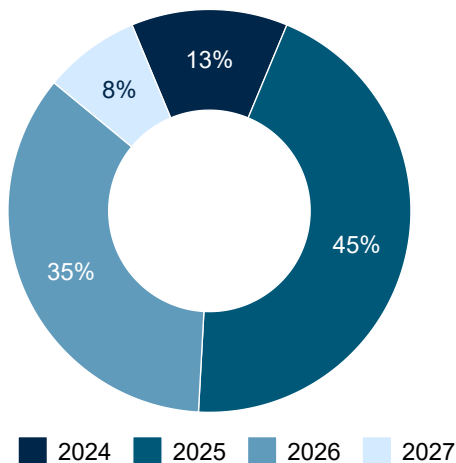


# IWS Fleet | Strong revenue backlog<sup>1</sup> to tier 1 clients

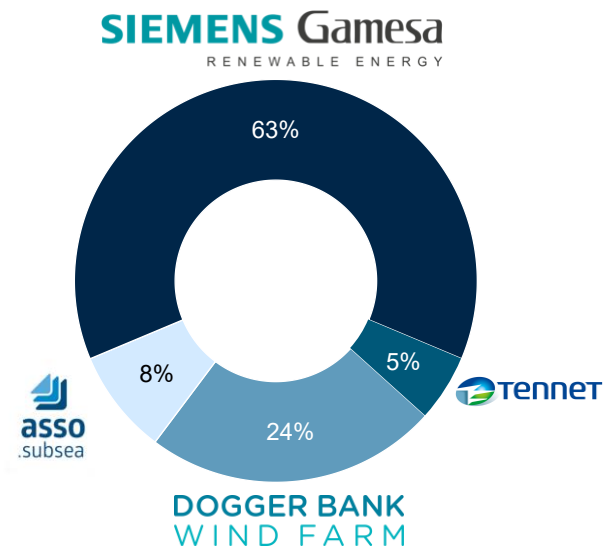
 Firm charter days **2,195**



€ Firm revenue **€91m**



 Revenue split by client



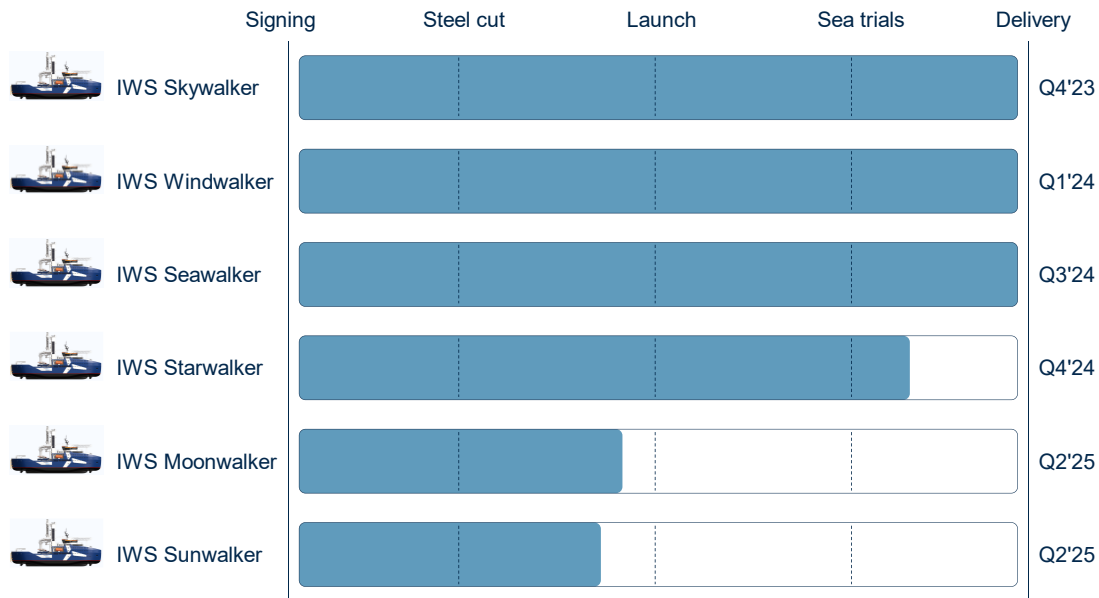
1) As of 1 July 2024. Project startup based on management estimates, gross victualling income of EUR 5,000 per day and zero inflation adjustments.



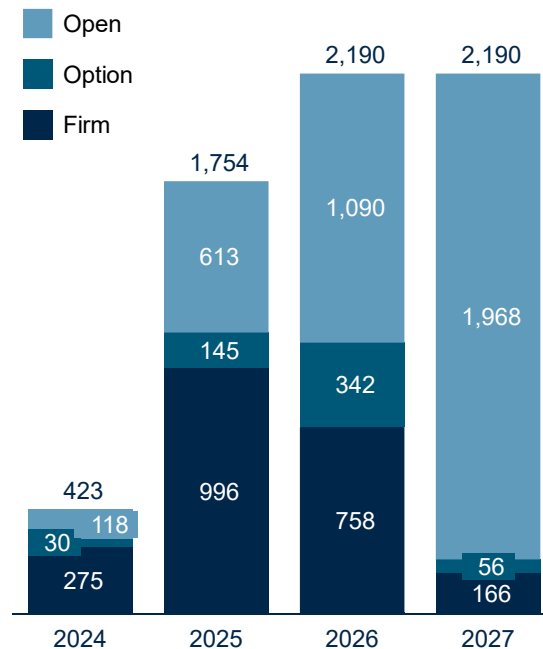


# IWS Skywalker class | Overview

## » Construction overview



## Total charter days<sup>1</sup>

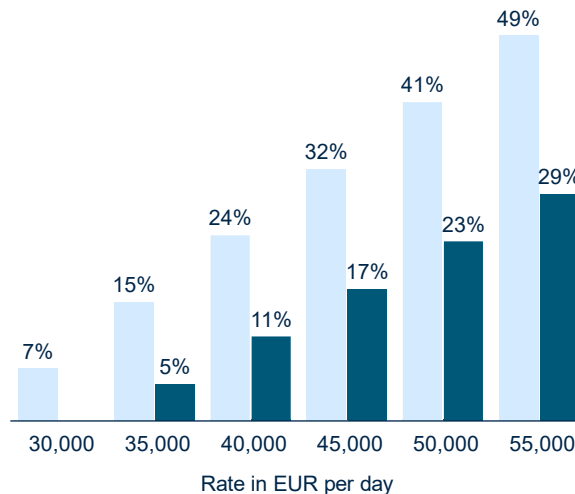
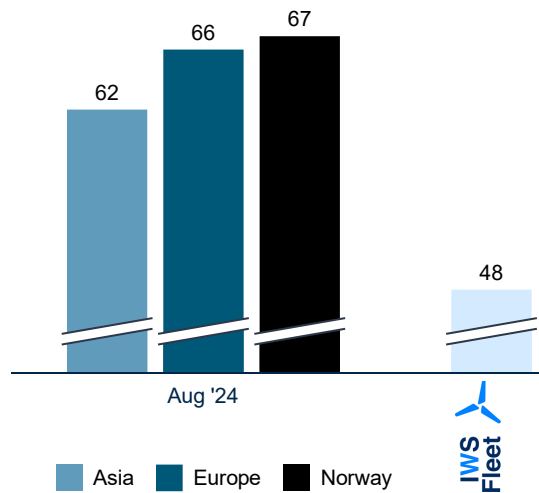


# IWS Fleet | Favourable yard prices → attractive cash flow yields

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



Attractive free equity cash flow yields<sup>2</sup>



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 13k per day and EUR 1k net margin on victualling

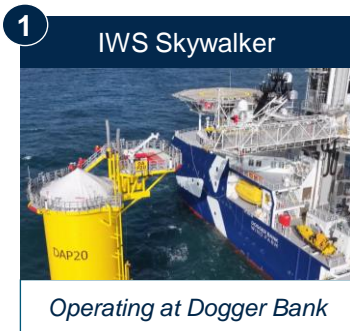




**IWS Skywalker | Dogger Bank A, North Sea**

Photo: Photo: Kamil Melnyczek

# IWS Skywalker class | Vessel overview



# Havfram Fleet Management | A strategic joint venture

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IWS and Havfram Wind have joint ownership of Havfram Fleet Management AS (HFM). HFM provides technical services to Havfram Wind's two Wind Turbine Installation Vessels (WTIVs)

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2

IWS provides management- and technical services to HFM. However, both parties provide technical expertise into HFM, creating synergies from the operation of a range of vessels across the offshore wind value chain

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3

Havfram Wind's two WTIVs are scheduled for delivery in 2025, and will be among the world's largest when in operation



## Havfram Wind WTIVs

### Lifting capacity

- The crane has a lifting capacity of 3,250 tons

### Extreme lift heights

- Capable of installing offshore wind turbines with a rotor diameter of 300+ meters

### Water depths

- Capable of installing foundations at water depths of up to 70 meters



# Key financials | Q2 2024

## Income statement (EUR '000)

	Q1 2024	Q2 2024	Q2 2023	
Operating revenue	5,226	12,433	5,273	EUR 7.6m revenue from IWS Services, EUR 4.9m from IWS Fleet.
Share of net profit of associates	175	155	-103	PEAK Wind share of net profit of EUR 0.2m after EUR 0.1m amortisation of acqn-related intangible assets.
<b>Total revenue</b>	<b>5,401</b>	<b>12,588</b>	<b>5,170</b>	
Operating expenses	-8,575	-10,980	-6,170	EUR 2.6m related to IWS Fleet, 7.3m relates to IWS Services.
<b>EBITDA</b>	<b>-3,174</b>	<b>1,608</b>	<b>-1,000</b>	
Depreciation and amortisation	-153	-652	-126	
<b>EBIT</b>	<b>-3,327</b>	<b>956</b>	<b>-1,126</b>	
Finance income	267	299	274	
Finance expense	-79	-593	-56	
Net foreign currency exchange gains	99	-6	234	
<b>Net financial income / expense</b>	<b>287</b>	<b>-300</b>	<b>452</b>	
<b>Profit before tax</b>	<b>-3,040</b>	<b>656</b>	<b>-674</b>	
Tax benefit / expense	236	-16	-24	
<b>Net profit</b>	<b>-2,804</b>	<b>640</b>	<b>-698</b>	
Attributable to non-controlling interests	-198	73	15	
<b>Attributable to shareholders of the parent</b>	<b>-2,606</b>	<b>567</b>	<b>-713</b>	



# Key financials | Q2 2024

## Balance sheet (EUR '000)

	Q1 2024	Q2 2024		Q1 2024	Q2 2024
Vessels	48,204	93,803	Share capital	7,703	7,703
Vessels under construction	78,928	36,104	Share premium reserve	126,809	126,809
Other fixed assets	1,639	1,550	Retained earnings and other equity	-17,088	10,220
Intangible assets	6,117	6,080	Non-controlling interests	2,941	36,347
Investments, equity method	13,293	13,449	<b>Total equity</b>	<b>120,365</b>	<b>181,079</b>
Other assets	933	905			
<b>Total non-current assets</b>	<b>149,114</b>	<b>151,891</b>	Non-current interest-bearing debt	49,397	47,744
			Deferred tax liability	268	309
			Other non-current liabilities	912	882
			<b>Total non-current liabilities</b>	<b>50,577</b>	<b>48,935</b>
Contract assets	852	3,525			
Trade receivables	8,471	9,513	Trade payables	5,418	7,121
Other short term assets	3,147	3,229	Current interest-bearing debt	8,266	6,866
Cash and cash equivalents	26,873	77,954	Other current liabilities	3,831	2,111
<b>Total current assets</b>	<b>39,343</b>	<b>94,221</b>	<b>Total current liabilities</b>	<b>17,515</b>	<b>16,098</b>
<b>Total assets</b>	<b>188,457</b>	<b>246,112</b>	<b>Total equity and liabilities</b>	<b>188,457</b>	<b>246,112</b>



# IWS Fleet | Capex & financing

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

	Paid-in per Q2'24	Q3-Q4 2024	2025	Total payments	Status
IWS Skywalker	43	-	-	43	Delivered Dec '23
IWS Windwalker	43	0	-	43	Delivered Mar '24
IWS Seawalker	12	37	-	49	Delivered Aug '24
IWS Starwalker	12	37	-	49	Under construction
IWS Moonwalker	5	8	40	53	Under construction
IWS Sunwalker	5	8	40	53	Under construction
<b>Total</b>	<b>121</b>	<b>89</b>	<b>80</b>	<b>290</b>	
Equity financed	65	27	11	102	
Debt financed	56	-	-	56	
Committed debt financing	-	62	-	62	
Expected debt financing	-	-	69	69	





# Outlook

- 1 The offshore wind market remains strong with a pipeline of development projects, auctions and political ambitions.

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- 2 The IWS group of companies is well positioned to take part in this growth within its relevant segments providing CSOVs (IWS Fleet), electrical works and above-waterline services (ProCon), offshore wind market intelligence and supply-chain consultancy (Green Ducklings), and the consultancy & advisory and operations & asset management services of wind farms provided by the PEAK Wind Group.

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- 3 The strategic partnership with Sumitomo Corporation strengthens IWS and IWS Fleet's financial position. IWS and Sumitomo share ambitions in the offshore wind industry and will explore further expansion opportunities together.

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- 4 Our first vessel, IWS Skywalker, has been operating on its first out of three Dogger Bank Wind Farm contracts for the full quarter. IWS Windwalker commenced its charter contract with TenneT TSO from early June.



# Outlook (cont.)

- 5** The third vessel, IWS Seawalker was successfully delivered by the yard on 23 August. The vessel is intended for already secured charter contracts from 2025. Charterers have shown interest in the vessel, and the short-term availability is expected to be filled.

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- 6** The delivery of the fourth vessel, IWS Starwalker, is scheduled for Q4. The fifth and sixth vessels, IWS Moonwalker and IWS Sunwalker, are scheduled to be delivered from the yard in the first half of 2025.

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- 7** The construction and engineering subsidiary of IWS Services, ProCon, mainly works on long-lead contracts secured 3-12 months in advance. IWS Services is well-positioned to achieve revenue growth of more than 20% in 2024, backed by secured projects in line with previous guidance.

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- 8** PEAK Wind Group is well-positioned to achieve revenue growth of more than 20% in 2024. Furthermore, we still expect PEAK Wind to continue its strong growth beyond 2024 and expand its geographical scope and offerings.

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- 9** IWS Fleet will continue to ramp up activity, with additional vessels entering operation. This, together with IWS Services growth and margin improvements, contribute to the Group's expected net profit growth in 2024 and 2025.



Integrated  
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