

FairWind

Committed to green transformation

Q4 2022 FINANCIAL REPORT

Force BidCo A/S

February 2023



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 within onshore wind turbine installation, with a strong presence also within offshore and service. With its global presence and capabilities, FairWind is strategic partner and sub-supplier to wind turbine OEMs in +40 countries. The company is headquartered in Vejle, Denmark, with its main technician hub in Stettin, Poland.

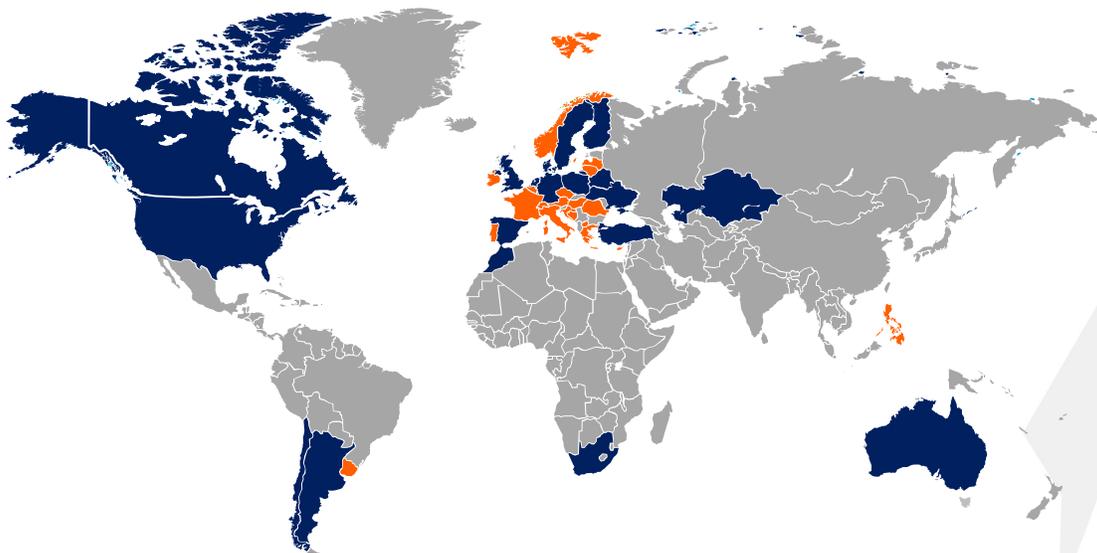
The underlying market is growing rapidly, as renewable energy is enjoying political support and support of the public. In addition, technology advancements make renewables an increasingly attractive energy source. Renewable energy sources will account for all growth in energy generation towards 2050 and wind is the single biggest contributor to the energy transition.

1 400+	40+	20.99	5 920
Technicians	Countries entered	GW installed (2016-2022)	Turbines installed (2016-2022)

Global Service

One-stop partner for installation and service solutions of onshore and offshore wind turbines worldwide. Business in over 40 countries and currently legal entities in 19.

- Operations with local legal entity
- Operations without local legal entity



Highlights interim report for Q4 2022

Key Figures¹

DKK '000	Q4 2022	Q4 2021	Q1-Q4 2022	Q1-Q4 2021 ²	LTM Q4 2022
Net Revenue	280 256	260 291	1 021 078	260 291	1 021 078
Gross Profit	72 618	66 051	233 768 ³	66 051	233 768
Gross Margin	25.9%	25.4%	22.9%	25.4%	22.9%
Adj. EBITDA	34 557	31 893	80 311	31 893	80 311
Adj. EBITDA Margin	12.3%	12.3%	7.9%	12.3%	7.9%
Adj. EBITA	25 616	25 985	52 327	25 985	52 327
Adj. EBITA Margin	9.1%	10.0%	5.1%	10.0%	5.1%
Net Debt	465 072	326 757	465 072	326 757	465 072

Highlights in Q4 2022

- Revenue grew by 8% (DKK 20m) compared to same period last year.
- Gross Margin increased to 25.9% up with +0.5pts compared to same period last year.
- Adj. EBITDA grew by 8% (DKK +2.6m) compared to same period last year.
- FairWind awarded 778 MW Horizonte Wind Farm, which is the largest wind farm in Latin America, and in line with our strategy of expanding outside of Europe.

Events after the quarter end

- FairWind A/S appoints Sisse Mai as new CFO who started on 1st of February. Sisse Mai joins FairWind with extensive management experience, most recently from the positions of CFO at the shipping company Esvagt and contamination treatment specialists RGS Nordic. Additionally, Ms. Mai has experience from financial positions in Nordic Tankers (MOL Tankers), ThyssenKrupp Elevator, and various audit companies.
- Selected contract wins after the end of Q4 2022:
 - Awarded as installation partner for the 54.6 MW Skolivksa wind farm in Ukraine from Nordex.
 - Awarded as installation partner for the 48MW Nozdrec wind farm in Poland from Nordex.
 - Awarded as installation partner for the 380 MW Pjelas-Böle-Kristinestad Norr Wind Farm in Finland from Nordex.
 - Awarded as one of the installation partners for the Viking Wind Farm Project in the Shetland Islands totaling 443MW from Vestas.
 - Awarded as installation partner for the 99 MW Skallberget/Utterberget and Tjämnäs Wind Farm in Sweden from Siemens Gamesa.

¹ Consolidated figures for Force BidCo A/S

² As FairWind A/S was acquired by Force BidCo A/S on the 28th of September 2021, the 2021 numbers only include the period from this date.

³ Previous quarters corrected, as PPA Project Backlog reclassified to non-recurring items.

Message from CEO

Despite challenging market conditions, 2022 was a record-breaking year for FairWind, proving the resilience of our business model. Year-on-year sales growth amounted to 4.4% and an adjusted EBITDA of DKK 80.3m, highest in the company's history.



Strong end to year

2022 has offered several challenges for the wind power industry. The war in Ukraine has left wind farm owners, OEMs as well as suppliers, such as FairWind, significantly impacted. The surge of inflation has put a strain on the cost structure within value chain and supply chain disruptions in the wake of the Covid-19 pandemic have caused significant project delays and cost overruns. The combined result has been reduced construction volumes as a result of unprofitable projects, delays of ongoing projects causing penalties for the OEMs and consequently pressure on sub suppliers. Recent market estimates indicate a 7.4% decline in the onshore wind power construction market during 2022, where market leading OEMs have posted significant losses.

In this challenging environment FairWind has managed to take market share and achieved sales growth of 4.4% for the full year of 2022. Q4 ended with a high activity level at DKK 280m sales and DKK 35m Adj. EBITDA, which is an 8% increase compared to Q4 2021. We have in 2022, managed to win and execute a substantial number of projects consisting of our customers' newest technology, a great testament to their trust in our capabilities. Towards the end of the year, we also managed to secure the 778MW Horizonte Wind Park in Chile being the largest onshore wind farm under construction in Latin America and an important step in our commitment to increase presence outside of Europe.

Just as any player within the wind power market, FairWind has been impacted by the challenging conditions of 2022. Discontinuation of operations in Russia have prompted a one-off write-down of DKK 20m in the fourth quarter. Project delays and cost overruns among our customers have put pressure on our working capital. Through our close relationships with our customers we have managed to resolve outstanding knots in working capital and our exposure to the Russian market has been fully written down in 2022. FairWind has proven the resilience of its business model by managing a flexible cost base and navigating significant project delays with maintained profitability.

Looking into 2023 we expect another challenging year, mixed with attractive opportunities, where several of the challenges experienced in 2022 are now behind us. We see opportunities to expand FairWind's service business and conditions for developers to initiate new projects are favourable, particularly in FairWind's core markets, with high energy prices, easing of regulatory barriers as well as available capital willing to invest. Due to lead times in project development, tangible effects on construction activity will probably not be visible before the tail end of 2023. Beyond the short-term horizon we expect to see effects of an increasing support for renewable energy, most recently exemplified by the German government announcing their ambitious plan for adding additional 250 GW renewable energy by 2042.

Looking forward to a challenging but exciting 2023.

A handwritten signature in blue ink, appearing to be 'JF', written over a white background.

John Funch
CEO, FairWind A/S

Business and Market overview

For the fourth quarter of 2022, we realized revenue above last year, which is mainly driven by more productive hours on site compared to previous years. The increased revenue is achieved in offshore, our SESA region, as well as Service, which more than outweighs the negative impact from lost revenue in Ukraine and Russia for the period. Overall, we reached a growth of 4.4% for the year, in a market that declined 7.4%.

While onshore installation has increased in the period, FairWind's Service unit continues to see growth and dialogues with other potential clients are developing well with several new projects starting during Q1 2023. Which will provide the basis for potential further growth within the service segment.

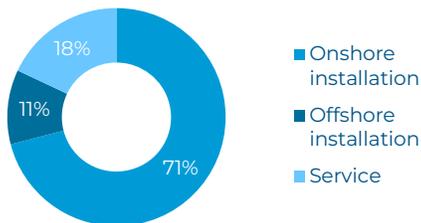
With the external challenges experienced in 2022, FairWind has still maintained to keep revenue and EBITDA levels at previous years' levels, which is very positive. However, FairWind continues to operate in a market affected by external factors, such as inflation and supply chain issues. The order backlog from the main customers have been growing, but general order intake has been lower in 2022, compared to previous years. This means that FairWind are looking into a market with higher competition, as projects to tender for are expected to be fewer in 2023.

With that said, the overall market outlook for the wind industry looks very promising as there are clear structural tailwinds for green transition, accelerated by energy security concerns in EU, policy developments (such as REpowerEU in Europe and The Inflation Reduction Act in the US) and better underlying market conditions.

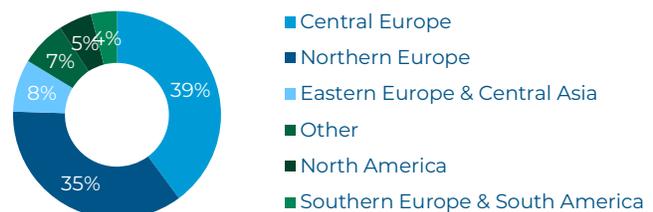
Looking into the order intake, the awarding of the Horizonte Wind Farm in Chile for the SESA region has been a highlight for the organization, as it not only contributes significantly to the revenue for 2023, but also is in line with the strategic ambition of growing outside of FairWind's traditional core markets in Europe.

Revenue split by business unit and geography

Share of Revenue (%) - FY 2022



Share of Revenue (%) - FY 2022



Sustainability overview

We are devoted 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.

At FairWind, we invest in sustainable workplaces by creating local employment opportunities worldwide.

FairWind continues to work for a more sustainable future for the globe, especially with focus towards creating affordable and clean energy, taking climate action, and secure local economic growth through our work across the globe.



Our CSR efforts are directly linked to our Vision & Mission with focus on delivering to 3 of the 17 global **UN Sustainable development goals.**

- *Affordable and Clean Energy (7)*
- *Climate Action (13)*
- *Local economic growth through decent work (8)*

Progress as of Q4 2022

As part of FairWind's ESG efforts, a Communications & ESG Coordinator was onboarded in Q4 to increase FairWind's internal capabilities within the ESG area. One of the first task for this person, together with the FairWind finance team, has been the development of FairWind's taxonomy reporting, as part of the EU Sustainable Finance Action Plan.

Moreover, ESG has been added as a permanent point in the agenda for all FairWind Board of Directors meetings for 2023, which also will cover two yearly deep dives for the Board of Directors.

Financial overview

The net revenue for the Group was DKK 280m in Q4 2022 (DKK 260m) a growth of 8% compared to Q4 2021 and 16% growth compared to Q3 2022. The net revenue for 2022 was DKK 1 021m (DKK 978m) an increase of 4% compared to 2021. The main reason for this turnover level is primarily driven by securing more hours on sites than we have seen in previous years.

The gross profit for the Group in Q4 2022 was DKK 73m (DKK 66m) corresponding to 26% (25%) gross margin, mainly due to a lower crane revenue and more installation, which carries higher margins.

The adjusted EBITDA was DKK 35m (DKK 32m) in Q4 2022 and for the full year 2022 it was DKK 80m. The increase in Adjusted EBITDA for Q4 2022 compared to the same period last year is due to improved cost management.

Net debt overview

DKK '000	Q4 2022	Q4 2021
Cash	(48 533)	(80 284)
Long term liabilities	367 399	365 085
Credit institutions	146 206	41 956
Net Debt	465 072	326 757

Net debt increased compared to last year due to increased level of working capital in Q4, mainly as a result of a high activity level combined with longer payment cycles among some customers. This will be improved during 2023 as outstanding payments with key customers have been resolved and improved payment processes, such as utilization of supplier finance, have been implemented. When working capital is released, we expect leverage to go down.

Profit & Loss Statement – Consolidated

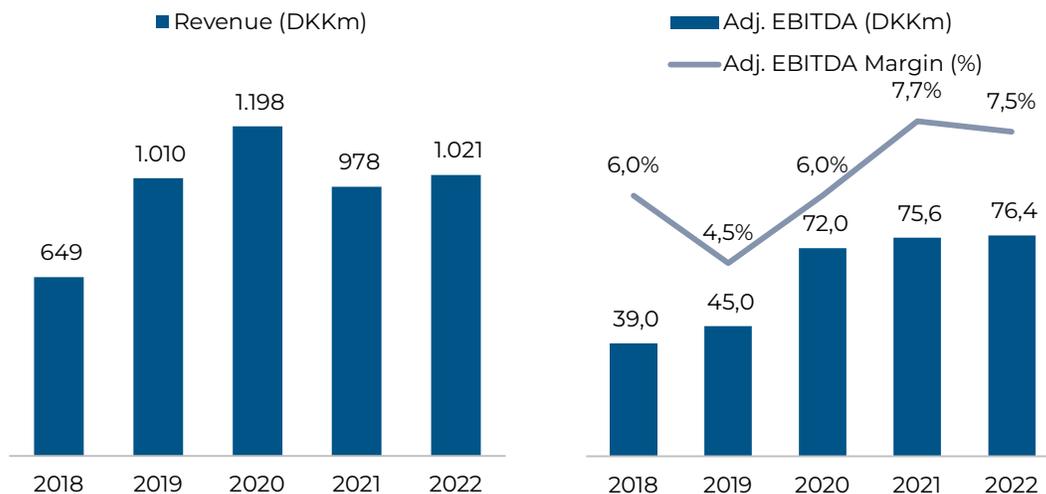
Consolidated Profit & Loss Statement

DKK '000	FairWind A/S			ForceBidCo A/S		
	Q4 2022	Q1-Q4 2022	LTM Q4 2022	Q4 2022	Q1-Q4 2022	LTM Q4 2022
Net revenue	280 256	1 021 078	1 021 078	280 256	1 021 078	1 021 078
Direct costs	(207 638)	(787 310)	(787 310)	(207 638)	(787 310)	(787 310)
Personnel expenses	(22 055)	(84 439)	(84 439)	(22 030)	(84 823)	(84 823)
Other external expenses	(43 670)	(101 665)	(101 665)	(44 080)	(104 769)	(104 769)
Depreciation and amortization	(6 617)	(23 268)	(23 268)	(8 940)	(27 984)	(27 984)
Operating profit/loss	276	24 396	24 396	(2 432)	16 192	16 192
Financial result	(5 453)	(9 995)	(9 995)	(11 363)	(29 825)	(29 825)
Profit/loss before taxes	(5 176)	14 401	14 401	(13 795)	(13 633)	(13 633)
Taxes	1 138	(3 168)	(3 168)	6 750	5 520	5 520
Profit/loss for the period	(4 038)	11 233	11 233	(7 064)	(8 133)	(8 133)
Operating profit/loss	276	24 396	24 396	(2 432)	16 192	16 192
Depreciation and amortization	(6 617)	(23 268)	(23 268)	(8 940)	(27 984)	(27 984)
EBITDA	6 894	47 664	47 664	6 509	44 176	44 176
Close down in Russia	(23 184)	(23 184)	(23 184)	(23 184)	(23 184)	(23 184)
Other Non-recurring items	(2 899)	(5 599)	(5 599)	(4 864)	(12 951)	(12 951)
Adj. EBITDA	32 976	76 447	76 447	34 557	80 311	80 311

Reporting FairWind A/S: Danish GAAP and including FairWind A/S and subsidiaries

Reporting Force Bidco A/S: IFRS and including Force Bidco A/S and subsidiaries (Implemented from 1 January 2022)

Revenue and EBITDA development for FairWind A/S Group



Balance Sheet

Consolidated Balance Sheet

DKK '000	FairWind A/S	Force BidCo A/S
	Q4 2022	Q4 2022
Assets		
Goodwill and Trademarks	13 851	512 372
Tangible fixed assets	38 361	53 708
Financial assets	-	-
Total non-current assets	52 212	566 080
Trade receivables	213 386	213 386
Work in progress	144 756	144 756
Inventory	3 215	3 215
Intercompany receivables	-	-
Other receivables	37 223	10 375
Accrued courses	19 281	19 281
Deferred tax	29 433	14 952
Other accruals	-	-
Cash	48 003	48 533
Total current assets	495 298	454 498
Total assets	547 510	1 020 578
Equity and liabilities		
Equity	134 016	325 476
Long term liabilities	103 797	367 399
Credit institutions	146 206	146 206
Trade payables	100 645	101 044
Accrued costs (reservations)	35 144	35 144
Other liabilities	27 703	45 310
Short term liabilities	309 697	327 703
Total liabilities	413 495	695 102
Total equity and liabilities	547 510	1 020 578

Reporting FairWind A/S: Danish GAAP and including FairWind A/S and subsidiaries

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

Cash Flow Statement

Consolidated Cash Flow Statement

DKK '000	FairWind A/S			ForceBidCo A/S		
	Q4 2022	Q1-Q4 2022	LTM Q4 2022	Q4 2022	Q1-Q4 2022	LTM Q4 2022
Earnings before taxes (EBT)	(5 176)	14 401	14 401	(15 415)	(13 491)	(13 491)
- Depreciation and impairment losses	6 617	23 268	23 268	7 527	27 984	23 984
- Income paid taxes	2 215	(14 689)	(14 689)	5 026	(12 546)	(12 546)
- Change in Work in Progress	(44 926)	(49 432)	(49 432)	(42 961)	(42 080)	(42 080)
- Change in Trade Receivables	17 317	(6 508)	(6 508)	17 317	(6 508)	(6 508)
- Change in Trade Payables	(944)	53 438	53 438	(545)	35 169	35 169
- Change in Other Assets	(24 496)	(30 741)	(30 741)	(24 496)	(29 795)	(29 795)
- Change in Other Liabilities	(4 999)	(82 034)	(82 034)	9 482	(50 825)	(50 825)
Cash flow from operations	(54 392)	(92 296)	(92 296)	(44 066)	(92 092)	(92 092)
Additions/disposals of property, plant, and equipment	(2 233)	(31 408)	(31 408)	(12 625)	(41 799)	(41 799)
Additions/disposals of Goodwill and intangible assets	(31)	(705)	(705)	2 088	1 414	1 414
Cash flow from investing activities	(2 264)	(32 113)	(32 113)	(10 537)	(40 385)	(40 385)
Currency adjustments and other non-cash regulations	(6 654)	(7 224)	(7 224)	(8 638)	(11 417)	(11 417)
Intercompany	1 521	6 285	6 285	1 273	1 467	1 467
Cash flow from financing activities	(5 133)	(938)	(938)	(7 365)	(10 246)	(10 246)
Net increase/decrease in cash	(61 789)	(125 346)	(125 346)	(61 967)	(142 724)	(142 724)
Cash starting balance, net	(36 413)	27 143	27 143	(35 707)	45 051	45 051
Cash ending balance, net	(98 203)	(98 203)	(98 203)	(97 673)	(97 673)	(97 673)

Reporting FairWind A/S: Danish GAAP and including FairWind A/S and subsidiaries

Reporting Force Bidco A/S: IFRS and including Force Bidco A/S and subsidiaries (Implemented from 1 January 2022)

Notes to the financial statements

Financial review

FairWind A/S was acquired by Force BidCo A/S on the 28th of September 2021 therefore no full year figures for 2021.

The report will also include specified accounts for both companies please refer to page 4. Force Bidco A/S has changed accounting policy to IFRS from 2021. FairWind A/S is still reporting under Danish GAAP.

Reported EBITDA and Adjusted EBITDA

Force BidCo A/S DKK '000	Q4 2022	Q1-Q4 2022	LTM Q4 2022
Adjusted EBITDA	34 557	80 311	80 311
Total non-recurring items	(28 048)	(36 137)	(36 136)
- Write off of remaining exposures due to the close-down of operations in Russia	(19 883)	(19 883)	(19 883)
- Costs resulting as of the close-down of operations in Russia	(3 300)	(3 300)	(3 300)
- Double rent costs from move of offices in Szczecin, Poland	(769)	(769)	(769)
- Mandatory wartime remuneration paid to Ukrainian technicians employed by FairWind	(168)	(3 170)	(3 170)
- Adjustment of outstanding PPA as a result of Triton's acquisition of FairWind	(1 965)	(7 352)	(7 352)
- Other	(1 962)	(1 662)	(1 662)
Reported EBITDA	6 509	44 174	44 174

Definitions

OEM: Original Equipment Manufacturer

PPA: Purchase Price Allocation

SESA: South Europe & South America

CE: Central Europe

NE: North Europe

APAC: Asia and Pacific

EECA: Eastern Europe & Central Asia

NA: North America

FairWind



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