

Financial Report

Q4 2023

Integrated
Wind
Solutions





INTERIM FINANCIAL REPORT

Q4 2023¹

RECENT HIGHLIGHTS

- Total revenue of EUR 6.5m for Q4 2023, an increase of 26% from Q4 2022.
- IWS Services revenue of EUR 6.0m in Q4 2023, an increase of 19% from Q4 2022, with increased order backlog.
- PEAK Wind continues its strong growth with an increase in net revenue for Q4 by 46% compared with Q4 2022 (+31% for the full year). The Group's share of the net profit in Q4 2023 was EUR 0.3m, before EUR -0.1m amortisation of acquisition-related intangible assets. IWS has recognised a fair value gain of EUR 1.2m on its fixed-price option to acquire an additional 19% of the voting shares, which is reported within finance income.
- Group EBITDA of EUR -0.2m for Q4 2023 compared with EUR -0.4m in Q3 2023 and EUR -0.4m in Q4 2022.
- IWS Fleet took delivery of IWS Skywalker on 12 December. The vessel arrived in Denmark in February and is undergoing final quayside preparations before commencing its first contract at the Dogger Bank Wind Farm.
- IWS Fleet has entered a strategic cooperation with Havfram Wind AS to provide technical management services to Havfram Wind's two state-of-the-art Wind Turbine Installation Vessels ("WTIVs") with scheduled delivery in 2025.
- IWS Fleet has entered into (i) a three-year frame term agreement starting in 2025 with Siemens Gamesa Renewable Energy A/S - the minimum commitment covers about 1,300 days with a revenue backlog of EUR 51-55m, (ii) a time charter contract at market terms with Asso.subsea, which will commence in Q4 2024/Q1 2025 and have a duration of up to eight months, and (iii) a time charter contract at market terms for a minimum of 4 months that will start at the end of May 2024 with TenneT TSO B.V., a leading European Transmission System Operator owned by the Dutch government.
- 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.
- IWS has, from Q4 2023, changed the presentation currency of the Group's financial statements from NOK to EUR. The functional currency of the parent company and IWS Fleet subsidiaries was changed from NOK to EUR on 1 October – refer to Note 11.

Lars-Henrik Røren, CEO, commented: "For IWS Fleet, we are proud to have IWS Skywalker arriving in Europe, showcasing our commitment to innovation and excellence in the offshore wind space. Our charter contracts are stamps of quality of the Company's ability to deliver high quality, high operability, and flexibility to industry-leading clients. We are eager to commence vessel operations to drive the Group's earnings growth in the next few years. We are also pleased with the development of IWS Services, which delivered a record strong quarter, and PEAK Wind, which continues to grow steadily."

¹ Please see Appendix A for definitions, explanations, and reconciliations of Alternative Performance Measures (APMs)

OPERATIONS

Group structure

The activities of the Group are organised into IWS Fleet AS ("IWS Fleet"), IWS Services A/S ("IWS Services"), and the associated company PEAK Wind Group ApS ("PEAK Wind").

IWS Fleet is the owner and operator of high-end CSOVs with six newbuildings ordered from the leading shipyard CMI, with the first vessel delivered in Q4 2023.

For IWS Services², the two Danish offshore wind service/consulting companies ProCon Group ApS³ ("ProCon") and Green Ducklings A/S⁴ ("Green Ducklings") form the base of the supply chain service offerings.

The 30%⁵ owned PEAK Wind is the leading provider of operations and asset management services to wind farms and is classified as an associated company.

These companies form the base of Integrated Wind Solutions' ("IWS" or the "Group") strategy of becoming the preferred service provider within the offshore wind sector.



IWS Fleet | IWS Skywalker, Hanstholm, February 2024



² 97% owned by Integrated Wind Solutions ASA

³ 75% owned by IWS Services A/S (100 % of the voting shares)

⁴ 100% of the voting shares

⁵ Fixed price option exercisable by September 2024 to acquire an additional 19% of voting shares, pre-dilution from share-based option program to key employees

MARKET OBSERVATIONS



Europe leads the way

High political ambitions and improving market conditions are currently driving the growth of the offshore wind market, with an expected Compound Annual Growth Rate (CAGR) of 19% in both established and emerging markets. Europe is persistently advancing towards greater renewable energy adoption and is projected to be the clear market leader, with 107 GW installations anticipated by 2030 out of a predicted 138 GW total offshore wind capacity (excluding China). APAC is expected to become the second-largest region, with a development target of 18 GW by 2030, followed by the Americas with 13 GW.

2023 concluded with a record 4.2 GW of new offshore wind farms coming online in Europe, a 40% increase over 2022. These numbers position 2023 as the best year on record for new offshore wind installations across Europe. The Netherlands, France, and the UK led capacity installation, with the Hollandse Kust Zuid 1.5 GW project now recognised as the world's largest operational wind farm. 2023 was also a record year for FIDs, with more than 12 GW of projects reaching investment decisions, 9 GW of which was in Europe.

Nevertheless, challenges persist. Factors such as high interest rates, supply chain bottlenecks, and wavering political commitments complicate the growth trends. European developers respond by refining their strategic focus and narrowing their scope to core markets. Notably, RWE is expanding in the UK with the procurement of Vattenfall's Norfolk Trio, while Ørsted is exiting several offshore wind markets, such as Norway, Spain, and Portugal. Despite these shifts, the overall outlook for offshore wind in Europe remains largely unaffected.

The year 2024 has also started on a positive note. With over 50 GW of auctions planned, it holds the potential to break previous auction records. The top five countries auctioning capacity in the next two years are Germany, Denmark, the UK, France, and the Netherlands. Germany plans to auction 8 GW of offshore wind in 2024 alone. Furthermore, Poland's first offshore wind project, Baltic Power (1.2 GW), reached Final Investment Decision (FID) in 2023, marking the country's entry into offshore wind development. The growth in new markets fosters increased willingness to invest in supply chain development.

Supply chain improvements

The increased levels of FID have triggered several investments in the supply chain, which will help unlock further growth by removing some of the supply chain constraints. In connection with the Baltic Power decision, Vestas has decided to build a

new blade factory in Poland, expected to start operations in 2026. Furthermore, Windar Renewables signed a concession agreement with Port of Szczecin for a planned offshore tower factory and the Baltic Towers is building another factory in Gdansk. Three new foundation manufacturing facilities are being built by Sif in Rotterdam, Baltic Structures in Esbjerg and SeAH Wind in the UK.

After a period of turbulence and losses, turbine OEMs are slowly making their way back towards profitability. Vestas managed to end 2023 with a small profit, and Siemens Gamesa narrowed its losses during the same period.

The floating wind market continues to develop with planned auctions in the UK, France, Norway, Portugal, and Italy, although framework conditions and regulations still need development.

US ambitions remain high

The pace must increase in the United States, with an ambition to develop 30 GW by 2030. Green Ducklings' forecast suggests that due to the challenges in the past 12 months and other conditions (Jones Act constraints, supply chain issues, etc.), the 30 GW ambition will be delayed by 4-6 years.

Market uncertainty in the US persists. Empire Wind 1 will rebid in New York's fourth offshore wind solicitation, while Empire Wind 2 terminated their OREC. Ørsted further terminated ORECs for Skipjack 1&2.

On a more positive note, Coastal Virginia Offshore Wind by Dominion Energy received the last two major federal approvals needed to start the project at the end of January and can now initiate offshore construction. Fabrication activities are already underway for the 2.6 GW project.

Despite challenges, developers still hold interest in the US market. NYSED announced late in January that they received responses to New York's fourth offshore wind solicitation with six total bids for three projects from three offshore wind developers. The award notification is expected by the end of February. New Jersey has further selected two new offshore wind projects totalling 3.7 GW in generation capacity that will be awarded 20-year inflation-adjusted OREC contracts. New Jersey further announced that they will accelerate the 4th solicitation which is expected to launch in early 2024 with OREC awarded in early 2025.

MARKET FOR CSOVs

The offshore wind industry continues to thrive, with Europe and Taiwan experiencing sustained high activity due to growing demand for operations and maintenance (“O&M”), according to Clarksons. Consequently, charterers are proactively extending their booking timelines to secure key vessel tonnage well in advance.

Despite some negative headlines in 2023, the overall macro environment maintains its positive trajectory. The growth in offshore wind farm activity (construction, commissioning, and O&M) continues, with FIDs reaching an all-time high in 2023, measured in GW. This, in combination with a strong market for oil & gas and subsea globally that removes capacity from offshore wind, drives demand for O&M service vessels. The market is, however, not immune to delays and cancellations

by offshore wind developers due to cost pressure and the rising cost of finance, which could slow the vessel demand growth rate over the medium term whilst the short-term market, where FID has already been reached, remains more certain.

The global fleet of CSOVs and SOVs amounts to 42 vessels in operation of which 31 are considered Tier 1 and 11 as Tier 2. The total orderbook consists of 52 vessels, of which five belong to IWS.

We continue to see an attractive market for CSOVs due to continued growth in offshore wind farm development coupled with strong demand from the oil and gas market that continues to require walk-to-work vessels.

MAIN EVENTS DURING Q4 AND POST-QUARTER EVENTS

Newbuildings

The Group has ordered a fleet of six identical Skywalker class vessels. The firm average yard price for the six vessels is about EUR 48 million per vessel (turnkey contracts). About 50% of the vessel value is related to Norwegian export companies providing advanced technology, ensuring safe and efficient operations.

The first vessel, IWS Skywalker, was delivered on 12 December and will commence its first charter contract in March 2024. The small delay is caused by the decision to route the vessel around the Cape of Good Hope to mitigate the risk of disruptions in the Red Sea. The Group is monitoring the situation in the Red Sea and will assess and seek to mitigate the risk for each of the remaining vessels with delivery in 2024.

The second vessel, IWS Windwalker, completed sea trials in December and will be delivered in March 2024.

The third and fourth vessels, IWS Seawalker and IWS Starwalker, were launched on 30 October, and construction is progressing in accordance with delivery in Q2 2024 and Q3 2024, respectively.

The steel cut of the fifth and sixth vessels, IWS Moonwalker and IWS Sunwalker, took place on 10 December 2023 according to schedule.

The global shipyards are not immune to the global supply-chain pressure, and there are general risks related to commissioning, and the timing of delivery of key components for vessels 4-6.

Financing

The Group has drawn down the first tranche of the Green Senior Secured Credit Facility (EUR 28 million) for the delivery- and post-delivery debt financing of IWS Skywalker.

IWS published its first Green Financing Framework to highlight the Group's sustainability strategy to lenders and investors.

The framework has been reviewed and rated "Medium Green" by S&P Global Ratings, a leading independent expert

on research-based assessments of Green Finance Frameworks.

The Group is continuously exploring alternatives to finance its commitments in the most cost-efficient way. This includes, but is not limited to, bank financing, lease financing, bond financing, and equity financing.

Employment

IWS Fleet has secured a considerable frame term agreement with Siemens Gamesa Renewable Energy A/S, one of the leading turbine manufacturers in the offshore wind industry. With a duration of three years, commencing in 2025, the agreement represents one of the largest contracts ever awarded in the walk-to-work turbine commissioning sector. IWS Fleet will provide three Skywalker-class CSOVs for turbine commissioning work in European waters. With a minimum commitment of about 1,300 days, the agreement ensures a revenue backlog of EUR 51-55 million. IWS will have a fleet of identical CSOVs delivered when the charters commence and has the option under the agreement to nominate which vessels will perform the services.

IWS Fleet has entered into a time-charter contract at market terms with Asso.subsea Single Member S.A. of Greece, an expert in cable installation, protection, repair and support and turn-key solution provider. The contract will commence in Q4 2024/Q1 2025 and have a duration of up to eight months. The charter contract is related to supporting Charterers' activities at an offshore wind farm in France. IWS has the option under the contract to nominate which vessel will perform the services.

IWS Fleet AS has entered into a time charter contract at market terms with TenneT TSO B.V., a leading European Transmission System Operator owned by the Dutch government. The charter contract has a minimum duration of 4 months and will commence at the end of May 2024 after IWS Windwalker arrives in Europe.

IWS Skywalker will start its first out of three separate charter contracts at Dogger Bank in March 2024.

FINANCIAL REVIEW

Income statement

Total revenue for the fourth quarter of 2023 was EUR 6.5 million (Q3: EUR 5.5 million), of which IWS Services contributed EUR 6.0 million, IWS Fleet contributed EUR 0.2 million from the provision of third-party technical management services, and the group's share of net profit in PEAK Wind was EUR 0.2 million.

The Group's share of the net profit in PEAK Wind in the fourth quarter of 2023 was EUR 0.3 million before EUR -0.1 million amortisation of acquisition-related intangible assets (EUR 0.2 million before EUR -0.1 million amortisation in Q3). IWS has, as a result of the growth and performance of PEAK Wind, recognised a fair value gain of EUR 1.2m on its fixed-price option to acquire additional shares, which is reported within financial income.

Operating expenses for the fourth quarter of 2023 were EUR 6.7 million compared with EUR 5.9 million in the previous quarter. The increase is due to a higher share-based payment charge in the quarter and increased expenses in relation to the vessel delivery.

Group EBITDA was EUR -0.2 million for the fourth quarter of 2023 compared with EUR -0.4 million in the previous quarter. IWS Services and PEAK Wind contributed EUR 0.6 million (Q3: EUR 0.3 million) and EUR 0.2 million (Q3: EUR 0.1 million), respectively, with the other Group entities contributing a combined EBITDA of EUR -1.0 million (Q3: EUR -0.8 million). For IWS Services' project-driven business model, the margins are expected to fluctuate quarterly due to the various project mix and progress.

The net profit for the fourth quarter of 2023 was EUR 0.7 million compared with a net loss of NOK 0.6 million in the third quarter. The EUR 1.3 million difference primarily relates to the fair value gain on the PEAK Wind option.

Liquidity and financial position

Total cash and cash equivalents amounted to EUR 31.0 million at year-end, down from EUR 33.2 million at the end of the previous quarter-end. The net decrease is explained primarily

by capital expenditure on vessels under construction financed by the drawdown of the first tranche of the Green Senior Secured Credit Facility.

The carrying value of vessels under construction of EUR 95.7 million includes yard instalments on all six CSOVs, and accumulated directly attributable project costs and borrowing costs during the construction period. It has increased from EUR 65.1 million in the previous quarter primarily as a result of the payment of the delivery instalment of IWS Skywalker in December. Details on the payment structure of the newbuilding contracts are found in *Note 8 – Commitments and contingencies*.

Other fixed assets of EUR 1.7 million include office and vehicle leases (Q3: EUR 1.8 million).

The intangible assets of EUR 6.2 million include goodwill and other acquisition-related intangible assets (Q3: EUR 6.2 million).

Other non-current assets of EUR 0.9 million relate to borrowing costs, paid on the Green Senior Secured Credit Facility, that is amortised over the term of the facility and capitalised as borrowing costs during the period of construction of the vessels (Q3: EUR 1.3 million).

Trade receivables and contract assets of EUR 5.1 million and EUR 4.4 million, respectively, consist mainly of trade receivables and work in progress related to construction contracts in IWS Services, and the movement in the quarter is primarily the result of the timing of invoicing (Q3: EUR 4.9 million and EUR 3.3 million, respectively).

Interest-bearing debt includes the Green Senior Secured Credit Facility of EUR 27.8 million and lease liabilities of EUR 1.5 million for offices, vehicles and office equipment and an overdraft facility of EUR 0.6 million.

Other non-current liabilities of EUR 1.0 million relate to the fair value of synthetic share options granted under the Group's long-term incentive plan and pensions.

Book equity on 31 December 2023 was EUR 123.1 million and total assets were EUR 159.0 million, giving an equity ratio of 77% at year-end.

OUTLOOK

The outlook for the offshore wind industry has returned to being positive after a period of turbulence, due to increased interest rate levels and supply-chain issues in 2023.

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.

Our first vessel, IWS Skywalker, will commence its first out of three Dogger Bank Wind Farm (UK) contracts in March 2024. IWS Windwalker is scheduled to be delivered in March 2024 and start the charter contract with TenneT after arriving in Europe in late May. Deliveries of IWS Seawalker and IWS Starwalker will follow in Q2 and Q3 2024, respectively, and IWS

Moonwalker and IWS Sunwalker are scheduled to be ready for operations in Q2 and Q3 2025, respectively.

The construction and engineering subsidiary of IWS Services (ProCon) mainly works on long-lead contracts, secured 3-12 months in advance. IWS Services strengthened its order backlog in the second half of the year and is well-positioned to achieve revenue growth of more than 20% in 2024.

We expect PEAK Wind Group to continue its strong growth and expand its geographical scope and offerings. PEAK Wind has doubled in size (revenues and staff) over the last two years and foresees continued strong revenue growth of more than 20% in 2024.

IWS Fleet will continue to ramp up operations, with the delivery of three additional vessels in 2024. IWS Fleet will contribute positively towards the Group's net profit from Q3.

STATEMENT OF RESPONSIBILITY

We confirm, to the best of our knowledge, that the condensed set of financial statements for the fourth quarter of 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting and give a true and fair view of Integrated Wind

Solutions' consolidated assets, liabilities, financial position and income statement, and that the interim report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

Oslo, 26 February 2024

Sigurd E. Thorvildsen
Chair of the Board

Cathrine Haavind
Board member

Synne Syrrist
Board member

Jens-Julius Ramdahl Nygaard
Board member

Daniel Gold
Board member

Lars-Henrik Røren
CEO

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

(interim financial information is unaudited)

<i>In EUR thousands</i>	Note	Q3 2023	Q4 2023	Q4 2022	2023	2022
Operating revenue	2	5 421	6 263	5 075	22 600	21 344
Share of net profit of associates	5	109	196	48	370	367
Total revenue		5 530	6 459	5 123	22 970	21 711
Operating expenses	2	-5 903	-6 696	-5 496	-25 618	-23 557
Earnings before interest, taxes and dep. (EBITDA)		-373	-237	-373	-2 648	-1 846
Depreciation and amortisation	3	-157	-177	-159	-557	-594
Earnings before interest and taxes (EBIT)		-530	-414	-532	-3 205	-2 440
Finance income	5	270	1 489	88	2 239	156
Finance expenses		-65	-60	-68	-229	-356
Net foreign currency exchange gains		-231	-195	140	174	260
Net finance income		-26	1 234	160	2 184	60
Profit before taxes		-556	820	-372	-1 021	-2 380
Income tax expense	4	-7	-89	-8	-159	-78
Profit for the period		-563	731	-380	-1 180	-2 458
Attributable to non-controlling interests		-18	53	73	119	191
Attributable to shareholders of the parent		-545	678	-453	-1 299	-2 649
Weighted average number of shares		39 144 258	39 144 258	28 538 198	38 243 469	25 988 013
Basic and diluted earnings per share in EUR		-0.014	0.017	-0.016	-0.034	-0.102

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(interim financial information is unaudited)

<i>In EUR thousands</i>	Note	Q3 2023	Q4 2023	Q4 2022	2023	2022
Profit for the period		-563	731	-380	-1 180	-2 458
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
<i>Cash flow hedge, net of tax effect</i>	8	-921	80	246	1 643	2 172
<i>Exchange differences on translation</i>		3 623	-9	487	-5 593	-5 648
Total comprehensive income		2 139	802	353	-5 130	-5 934
Attributable to non-controlling interests		4	70	175	200	184
Attributable to shareholders of the parent		2 135	732	178	-5 330	-6 118

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (interim financial information is unaudited)

<i>In EUR thousands</i>	Note	31.12.2023	30.09.2023	31.12.2022	01.01.2022
ASSETS					
Non-current assets					
Vessels under construction	3	95 672	65 126	50 674	9 077
Other fixed assets	3	1 692	1 800	255	192
Intangible assets	3	6 158	6 192	6 336	6 817
Investments accounted for using the equity method	5	13 127	12 892	12 754	13 109
Deferred tax assets	4	201	188	161	333
Other non-current assets		915	1 252	682	-
Total non-current assets		117 765	87 450	70 862	29 528
Current assets					
Contract assets		4 431	3 296	2 904	3 050
Trade receivables		5 127	4 890	7 504	3 772
Other current assets		1 852	962	583	404
Cash and cash equivalents	6	30 975	33 169	23 589	38 931
Total current assets		42 385	42 317	34 580	46 157
Total assets		160 150	129 767	105 442	75 685
EQUITY AND LIABILITIES					
Equity					
Share capital	10	7 703	7 703	5 758	3 477
Share premium reserve	10	126 809	126 809	97 497	63 964
Retained earnings/other comprehensive income		-14 551	-15 283	-8 344	-1 421
Non-controlling interests		3 108	3 039	2 909	2 624
Total equity		123 069	122 268	97 820	68 644
Non-current liabilities					
Non-current interest-bearing debt	7	25 658	1 157	44	1 428
Deferred tax liability	4	420	462	290	396
Other non-current liabilities		745	688	376	47
Total non-current liabilities		26 823	2 307	710	1 871
Current liabilities					
Trade payables		1 689	1 741	1 607	2 768
Current interest-bearing debt	7	4 240	511	1 621	542
Other current liabilities		4 329	2 940	3 684	1 860
Total current liabilities		10 258	5 192	6 912	5 170
Total equity and liabilities		160 150	129 767	105 442	75 685

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (interim financial information is unaudited)

<i>In EUR thousands</i>	Note	Q3 2023	Q4 2023	Q4 2022	2023	2022
Cash flow from operating activities						
Profit before tax		-556	820	-372	-1 021	-2 380
Depreciation and amortisation	3	157	177	159	557	594
Gain on disposal of property, plant and equipment		-	-9	-	-40	-
Net profit from associates	5	-109	-196	-48	-370	-367
Fair value gain on financial instruments	5	-	-1 200	-	-1 200	-
Increase (-)/decrease (+) in trade and other receivables		973	-351	-3 400	782	-4 185
Increase (+)/decrease (-) in trade and other payables		749	924	10	763	176
Taxes paid		-	-165	-	-165	-
Net cash flow from operating activities		1 214	0	-3 651	-694	-6 162
Cash flow from investing activities						
Purchase of property, plant and equipment	3	-1 511	-30 656	-15 100	-49 059	-43 770
Proceeds from sale of property, plant and equipment	3	-	-	-	53	-
Dividends received from associate		-	-	244	-	244
Net cash flow from investing activities		-1 511	-30 656	-14 856	-49 006	-43 526
Cash flow from financing activities						
Proceeds from issue of share capital/minority shareholder		-	-	-	32 086	35 175
Equity issue costs		-	-	-	-829	-660
Proceeds from (+)/repayment of (-) borrowings and loan fees	7	-1 607	28 282	-166	25 656	-1 487
Government grants		335	181	834	516	834
Payment of lease liabilities		-112	-80	-45	-274	-45
Net cash flow from financing activities		-1 384	28 383	623	57 155	33 817
Cash and cash equivalents at the beginning of the period		34 918	33 169	41 372	23 589	38 931
Net increase/(decrease) in cash and cash equivalents		-1 681	-2 273	-17 884	7 455	-15 871
Exchange rate effects		-68	79	101	-69	529
Cash and cash equivalents at the end of the period	6	33 169	30 975	23 589	30 975	23 589

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (interim financial information is unaudited)

In EUR thousands	Attributable to owners of the Company					NCI ⁷	Total equity
	Share capital	Share premium reserve	Hedging reserve ⁶	Other equity	Total		
Equity at 01.01.2022	3 477	63 964	-204	-1 217	66 020	2 624	68 644
Profit for the period	-	-	-	-2 649	-2 649	191	-2 458
Other comprehensive income	-	-	2 122	-5 592	-3 470	-7	-3 477
Transfer to vessels under construction	-	-	-804	-	-804	-	-804
Transactions with non-controlling interests	-	-	-	-	-	101	101
Equity issue per 22.03.2022	1 834	27 503	-	-	29 337	-	29 337
Equity issue per 12.04.2022	447	6 712	-	-	7 159	-	7 159
Equity issue costs ⁸	-	-682	-	-	-682	-	-682
Total equity at 31.12.2022	5 758	97 497	1 114	-9 458	94 911	2 909	97 820
Equity at 01.01.2023	5 758	97 497	1 114	-9 458	94 911	2 909	97 820
Profit/Loss for the period	-	-	-	-1 299	-1 299	119	-1 180
Other comprehensive income	-	-	1 509	-5 539	-4 030	80	-3 950
Impact of functional currency change	-	-	-1 593	1 593	-	-	-
Transfer to vessels under construction ⁶	-	-	-878	-	-878	-	-878
Equity issue per 31.01.2023	1 945	30 141	-	-	32 086	-	32 086
Equity issue costs ⁸	-	-829	-	-	-829	-	-829
Total equity at 31.12.2023	7 703	126 809	152	-14 703	119 961	3 108	123 069

⁶ Hedging reserve is related to the Group's foreign currency hedges, presented net of tax of EUR 0.1 million. A hedging gain of EUR 0.9 million relating to hedge accounting applied to EUR payments for vessels under construction has been transferred to vessels under construction as a basis adjustment upon payment of the hedged yard instalment

⁷ Non-controlling interests are related to ProCon (25%) and IWS Services A/S (3%)

⁸ Equity issue costs and other transactions in equity are recorded net of tax to the extent the company will be able to utilise the tax deductions

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Corporate information, basis of preparation and accounting policies

Corporate information

Integrated Wind Solutions ASA (the “Company”) is a public limited liability company incorporated and domiciled in Norway. The Company's registered office is Støperigata 2, 0250 Oslo, Norway.

These condensed consolidated interim financial statements (the Statements) comprise the Company and its subsidiaries, together referred to as the Group or IWS.

Basis of preparation

The condensed consolidated interim financial statements are presented in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The Statements are presented in EUR rounded to the nearest thousand, except as otherwise indicated. The condensed consolidated interim financial statements are unaudited.

Accounting policies

Except as described below, the accounting policies applied in the preparation of the Statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022.

The presentation currency of the Group has been changed from NOK to EUR from Q4 2023. The change is applied retrospectively as a change in accounting policy. The change was made to reflect that EUR will be the predominant currency in the Group going forward. Please see Note 11 for further information.

The Statements do not include all the information and disclosures required by International Financial Reporting Standards (IFRS) for a complete set of financial statements, and the Statements should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022, which includes a detailed description of the applied accounting policies. No new or revised International Financial Reporting Standards (IFRSs) have had a material impact on the Statements of the Group in the fourth quarter of 2023.

Note 2 – Operating segments

The Group is organised into business units based on its services and has two reportable segments:

- IWS Fleet, which is the owner & operator of CSOVs.
- IWS Services, which provides design, engineering and construction along with operations- and management services to the offshore wind industry.

No operating segments have been aggregated to form the above reportable operating segments.

Segment performance is evaluated based on profit or loss before tax and is measured consistently with profit or loss before tax in the consolidated financial statements. It includes some inter-segment cost allocations, and excludes inter-segment management fees, guarantee fees and interests.

The following table presents revenue and profit information for the Group's operating segments for Q4 2023 and Q4 2022, respectively:

	IWS Fleet		IWS Services		Group functions/ eliminations ⁹		Consolidated	
<i>In EUR thousands</i>	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022
External customer revenue	167	-	6 032	5 049	64	26	6 263	5 075
Share of profit of associate PEAK Wind ¹⁰	-	-	-	-	196	48	196	48
Operating expenses	-350	-540	-5 394	-4 712	-952	-244	-6 696	-5 496
EBITDA	-183	-540	638	337	-692	-170	-237	-373
Depreciation and amortisation	-	-	-109	-159	-68	-	-177	-159
EBIT	-183	-540	529	178	-760	-170	-414	-532
Net finance income	-4	-12	-216	112	1 454	60	1 234	160
Profit before tax	-187	-552	313	290	694	-110	820	-372

The following table presents assets and liabilities information for the Group's operating segments as of 31 December 2023 and 2022, respectively:

<i>In EUR thousands</i>	IWS Fleet	IWS Services	Group functions/ eliminations ⁹	Consolidated
Segment assets				
31 December 2023	103 188	20 466	36 496	160 150
31 December 2022	53 322	21 250	30 870	105 442
Segment liabilities				
31 December 2023	30 629	4 302	2 150	37 081
31 December 2022	1 260	5 612	750	7 622

⁹ Group functions/eliminations include revenue, expenses, assets, and liabilities of the parent company.

¹⁰ The Group's share of the net profit in PEAK Wind for the fourth quarter of 2023 is net of EUR -0.1 million amortisation of acquisition-related intangible assets (EUR -0.1 million in Q4 2022).

Note 3 – Tangible and intangible non-current assets

<i>In EUR thousands</i>	Vessels under construction	Leased fixed assets	Other fixed assets	Intangible assets	Total
Acquisition cost at 01.01.2023	50 674	145	244	7 019	58 082
Acquisitions/instalments in the period	48 191	1 625	210	-	50 026
Disposals in the period	-	-23	-44	-	-67
Foreign exchange translation adjustments	-3 193	8	-	-15	-3 200
Acquisition cost at 31.12.2023	95 672	1 755	410	7 004	104 841
Accumulated depreciation at 01.01.2023	-	-18	-116	-683	-817
Depreciation and amortisation	-	-278	-116	-164	-558
Disposals in the period	-	23	31	-	54
Foreign exchange translation adjustments	-	1	-	1	2
Accumulated depreciation at 31.12.2023	-	-272	-201	-846	-1 319
Net carrying amount at 31.12.2023	95 672	1 483	209	6 158	103 522

The carrying value of vessels under construction includes yard instalments, other directly attributable project costs, guarantee fees and capitalised borrowing costs. IWS Skywalker was delivered from the yard in Q4 and will be reclassified from Vessels under construction to Vessels when it arrives in Europe and is available for its intended use. Borrowing costs of EUR 1.2 million relating to the Green Senior Secured Credit Facility have been capitalised in 2023 (EUR 0.5 million in 2022).

Depreciation commences when the vessels are available for their intended use. Depreciation will be calculated on a

straight-line basis over the useful life of the assets. Expected useful lives for vessels and dry-docking will be 30 years and 5 years, respectively.

The group leases offices and vehicles. Rental contracts are for periods of up to five years. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and/or leases of low-value items.

Intangible assets include goodwill and other intangible assets recognised as part of the acquisitions of ProCon and Green Ducklings.

Note 4 – Corporation taxes

<i>In EUR thousands</i>	Q4 2023	Q4 2022
Current income tax	-	-
Changes in deferred tax	-89	-8
Total income tax expense	-89	-8

The Group's ship-owning subsidiaries are subject to tonnage tax. Companies subject to the tonnage tax regime are exempt from ordinary tax on their shipping income. In lieu of ordinary taxation, tonnage-taxed companies are taxed on a notional basis based on the net tonnage of the companies' vessels and reported as operating expenses. Income not derived from the operation of the vessels in international waters, such as

financial income, is usually taxed according to the ordinary taxation rules applicable in the resident country of each respective company.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Note 5 – Associated Companies and Joint Ventures

IWS owns 30% of the shares in PEAK Wind Group ApS, a Danish non-listed company providing operations and asset management advisory and services to the offshore wind sector globally. The investment in PEAK Wind Group ApS is classified

as an associated company and accounted for using the equity method of accounting.

IWS also owns 50% of the shares in Havfram Fleet Management AS, a technical ship management company.

Peak Wind Group ApS

<i>In EUR thousands</i>	2023	2022
Book value 01.01	12 754	13 109
Share of profit	709	707
Dividends received	-	-244
Depreciation excess values	-339	-340
Exchange rate differences	-28	-478
Book value 31.12	13 096	12 754
Peak Wind Group ApS net assets (100% basis)	15 393	14 190
Group's share of net assets (30%)	4 618	4 257
Goodwill	8 478	8 497
Book value 31.12	13 096	12 754

IWS has a fixed-priced option to increase its ownership of PEAK Wind to 49% by September 2024 (pre-dilution from the share-based option program to key employees). The Group has, as a result of the growth and performance of the underlying

investment, recognised a fair value gain of EUR 1.2m on this option in the quarter, in line with IFRS 9. The fair value gain is reported within financial income.

Other

<i>In EUR thousands</i>	2023	2022
Book value 31.12	31	-

Note 6 – Cash and cash equivalents

<i>In EUR thousands</i>	31.12.2023	30.09.2023	31.12.2022
Bank deposits denominated in NOK	1 079	1 511	2 166
Bank deposits denominated in NOK, restricted	130	83	1 23
Bank deposits denominated in DKK	3 255	2 640	2 952
Bank deposits denominated in EUR	26 030	28 054	17 957
Bank deposits denominated in other currencies	481	881	3 91
Total cash and cash equivalents	30 975	33 169	23 589

Note 7 – Interest-bearing debt

<i>In EUR thousands</i>	31.12.2023	30.09.2023	31.12.2022
Borrowings	24 570	-	-
Lease liabilities	1 088	1 157	44
Non-current interest-bearing debt	25 658	1 157	44
Borrowings	3 261	-	-
Lease liabilities	416	419	57
Bank overdraft	563	92	1 564
Current interest-bearing debt	4 240	511	1 621
Total interest-bearing debt	29 898	1 668	1 665

The Group is continuously exploring alternatives to finance the remaining portion of its newbuilding program in the most cost-efficient way. This includes, but is not limited to, bank financing, lease financing and bond financing. The Group may, as part of such exploration, initiate formal and/or informal dialogue with potential lenders and/or investors to explore and conclude on the preferable financing structure.

Green Senior Secured Credit Facility

IWS has a Green Senior Secured Credit Facility of up EUR 118.7 million with SEB, SR-Bank, and Eksfin. The first tranche of the facility, EUR 28.1 million, was drawn down in the fourth quarter

of 2023 to finance the delivery of IWS Skywalker from the yard and is presented net of transaction costs.

The proceeds of the facility have been and will be used for long-term post-delivery financing of the Group's first four CSOVs. Final maturity of the EUR 36.1 million commercial tranche with SEB and SR-Bank is in 2028. Final maturity of the EUR 82.6 million Eksfin tranches, for which SEB and SR-Bank have provided bank guarantees of EUR 28.0 million, is in 2035 subject to the refinancing of the commercial tranche and bank guarantees. The Eksfin tranche qualifies for an attractive 12-year fixed interest rate option with the Commercial Interest Reference Rates ("CIRR") prevalent when the contracts and subcontracts for the vessels were signed.

Note 8 – Commitments and contingencies

Shipbuilding contracts

Remaining instalments to the yard CMI for vessels under construction amount to EUR 196.8 million, of which EUR 117.0 million is due in 2024 and EUR 79.8 million in 2025.

Foreign currency hedging contracts

IWS, including subsidiaries, has and will enter into foreign currency hedging contracts for certain long-term construction contracts. The change in the market value of these hedging contracts is reported net of tax effect under *Other comprehensive income*.

Note 9 – Related party transactions

Address commission

The Group has agreements to pay an address commission to Awilco AS for services in assisting IWS with the conclusion and execution of the contracts for the first six vessels. The address

commission amounts to 1% of the yard price and is payable to Awilco AS on the same payment schedule as payments to the yard. Address commission is capitalised as part of the acquisition costs of the vessels under construction.

Note 10 – Share capital and shareholder information

Paid in capital

<i>In EUR thousands, unless stated otherwise</i>	Number of shares	Par value per share	Share capital	Paid-in premium	Total paid-in capital
Share capital at 01.01.2023	28 538 198	NOK 2.00	5 758	97 497	103 255
Share capital increase 31 January 2023	10 606 060	NOK 2.00	1 945	30 141	32 086
Equity issue costs				-829	-829
Share capital at 31.12.2023	39 144 258	NOK 2.00	7 703	126 809	134 512

All issued shares have a par value of NOK 2.00 and are of equal rights. Integrated Wind Solutions ASA is incorporated in Norway and the share capital is denominated in NOK.

new shares at a subscription price of NOK 33 per share.

Following the registration and issuance of the shares, the share capital of the Company is NOK 78,288,516 divided into 39,144,258 shares, each with a nominal value of NOK 2.00.

Share capital increase

In January, the Company successfully raised gross proceeds of EUR 32.1 million in a private placement by issuing 10,606,060

10 largest shareholders as of 16th February 2024

Shareholder	Number of shares	Ownership (in %)
Awilco AS	15 430 999	39.4
Clearstream Banking S.A.	10 552 267	27.0
State Street Bank and Trust Company	2 780 021	7.1
Danske Invest Norge Vekst	1 824 358	4.7
Skandinaviska Enskilda Banken AB	1 764 885	4.5
J.P. Morgan SE	1 333 672	3.4
Verdipapirfondet Nordea Norge Verdi	1 229 064	3.1
Must Invest AS	667 798	1.7
Skeie Kapital AS	535 303	1.4
Verdipapirfondet Nordea Avkastning	456 913	1.2
Subtotal	36 575 280	93.4
Other shareholders	2 568 978	6.6
Total	39 144 258	100.0

Note 11 – Change of presentation currency and functional currency

IWS has, from Q4 2023, changed the presentation currency of the consolidated financial statements of the Group from Norwegian kroner (NOK) to Euro (EUR) to provide more relevant information about the Group's transactions as IWS's activities will be primarily outside of Norway going forward, with revenue and expenses increasingly being denominated in Euro. The change in presentation currency is applied retrospectively as a change in accounting policy. Comparative information has been re-presented on the following basis:

- Assets and liabilities in currencies other than EUR are translated to EUR at the closing rates of exchange on each balance sheet date.
- Non-EUR income and expenditure are translated at the average exchange rates prevailing for the relevant quarter.
- Share capital and the share premium reserve have been translated at the rates on the date of each equity transaction.

- The differences between the translation of assets, liabilities, share capital and the share premium reserve have been accounted for in equity within the translation reserve.

The Group will present its consolidated financial statements for the year ended 31 December 2023 in Euro.

The parent company of the Group and IWS Fleet subsidiaries changed their functional currency from NOK to EUR on 1 October 2023, which is accounted for prospectively. It was assessed that the primary economic environment of each of these companies is EUR as they enter the next phase of development, with the delivery of the first vessel, the commencement of vessel operations and the drawdown of debt. Cash flow hedge accounting with EUR-denominated hedging instruments and EUR-denominated hedged items does not have an impact after the change of the functional currency and the related cash flow hedge reserve at the date of the change of functional currency has been transferred to translation differences.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME	EUR thousands		NOK thousands	
	Q4 2022	2022	Q4 2022	2022
Total revenue	5 123	21 711	53 226	219 251
Operating expenses	-5 496	-23 557	-57 122	-237 855
Earnings before interest and taxes and dep. (EBITDA)	-373	-1 846	-3 896	-18 604
Depreciation and amortisation	-159	-594	-1 646	-6 000
Earnings before interest and taxes (EBIT)	-532	-2 440	-5 542	-24 604
Net finance income	160	60	1 672	659
Loss before taxes	-372	-2 380	-3 870	-23 945
Income tax expense	-8	-78	-65	-774
Loss for the period	-380	-2 458	-3 935	-24 719

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME	EUR thousands		NOK thousands	
	Q4 2022	2022	Q4 2022	2022
Loss for the period	-380	-2 458	-3 935	-24 719
<i>Cash flow hedge, net of tax effect</i>	246	2 172	2 587	22 252
<i>Exchange differences on translation</i>	487	-5 648	-1 954	9 205
Total comprehensive income	353	-5 934	-3 302	6 738
Attributable to shareholders of the parent	178	-6 118	-4 967	3 426

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION	EUR thousands		NOK thousands	
	31.12.2022	01.01.2022	31.12.2022	01.01.2022
ASSETS				
Vessels under construction	50 674	9 077	532 776	90 671
Other fixed assets	255	192	2 681	1 913
Intangible assets	6 336	6 817	66 611	68 093
Investments accounted for using the equity method	12 754	13 109	134 090	130 942
Other non-current assets	843	333	8 873	3 327
Total non-current assets	70 862	29 528	745 031	294 946
Contract assets	2 904	3 050	30 531	30 469
Trade receivables	7 504	3 772	78 888	37 682
Other current assets	583	404	6 134	4 024
Cash and cash equivalents	23 589	38 931	248 007	388 876
Total current assets	34 580	46 157	363 560	461 051
Total assets	105 442	75 685	1 108 591	755 997
EQUITY AND LIABILITIES				
Equity	97 820	68 644	1 028 461	685 668
Total equity	97 820	68 644	1 028 461	685 668
Non-current interest-bearing debt	44	1 428	468	14 263
Other non-current liabilities	666	443	6 993	4 428
Total non-current liabilities	710	1 871	7 461	18 691
Trade payables	1 607	2 768	16 901	27 650
Current interest-bearing debt	1 621	542	17 042	5 410
Other current liabilities	3 684	1 860	38 726	18 578
Total current liabilities	6 912	5 170	72 669	51 638
Total equity and liabilities	105 442	75 685	1 108 591	755 997

INTERIM CONDENSED STATEMENT OF CASH FLOW	EUR thousands		NOK thousands	
	Q4 2022	2022	Q4 2022	2022
Loss before tax	-372	-2 380	-3 870	-23 945
Depreciation and amortisation	159	594	1 646	6 000
Increase (-)/decrease (+) in trade and other receivables	-3400	-4 185	-35 322	-43 112
Increase (+)/decrease (-) in trade and other payables	10	176	108	1 745
Net profit from associates	-48	-367	-500	-3 685
Net cash flow from operating activities	-3 651	-6 162	-37 938	-62 997
Net cash flow from investing activities	-14 856	-43 526	-154 379	-439 589
Net cash flow from financing activities	623	33 817	6 468	336 606
Cash and cash equivalents at the beginning of the period	41 372	38 931	437 868	388 876
Net increase/(decrease) in cash and cash equivalents	-17 884	-15 871	-185 849	-165 980
Exchange rate effects	101	529	-4 012	25 111
Cash and cash equivalents at the end of the period	23 589	23 589	248 007	248 007

Note 12 – Subsequent events

Vessels under construction

IWS Skywalker arrived in Hanstholm, Denmark in February, where it is undergoing final quayside preparations before commencing its first contract at the Dogger Bank Wind Farm. The naming ceremony of IWS Skywalker will take place on 27 February 2024 at Hanstholm Harbour.

IWS is in final negotiations to extend its two newbuilding options, which had original expiration dates in February and August 2024, respectively.

The Group Announced on 20th February 2024 that it has entered into a time charter contract at market terms with TenneT TSO B.V., a leading European Transmission System Operator owned by the Dutch government. The charter contract has a minimum duration of 4 months and will commence at the end of May 2024 after IWS Windwalker arrives in Europe.

Chartering

The Group announced on 2nd February 2024 that it has entered into a frame term agreement with Siemens Gamesa Renewable Energy A/S, one of the leading turbine manufacturers in the industry. IWS Fleet will, under the agreement, provide the Skywalker-class walk-to-work CSOVs to support offshore turbine commissioning works across multiple Siemens Gamesa offshore projects in European waters over a three-year period starting in 2025. In addition to this, IWS Fleet has a first right of refusal to provide added vessel capacity if Siemens Gamesa has further requirements.

APPENDIX A – ALTERNATIVE PERFORMANCE MEASURE

Alternative performance measures (APMs), i.e. financial performance measures not within the applicable financial reporting framework, are used by the Group to provide supplemental information to the stakeholders. Financial APMs are intended to enhance the comparability of the results and cash flows from period to period, and it is the Group's experience that these are frequently used by analysts and investors.

The APMs are adjusted IFRS measures that are defined, calculated, and used consistently over time. Operational measures such as, but not limited to, volumes and utilisation are not defined as financial APMs. Financial APMs should not be considered as a substitute for measures of performance in accordance with IFRS. Disclosures of APMs are subject to established internal control procedures.

The Group's financial APMs are:

- EBIT: Operating revenue - Operating expenses - Administration expenses - Depreciation and amortisation
- EBITDA: EBIT + Depreciation and amortisation
- Interest-bearing debt: Long-term interest-bearing debt + Short-term interest-bearing debt + Pension liabilities
- Book equity ratio: Total equity / Total assets

The reconciliation of Total revenue, EBIT and EBITDA with IFRS figures can be derived directly from the Group's consolidated Income Statement.

