

# Financial Report

2024

Integrated  
Wind  
Solutions





# INTERIM FINANCIAL REPORT

## Q1 2024<sup>1</sup>

### RECENT HIGHLIGHTS

- Total revenue of EUR 5.4m for Q1 2024, a 16% reduction from Q4 2023 and a 7% reduction compared with Q1 2023.
- IWS Services revenue of EUR 4.6m in Q1 2024, a decrease of 24% from Q4 2023, due to the nature of the project-driven construction business. However, the backlog remains strong, and the full year guidance remains unchanged.
- PEAK Wind continues its strong growth with an increase in net revenue for Q1 by 23% compared with Q1 2023. The Group's share of the net profit in Q1 2024 was EUR 0.3m, before EUR -0.1m amortisation of acquisition-related intangible assets.
- Group EBITDA of EUR -3.2m for Q1 2024 compared with EUR -0.2m in Q4 2023 and EUR -1.0m in Q1 2023. The result was impacted by the project-driven construction business and activities in the quarter prior to vessel operations from Q2 onward.
- IWS Fleet took delivery of IWS Windwalker on 26 March. The vessel arrived in Denmark on 25 May and is undergoing final quayside preparations before commencing its charter contract with TenneT TSO in June.
- IWS Skywalker started its first charter contract at the Dogger Bank Wind Farm on 31 March and has commercially performed to our full satisfaction up to the date of this report.
- IWS Fleet has on 2 February entered 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. The first charter contract under the frame term agreement was signed on 25 March.
- IWS Fleet has on 20 February entered a time charter contract at market terms for a minimum of 4 months that will start in June with TenneT TSO B.V., a leading European Transmission System Operator owned by the Dutch government.
- IWS announced on 27 May that it has entered a strategic partnership with Sumitomo Corporation ("Sumitomo"). IWS Fleet AS will raise EUR 60 million in equity by issuing new shares to Sumitomo based on a pre-money valuation of EUR 176 million. Upon completion of the transaction, Sumitomo will own 25.38% of IWS Fleet AS, with Integrated Wind Solutions ASA ("the Company") continuing to own the remaining shares. In partnership with Sumitomo, we are looking forward to continuing to build IWS Fleet and exploring further expansion opportunities.

Lars-Henrik Røren, CEO, commented: "We leave an eventful first quarter behind with our first newbuilding, IWS Skywalker, having commenced operation at Dogger Bank Wind Farm, and the successful delivery of the IWS Windwalker with subsequent mobilisation to Europe. We are pleased to see our focus on growth and financing initiatives result in the strategic partnership agreement with the Japanese integrated trading company Sumitomo Corporation. IWS Services experienced a soft Q1; although the project-driven business model will experience quarterly earnings fluctuations, we have initiated strategic measures to improve profitability. We also keep our 2024 guidance unchanged, with a record year in terms of revenues backed by firm orders. IWS is now on a solid business- and financial track, and we are continuously exploring further growth of the Group."

<sup>1</sup> 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 two vessels delivered and an additional four under construction at the leading shipyard CMI. Upon completion of the announced transaction, Sumitomo will have an ownership interest of 25.38% of IWS Fleet.

For IWS Services<sup>2</sup>, the two Danish offshore wind service/consulting companies ProCon Group ApS<sup>3</sup> (“ProCon”) and Green Ducklings A/S<sup>4</sup> (“Green Ducklings”) form the base of the supply chain service offerings.

The 30%<sup>5</sup> 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 Windwalker in transit*



*IWS Windwalker in Port of Hanstholm*



<sup>2</sup> 97% owned by Integrated Wind Solutions ASA

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

<sup>4</sup> 100% of the voting shares

<sup>5</sup> 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. Yearly installation capacity is expected to double over the next few years, from a forecast 5 GW in 2024 to 12 GW of new capacity by 2026. It will then remain stable at around 10 GW annually until 2029, when we expect a jump in installations to about 20 GW. Overall, the expected Compound Annual Growth Rate (CAGR) towards 2030 will be 32% 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 cumulative installations anticipated by 2030 out of a predicted about 137 GW total offshore wind capacity (excluding China). APAC is expected to become the second-largest region, with a development target of 17 GW by 2030, followed by the Americas with 12 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, and on 22nd of April 2024, Denmark opened for the auction of 6 GW of offshore wind, the largest auction round in the country to date. The Danish auction further requires the developers to have the projects commissioned by the end of 2030.

## 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 Baltic Towers is building another factory in Gdansk. Three new foundation manufacturing facilities are being built by Sif in Rotterdam (scheduled to go into operation in July 2024), Baltic Structures in Esbjerg (proposed but awaits FID) and SeAH Wind in the UK (planned to commence production by 2025).

Accelerated supply chain investments across most major components will be required to tackle bottlenecks looming on the horizon, especially from 2027 onward. Floating wind is still at an early stage with planned auctions in the UK, France, Norway, Portugal, and Italy, but project economics, supply chain, and grid issues hinder developments.

## 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.

Despite challenges, developers still hold interest in the US market. On February 29, 2024, New York Governor Hochul announced that NYSERDA had competitively selected two offshore wind projects as a result of its fourth offshore wind solicitation, Empire Wind 1 (Equinor - planned 810 MW), and Sunrise Wind (Ørsted and Eversource - planned 924 MW).

Following the good news of the fourth solicitation however, market uncertainty in the US continues as New York State Energy Research and Development Authority (NYSERDA) has cancelled three projects with a combined capacity of over 4 GW. The cancellation is a direct result of GE abandoning the 18MW platform, forcing NYSERDA to recall the provisional award of \$300 million to support the GE Vernova nacelle and blade facilities. To stay on track for their ambition of 9 GW OFW by 2035, NYSERDA recently announced that the state is to issue a fifth solicitation (NY5) for OFW this summer.

The US federal government recently laid out a five-year blueprint for offshore wind lease auctions across the United States. The plan could see as many as 12 separate auctions conducted over the next five years. The leasing schedule includes four potential offshore lease sales in 2024, one each in 2025 and 2026, two in 2027, and four in 2028.

# MARKET OBSERVATIONS



## *Market for C/SOVs*

The development pipeline and future ambitions for offshore wind continue to increase demand for CSOVs in the short term, and also in the long term. With increasing development and a larger base of installed offshore turbines, demand for CSOVs is set to be strong in the construction, commissioning, and operations and maintenance ("O&M") phases, particularly in Europe.

Going into the traditionally busiest season for installations, most key vessel segments, including those for offshore wind as well as oil and gas and subsea, remain fully utilised.

The global fleet of CSOVs and SOVs amounts to 46 vessels in operation of which 35 are considered Tier 1 and 11 as Tier 2 (including IWS Windwalker for this purpose). The total orderbook consists of 54 vessels, of which four belong to IWS.

According to Clarksons, the demand for CSOVs has been unusually high throughout the winter months. Offshore markets have experienced strong demand, and expectations for charter rates in the summer of 2024 are similar to the high charter rates in the summer of 2023.

The limited vessel availability has led charterers to secure tonnage earlier, such as our own unprecedented frame term agreement with Siemens Gamesa Renewable Energy A/S for 2025-2027.

The CSOV market maintains its appealing growth trajectory. With ongoing expansion in offshore wind projects and a significant number of government auctions anticipated this year, the business environment remains favourable for O&M service vessels.

# MAIN EVENTS DURING Q1 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 Group also has options for two additional vessels.

The first vessel, IWS Skywalker, commenced its maiden contract on 31 March at the Dogger Bank Wind Farm. This is the first out of three separate charter contracts at Dogger Bank Wind Farm.

The second vessel, IWS Windwalker, was delivered on 26 March and is currently undergoing final quayside preparations before commencing its charter contract with TenneT TSO in June.

The third vessel, IWS Seawalker completed sea trials at the beginning of May and is scheduled for delivery in Q3 2024. The delivery of the fourth vessel, IWS Starwalker, will follow about three months thereafter.

The fifth and sixth vessels, IWS Moonwalker and IWS Sunwalker, had their keels laid in April, and their construction is progressing according to schedule.

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.

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 5 and 6.

## *Financing*

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

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.

The Group announced on 27 May that it has entered a strategic partnership with Sumitomo Corporation. IWS Fleet AS will raise EUR 60 million by issuing new shares to Sumitomo. Upon completion of the transaction, Sumitomo will own 25.38% of

the shares of IWS Fleet AS, with the Company continuing to own the remaining shares.

IWS and Sumitomo share ambitions in the offshore wind industry and will together explore further expansion opportunities. The proceeds from the share issue will place IWS Fleet in a strong financial position.

## *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. The first charter contract under the frame term agreement was signed on 25 March.

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 in June.

IWS Skywalker started its first out of three separate charter contracts at Dogger Bank Wind Farm in March 2024 and has performed with 100% commercial uptime up to the date of this report.

The Group also has a charter contract with Asso.subsea Single Member S.A. of Greece for up to eight months, starting in Q4 2024/Q1 2025.

## FINANCIAL REVIEW

### *Income statement*

Total revenue for the first quarter of 2024 was EUR 5.4 million (Q4: EUR 6.5 million), of which IWS Services contributed EUR 4.6 million, IWS Fleet contributed EUR 0.6 million from the mobilisation of IWS Skywalker on its first charter contract and 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 of PEAK Wind in the first quarter of 2024 was EUR 0.3 million before EUR -0.1 million amortisation of acquisition-related intangible assets (EUR 0.3 million before EUR -0.1 million amortisation in Q4). IWS has a fixed-price option to acquire additional shares of PEAK Wind, which is valued at EUR 1.2 million on the balance sheet.

Operating expenses for the first quarter of 2024 were EUR 8.6 million compared with EUR 6.7 million in the previous quarter. The increase is due to higher personnel expenses in the quarter, including bonuses, and vessel operating expenses.

Group EBITDA was EUR -3.2 million for the first quarter of 2024 compared with EUR -0.2 million in the previous quarter. IWS Services and PEAK Wind contributed EUR -1.0 million (Q4: EUR 0.6 million) and EUR 0.2 million (Q4: EUR 0.2 million), respectively, with the other Group entities contributing a combined EBITDA of EUR -2.4 million (Q4: EUR -1.0 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 loss for the first quarter of 2024 was EUR -2.8 million compared with a net profit of EUR 0.7 million in the fourth quarter. The EUR 3.5 million difference primarily relates to the higher personnel expenses in the quarter, including bonuses, vessel opex, fluctuations in the project-driven business in IWS Services, and the Q4 fair value gain on the PEAK Wind option.

### *Liquidity and financial position*

Total cash and cash equivalents amounted to EUR 26.9 million at quarter-end, down from EUR 31.0 million at the year-end. The net decrease is explained primarily by capital expenditure on vessels under construction financed by the drawdown of the second tranche of the Green Senior Secured Credit Facility.

The carrying value of vessels is EUR 48.2 million, as IWS Skywalker has been reclassified from vessels under construction. The carrying value of vessels under construction of EUR 78.9 million includes yard instalments on the remaining five CSOVs, and accumulated directly attributable project costs and borrowing costs during the construction period. It has decreased from EUR 95.7 million at year-end primarily as a result of the completion of IWS Skywalker, and the payment of the delivery instalment of IWS Windwalker in March. Details on the payment structure of the newbuilding contracts are found in *Note 8 – Commitments and contingencies*.

Other fixed assets of EUR 1.6 million include office and vehicle leases (Q4: EUR 1.7 million).

The intangible assets of EUR 6.1 million include goodwill and other acquisition-related intangible assets (Q4: EUR 6.2 million).

Other non-current assets of EUR 0.7 million relate to borrowing costs paid on the undrawn tranches of the Green Senior Secured Credit Facility, which are amortised over the term of the facility and capitalised as borrowing costs during the period of construction of the vessels (Q4: EUR 0.9 million).

Trade receivables and contract assets of EUR 8.5 million and EUR 0.9 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 (Q4: EUR 5.1 million and EUR 4.4 million, respectively).

Interest-bearing debt includes the Green Senior Secured Credit Facility of EUR 54.8 million and lease liabilities of EUR 1.4 million for offices, vehicles and office equipment and an overdraft facility of EUR 1.4 million.

Other non-current liabilities of EUR 0.9 million relate to the fair value of synthetic share options granted under the Group's long-term incentive plan that become exercisable after more than 12 months, and pensions.

Book equity on 31 March 2024 was EUR 120.4 million, and total assets were EUR 188.5 million, giving an equity ratio of 64% at quarter-end (Q4: 77%).

## OUTLOOK

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

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.

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.

Our first vessel, IWS Skywalker, commenced its first out of three Dogger Bank Wind Farm contracts in March 2024 with 100% commercial uptime up to the date of this report. IWS Windwalker was delivered from the shipyard in March 2024 and is undergoing final quayside preparations in Denmark before starting its charter contract with TenneT TSO in June.

The third vessel, IWS Seawalker is scheduled for delivery in Q3. The delivery of the fourth vessel, IWS Starwalker, will follow after about three months. The fifth and sixth vessels, 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 is well-positioned to achieve revenue growth of more than 20% in 2024 backed by secured projects.

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 is well-positioned to achieve revenue growth of more than 20% in 2024.

IWS Fleet will continue to ramp up operations, which will contribute to the Group reporting a net profit from Q3. The Group's net profit will continue to improve as further vessels enter operation in 2024 and 2025.



## STATEMENT OF RESPONSIBILITY

We confirm, to the best of our knowledge, that the condensed set of financial statements for the first quarter of 2024 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, 30 May 2024

Sigurd E. Thorvildsen  
*Chair of the Board*

Jens-Julius Ramdahl Nygaard  
*Board member*

Synne Syrrist  
*Board member*

Cathrine Haavind  
*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	Q4 2023	Q1 2024	Q1 2023	2023
Operating revenue	2	6 263	5 226	5 643	22 600
Share of net profit of associates	5	196	175	168	370
<b>Total revenue</b>		<b>6 459</b>	<b>5 401</b>	<b>5 811</b>	<b>22 970</b>
Operating expenses	2	-6 696	-8 575	-6 849	-25 618
<b>Earnings before interest, taxes and dep. (EBITDA)</b>		<b>-237</b>	<b>-3 174</b>	<b>-1 038</b>	<b>-2 648</b>
Depreciation and amortisation	3	-177	-153	-97	-557
<b>Earnings before interest and taxes (EBIT)</b>		<b>-414</b>	<b>-3 327</b>	<b>-1 135</b>	<b>-3 205</b>
Finance income	5	1 489	267	206	2 239
Finance expenses		-60	-79	-48	-229
Net foreign currency exchange gains		-195	99	366	174
<b>Net finance income</b>		<b>1 234</b>	<b>287</b>	<b>524</b>	<b>2 184</b>
<b>Profit before taxes</b>		<b>820</b>	<b>-3 040</b>	<b>-611</b>	<b>-1 021</b>
Income tax expense	4	-89	236	-39	-159
<b>Profit for the period</b>		<b>731</b>	<b>-2 804</b>	<b>-650</b>	<b>-1 180</b>
Attributable to non-controlling interests		53	-198	69	119
Attributable to shareholders of the parent		678	-2 606	-719	-1 299
Weighted average number of shares		39 144 258	39 144 258	35 491 060	38 243 469
Basic and diluted earnings per share in EUR		0.02	-0.07	-0.02	-0.03

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(interim financial information is unaudited)

<i>In EUR thousands</i>	Note	Q4 2023	Q1 2024	Q1 2023	2023
Profit for the period		731	-2 804	-650	-1 180
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
<i>Cash flow hedge, net of tax effect</i>	8	80	120	1 572	1 643
<i>Exchange differences on translation</i>		-9	-20	-6 706	-5 593
<b>Total comprehensive income</b>		<b>802</b>	<b>-2 704</b>	<b>-5 784</b>	<b>-5 130</b>
Attributable to non-controlling interests		70	-167	88	200
Attributable to shareholders of the parent		732	-2 537	-5 872	-5 330

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

<i>In EUR thousands</i>	Note	31.03.2024	31.12.2023	31.03.2023
<b>ASSETS</b>				
<b>Non-current assets</b>				
Vessels	3	48 204	-	-
Vessels under construction	3	78 928	95 672	57 714
Other fixed assets	3	1 639	1 692	368
Intangible assets	3	6 117	6 158	6 273
Investments accounted for using the equity method	5	13 293	13 127	12 901
Deferred tax assets	4	253	201	588
Other non-current assets		680	915	172
<b>Total non-current assets</b>		<b>149 114</b>	<b>117 765</b>	<b>78 016</b>
<b>Current assets</b>				
Contract assets		852	4 431	4 581
Trade receivables		8 471	5 127	4 555
Other current assets		3 147	1 852	495
Cash and cash equivalents	6	26 873	30 975	43 318
<b>Total current assets</b>		<b>39 343</b>	<b>42 385</b>	<b>52 949</b>
<b>Total assets</b>		<b>188 457</b>	<b>160 150</b>	<b>130 965</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	10	7 703	7 703	7 703
Share premium reserve	10	126 809	126 809	126 809
Retained earnings/other comprehensive income		-17 088	-14 551	-14 216
Non-controlling interests		2 941	3 108	2 997
<b>Total equity</b>		<b>120 365</b>	<b>123 069</b>	<b>123 293</b>
<b>Non-current liabilities</b>				
Non-current interest-bearing debt	7	49 397	25 658	77
Deferred tax liability	4	268	420	367
Other non-current liabilities		912	745	413
<b>Total non-current liabilities</b>		<b>50 577</b>	<b>26 823</b>	<b>857</b>
<b>Current liabilities</b>				
Trade payables		5 418	1 689	1 754
Current interest-bearing debt	7	8 266	4 240	1 975
Other current liabilities		3 831	4 329	3 086
<b>Total current liabilities</b>		<b>17 515</b>	<b>10 258</b>	<b>6 815</b>
<b>Total equity and liabilities</b>		<b>188 457</b>	<b>160 150</b>	<b>130 965</b>

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

In EUR thousands

	Note	Q4 2023	Q1 2024	Q1 2023	2023
<b>Cash flow from operating activities</b>					
Profit before tax		820	-3 040	-611	-1 021
Depreciation and amortisation	3	177	153	97	557
Gain on disposal of property, plant and equipment		-9	-	-	-40
Net profit from associates	5	-196	-175	-168	-370
Fair value gain on financial instruments	5	-1 200	-	-	-1 200
Increase (-)/decrease (+) in trade and other receivables		-351	-1 062	530	782
Increase (+)/decrease (-) in trade and other payables		924	3 329	-19	763
Taxes paid		-165	-	-	-165
<b>Net cash flow from operating activities</b>		<b>0</b>	<b>-795</b>	<b>-171</b>	<b>-694</b>
<b>Cash flow from investing activities</b>					
Purchase of property, plant and equipment	3	-30 656	-31 339	-11 102	-49 059
Proceeds from sale of property, plant and equipment	3	-	-	-	53
Dividends received from associate		-	-	-	-
<b>Net cash flow from investing activities</b>		<b>-30 656</b>	<b>-31 339</b>	<b>-11 102</b>	<b>-49 006</b>
<b>Cash flow from financing activities</b>					
Proceeds from issue of share capital/minority shareholder		-	-	32 086	32 086
Equity issue costs		-	-	-829	-829
Proceeds from (+)/repayment of (-) borrowings and loan fees	7	28 282	28 173	386	25 656
Government grants		181	-	-	516
Payment of lease liabilities		-80	-111	-18	-274
<b>Net cash flow from financing activities</b>		<b>28 383</b>	<b>28 062</b>	<b>31 625</b>	<b>57 155</b>
Cash and cash equivalents at the beginning of the period		33 169	30 975	23 589	23 589
Net increase/(decrease) in cash and cash equivalents		-2 273	-4 072	20 352	7 455
Exchange rate effects		79	-30	-623	-69
<b>Cash and cash equivalents at the end of the period</b>	6	<b>30 975</b>	<b>26 873</b>	<b>43 318</b>	<b>30 975</b>



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

In EUR thousands	Attributable to owners of the Company					NCI	Total equity
	Share capital	Share premium reserve	Hedging reserve	Other equity	Total		
<b>Equity at 01.01.2023</b>	<b>5 758</b>	<b>97 497</b>	<b>1 114</b>	<b>-9 458</b>	<b>94 911</b>	<b>2 909</b>	<b>97 820</b>
Profit for the period	-	-	-	-719	-719	69	-650
Other comprehensive income	-	-	1 499	-6 652	-5 153	19	-5 134
Equity issue per 31.01.2023	1 945	30 141	-	-	32 086	-	32 086
Equity issue costs	-	-829	-	-	-829	-	-829
<b>Total equity at 31.03.2023</b>	<b>7 703</b>	<b>126 809</b>	<b>2 613</b>	<b>-16 829</b>	<b>120 296</b>	<b>2 997</b>	<b>123 293</b>
<b>Equity at 01.01.2024</b>	<b>7 703</b>	<b>126 809</b>	<b>152</b>	<b>-14 703</b>	<b>119 961</b>	<b>3 108</b>	<b>123 069</b>
Profit/Loss for the period	-	-	-	-2 606	-2 606	-198	-2 804
Other comprehensive income	-	-	87	-18	69	31	100
<b>Total equity at 31.03.2024</b>	<b>7 703</b>	<b>126 809</b>	<b>239</b>	<b>-17 327</b>	<b>117 424</b>	<b>2 941</b>	<b>120 365</b>

# 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 2023.

Revenue and operating expenses include the sale of the vessel's fuel inventory to the customer at the inception of a charter contract. The Group recognises as revenue the net margin when fuel is purchased on behalf of a customer.

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 2023, 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 first quarter of 2024.

## 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 Q1 2024 and Q1 2023, respectively:

	IWS Fleet		IWS Services		Group functions/ eliminations <sup>6</sup>		Consolidated	
<i>In EUR thousands</i>	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023
External customer revenue	571	-	4 569	5 618	86	25	5 226	5 643
Share of profit of associate PEAK Wind <sup>7</sup>	-	-	-	-	175	168	175	168
Operating expenses	-1 091	-169	-5 527	-5 281	-1 957	-1 399	-8 575	-6 849
<b>EBITDA</b>	<b>-520</b>	<b>-169</b>	<b>-958</b>	<b>337</b>	<b>-1 696</b>	<b>-1 206</b>	<b>-3 174</b>	<b>-1 038</b>
Depreciation and amortisation	-	-	-87	-97	-66	-	-153	-97
<b>EBIT</b>	<b>-520</b>	<b>-169</b>	<b>-1 045</b>	<b>240</b>	<b>-1 762</b>	<b>-1 206</b>	<b>-3 327</b>	<b>-1 135</b>
Net finance income	505	7	36	-63	-254	580	287	524
<b>Profit before tax</b>	<b>-15</b>	<b>-162</b>	<b>-1 009</b>	<b>177</b>	<b>-2 016</b>	<b>-626</b>	<b>-3 040</b>	<b>-611</b>

The following table presents assets and liabilities information for the Group's operating segments as of 31 March 2024 and 2023, respectively:

<i>In EUR thousands</i>	IWS Fleet	IWS Services	Group functions/ eliminations <sup>6</sup>	Consolidated
<b>Segment assets</b>				
31 March 2024	137 556	20 200	30 701	188 457
31 March 2023	50 710	20 947	59 308	130 965
<b>Segment liabilities</b>				
31 March 2024	60 501	4 689	2 902	68 092
31 March 2023	1 416	5 101	1 155	7 672

<sup>6</sup> Group functions/eliminations include revenue, expenses, assets, and liabilities of the parent company.

<sup>7</sup> The Group's share of the net profit in PEAK Wind for the first quarter of 2024 is net of EUR -0.1 million amortisation of acquisition-related intangible assets (EUR -0.1 million in Q1 2023).

## Note 3 – Tangible and intangible non-current assets

<i>In EUR thousands</i>	Vessels	Vessels under construction	Leased fixed assets	Other fixed assets	Intangible assets	Total
<b>Acquisition cost at 01.01.2024</b>	-	95 672	1 755	410	7 004	104 841
Acquisitions/instalments in the period	-	31 460	-	64	-	31 524
Reclassifications	48 204	-48 204	-	-	-	-
Disposals in the period	-	-	-22	-	-	-22
Foreign exchange translation adjustments	-	-	-	-	-5	-5
<b>Acquisition cost at 31.03.2024</b>	<b>48 204</b>	<b>78 928</b>	<b>1 733</b>	<b>474</b>	<b>6 999</b>	<b>136 338</b>
<b>Accumulated depreciation at 01.01.2024</b>	-	-	-272	-201	-846	-1 319
Depreciation and amortisation	-	-	-95	-22	-36	-153
Disposals in the period	-	-	22	-	-	22
Foreign exchange translation adjustments	-	-	-	-	-	-
<b>Accumulated depreciation at 31.03.2024</b>	-	-	-345	-223	-882	-1 450
<b>Net carrying amount at 31.03.2024</b>	<b>48 204</b>	<b>78 928</b>	<b>1 388</b>	<b>251</b>	<b>6 117</b>	<b>134 888</b>

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 was reclassified from Vessels under construction to Vessels when it was available for intended use on 31 March 2024 and will be depreciated from 1 April 2024. IWS Windwalker was delivered from the yard and will be reclassified from Vessels under construction to Vessels when it is available for its intended use. Borrowing costs of EUR 0.4 million relating to the Green Senior Secured Credit Facility have been capitalised in Q1 2024 (EUR 0.2 million in Q1 2023).

Depreciation commences when the vessels are available for their intended use. Depreciation is calculated on a straight-line basis over the useful life of the assets. Expected useful lives for vessels and dry-docking are 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>	Q1 2024	Q1 2023
Current income tax	-	-
Changes in deferred tax	236	-39
<b>Total income tax expense</b>	<b>236</b>	<b>-39</b>

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>	2024	2023
Book value 01.01	13 096	12 754
Share of profit	260	252
Depreciation excess values	-85	-85
Exchange rate differences	-9	-20
<b>Book value 31.03</b>	<b>13 262</b>	<b>12 901</b>
Peak Wind Group ApS net assets (100% basis)	15 968	14 727
Group's share of net assets (30%)	4 790	4 418
Goodwill	8 472	8 483
<b>Book value 31.03</b>	<b>13 262</b>	<b>12 901</b>

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 option is valued

at EUR 1.2m and is included within other current assets in the consolidated statement of financial position.

### Havfram Fleet Management AS

<i>In EUR thousands</i>	2024	2023
Book value 01.01	31	-
Share of profit	-	-
<b>Book value 31.03</b>	<b>31</b>	<b>-</b>

## Note 6 – Cash and cash equivalents

<i>In EUR thousands</i>	31.03.2024	31.12.2023	31.03.2023
Bank deposits denominated in NOK	1 096	1 079	4 973
Bank deposits denominated in NOK, restricted	93	130	276
Bank deposits denominated in DKK	2 885	3 255	3 057
Bank deposits denominated in EUR	21 249	26 030	34 033
Bank deposits denominated in other currencies	1 550	481	979
<b>Total cash and cash equivalents</b>	<b>26 873</b>	<b>30 975</b>	<b>43 318</b>

## Note 7 – Interest-bearing debt

<i>In EUR thousands</i>	31.03.2024	31.12.2023	31.03.2023
Borrowings	48 388	24 570	-
Lease liabilities	1 009	1 088	77
<b>Non-current interest-bearing debt</b>	<b>49 397</b>	<b>25 658</b>	<b>77</b>
Borrowings	6 455	3 261	-
Lease liabilities	411	416	74
Bank overdraft	1 400	563	1 901
<b>Current interest-bearing debt</b>	<b>8 266</b>	<b>4 240</b>	<b>1 975</b>
<b>Total interest-bearing debt</b>	<b>57 663</b>	<b>29 898</b>	<b>2 052</b>

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 second tranche of the facility, EUR 28.1 million, was drawn down in the first

quarter of 2024 to finance the delivery of IWS Windwalker from the yard. The facility 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*

The remaining instalments to the yard CMI for vessels under construction amount to EUR 169.6 million, of which EUR 89.9 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 01.01.2024	39 144 258	NOK 2.00	7 703	126 809	134 512
<b>Share capital at 31.03.2024</b>	<b>39 144 258</b>	<b>NOK 2.00</b>	<b>7 703</b>	<b>126 809</b>	<b>134 512</b>

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

### *10 largest shareholders as of 22<sup>nd</sup> May 2024*

Shareholder	Number of shares	Ownership (in %)
Awilco AS	15 430 999	39.4
Clearstream Banking S.A.	10 553 767	27.0
State Street Bank and Trust Company	2 780 021	7.1
Skandinaviska Enskilda Banken AB	1 893 000	4.8
Danske Invest Norge Vekst	1 774 358	4.5
J.P. Morgan SE	1 397 572	3.6
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
<b>Subtotal</b>	<b>36 718 795</b>	<b>93.8</b>
Other shareholders	2 425 463	6.2
<b>Total</b>	<b>39 144 258</b>	<b>100.0</b>

## Note 11 – Subsequent events

### *Vessels*

IWS held the naming ceremony of IWS Windwalker on 28 May in Denmark as the vessel was undergoing final quayside preparations before commencing its charter contract with TenneT TSO.

IWS Seawalker completed sea trials at the beginning of May, and IWS Starwalker is scheduled to commence sea trials in July.

IWS Moonwalker and IWS Sunwalker had their keel laying ceremonies in April, and their construction is progressing according to schedule.

### *Strategic Partnership*

IWS announced on 27 May that it has entered a strategic partnership with Sumitomo Corporation (“Sumitomo”). IWS Fleet AS will raise EUR 60 million in equity by issuing new shares to Sumitomo based on a pre-money valuation of EUR 176 million. Upon completion of the transaction, expected in June, Sumitomo will own 25.38% of IWS Fleet AS, with Integrated Wind Solutions ASA (“the Company”) continuing to own the remaining shares.



## 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.

