



## INTERIM FINANCIAL REPORT FIRST HALF 2021

### HIGHLIGHTS <sup>1)</sup>

- Private placement with gross proceeds of NOK 704 million and listing on Euronext Growth Oslo completed
- First charter contract secured in April 2021 for one of the two vessels under construction. The charter contract will commence in the second quarter of 2023.
- Expected delivery dates for the first two vessels in accordance with original time schedule, which is in the first and second quarter of 2023. First instalment (10%) on the contract price paid on signing of contract in Q1 2021. Currency exposure fully hedged on second instalment (10%) payable at commencement of steel cutting in Q1 2022.
- Negotiations on acquisition of two Danish companies in the offshore wind service/consulting industry conducted in the first half of 2021. They were both announced in July 2021.

### OPERATIONS

Integrated Wind Solutions (IWS) entered in February 2021 into shipbuilding contracts for the construction and delivery of two wind farm support vessels with a contract price of EUR 43.3 million per vessel. The two vessels will be financed through a combination of debt financing and equity and are scheduled for delivery from the yard in the first and second quarter of 2023. IWS has secured options for four additional vessels.

In March 2021 IWS completed a private placement with gross proceeds of NOK 704 million giving IWS a runway to deliver both on the existing newbuilding program and to pursue growth opportunities through the acquisition of offshore wind industry service companies. IWS negotiated in the first half of 2021 the acquisition of two Danish companies in the offshore wind service/consulting industry. The acquisition of Green Ducklings A/S was announced July 15<sup>th</sup> 2021.

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<sup>1</sup> Please refer to definitions in Appendix A for descriptions of alternative performance measures

At July 2<sup>nd</sup> 2021 IWS announced the acquisition of ProCon, a Danish engineering, construction and service solution provider specialized in electrical and technical solutions to the offshore and onshore wind industry. The transaction is pending final closing.

In April 2021 IWS reached an important milestone when securing the first charter contract for one of its vessels under construction. The contract on the Dogger Bank Wind Farm has a firm duration of 546 days. In addition to 60 optional days at Dogger Bank A and B, there is also an option for 331 days at Dogger Bank C. The contract will commence in Q2 2023. The Dogger Bank Wind Farm will be located approximately 130 kilometres off the Yorkshire coast in the UK, with SSE Renewables responsible for construction and commissioning and Equinor as operator when the construction of the wind farm is completed.

## ORGANIZATION

Lars-Henrik Røren was appointed as Chief Executive Officer of IWS in March 2021. Chief Operating Officer Christopher Andersen Heidenreich, newbuild project manager and key personnel for the site team at the yard have also been employed during first half 2021. IWS entered prior to the IPO into a management services agreement with Awilhelmsen Management AS and a technical services agreement with Awilco Technical Services AS. Both companies are members of the Awilhelmsen group.

## FINANCIAL REVIEW

### *Income statement first half 2021*

Integrated Wind Solutions AS was incorporated in July 2020 and there are consequently not reported any comparative figures for the first half of 2020.

Administrative expenses increased from NOK 2.5 million in Q1 2021 to NOK 2.7 million in Q2, and mainly include salary to own employees and services rendered by Awilhelmsen Management AS and Awilco Technical Services AS.

IWS's net loss for first half 2021 was NOK 5.2 million.

The financial statements for the acquired subsidiary Green Ducklings will be included in the consolidated accounts of IWS with effect from Q3 2021.

### *Liquidity and financial position*

At the signing of the two newbuilding contracts in Q1 2021, 10% was paid as the first instalment to the yard and capitalized as "Vessels under construction" in the balance sheet. The increase in capitalized value on "Vessels under construction" of NOK 3.7 million in Q2 2021 relates to directly attributable project costs.

The reduction in "Other current liabilities" of NOK 18.3 million from 31 March to 30 June is mainly related to IPO costs which were accrued in Q1 and paid in Q2.

At 30 June 2021 consolidated cash and cash equivalents totalled NOK 593.6 million. Book equity was NOK 678.3 million and total assets were NOK 684.0 million, giving an equity ratio of 99.2% at quarter-end. IWS had no interest-bearing debt at 30 June 2021.

## STATEMENT OF RESPONSIBILITY

We confirm, to the best of our knowledge, that the condensed set of financial statements for the first half year of 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting and give a true and fair view of Integrated Wind Solution's 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, August 18, 2021

Sigurd E. Thorvildsen  
*Chairman of the Board*

Cathrine Haavind  
*Board member*

Ole Christian Hvidsten  
*Board member*

Jens-Julius Ramdahl Nygaard  
*Board member*

Daniel Gold  
*Board member*

Lars Henrik Røren  
*CEO*

## INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

| <i>In NOK thousands</i>                          | Q2 2021       | Q1 2021       | 1H 2021       | 23/07-31/12<br>2020 |
|--|---------------|---------------|---------------|---------------------|
| Operating revenue                                | 0             | 0             | 0             | 0                   |
| Operating expenses                               | 0             | 0             | 0             | 0                   |
| Administrative expenses                          | -2 674        | -2 490        | -5 164        | -24                 |
| Depreciation and amortisation                    | 0             | 0             | 0             | 0                   |
| <b>Earnings before interest and taxes (EBIT)</b> | <b>-2 674</b> | <b>-2 490</b> | <b>-5 164</b> | <b>-24</b>          |
| Finance income                                   | 0             | 1             | 1             | 0                   |
| Finance expenses                                 | -75           | -3            | -78           | -1                  |
| <b>Net finance income/(expense)</b>              | <b>-75</b>    | <b>-3</b>     | <b>-78</b>    | <b>-1</b>           |
| <b>Profit/(loss) before taxes</b>                | <b>-2 750</b> | <b>-2 492</b> | <b>-5 242</b> | <b>-26</b>          |
| Income tax expense                               | 0             | 0             | 0             | 0                   |
| <b>Profit/(loss) for the period</b>              | <b>-2 750</b> | <b>-2 492</b> | <b>-5 242</b> | <b>-26</b>          |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| <i>In NOK thousands</i>                   | Q2 2021       | Q1 2021       | 1H 2021       | 23/07-31/12<br>2020 |
|---|---------------|---------------|---------------|---------------------|
| Profit/(loss) for the period              | -2 750        | -2 492        | -5 242        | -26                 |
| Other comprehensive income                |               |               |               |                     |
| <i>Cash flow hedge, net of tax effect</i> | 761           | 0             | 761           | 0                   |
| <b>Total comprehensive income/(loss)</b>  | <b>-1 988</b> | <b>-2 492</b> | <b>-4 480</b> | <b>-26</b>          |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| <i>In NOK thousands</i>              | <b>30.06.2021</b> | <b>31.03.2021</b> | <b>31.12.2020</b> |
|--------------------------------------|-------------------|-------------------|-------------------|
| <b>ASSETS</b>                        |                   |                   |                   |
| <b>Non-current assets</b>            |                   |                   |                   |
| Vessels under construction           | 88 790            | 85 111            | 0                 |
| <b>Total non-current assets</b>      | <b>88 790</b>     | <b>85 111</b>     | <b>0</b>          |
| <b>Current assets</b>                |                   |                   |                   |
| Cash and cash equivalents            | 593 636           | 614 821           | 212               |
| Financial investments                | 976               | 0                 | 0                 |
| Other short-term assets              | 575               | 0                 | 6                 |
| <b>Total current assets</b>          | <b>595 187</b>    | <b>614 821</b>    | <b>218</b>        |
| <b>Total assets</b>                  | <b>683 977</b>    | <b>699 932</b>    | <b>218</b>        |
| <b>EQUITY AND LIABILITIES</b>        |                   |                   |                   |
| <b>Equity</b>                        |                   |                   |                   |
| Share capital                        | 35 201            | 35 000            | 100               |
| Share premium reserve                | 647 596           | 642 778           | 8                 |
| Retained earnings                    | -4 518            | -2 530            | -38               |
| <b>Total equity</b>                  | <b>678 279</b>    | <b>675 248</b>    | <b>70</b>         |
| <b>Non-current liabilities</b>       |                   |                   |                   |
| Deferred tax liability               | 215               | 0                 | 0                 |
| <b>Total non-current liabilities</b> | <b>215</b>        | <b>0</b>          | <b>0</b>          |
| <b>Current liabilities</b>           |                   |                   |                   |
| Trade payables                       | 5 168             | 6 065             | 135               |
| Other current liabilities            | 315               | 18 618            | 13                |
| <b>Total current liabilities</b>     | <b>5 482</b>      | <b>24 683</b>     | <b>147</b>        |
| <b>Total equity and liabilities</b>  | <b>683 977</b>    | <b>699 932</b>    | <b>218</b>        |

## INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

| <i>In NOK thousands</i>                                   | Q2 2021        | Q1 2021        | 1H 2021        | 23/07-31/12<br>2020 |
|---|----------------|----------------|----------------|---------------------|
| <b>Cash flow from operating activities</b>                |                |                |                |                     |
| Profit/(loss) before tax                                  | -2 750         | -2 492         | -5 242         | -26                 |
| (Increase)/decrease in prepayments and accruals           | -575           | 6              | -569           | -6                  |
| Increase/(decrease) in trade and other payables           | -19 201        | 24 536         | 5 335          | 123                 |
| <b>Net cash flow from operating activities</b>            | <b>-22 525</b> | <b>22 049</b>  | <b>-476</b>    | <b>92</b>           |
| <b>Cash flow from investing activities</b>                |                |                |                |                     |
| Purchase of property, plant and equipment                 | -3 679         | -85 111        | -88 790        | 0                   |
| (Increase)/decrease in other investments                  | 0              | 0              | 0              | 0                   |
| <b>Net cash flow from investing activities</b>            | <b>-3 679</b>  | <b>-85 111</b> | <b>-88 790</b> | <b>0</b>            |
| <b>Cash flow from financing activities</b>                |                |                |                |                     |
| Proceeds from issue of share capital                      | 4 028          | 700 000        | 704 028        | 120                 |
| Equity issue costs  | 991            | -22 330        | -21 339        | 0                   |
| <b>Net cash flow from financing activities</b>            | <b>5 019</b>   | <b>677 670</b> | <b>682 689</b> | <b>120</b>          |
| Cash and cash equivalents at beginning of the period      | 614 821        | 212            | 212            | 0                   |
| Net increase/(decrease) in cash and cash equivalents      | -21 185        | 614 609        | 593 424        | 212                 |
| <b>Cash and cash equivalents at the end of the period</b> | <b>593 636</b> | <b>614 821</b> | <b>593 636</b> | <b>212</b>          |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| <i>In NOK thousands</i>              | Share capital | Share premium reserve | Translation differences | Retained earnings | OCI <sup>2</sup> | Total equity   |
|--------------------------------------|---------------|-----------------------|-------------------------|-------------------|------------------|----------------|
| Equity at incorporation 23 July 2020 | 100           | 8                     | 0                       | 0                 | 0                | 108            |
| Total comprehensive income 2020      | 0             | 0                     | 0                       | -38               | 0                | -38            |
| <b>Total equity at 31.12.2020</b>    | <b>100</b>    | <b>8</b>              | <b>0</b>                | <b>-38</b>        | <b>0</b>         | <b>70</b>      |
| Equity issue 9 March 2021            | 9 900         | 190 100               | 0                       | 0                 | 0                | 200 000        |
| Equity issue 22 March 2021           | 25 000        | 475 000               | 0                       | 0                 | 0                | 500 000        |
| Equity issue costs                   | 0             | -22 330               | 0                       | 0                 | 0                | -22 330        |
| Total comprehensive income Q1 2021   | 0             | 0                     | 0                       | -2 492            | 0                | -2 492         |
| <b>Total equity at 31.03.2021</b>    | <b>35 000</b> | <b>642 778</b>        | <b>0</b>                | <b>-2 530</b>     | <b>0</b>         | <b>675 248</b> |
| Equity issue 29 April 2021           | 201           | 3 827                 | 0                       | 0                 | 0                | 4 028          |
| Equity issue costs                   | 0             | 991                   | 0                       | 0                 | 0                | 991            |
| Total comprehensive income Q2 2021   | 0             | 0                     | 0                       | -2 750            | 761              | -1 989         |
| <b>Total equity at 30.06.2021</b>    | <b>35 201</b> | <b>647 596</b>        | <b>0</b>                | <b>-5 279</b>     | <b>761</b>       | <b>678 279</b> |

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### Note 1 – Corporate information, basis for preparation and accounting policies

#### *Corporate information*

Integrated Wind Solutions AS (the Company) is a public limited liability company incorporated and domiciled in Norway. The Company's registered office is Beddingen 8, 0250 Oslo, Norway.

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

#### *Basis of preparation*

The Statements for the six months ended 30 June 2021 are prepared 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 interim consolidated financial statements are unaudited. The consolidated financial statements are presented in NOK rounded off to the nearest thousands, except as otherwise indicated.

The accounting policies adopted 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 2020. The Statements do however not include all of 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 period ended 31 December 2020, which includes a detailed description of the applied accounting policies.

<sup>2</sup> Other Comprehensive Income

## Note 2 – Vessels and equipment

| <i>In NOK thousands</i>                   | Vessels under construction | Other fixed assets | Total         |
|---|----------------------------|--------------------|---------------|
| Acquisition cost at 1 Jan 2021            | 0                          | 0                  | 0             |
| Acquisitions/instalments in the period    | 88 790                     | 0                  | 88 790        |
| Disposals in the period                   | 0                          | 0                  | 0             |
| <b>Acquisition cost at 30 Jun 2021</b>    | <b>88 790</b>              | <b>0</b>           | <b>88 790</b> |
| Accumulated depreciations at 30 Jun 2021  | 0                          | 0                  | 0             |
| <b>Net carrying amount at 30 Jun 2021</b> | <b>88 790</b>              | <b>0</b>           | <b>88 790</b> |

In February 2021 IWS signed two new-building contracts for purpose-built offshore windfarm service vessels. In the construction period, the carrying value of the vessels under construction will include yard instalments, other project costs, capital expenditures and capitalized interests. Depreciation commences when the vessels are available for intended use.

## Note 3 – Cash and cash equivalents

| <i>In NOK thousands</i>                      | 30.06.2021     | 31.03.2021     | 31.12.2020 |
|--|----------------|----------------|------------|
| Bank deposits denominated in NOK             | 579 526        | 614 821        | 212        |
| Bank deposits denominated in NOK, restricted | 10 156         | 0              | 0          |
| Bank deposits denominated in DKK             | 4 109          | 0              | 0          |
| <b>Total cash and cash equivalents</b>       | <b>593 636</b> | <b>614 821</b> | <b>212</b> |

## Note 4 – Commitments and contingencies

### *Shipbuilding contracts*

IWS entered in February 2021 into new-building contracts for two purpose-built offshore windfarm service vessels with scheduled delivery in the first and second quarter of 2023. The contracts are entered into with the yard China Merchants Heavy Industries Co Ltd and are based on a payment schedule where 10% is payable following signing of contract, 10% at steel cutting, 10% at launching and 70% at delivery. IWS has an option contract with the yard for potential calling of four additional vessels.

### *Forward EUR-NOK FX contract on second instalment on shipbuilding contracts*

IWS has entered into two EUR-NOK FX contracts for the second instalment on the shipbuilding contracts payable in first quarter 2022. Market value of the two contracts at 30 June 2021 was NOK 0.9 million, which is reported net of tax effect under “Other comprehensive income”.

## Note 5 – Corporation taxes

The Company’s ship-owning subsidiaries will be subject to tonnage tax. Companies subject to 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. 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.



## Note 6 – Guarantees

Awilco AS, which is the major shareholder in Integrated Wind Solutions AS, has issued a Parent Company Guarantee (PGC) in favour of the shipyard China Merchants Industries Holding Co Ltd (CMIH) related to the shipbuilding contracts signed by the two subsidiaries Awind 4 AS and Awind 5 AS. This agreement provides a guarantee which is limited to 50% of the total price of the firm units delivered from the yard, which is to be adjusted for any change orders that may arise up until delivery. The PCG will be reduced by a pro rata amount according to the instalments to the yard, which will be paid in three tranches of 10% each prior to delivery of the vessels.

The Company has provided a counter guarantee and indemnification on behalf of Awind 4 AS and Awind 5 AS in favour of Awilco AS for the PCG from Awilco AS towards CMIH which is identical to the terms in PCG.

## Note 7 – Share capital

| <i>In NOK thousands, unless stated otherwise</i> | <b>Number of shares</b> | <b>Par value per share</b> | <b>Share capital</b> | <b>Paid-in premium</b> | <b>Total paid-in capital</b> |
|--|-------------------------|----------------------------|----------------------|------------------------|------------------------------|
| Share capital at incorporation 23 July 2020      | 100 000                 |                            | 100                  | 20                     | 120                          |
| Share capital increase 9 March 2021              | 0                       |                            | 9 900                | 190 100                | 200 000                      |
| Share split 9 March 2021                         | 4 900 000               |                            |                      |                        |                              |
| Share capital increase 22 March 2021             | 12 500 000              | NOK 2.00                   | 25 000               | 475 000                | 500 000                      |
| Share capital increase 29 April 2021             | 100 698                 | NOK 2.00                   | 201                  | 3 827                  | 4 028                        |
| Equity issue costs                               |                         |                            | 0                    | -21 351                | -21 351                      |
| <b>Share capital at 30 June 2021</b>             | <b>17 600 698</b>       | <b>NOK 2.00</b>            | <b>35 201</b>        | <b>647 596</b>         | <b>682 797</b>               |

All issued shares have a par value of NOK 0.20 and are of equal rights. Integrated Wind Solutions AS is incorporated in Norway and the share capital is denominated in NOK.

## Events after the balance sheet date

### **Acquisition of offshore wind consultancy firm Green Ducklings**

On July 15<sup>th</sup> 2021 IWS acquired the Danish wind consultancy firm Green Ducklings A/S. The company provides advisory services to the offshore wind industry and will be included in the consolidated accounts of IWS with effect from Q3 2021. The settlement for the shares in Green Ducklings A/S takes place in the form of a cash consideration.

### **Acquisition of majority shareholdings in ProCon Group**

The announced acquisition July 2<sup>nd</sup> 2021 of 75% of the shares in ProCon is pending final closing of the transaction.

ProCon is an engineering, construction and service solution provider specialized in electrical and technical solutions to the offshore and onshore wind industry as well as solar power.

## APPENDIX 1 – ALTERNATIVE PERFORMANCE MEASURES

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 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 which are defined, calculated and used consistently over time. Operational measures such as, but not limited to, volumes and utilization 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 + Other non-current 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.