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Integrated Wind Solutions Group
Interim Group Financial Statement

For the period from 1 January to 31 March 2021

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Address:

Integrated Wind Solutions AS

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Integrated Wind Solutions Group

Condensed statement of income

All amounts in NOK thousands, except per share information

	01.01 - 31.03 2021 (unaudited)	23.07 - 31.12 2020
Freight income	-	-
Voyage related expenses	-	-
Other revenue	-	-
	<u>-</u>	<u>-</u>
Operating expenses vessels	-	-
Administrative expenses	2 490	24
Depreciation	-	-
	<u>2 490</u>	<u>24</u>
Operating (loss)/profit	<u>(2 490)</u>	<u>(24)</u>
Finance income	1	-
Finance expense	(3)	(1)
Net financial income / (expense)	<u>(3)</u>	<u>(1)</u>
Profit/(Loss) before tax	(2 492)	(26)
Tax benefit/ (expense)	-	-
Net profit / (loss)	<u>(2 492)</u>	<u>(26)</u>

Condensed statement of comprehensive income

Profit / (loss) for the period	<u>(2 492)</u>	<u>(26)</u>
Other comprehensive income	-	-
Total comprehensive (loss)/income	<u>(2 492)</u>	<u>(26)</u>

Condensed statement of financial position

All amounts in NOK thousands

	31.03.2021	31.12.2020
	(unaudited)	
Vessel building contracts	85 111	0
Other non-current assets	0	0
	<u>85 111</u>	<u>0</u>
Prepayments	0	0
Inventory	0	0
Other short term assets	0	6
Financial investments	0	0
Cash and cash equivalents	614 821	212
	<u>614 821</u>	<u>218</u>
Total assets	<u>699 932</u>	<u>218</u>
Share capital	35 000	100
Share premium reserve	642 778	8
Retained earnings	-2 530	-38
	<u>675 248</u>	<u>70</u>
Deferred tax liability	0	0
Long term interest bearing debt	0	0
Other non-current liabilities	0	0
	<u>0</u>	<u>0</u>
Current portion of long-term debt	0	0
Trade payables	6 065	135
Other current liabilities	18 618	13
Current tax payable	0	0
	<u>24 683</u>	<u>147</u>
Total equity and liabilities	<u>699 932</u>	<u>218</u>

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Condensed statement of changes in equity

All amounts in NOK thousands

	Share capital	Share premium reserve	Translation differences	Other equity (retained earnings)	Total equity
Equity at incorporation, 23 July 2020	100	8	0	0	108
Total comprehensive income for 2020				(38)	(38)
Equity per ending balance 31.12.2020	100	8	0	(38)	70
Equity issue per 9 March 2021	9 900	190 100	0	0	200 000
Equity issue per 22 March 2021	25 000	475 000	0	0	500 000
Equity issue costs	0	(22 330)	0	0	(22 330)
Total comprehensive income for 2021	0	0	0	(2 492)	(2 492)
Equity per ending balance 31.03.2021	35 000	642 778	0	(2 530)	675 248

Basis for preparation

The consolidated condensed financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. The interim financial statements are unaudited.

Significant accounting policies

The accounting policies used in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2020. The interim financial reporting should be read in conjunction with the 2020 annual financial statements, which include a full description of the Group's accounting principles.

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Condensed statement of cash flow

	YTD 1Q 2021	YTD 4Q 2020
Cash flow from operating activities		
Profit/(loss) before tax	(2 492)	(26)
(Increase)/decrease in prepayment and accruals	6	(6)
Increase/(decrease) in trade and other payables	24 536	123
Interests paid	0	0
Net cash flow from operating activities	<u>22 049</u>	<u>92</u>
Cash flow from investing activities		
Purchase of property, plant and equipment	(85 111)	0
(Increase)/decrease in other investments	0	0
Net cash flow from investing activities	<u>(85 111)</u>	<u>0</u>
Cash flow from financing activities		
Proceeds from issue of share capital	700 000	120
Equity issue costs	(22 330)	0
Issue of loans	0	0
Repayment of loans	0	0
Net cash flow from financing activities	<u>677 670</u>	<u>120</u>
Net increase/(decrease) in cash and cash equivalents	614 609	212
Cash and cash equivalents at beginning of the period	212	0
Cash and cash equivalents at the end of the period	<u>614 821</u>	<u>212</u>

Integrated Wind Solutions AS Statement of Responsibility

We confirm to the best of our knowledge that the consolidated financial statements for first quarter 2021 have been prepared in accordance with International Financial Reporting Standards as regulated in the Norwegian Accounting Act § 3-9, as well as additional information requirements in accordance with the Norwegian Accounting Act, and that the information presented in the financial statements give a true and fair view of the assets, liabilities, financial position and profit/(loss) for the period of Integrated Wind Solutions Group as a whole. We also confirm to the best of our knowledge that the Board of Directors Report includes a true and fair review of the development and performance of the business and the position of Integrated Wind Solutions AS and the Integrated Wind Solutions Group, together with a description of the principal risks and uncertainties that they face.

Oslo, May 26, 2021

Sigurd Thorvildsen
Chairman of the Board

Ole Christian Hvidsten
Board Member

Cathrine Haavind
Board Member

Jens-Julius Ramdahl Nygaard
Board Member

Lars-Henrik Q. Røren
CEO

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All amounts in the accompanying notes in NOK thousands, except shares and per share data

Note 1 - Vessels and equipment

	Vessel building contracts	Other assets	Total
Acquisition cost per opening balance 1 Jan 2021	-	-	-
Acquisition of fixed assets	85 111	-	85 111
Disposal of fixed assets	-	-	0
Acquisition cost at ending balance 31 Mar 2021	85 111	0	85 111
Accumulated depreciation per opening balance 1 Jan 2021	-	-	0
Depreciation	-	-	0
Disposals	-	-	0
Accumulated depreciation per ending balance 31 Mar 2021	0	0	0
Net carrying amount at end of period	85 111	0	85 111

As of year end 2020, the Group has no depreciable fixed assets. In February 2021 the Group signed two new-building contracts for purpose built offshore windfarm service vessels. The vessels under construction will be delivered in Q1 2023 and Q2 2023.

In the construction period, the carrying value of the vessels under construction will represent the accumulated costs at the balance sheet date, including yard installment, other project costs and capital expenditure and capitalised interests. Depreciation commences when the vessel is available for use.

From the date the vessels are available for use, these will be depreciated on a straight-line basis over expected useful lives of 25 years. Certain components of the vessels will be depreciated over shorter useful lives.

Note 2 - Bank deposits

	Denominated in	Amount
Bank deposits	USD	0
Bank deposits	NOK	614 821
		614 821

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Note 3 - Commitments and contingencies

The Group has per February 2021 entered into new-building contracts for two purpose built offshore windfarm service vessels with planned delivery in the first and second quarter of 2023. The contracts are entered into with the yard China Merchants Heavy Industries Co Ltd (CMIH). At the same time, an option contract with the yard for potential calling of four additional vessels was signed.

<u>New-building delivered cost (figures in Euro 1000)</u>	<u>Yard</u>	<u>Delivery</u>	<u>Estimated delivered cost</u>	<u>Capitalized cost at period end</u>	<u>Remaining to be capitalized</u>
Contract no 1	CMIH	1Q 23	46 300	4 200	42 100
Contract no 2	CMIH	2Q 23	46 300	4 200	42 100
			<u>92 600</u>	<u>8 400</u>	<u>84 200</u>

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Note 4 - Corporation taxes

The Groups subsidiaries, in which the vessels are held, will be subject to tonnage tax. Companies subject to tonnage tax regimes 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 5 - Guarantees

Awilco AS, which is the major shareholder, has issued a Parent Company Guarantee in favour of the shipyard China Merchants Industries Holding Co Ltd (CMIH) related to the Shipbuilding Contract for 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 guarantee 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, is made by Awind 4 AS and Awind 5 AS.

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

Note 6 - Subsequent events

ABG Sundal Collier ASA, acting as stabilisation manager in connection with the stock listing of the Company, declared in April 2021 partial exercise of the green shoe option for a total of 100 698 new shares at a subscription price of NOK 40 per share. Following the share capital increase, the registered share capital is MNOK 35,2.

In April, the Group has secured a charter contract for one of the vessels under construction. The contract will commence in mid 2023 with a firm contract period of a total of 546 days. The contract value is in line with previously forecasted rates as presented in the Company's Investor Presentation of March 2021.

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Note 7 - Share capital

	Shares	Par value per share	Share capital	Paid-in premium	Total paid-in-capital
Share capital at incorporation 23 July 2020	100 000		100	20	120
Share capital increase at 9 March 2021	0		9 900	190 100	200 000
Share split at 9 March 2021	4 900 000				
Share capital increase at 22 March 2021	12 500 000	NOK 2,00	25 000	475 000	500 000
Equity issue costs				-22 342	-22 342
Share capital per 31 March 2021	17 500 000	NOK 2,00	35 000	642 778	677 778

All issued shares have a par value of NOK 0,2 and are of equal rights. Integrated Wind Solutions AS is incorporated in Norway and the share capital is denominated in NOK.

Shareholders of the Company

	Shares	Ownership
Awilco AS	5 000 000	28,57 %
DB London nominees	1 250 000	7,14 %
Sundt AS	1 250 000	7,14 %
Danske Invest Norge Vekst	875 000	5,00 %
Skandinaviska Enskilda Banken	750 000	4,29 %
The Bank of New York Mellon	625 000	3,57 %
Verdipapirfondet Eika Spar	578 504	3,31 %
Toluma Norden AS	500 000	2,86 %
Pescara Invest AS	500 000	2,86 %
Verdipapirfondet Nordea Norge Verdi	475 000	2,71 %
Verdipapirfondet Eika Norden	417 817	2,39 %
Verdipapirfondet First Generator	411 100	2,35 %
J.P. Morgan Bank Lux	375 000	2,14 %
Verdipapirfondet Eika Norge	347 586	1,99 %
Other shareholders	4 144 993	23,69 %
	<u>17 500 000</u>	