

# Financial Report

# Q1 2022



# INTERIM FINANCIAL REPORT

## Q1 2022<sup>1</sup>

### HIGHLIGHTS

- Total revenue of NOK 51m and EBITDA of NOK -7 million for Q1 2022 compared with NOK 50 million and NOK 3 million, respectively, in the previous quarter.
- The Dogger Bank Wind Farm project intends to sign a charter contract for one vessel for the third phase of the wind farm, Dogger Bank C, with commencement in 2025.
- Good progress on the two first Commissioning Service Operation Vessels (“CSOVs”) on order by China Merchants Industry Holdings Co., Ltd (“CMI”) with the first steel cut in January and March 2022, respectively.
- Entered into shipbuilding contracts for the construction of two additional Skywalker class CSOV newbuildings from CMI. The vessels are scheduled for delivery in H1 2024.
- Successfully raised gross proceeds of NOK 350 million in a private placement.
- Signed the EUR 56.25 million senior secured credit facility for the financing of the two first CSOVs.
- Conversion to a public limited liability company (ASA).
- PEAK Wind has taken over Operations and Asset Management of the US Wind Farm, Blue Cloud in Texas, and now exceeds +1,500 MW of wind farms under management. PEAK Wind also acquired a minority stake in the battery and virtual power plant company Hybrid Greentech.
- ProCon secured further contracts with Tier 1 foundation contractors.
- Improved market balance for CSOVs with increased asset prices and charter rates.

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

## OPERATIONS

### Group structure

The activities in the Group are organised in the three business areas IWS Fleet, IWS Services, and PEAK Wind A/S (“PEAK Wind”).

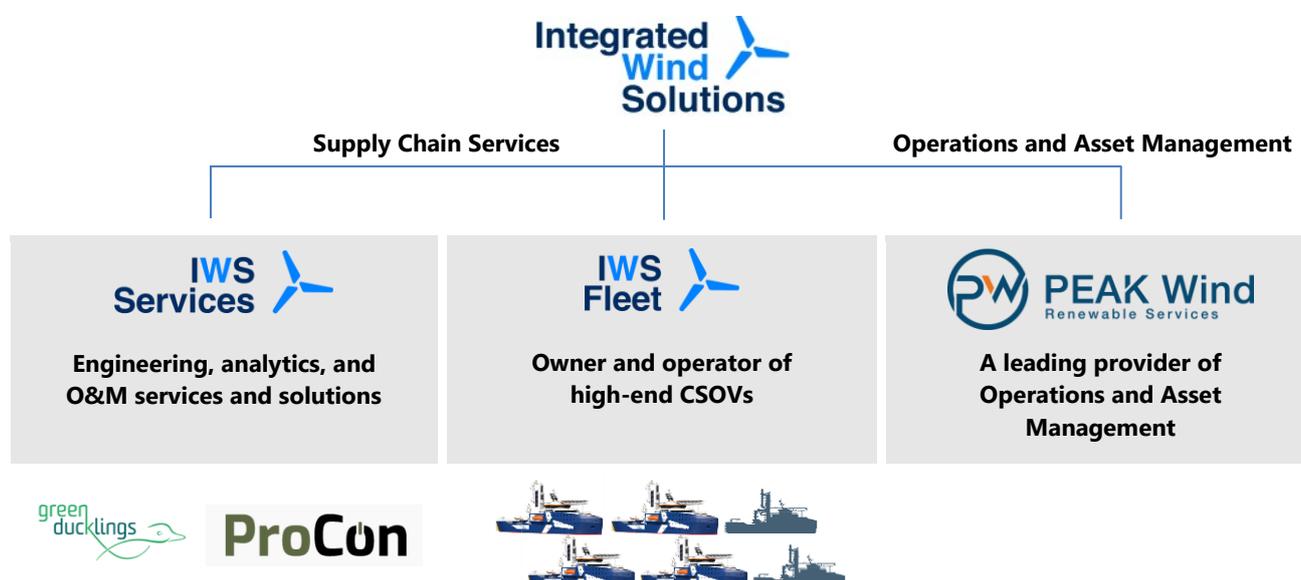
IWS Fleet is the owner and operator of high-end CSOVs with four newbuildings under construction at the leading shipyard CMI.

For IWS Services, the two Danish offshore wind service/consulting companies ProCon Group ApS<sup>2</sup> (“ProCon”) and Green Ducklings A/S<sup>3</sup> (“Green

Ducklings”) form the base of the supply chain service offerings.

The 30%<sup>4</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 ASA’s (“IWS” or “Company”) strategy of becoming the preferred service provider within the offshore wind sector.



### Group management

The group management team consists of CEO Lars-Henrik Røren, COO Christopher Andersen Heidenreich and CFO Marius Magelie. Mr. Magelie joined the organisation with effect from 21 February 2022 and came from the position of Senior Vice President Finance & Investor Relations at Ocean Yield ASA, where he has been employed since 2014.

### IWS Fleet site office at CMI

IWS Fleet site office personnel are in place at the CMI facility in Jiangsu, China, from the fourth quarter of 2021 and will follow up on the construction work on the newbuildings throughout the full construction period.

<sup>2</sup> 75% of the share capital and 100 % of the voting shares

<sup>3</sup> 100% of the voting shares

<sup>4</sup> Fixed price option exercisable within three years from original share purchase to acquire an additional 19% of shares, pre-dilution from share-based option program to key employees

## Market observations

### *Offshore wind*

Offshore wind has seen high activity during the first quarter of 2022. Construction activity is high in incumbent countries in Europe, and the first turbines for projects are now being installed in key new markets such as France and the US.

The effect of covid-19 and the war in Ukraine has shifted attention to energy security to become less reliant on imported Russian gas. For many countries in Europe, offshore wind has been launched as one of the critical drivers for this transition.

EU aims to raise its 2030 renewable energy target to 45%. The European target is currently 125-130 GW offshore wind capacity installed by 2030, with several countries increasing their ambitions during the first half of 2022, including Germany, the UK, Belgium, and Denmark.

Green Ducklings consider +130 GW of installed capacity by 2030 as achievable, but with a significant uncertainty related to supply chain and grid infrastructure constraints and lengthy project

permitting processes. Green Ducklings' risk-adjusted expectations for 2030 are therefore 120 GW.

### *Market for CSOVs*

Charter rates for CSOVs and walk-to-work ("W2W") vessels have increased since Q4 2021 and compared with the same period in 2021. The combination of high growth in offshore wind farm activity and an improved market for oil & gas and subsea globally that removes capacity from offshore wind, are the main drivers. There are limited, if any, availability of high-end tier 1 and tier 2 Walk-to-work ("W2W") vessels in the short term.

According to Clarksons, the global fleet of CSOVs counted 37 vessels in operations with a total orderbook of 26 vessels. The orderbook has increased by seven vessels this far in 2022, of which two vessels were ordered by IWS.

With limited new supply, coupled with continued growth in the oil and gas market, we expect to see the market for CSOV vessels continue to improve.

## MAIN EVENTS DURING Q1 AND POST-QUARTER EVENTS

### *Newbuildings*

The company experiences good progress on the two first CSOVs on order with the first steel cut in January and March 2022, respectively. The vessels will be named IWS Skywalker and IWS Windwalker.

Also in March, IWS Fleet entered into shipbuilding contracts for the construction of two additional CSOV vessels. The vessels are scheduled for delivery in H1 2024 by CMI. The firm yard price for the two vessels is about EUR 48m per vessel. About 50% of the vessel value is related to Norwegian export companies providing advanced technology ensuring safe and efficient operations. The vessels will be named IWS Seawalker and IWS Starwalker.

### *Employment*

In March, IWS Fleet was notified by the Dogger Bank Wind Farm that they intend to sign a charter contract for the third phase of the wind farm development, Dogger Bank C. The charter will commence in 2025. The company has already secured two separate charter contracts with the Dogger Bank consortium with a start-up in 2023 and 2024.

### *Financing*

In March, the company successfully raised gross proceeds of NOK 350 million in a private placement by

issuing 10,937,500 new shares at a subscription price of NOK 32 per share. The private placement was divided into two tranches of which 8,800,349 shares were allocated in tranche 1 and issued in March. Tranche 2 consisting of 2,137,151 shares was issued in April after it was passed by the Extraordinary General Meeting. The proceeds will be used to finance the equity requirement for the two CSOV newbuilding orders entered into in March, as described in the IWS Fleet section.

Post quarter-end, the company signed the EUR 56.25 million Senior Secured Credit Facility with Skandinaviska Enskilda Banken AB ("SEB"), SpareBank 1 SR-Bank ASA ("SR Bank"), and Export Finance Norway ("Eksfin"). The proceeds of the facility will be used for long-term post-delivery financing of the Company's two first CSOV newbuildings scheduled for delivery in 2023.

### *Corporate*

In February, the company was on the extraordinary general meeting on 10<sup>th</sup> February converted into a Norwegian public limited liability company and the name changed to Integrated Wind Solutions ASA from Integrated Wind Solutions AS.

## FINANCIAL REVIEW

### *Comparative figures*

Integrated Wind Solutions ASA was incorporated in July 2020. There were no operating activities of significance until the fourth quarter of 2021, when the subsidiary ProCon, and the associated company PEAK Wind was included in the group financial statements.

### *Income statement*

Total revenue for the first quarter of 2022 was NOK 50.9 million, of which ProCon contributed NOK 48.1 million and IWS' share of net profit in PEAK Wind was NOK 1.3 million.

The investment in PEAK Wind, where IWS has an ownership of 30%, is accounted for using the equity method. The Group's proportionate share of the net result in PEAK Wind in the first quarter of 2022 was NOK 2.1 million (versus NOK 1.6 million in Q4 2021), and NOK -0.8 million depreciation of excess values related to intangible assets identified in the Purchase Price Allocation ("PPA") at the time of the investment.

PEAK Wind continues the strong growth in Q1 2022 with the number of employees increasing by more than 20% versus year-end 2021 and growth in Q1 revenues of more than 50% y-o-y.

Operating expenses for the first quarter of 2022 were NOK 57.9 million compared with NOK 46.6 million in the previous quarter. The increased costs were explained by NOK 6.6 million higher costs in ProCon (mainly increased project-related costs) and NOK 4.2 million in IWS due to annual bonuses and costs driven by high activity.

EBITDA was NOK -7.0 million for the first quarter of 2022 compared with NOK 3.2 million in the previous quarter. ProCon, PEAK Wind and Green Ducklings contributed NOK 3.9 million, NOK 1.3 million, and NOK 0.6 million, respectively, with the other Group entities a combined EBITDA of NOK -12.8 million. For ProCon, the margins are expected to fluctuate on a quarterly basis due to the various project mix and progress.

The Net loss for the first quarter of 2022 was NOK 9.0 million compared with a net loss of NOK 2.7 million in the fourth quarter of 2021.

As IWS is expanding its business according to strategy and preparing for vessel entrances as of 2023 and onwards, costs and organisation will increase consequently.

### *Liquidity and financial position*

Total cash and cash equivalents amounted to NOK 415 million at quarter-end, up from NOK 389 million in the previous quarter. The net increase is mainly explained by the equity issue of NOK 276 million in March, with payments of instalments to the shipyard and other costs related to the CSOVs under construction of NOK 240 million.

The carrying value of vessels under construction of NOK 330 million includes the first and the second yard instalments on "IWS Skywalker" and "IWS Windwalker" (10% of the contract price for each of the instalments), the first instalment on the third and fourth vessels ordered in March (15% of the contract price) and accumulated directly attributable project costs during the construction period. Please see *Note 4 – Commitments and contingencies* for more details on the payment structure of the newbuilding contracts.

The intangible assets of NOK 65 million include goodwill and other intangible assets recognized as part of the acquisition of ProCon and Green Ducklings in the third quarter of 2021.

Other current assets were NOK 45 million at quarter-end, compared with NOK 42 million in the previous quarter, and consist mainly of trade receivables related to construction contracts in ProCon.

Book equity on 31 March 2022 was NOK 943 million and total assets were NOK 1 021 million, giving an equity ratio of 92% at quarter-end.

## OUTLOOK

The outlook for the offshore wind industry remains highly positive. We continuously observe that private, as well as public initiatives and ambitions, are growing in size and in the regions involved. Offshore wind can from now on be referred to as being an industry with a truly global footprint with foreseeable high growth numbers.

The IWS group of companies is well-positioned to take part in this growth within its relevant segments being providing CSOVs (IWS Fleet), electrical works (ProCon), offshore wind consultancy (Green

Ducklings), and the consultancy & advisory and operations and asset management services of wind farms provided by PEAK Wind.

The offshore wind industry in general and IWS are, however, not protected from issues related to supply-chain turbulence caused, partly, by the ongoing war in Ukraine and covid-19 issues that remain a challenge in parts of the world.

Management focuses on building a strong foundation and platform to secure the long-term success of the Company.

## STATEMENT OF RESPONSIBILITY

We confirm, to the best of our knowledge, that the condensed set of financial statements for the first quarter of 2022 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, 24 May, 2022

Sigurd E. Thorvildsen  
*Chairman 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

<i>In NOK thousands</i>	Note	Q1 2022	Q4 2021	Q1 2021	2021
Operating revenue		49 591	48 170	-	49 007
Share of net profit of associates		1 278	1 647	-	2 346
<b>Total revenue</b>		<b>50 869</b>	<b>49 817</b>	<b>-</b>	<b>51 353</b>
Operating expenses		-57 879	-46 647	-2 490	-60 881
<b>Earnings before interest, taxes and depr (EBITDA)</b>		<b>-7 009</b>	<b>3 170</b>	<b>-2 490</b>	<b>-9 528</b>
Depreciation and amortisation	2	-1 690	-1 778	-	-2 239
<b>Earnings before interest and taxes (EBIT)</b>		<b>-8 699</b>	<b>1 392</b>	<b>-2 490</b>	<b>-11 767</b>
Finance income		289	253	1	270
Finance expenses		-758	-1 638	-3	-1 737
Net foreign currency exchange gains/losses		81	-1 616	-	-2 504
<b>Net finance income/(expense)</b>		<b>-388</b>	<b>-3 001</b>	<b>-3</b>	<b>-3 971</b>
<b>Profit/(loss) before taxes</b>		<b>-9 087</b>	<b>-1 609</b>	<b>-2 492</b>	<b>-15 738</b>
Income tax expense	5	127	-1 112	-	-1 010
<b>Profit/(loss) for the period</b>		<b>-8 959</b>	<b>-2 720</b>	<b>-2 492</b>	<b>-16 748</b>
Attributable to non-controlling interests		448	1 162	-	1 162
Attributable to shareholders of the parent		-9 407	-3 883	-2 492	-17 910
Weighted average number of shares		18 480 733	17 600 698	2 547 778	13 928 965
Basic and diluted earnings per share in NOK		-0.51	-0.22	-0.98	-1.29

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>In NOK thousands</i>	Note	Q1 2022	Q4 2021	Q1 2021	2021
Profit/(loss) for the period		-8 959	-2 720	-2 492	-16 748
Other comprehensive income					
<i>Cash flow hedge, net of tax effect</i>	4	920	-2 710	-	-2 401
<b>Total comprehensive income/(loss)</b>		<b>-8 039</b>	<b>-5 430</b>	<b>-2 492</b>	<b>-19 148</b>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In NOK thousands</i>	Note	31.03.2022	31.12.2021	31.03.2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Vessels under construction	2	330 179	90 671	85 111
Other fixed assets	2	1 331	1 913	-
Intangible assets	2/8	65 065	68 093	-
Investments accounted for using the equity method		123 877	130 942	-
Deferred tax assets	5	4 133	3 327	-
<b>Total non-current assets</b>		<b>524 584</b>	<b>294 946</b>	<b>85 111</b>
<b>Current assets</b>				
Cash and cash equivalents	3	414 556	388 876	614 821
Inventory		36 212	30 469	-
Other current assets		45 284	41 706	-
<b>Total current assets</b>		<b>496 052</b>	<b>461 051</b>	<b>614 821</b>
<b>Total assets</b>		<b>1 020 637</b>	<b>755 997</b>	<b>699 932</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	7	52 802	35 201	35 000
Share premium reserve	7	907 006	647 676	642 778
Retained earnings/other comprehensive income		-42 682	-23 417	-2 530
Non-controlling interests		25 709	26 209	-
<b>Total equity</b>		<b>942 835</b>	<b>685 668</b>	<b>675 248</b>
<b>Non-current liabilities</b>				
Non-current interest-bearing debt		12 258	14 263	-
Deferred tax liability	5	3 531	3 956	-
Other non-current liabilities		472	472	-
<b>Total non-current liabilities</b>		<b>16 260</b>	<b>18 691</b>	<b>-</b>
<b>Current liabilities</b>				
Trade payables		27 581	27 650	6 065
Borrowings		450	5 410	-
Other current liabilities		33 509	18 578	18 618
<b>Total current liabilities</b>		<b>61 541</b>	<b>51 638</b>	<b>24 683</b>
<b>Total equity and liabilities</b>		<b>1 020 637</b>	<b>755 997</b>	<b>699 932</b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

<i>In NOK thousands</i>	Note	Q1 2022	Q4 2021	Q1 2021	2021
<b>Cash flow from operating activities</b>					
Profit/(loss) before tax		-9 087	-1 609	-2 492	-15 738
Depreciation and amortisation	2	1 690	1 778	-	2 239
(Increase)/decrease in prepayments, accruals and stock		-9 322	-23 804	-	-25 931
Increase/(decrease) in trade and other payables		1 973	15 559	24 536	15 219
Net profit from associates		-1 278	-1 647	-	-2 346
<b>Net cash flow from operating activities</b>		<b>-16 024</b>	<b>-9 723</b>	<b>22 049</b>	<b>-26 556</b>
<b>Cash flow from investing activities</b>					
Purchase of property, plant and equipment	2	-238 404	-1 518	-85 111	-90 517
Purchase of subsidiaries and associates	8	-	-3 077	-	-178 136
<b>Net cash flow from investing activities</b>		<b>-238 404</b>	<b>-4 595</b>	<b>-85 111</b>	<b>-268 653</b>
<b>Cash flow from financing activities</b>					
Proceeds from issue of share capital/minority shareholder		281 611	4 030	700 000	708 058
Equity issue costs		-6 000	0	-22 330	-21 259
Proceeds from/(repayment of) borrowings		5 855	-11 434	-	-1 602
<b>Net cash flow from financing activities</b>		<b>281 466</b>	<b>-7 404</b>	<b>677 670</b>	<b>-685 197</b>
Cash and cash equivalents at beginning of the period		388 876	410 842	212	212
Net increase/(decrease) in cash and cash equivalents		27 039	-21 722	614 609	389 988
Exchange rate effects		-1 358	-243	-	-1 323
<b>Cash and cash equivalents at the end of the period</b>	3	<b>414 556</b>	<b>388 876</b>	<b>614 821</b>	<b>388 877</b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>In NOK thousands</i>	Share capital	Share premium reserve	Other equity	OCI <sup>1)</sup>	NCI <sup>2)</sup>	Total equity
<b>Equity at 01.01.2021</b>	<b>100</b>	<b>8</b>	<b>-38</b>	-	-	<b>70</b>
Total comprehensive income	-	-	-2 492	-	-	-2 492
Equity issue per 09.03.2021	9 900	190 100	-	-	-	200 000
Equity issue per 22.03.2021	25 000	475 000	-	-	-	500 000
Equity issue costs <sup>3)</sup>	-	-22 330	-	-	-	-22 330
<b>Total equity at 31.03.2021</b>	<b>35 000</b>	<b>642 778</b>	<b>-2 530</b>	<b>0</b>	<b>0</b>	<b>675 248</b>
<b>Equity at 01.01.2022</b>	<b>35 201</b>	<b>647 676</b>	<b>-21 017</b>	<b>-2 401</b>	<b>26 208</b>	<b>-2 401</b>
Total comprehensive income	-	-	-9 407	1 079	288	-8 039
Equity issue per 22.03.2022	17 601	264 010	-	-	-	281 611
Equity issue costs <sup>3)</sup>	-	-4 680	-	-	-	-4 680
Translation difference	-	-	-12 246	1 309	-788	-11 725
<b>Total equity at 31.03.2022</b>	<b>52 802</b>	<b>907 006</b>	<b>-42 670</b>	<b>-12</b>	<b>25 709</b>	<b>942 835</b>

1) Other comprehensive income is related to the Group's foreign currency hedges

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

3) Equity issue costs and other transactions in equity are recorded net of tax

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

### Corporate information

Integrated Wind Solutions ASA 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 interim accounts 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 consolidated financial statements are presented in

NOK rounded off to the nearest thousands, except as otherwise indicated. The interim consolidated financial statements are unaudited.

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 2021. 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 2021, which includes a detailed description of the applied accounting policies.

## Note 2 – Tangible and intangible non-current assets

<i>In NOK thousands</i>	Vessels under construction	Other fixed assets	Intangible assets	Total
<b>Acquisition cost at 01.01.2022</b>	<b>90 671</b>	<b>2 134</b>	<b>70 111</b>	<b>162 917</b>
Acquisitions/instalments in the period	239 507	39	-	239 547
Disposals in the period	-	-307	-	-307
Foreign exchange translation adjustments	-	-86	-1 655	-1 741
<b>Acquisition cost at 31.03.2022</b>	<b>330 179</b>	<b>1 781</b>	<b>68 456</b>	<b>400 415</b>
<b>Accumulated depreciation at 01.01.2022</b>	-	<b>-221</b>	<b>-2 006</b>	<b>-2 227</b>
Depreciation	-	-229	-1 461	-1 690
Foreign exchange translation adjustments	-	-	88	88
<b>Accumulated depreciation at 31.03.2022</b>	-	<b>-439</b>	<b>- 3 379</b>	<b>-3 829</b>
<b>Net carrying amount at 31.03.2022</b>	<b>330 179</b>	<b>1 331</b>	<b>65 065</b>	<b>396 586</b>

In February 2021, IWS signed newbuilding contracts for two Commissioning Service Operation Vessels (CSOVs) with scheduled delivery in 2023. In March 2022, IWS signed newbuilding contracts for another two CSOVs with delivery in 2024.

In the construction period, the carrying value includes yard instalments, other directly attributable project

costs, capitalized borrowing costs, and guarantee fees. 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.

## Note 3 – Cash and cash equivalents

<i>In NOK thousands</i>	<b>31.03.2022</b>	<b>31.12.2021</b>
Bank deposits denominated in NOK	138 878	335 498
Bank deposits denominated in NOK, restricted	766	12 330
Bank deposits denominated in DKK	27 848	29 427
Bank deposits denominated in EUR	245 293	5 093
Bank deposits denominated in other currencies	1 771	6 528
<b>Total cash and cash equivalents</b>	<b>414 556</b>	<b>388 876</b>

## Note 4 – Commitments and contingencies

### *Shipbuilding contracts*

IWS entered in February 2021 into newbuilding contracts for two CSOVs with scheduled delivery in 2023. The contracts are entered into with the yard China Merchants Industries Holdings Co Ltd and are based on a payment schedule where 10% was payable following the signing of the contract, 10% at steel cutting, 10% at launching, and 70% at delivery of the vessels.

In March 2022, the company entered into newbuilding contracts for additional two CSOVs with scheduled delivery in 2024 with the same yard. The

payment schedule was 15% at signing of the contract, 10% at steel cutting, 10% at launching, and 65% at delivery of the vessels.

IWS has options with the yard for the potential calling of two additional vessels.

### *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 5 – Corporation taxes

The Group's ship-owning subsidiaries will be 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. 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.

Deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

## Note 6 – Related party transactions

### *Guarantees*

Awilco AS, which is the major shareholder in Integrated Wind Solutions, has issued a Parent Company Guarantee ("PCG") in favour of the shipyard CMI 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 yard 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 is 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 CMI which is identical to the terms in the PCG.

### *Technical services*

Awilco Technical Services AS ("ATS") assists IWS in the management of the Group's newbuilding program. For these services, IWS pays ATS a management fee based on an hourly rate which is subject to an annual adjustment equal to 100% of any increase in the Norwegian consumer price index. ATS is 100% owned by Awilco AS, which is 100% owned by Awilhelmsen AS.

### *Management services*

Awilhelmsen Management AS ("AWM") provides IWS with administrative and general services including accounting, payroll, legal, secretary function, and IT. IWS pays AWM a yearly management fee based on AWM's costs plus a margin of 5%. The fee is subject to semi-annual evaluation and is regulated according to the consumer price index in Norway. The agreement can be terminated by both parties with three months' notice. AWM is 100% owned by Awilhelmsen AS, which owns 100% of Awilco AS.

## Note 7 – Share capital and shareholder information

### *Paid in 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 01.01.2022	17 600 698	NOK 2.00	35 201	647 676	682 877
Share capital increase 22 March 2022	8 800 349	NOK 2.00	17 601	264 010	281 611
Equity issue costs				-4 680	-4 680
<b>Share capital at 31.03.2022</b>	<b>26 401 047</b>	<b>NOK 2.00</b>	<b>52 802</b>	<b>907 006</b>	<b>959 808</b>

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.

The table below with the 10 largest shareholders as of 19 May 2022 includes 2,137,151 Tranche 2 shares that were issued in April, as described in Note 9 – Events after the balance sheet date.

### *10 largest shareholders as of 23 May 2022*

<b>Shareholder</b>	<b>Number of shares</b>	<b>Ownership (in %)</b>
Awilco AS	11 250 000	39.4
BNP Paribas	2 026 780	7.1
Skandinaviska Enskilda Banken AB	1 950 000	6.8
Sundt AS	1 562 500	5.5
Danske Invest Norge Vekst	1 330 116	4.7
Verdipapirfondet Nordea Norge Verdi	1 058 283	3.7
J.P. Morgan SE	1 042 691	3.7
The Bank of New York Mellon SA/NV	625 000	2.2
Skandinaviska Enskilda Banken AB	603 171	2.1
Verdipapirfondet Eika Spar	578 504	2.0
<b>Sub total</b>	<b>22 027 045</b>	<b>77.2</b>
Other shareholders	6 511 545	22.8
<b>Total</b>	<b>28 538 198</b>	<b>100.0</b>

## Note 8 – Business combinations

There has been no change in the ownership structure of the IWS group during the first quarter of 2022.

The subsidiaries Green Ducklings and ProCon are classified as subsidiaries and consolidated through

IWS Services A/S with effect from 1 July 2021 and 30 September 2021, respectively.

## Note 9 – Events after the balance sheet date

### *Financing*

Post quarter-end, the company signed the EUR 56.25 million Senior Secured Credit Facility with Skandinaviska Enskilda Banken AB (“SEB”), SpareBank 1 SR-Bank ASA (“SR Bank”), and Export Finance Norway (“Eksfin”). The proceeds of the facility will be used for long-term post-delivery financing of the Company’s two CSOVs on order for delivery in 2023.

### *Parent company guarantee*

In April, the Parent Company Guarantee issued by Awilco AS favour of the shipyard CMI related to the shipbuilding contracts signed by the two subsidiaries Awind 4 AS and Awind 5 AS was discharged and replaced by a guarantee issued by Integrated Wind Solutions ASA against an accelerated payment of 5% for the two vessels.

### *Share capital increase*

In March, the company successfully raised gross proceeds of NOK 350 million in a private placement by issuing 10,937,500 new shares at a subscription price of NOK 32 per share. The private placement was divided into two tranches of which 8,800,349 shares were allocated in tranche 1 and issued in March. Tranche 2 consisting of 2,137,151 shares was registered in the Norwegian Register of Business Enterprises on 12 April after it was passed by the Extraordinary General Meeting. Following the registration and issuance of the Tranche 2 shares, the share capital of the Company is NOK 57,076,396 divided into 28,538,198 shares, each with a nominal value of NOK 2.0

## APPENDIX A – 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 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 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
- 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.

