

Consolidated financial statements

2020

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Integrated Wind Solutions Group

Company registration number 925 558 745

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Integrated Wind Solutions AS

Board of Directors Report for 2020

Corporate information

Integrated Wind Solutions AS was incorporated on 23 July 2020. The business of the company is shipping, service and digital solutions related to offshore wind farms and other renewable energy, and activities related hereto. The business activity also includes the acquisition, management, mortgaging and sale of capital assets in the shipping business, in addition to investment in shares, bonds and partnership contribution of all and any type connected with shipping, as well as participation in the form of ownership holdings in other shipping companies, and other business naturally connected hereto.

In February 2021, the Integrated Wind Solutions Group entered into new-building contracts for two purpose built offshore wind service vessels with planned delivery in the first and second quarter of 2023. The contracts are entered into with the yard China Merchants Industry Holdings Co Ltd (CMIH). At the same time, the Group signed an option contract with the yard for potential calling of four optional vessels.

The registered business address of the Company is in Oslo, Norway.

Strategy

The main strategy for the Group is to create shareholder value through the provision of quality, reliable and customer oriented service to the market, in the best manner for its shareholders, employees and business connections.

The strategy of the Group is to be an integrated provider of offshore wind services. We anticipate that offshore wind will be an essential part of the energy transition needed to achieve EU's climate goals and international agreement as embodied in the Paris Agreement. The Group aims to be well positioned in the offshore value chain with an ambition to create a leading pure-play offshore wind service company.

Health, safety and environment

The Group has no employees at year end. In 2021 the Company has employed a Chief Executive Officer, a Chief Operating Officer and a Commercial Director. Based on the Group's strategy of being a leading provider of offshore wind services, we will in the vessel building period engage an organization responsible for marketing, technical, market communication and administrative services.

In the transition to building an independent, full-scale organization, administrative and technical management services will be bought from Awilhelmsen Management AS and Awilco Technical Services AS respectively. Longer-term, the company will evaluate the cost-benefit of continued use of outsourcing to keep a lean organization. The Group's quality of operation is supported by experienced, educated, and well-trained staff.

Focus on best practice in the industry within Environmental, Social and Governance (ESG) issues is a top priority for the Company whereby transparency is paramount to provide all stakeholders with objective information about the long term goals and the outcome of its measures to reach these goals. The Group shall adhere to national and international laws and regulations and constantly promote best practices identified within its own operations and the industry in order to improve the competence of the employees. The safety and well-being of employees, both at sea and onshore, will always have the highest priority. This is also considered when outsourcing services, and it is ensured that the management companies are committed to strict adherence to professional regulations for matters concerning health, safety and environment.

Financial statements for the Group and for the parent company

The consolidated financial statements of the Group, and the parent company financial statements of Integrated Wind Solutions AS, have been prepared on a going concern basis. Pursuant to the Norwegian Accounting Act § 3-3a, and based on the current capital structure and the company's overall position at the end of the year, the Board of Directors confirms that it is correct to prepare the accounts on a going concern assumption.

The statement of financial position shows the assets as of year-end, and the corresponding capital structure of the Group.

From incorporation date 23rd July 2020 until end of the year, the Company and the Group had no significant business operation and had no vessels in operation. In February 2021 the Group signed new-building contracts with the yard CMIH for two purpose built offshore windfarm service vessels with planned delivery in the first and second quarter of 2023.

The Group's financial statement for 2020 shows a net loss of KNOK 26, which is allocated to retained earnings. The equity of the Group is comprised of the share capital paid at incorporation of the parent company, and the net loss recorded per year end. The parent company shows a net loss of KNOK 12, which is allocated to retained earnings.

The shipbuilding contracts entered into by the wholly owned subsidiaries Awind 4 AS and Awind 5 AS have a payment structure whereby 10% will be paid on signing, another 10% to be paid six months after contract signing, and a further 10% to be paid once the ships are launched. These instalments will be funded by equity. The remaining 70% of the contract price will be due upon delivery of the vessels from the shipyard and is expected to be financed with a mix of debt and equity to be decided closer to delivery in first and second quarter of 2023.

The owner of the Integrated Wind Solutions Group decided in January 2021 to initiate a process to invite investors to participate in a private placement of MNOK 750, and simultaneously to start a stock listing process of the company at Euronext Growth which expected to take place at the latest during the second quarter of 2021. In early March 2021 the sole shareholder, Awilco AS, paid MNOK 200 in new equity to the Company, which forms part of the planned private placement.

The financial statements give in our opinion a true and fair view of the financial position of the parent company and the Group as at 31 December 2020, and of the financial performance and its cash flow for the year that ended.

Risk factors

The Group is exposed to market risks, geographical risks, operational risks, financial risks and strategic risks. The Board and management plan to manage these risks through ensuring a close supervision of the building of the vessels on order and retaining a close relationship with the external management providers and through continuous reporting and monitoring.

Market risk

Historically, the wind farm service vessel industry has been mainly focused on smaller vessels for near shore transportation of service engineers with limited visibility in charter rates and profitability due to the segment's early development and infancy whereby offshore wind farms were dependent on subsidies by local national governments to be realized. The factors affecting the supply of and demand for offshore wind vessels, and consequently the value of the Group's vessels, are outside the Group's control, and the nature, timing and degree of changes in industry conditions are unpredictable. Factors that influence demand for offshore wind vessels capacity include;

- Demand for green and sustainable energy from wind turbines offshore.
- Supply of wind turbines, installation vessels and other related subsea vessels.
- Global and regional economic conditions.

Factors that influence the supply of wind service vessels capacity include;

- The number of new-building deliveries.
- The scrapping rate of older vessels.
- Conversion of other vessels to wind service vessels.
- Environmental concerns and regulations.

Financial risk

The Group is exposed to a number of different financial market risks arising from the normal business activities. Financial market risk is the possibility that the fluctuation in currency exchange rates or interest rates will affect the value of our assets, liabilities, or future cash flows. To reduce and manage these risks, the Board and management periodically review and assess its primary financial market risks.

2020 – market of offshore wind service vessels

Despite covid-19, the operation and maintenance (O&M) market for offshore wind farm service vessels continued to grow in 2020 as a result of a growth in the European offshore wind market of 2,9 GW to 25 GW.

The 25 GW installed at the end of 2020 was divided over 5.402 turbines on 115 windfarms in Europe. Traditionally offshore wind farm service vessels have carried out O&M on windfarms further offshore. However, over the last few years modern Tier 1 vessels have started working closer to shore in the commissioning phase instead of Crew Transfer Vessels (CTVs). This is because Tier 1 vessels have a crane, gangway, and more deck space.

In 2020, Europe's commissioning demand reached 34 offshore wind service vessels while a new record of 14 vessels were used for O&M work. The total demand of 48 offshore wind service vessels far exceeds the supply of 17 Tier 1 vessels. If we include Taiwan and APAC ex. China, the total demand reaches 57 vessels. With the gap of 40 offshore wind service vessels globally the majority of offshore wind service work was performed by Tier 2 and Tier 3 vessels. The fleet of Tier 2 and Tier 3 vessels are made up of 45 vessels, giving a utilization of the total fleet of 92%.

In 2020, three Tier 1 vessels were delivered compared to three Tier 1 vessels in 2019. The current orderbook stands at 13 Tier 1 vessels.

Rates for 2020 averaged around EUR 25.000 per day. This was a decrease of 22% from the 2019 average of EUR 32.250 per day.

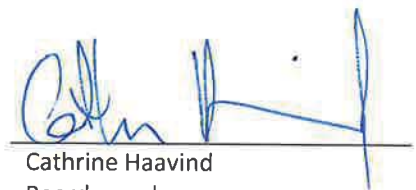
Market outlook of offshore wind service vessels

The outlook for offshore wind farm service vessels in 2021 is promising. Estimated demand is 62 vessels in Europe, Taiwan and rest of APAC ex. China, compared to an all in delivered fleet of 22 Tier 1 vessels, 13 Tier 2 vessels and 31 Tier 3 vessels. We believe that the demand for offshore wind service vessels will continue to grow significantly over the next nine years as EU has decided that the Union will have 111 GW installed by 2030, compared to the 25 GWs installed today. Looking further ahead, EU has a long-term goal where it aims to have installed 400 GW by 2050 in a pledge to reach net zero carbon emissions. As such, Clarksons Platou AS estimates that our primary market of Europe, Taiwan, and the rest of APAC ex. China will have a demand of 134 vessels in 2025 and 151 vessels in 2027 to do O&M and construction work. With the current orderbook of 13 Tier 1 vessel and a total fleet of 31 Tier 1 & 2 vessels today, there are too few vessels to meet the estimated demand. Therefore, we believe day rates for both longer, and shorter contracts will increase significantly.

Oslo, 15 March 2021



Sigurd Thorvildsen
Chairman of the Board

Ole Christian Hvidsten
Board member

Cathrine Haavind
Board member

Jens-Julius Ramdahl Nygaard
Board member / CEO

Integrated Wind Solutions Group

Consolidated statement of income

		23.07 - 31.12
<i>in NOK thousands, unless otherwise indicated</i>	Note	2020
Freight revenue		0
Other operating revenue		0
Operating revenues		0
Operating expenses vessels	4	0
Employee benefit expense		0
Administrative expenses	4	24
Depreciation	9	0
Operating expenses		24
Net operating profit / (loss)		(24)
Finance income	5	0
Finance expense	5	(1)
Net financial items		(1)
Profit / (loss) before tax		(26)
Taxes	12	0
Net profit/ (loss)		(26)
Attributable to non-controlling interests		0
Attributable to shareholders of the parent		(26)
Basic / diluted earnings per share (in NOK)	16	(0,255)

Consolidated statement of comprehensive income

Net profit / (loss) for the period	(26)
Derivatives / hedges changes in fair value	0
Total comprehensive (loss)/income	(26)

Integrated Wind Solutions Group

Consolidated statement of financial position

in NOK thousands, unless otherwise indicated

	Note	31.12.2020
Non-current assets		
Vessels and other fixed assets	9	0
Construction contracts		0
Other non-current assets		0
Total non-current assets		0
Current assets		
Inventory		0
Trade receivables	8	0
Other current assets	8	6
Financial investments	7	0
Cash and cash equivalents	6	212
Total current assets		218
Total assets		218
Equity		
Share capital	15	100
Share premium reserve	15	8
Other equity		(38)
Total equity		70
Non-current liabilities		
Deferred tax liability	12	0
Shareholder loan	13	0
Secured credit facility	13	0
Total non-current liabilities		0
Current liabilities		
Current portion of long-term debt	13	0
Income tax payable	12	0
Accounts payable		135
Other current liabilities and accruals	8	13
Total current liabilities		147
Total equity and liabilities		218

Oslo, 15 March 2021



Sigurd Thorvildsen
Chairman of the Board



Jens Julius Ramdahl Nygaard
Board member / CEO



Ole Christian Hviiden
Board member



Cathrine Haavind
Board member

Integrated Wind Solutions Group

Consolidated cash flow statement

	23.07 - 31.12
<i>in NOK thousands, unless otherwise indicated</i>	
	Note
	2020
Profit before tax	(26)
<i>Adjustments for:</i>	
Depreciation and amortization	0
Impairment	0
Tax	0
Net fair value gains on financial instruments	0
Increase/decrease receivables and prepayments	(6)
Increase/decrease payables and accruals	123
Interest and borrowing cost expensed	0
Interest paid	0
Net cash flow from operating activities	92
Investments in tangible fixed assets	0
Investments in financial assets	0
Sale of fixed assets	0
Net cash flow from investing activities	0
Proceeds from shareholder loan, net	0
Proceeds from secured credit facility drawn	0
Installments secured credit facility	0
Capitalized interests on long term loan	0
Borrowing costs	0
Proceeds from issuance of shares	120
Net cash flow from financing activities	120
Net change in cash and cash equivalents	212
Cash and cash equivalents at beginning of period	0
Cash and cash equivalents at end of period	212

Integrated Wind Solutions Group

Consolidated statement of changes in equity

in NOK thousands, unless otherwise indicated

	Issued share capital	Share premium	Other paid-in equity	Retained earnings	Other comprehensive income/(loss)	Total
Equity at incorporation, 23 July 2020	100	20	0	0	0	120
Share issue costs / incorporation costs	0	(12)	0	(12)	0	(24)
Total comprehensive income in 2020	0	0	0	(26)	0	(26)
Equity per ending balance 2020	100	8	0	(38)	0	70

Integrated Wind Solutions AS was established July 23rd 2020 by Awilco AS (100%). As of end of 2020 the Group had no operational business activity. In February 2021 the Group entered into new-building contracts for two purpose built offshore windfarm service vessels with planned delivery in first and second quarter of 2023.

Integrated Wind Solutions AS Statement of Responsibility

We confirm to the best of our knowledge that the consolidated financial statements for 2020 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 financial statements for the parent company for 2020 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway, 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 AS and 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, 15 March 2021



Sigurd Thorvildsen
Chairman of the Board



Ole Christian Hvidsten
Board Member



Cathrine Haavind
Board Member



Jens-Julius Ramdahl Nygaard
Board Member / CEO



Note 1 - Corporate information

Integrated Wind Solutions AS and its subsidiaries (together called “we”, “us”, “Company” or the “Group”) is a company formed for the purpose of becoming and integrated wind solutions provider, whereby the first step is to acquire and operate offshore wind service vessels.

From incorporation date 23rd July 2020 until end of the year, the Group had no significant business operation. In 2020, the Group had no vessels in operation. In February 2021 the Group signed new-building contracts with the yard China Merchants Industry Holdings Co Ltd (CMIH) for two purpose built offshore wind service vessels with planned delivery in the first and second quarter of 2023. At the same time, there was signed an option contract with the yard for potential calling of four additional vessels. As the Group had no vessels in operation in 2020, several of the accounting principles described below will be relevant only after the vessels are delivered from the yard and commenced operation.

Note 2 - Summary of significant accounting principles**Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as regulated in the Norwegian Accounting Act § 3-9.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Integrated Wind Solutions AS and entities controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Foreign currency translation*Functional and presentation currency*

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in NOK, which is also the Company’s functional currency and presentation currency.

Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currency are recognized in the income statement.

Revenue recognition

The Group had no vessels in operation in 2020. After the vessels are delivered from the yard, and commence operation, the revenue recognition principles are outlined below.

The Group will record revenue according to principles as outlined in IFRS 15 “Revenue from Contract with Customers”. The standard is based on the principle that revenue is recognized when control of goods or services is transferred to a customer.

Revenue from time charter contracts is generated from leasing of vessels and provision of services within the wind farming projects, catering, accommodation, mobilization, and other sundry services that might be agreed in the contracts. Consequently, a time charter contract consists of a leasing component of the vessel (the bareboat element) and a service component. The service component is within the scope of IFRS 15, whilst the leasing component is within the scope of IFRS 16. Both the service and the leasing component are recognized as revenue over the time over the leasing period. Revenues for the leasing component are

recognized ratably over the length of the contract, whilst revenues for the service component are recognized when services are provided.

Prepayments from customers for which the service component has yet to be provided are recognized as deferred income and recognized as revenue over the period when serviced are performed.

Payments from customers for the bareboat element are recognized over time in accordance with the length of the customer contracts. Any pre-payments are recognized as deferred income and recorded as revenue over the period during which the related services are performed.

Catering and accommodation income comprise income derived from catering services and the provision of accommodation. The correspondent revenue is recognized over time as the service is being provided.

In some contracts there may be agreed a mobilization fee, which covers income for vessel mobilization to support customer projects. Such mobilization income is recognized over time as the service is being provided.

In addition, some contracts will have regulations regarding sundry income, which comprises income for the mark up on costs recharged to customers, e.g. specific equipment requests made by the customers. Revenue is recognized on consumption or delivery of the requested charter equipment.

Income from contract cancellation fee is based on contractual penalties triggered by the customer's cancellation of contracts and is recognized as income when such fee is certain.

Property, plant and equipment

Vessels and equipment are stated at cost less depreciation. The cost of an asset comprises its purchase price and directly attributable cost of bringing the asset to its working condition. When it can be clearly demonstrated that expenditures have resulted in an increase in future economic benefits expected to be obtained from the use of the assets beyond its originally assessed standard of performance, the expenditure is capitalized as an additional cost of the asset. Any component of an asset with a cost that is significant in relation to the total cost of the asset is depreciated separately. Components with a similar depreciation method and useful life are grouped together.

Depreciation is calculated using the straight-line method for each asset, after taking into account the estimated residual value, over its expected useful lives. Components of fixed assets with different economic useful lives are depreciated over their respective useful lives.

Leases

Any right-of-use assets will be recorded according to principles as outlined in IFRS 16. In the financial statement of lessees, IFRS 16 requires recognition of all contracts that qualify under its definition of a lease as right-of-use assets and lease liabilities in the balance sheet, while lease payments are to be reflected as interest expense and reduction of lease liabilities.

After initial recognition, the right-of-use assets are to be depreciated in accordance with IAS 16 Property, Plant and Equipment over the shorter of each contract's term and the useful life of the asset. Borrowings are subsequently measured at amortized cost using the effective interest rate method.

Vessels under construction

The carrying value of the vessels under construction represents the accumulated costs to the balance sheet date which the Company has had to pay by way of installments paid to the yard and other capital expenditures together with capitalized interest. No charge for depreciation is made until the vessel is available for use.

Impairment

Vessels are assessed for impairment when events or circumstances indicate the carrying amount of the assets may not be recoverable. When such indicators are present, the carrying value of the vessels under construction is tested for recoverability. If the carrying amount exceeds the recoverable amount for the asset, an impairment loss is recognized and the asset is written down to its recoverable amount. The impairment is reversed when the basis for the write-down no longer exists.

Inventory

Inventories consist mainly of bunkers and lubrication oil on board the vessels. Inventories are measured at the lower of cost and net realizable value. Cost is determined in accordance with the first-in-first-out principle (FIFO), and expenses related to inventory are presented as voyage related expenses in the income statement.

Derivative financial instruments and hedging

The Group has no derivative financial instruments at year end 2020. When and if such contracts are entered into, the following principles will apply:

Derivative financial instruments are recognized on the balance sheet at fair value. Gains and losses due to realization or changes in fair value are reported in the income statement when the derivative is not a part of a hedging relationship that meets the criteria for hedge accounting. When the criteria for hedge accounting are fulfilled and the derivative is designated as a hedge transaction, the method of recognizing the gain or loss is dependent on the nature of the item being hedged.

Changes in the fair value of derivatives that qualify as cash flow hedge are initially recognized in other comprehensive income. Amounts deferred in other comprehensive income are transferred and classified in the income statement when the underlying hedged items impact net result in a manner consistent with the underlying nature of the hedged transaction.

Changes in the fair value of derivatives that qualify as a fair value hedge are recorded in the income statement together with any changes in the fair value of the hedged item that is attributable to the hedged risk.

Cash and cash equivalents

Cash represents cash on hand and deposits at bank that are repayable on demand. Cash equivalents represent short-term, highly liquid investments which are readily convertible into known amounts of cash with original maturities of three months or fewer and which are subject to an insignificant risk of change in value.

Trade and other receivable

Trade and other receivables are carried at amortized cost. The interest element is disregarded if it is insignificant. Should there be objective evidence of a fall in value, the difference between the carrying amount and the present value of future cash flow is recognized as a loss, discounted by the receivable amount's effective interest rate.

Trade payables and other current liabilities

Trade payables and other current liabilities are recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition the financial liabilities are measured at amortized cost using the effective interest method.

Long-term interest bearing debt

All borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method. Debt repayable within one year is classified as a current liability.

Share capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are recognized as a reduction of equity, net of tax if deductible, from the proceeds.

Pensions

The Company has no employees in 2020. When employments are agreed, the Company will implement a defined contribution plan for its employees.

Under a defined contribution plan, the Company is responsible for making an agreed contribution to the employee's pension savings. The Group has no further payment obligations once the contributions have been paid. Contribution are recognized as an employee benefit expense in the income statement when they fall due.

Tax

The tax expense consists of the tax payable and changes in deferred tax. Deferred tax is calculated at the nominal income tax rate of net temporary differences existing between accounting and tax values, and any carry forward losses for tax purposes at year-end. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

Segment information

The market for the Group's vessels is the international market and the value chain of the offshore windfarm industry and the Group operation will be exposed to the same risks and returns wherever the vessels are employed. As the vessels are managed as one business segment, the Company will initially only have one reportable segment.

Earnings per share

Basic earnings per share ("Basic EPS") are calculated as net profit or loss for the period divided by the weighted average number of shares outstanding during the period.

Cash Flow Statement

The cash flow statement is presented using the indirect method.

Estimates

The preparation of financial statements in accordance with IFRS requires management to exercise judgement and to make estimates and assumptions that affect the application of policies, reported amounts of revenue, expenses, assets and liabilities and disclosures. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

New standards and interpretation not yet adopted

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for use in the financial statement per 31 December 2020 but might have an impact on future accounting periods. None of the issued, not yet effective IFRS standards, amendments to such standards or IFRIC interpretations are expected to have material effect for the Group's financial reporting.

Note 3 - Segment information

As of end of December 2020 the Group had no vessels in operation.

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. The strategy of the Group is to be an integrated provider of offshore wind services.

When the vessels are delivered from the yard, the Group will be organized in one operating business segment based upon the services provided, which will be operating the offshore windfarm service vessels.

Integrated Wind Solutions Group

Note 4 - Specification of expenses

in NOK thousands, unless otherwise indicated

	2020
<u>Vessel operating expenses</u>	
Crewing expenses	0
Maintenance and stores	0
Lub oil etc	0
Insurance	0
Other operating expenses	0
Total	<u>0</u>

Administrative expenses

Management fee	13
Other fees	11
Travel expenses	0
Other administrative expenses	1
Total	<u>24</u>

Fees to the Group's auditors are included in administrative expenses.

Audit fees (excluding VAT)	11
Audit related fees (excluding VAT)	0
Other services	0
Total	<u>11</u>

Note 5 Specification of financial income and expenses

in NOK thousands, unless otherwise indicated

	2020
Interest income	0
Other financial income	0
Financial income	<u>0</u>
Interest expense	(1)
Other financial expenses	(1)
Financial expense	<u>(1)</u>

Integrated Wind Solutions Group

Note 6 - Cash and cash equivalents

The Group's cash and cash equivalents are denominated in the following currencies as of 31 December:

<i>in NOK thousands, unless otherwise indicated</i>	<u>2020</u>
US Dollar	0
Norwegian kroner	<u>212</u>
Total cash and cash equivalents	<u>212</u>
Restricted bank deposits	0
Tax withheld from employees	0

Cash in bank earns interest at floating rates based on daily bank deposit rates.

Note 7 - Financial investments and instruments

<i>in NOK thousands, unless otherwise indicated</i>	<u>2020</u>
<u>Cash flow hedge instruments</u>	
Securities and investments	
Derivative financial instruments (1)	0

(1) The Group has no financial securities, and not entered into any financial derivative instrument agreements, per year end.

Note 8 - Current assets and liabilities

<i>in NOK thousands, unless otherwise indicated</i>	<u>2020</u>
<u>Other current assets</u>	
Accounts receivables related parties	0
Other receivables	6
Other current assets and accruals	<u>0</u>
	<u>6</u>
<u>Other current liabilities</u>	
Accounts payable related parties (note 18)	0
Other accounts payable	13
Other current liabilities and accruals	<u>0</u>
	<u>13</u>

Note 9 - Vessels and other fixed assets

2020

in NOK thousands, unless otherwise indicated

	Vessels	Other Assets	Total
Acquisition cost, opening balance	0	0	0
Acquisition of fixed assets	0	0	0
Disposal of assets	0	0	0
Acquisition cost, ending balance	0	0	0
Accumulated depreciation, opening balance	0	0	0
Depreciation	0	0	0
Impairment charges / reversals	0	0	0
Disposal of assets	0	0	0
Accumulated depreciation, ending balance	0	0	0
Net carrying amount, ending balance	0	0	0
Expected useful life	25 years		
Depreciation rates on vessel components	4% - 20%		
Depreciation method	Straight line		

As of year end, 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 10 - Commitments and contingencies

Effective from July 23 2020, the wholly owned subsidiary, Awind AS, has entered into a management agreement with Awilhelmsen Management AS for office support. The management fee will be subject to negotiation based on amount of management services needed, which will be dependent upon when the Group's organisation will be employed and operational.

<u>New-building delivered cost (figures in Euro 1000)</u>	<u>Yard</u>	<u>Delivery</u>	<u>Estimated delivered cost</u>	<u>Capitalized cost et period end</u>	<u>Remaining to be capitalized</u>
Contract no 1	CMIH	1Q 23	46 000	0	46 000
Contract no 2	CMIH	2Q 23	46 000	0	46 000
			92 000	0	92 000
			<u>Contract no 1</u>	<u>Contract no 2</u>	<u>Total</u>
Building contracts with the yard			42 000	42 000	84 000
Yard contracts for various equipment			1 280	1 280	2 560
Total yard contracts			43 280	43 280	86 560
Other variation orders, capitalized expenditures etc			2 500	2 500	5 000
Estimated delivered cost			45 780	45 780	91 560
<u>Payment structure to CMHI of the yard contracts</u>					
Contract signing (1Q 2021)	10 %				8 656
Steel cutting	10 %				8 656
Sea launching	10 %				8 656
Upon delivery	70 %				60 592
					<u>86 560</u>

Note 11 - Investments in subsidiaries

The consolidated financial statements include the financial statements of Integrated Wind Solutions AS and its subsidiaries listed in the following table:

<u>Subsidiary</u>	<u>Country of incorporation</u>	<u>Ownership interest</u>	<u>cluded in consolidated nancial Statement from</u>
Awind AS	Norway	100 %	Incorporation date in 2020
Awind 1 AS	Norway	100 %	Incorporation date in 2021, in incorporation process
Awind 2 AS	Norway	100 %	Incorporation date in 2021, in incorporation process
Awind 3 AS	Norway	100 %	Incorporation date in 2021, in incorporation process
Awind 4 AS	Norway	100 %	Incorporation date in 2021
Awind 5 AS	Norway	100 %	Incorporation date in 2021
Awind 6 AS	Norway	100 %	Incorporation date in 2021

Integrated Wind Solutions Group

Note 12 - Income tax

in NOK thousands, unless otherwise indicated

	2020
<u>Current income tax</u>	
Current income tax charge, Norwegian	0
Current income tax charge, foreign	0
<u>Deferred income tax</u>	0
Relating to origination and reversal of temporary differences	0
Income tax benefit/(expense)	0

Reconciliation of total income tax expense during the year to the income tax expense at the statutory income tax rate applicable in Norway:

Profit (loss) before tax	-26
Tax at Norway's statutory income tax rate	6
Non-deductible expenses or non-taxable items	0
Valuation allowance / translation adjustments ⁽¹⁾	-6
Income tax expense (benefit)	0

⁽¹⁾ Includes tax effect of differences arising from foreign exchange effects to Norwegian Krone, which is the basis for taxation of the parent company and the subsidiaries.

Deferred income tax at December 31 relates to the following:

<u>Deferred tax assets</u>	
Other temporary differences	0
Tax losses carried forward	6
Valuation allowance	-6
Deferred tax assets	0
<u>Deferred tax liabilities</u>	
Fixed assets	0
Investments	0
Other temporary differences	0
Deferred tax liabilities	0
Net deferred income tax asset / (liability)	0
<u>Deferred tax cost</u>	
Deferred tax, opening balance	0
Deferred tax from acquisitions / recorded to equity	0
Deferred tax, ending balance	0
Deferred tax benefit/(expense)	0

The Group's subsidiaries, in which the contracts / 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.

The tax losses carried forward are available indefinitely to offset against future taxable profits. A deferred tax asset has not been recognized in respect of these tax losses as they only may be utilised to offset taxable financial income in the respective group company, and cannot be offset by group contribution to other Group companies.

Integrated Wind Solutions Group

Note 13 - Interest bearing debt

in NOK thousands, unless otherwise indicated

	Interest rate %	2020	2019
Non-current liabilities, secured credit facility			
Long-term interest-bearing debt (1)		0	0
First year installment reclassified to short term debt		0	0
Unamortized up front fees and accrued interests		0	0
Total secured credit facility		<u>0</u>	<u>0</u>

Planned financing of the contracts

The Group has no long term debt at year end.

The shipbuilding contracts entered into by Awind 4 AS and Awind 5 AS have a payment structure whereby 10% will be paid on signing, another 10% to be paid six months after contract signing, and a further 10% to be paid once the ship is launched. These instalments will be paid by equity in the company. The remaining 70% of the contract price will be due upon delivery of the vessel from the shipyard, and is expected to be financed with a mix of debt and equity to be decided closer to delivery in the first and second quarter of 2023.

Note 14 - Guarantees

There are no corporate guarantees from Integrated Winds Solutions AS. However, Awilco AS 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.

Integrated Wind Solutions Group

Note 15 - Share capital, issued capital and shareholders

in NOK thousands, unless otherwise indicated

	Shares	Par value per share	Share capital	Paid-in premium	Total paid-in-capital
Share capital at incorporation 23 July 2020	100 000	NOK 1,00	100	20	120
Incorporation costs			0	-12	-12
			0	0	0
Share capital per 31 Dec 2019	100 000	NOK 1,00	100	8	108

Shareholders of the Company

	<u>Shares</u>	<u>Ownership</u>
Awilco AS	100 000	100,00 %
Other shareholders	-	0,00 %
	<u>100 000</u>	

All issued shares have a par value of NOK 1,0 and are of equal rights. Integrated Wind Solutions AS is incorporated in Norway and the share capital is denominated in NOK.

Note 16 - Earnings per share

in NOK thousands, unless otherwise indicated

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares to ordinary shares.

	2020
Net profit/(loss) attributable to equity holders of the parent	-26
Weighted average number of ordinary shares outstanding	100 000
Weighted average number of shares outstanding, diluted	100 000
Basic earnings per share (in NOK)	(0,255)
Diluted earnings per share (in NOK)	(0,255)

Note 17 - Remuneration, pension expenses etc

The Company has no employees. When employment is agreed, the Group will establish a defined contribution plan for the employees, whereby salary up until 12G will be funded in a life insurance company.

The CEO does not receive any remuneration from the Company, but is employed and receives remuneration in Awilco AS, the shareholder of the Company.

The Company has in 1Q 2021 employed a new CEO, and will in the construction period of the two new-building contracts employ personnel within commercial, technical and administrative support.

Note 18 - Related party transactions

in NOK thousands, unless otherwise indicated

In the normal course of its business, the Group enters into a number of transactions with related party companies. Transactions with related party are specified as follows:

For 2020	Payables to related parties	Purchases from related parties	Interest expense related parties
Awilhelmsen Management AS	0	13	0
Awilco Technical Services AS	0	0	0
Awilco AS	0	0	0

Management services

To provide the company with access to important knowledge and services, the Group will enter into agreements with related parties:

<u>Related party</u>	<u>Description of service</u>
Awilhelmsen Management AS	Administrative Management Agreement
Awilco Technical Services AS	Ship Management Agreement
Awilco AS	Employee for Hire Agreement

Based on the Group's strategy of being a leading provider of offshore wind services, we will in the vessel building period engage an organization responsible for marketing, technical, market communication and administrative services.

In the transition to building an independent, full-scale organization, administrative and technical management services will be bought from Awilhelmsen Management AS and Awilco Technical Services AS respectively. Longer-term, the company will evaluate the cost-benefit of continued use of outsourcing to keep a lean organization. The Group's quality of operation is supported by experienced, educated, and well-trained staff.

Note 19 - Financial instruments and risk management

in NOK thousands, unless otherwise indicated

Risk Management

The Integrated Wind Solutions Group is exposed to financial market risks such as fluctuations in currency exchange rates, interest rates and other market risks that may influence the value of assets, liabilities and cash flow. Management has routines for assessing the Group's financial market risk in general, as well as evaluating hedging strategies for specific exposures as they arise. The Group does not use instruments with the objective of profiting from gains in interest rates and exchange rate fluctuations.

Currency risk exposure

The Group's primary economic environment is the European and international market for windfarms and the services related to installation, operations and maintenance, where transactions generally are settled in EUR. However, as per 31.12.2020, the company had no income and very limited costs as the subsidiaries had not yet started its intended operations. The balance sheet items denominated in other currencies than NOK are considered insignificant. To manage currency risk, management reviews whether to enter into forward contracts for EUR/NOK or using other financial instruments to hedge this risk.

Exposure to fluctuations in the interest rate

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has no loans.

Liquidity risk exposure and capital structure

Liquidity risks may arise if a company is not able to pay its financial obligations at due date. The Group applies cash flow forecasting to ensure that the activities are adequately financed at all times. The capital structure is reviewed on an ongoing basis to ensure that the capital structure is in alignment with the commitments to support its operations.

Note 20 - Events in 2020 / 2021

In the first quarter of 2021, the Integrated Wind Solutions Group established six subsidiaries, under its 100% owned subsidiary Awind AS, named Awind 1-6 AS. On January 25 2021, Awind 4 and Awind 5 AS signed contracts for building two windfarm support vessels (CSOVs) with delivery in the first and second quarter of 2023 respectively at China Merchants Industry Holding Co Ltd (CMIH) with a contract price of EUR 42 mill per vessel. Furthermore, at the same time Awind 6 AS entered into an option agreement with the shipyard for up to four additional vessels at similar terms.

Note 21 - Subsequent events

The owner of the Integrated Wind Solutions Group decided in January 2021 to start a process of a private placement of issuing shares in the Company, with an estimated equity increase of NOK 750 mill, and simultaneously plan for a stock listing of the shares at Euronext Growth on Oslo which is expected to take place some time during the second quarter.

In early March 2021 the sole shareholder, Awilco AS, paid MNOK 200 in new equity to the Company, which forms part of the planned private placement.

Furthermore, in the first quarter of the year the company hired a CEO and a Commercial Director whereby both will start during the second quarter 2021.

Financial statement

23 July (incorporation date) - 31 December 2020

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Integrated Wind Solutions AS

Company registration number 925 558 745

ooo - O - ooo

Integrated Wind Solutions AS

Income statement

All figures in NOK 1000

		23.07 - 31.12
	<u>Note</u>	<u>2020</u>
<u>Operating income and expenses</u>		
Management fee	8	0
Other operating income		0
		<u>0</u>
Salary and personell expenses		0
Other operating expenses		0
Depreciation and amortization	1	0
Sales, general and administrative expenses	8	11
		<u>11</u>
Operating profit/(loss)		<u>(11)</u>
<u>Finance income and expenses</u>		
Interest income		0
Foreign exchange gain/(loss) unrealised		0
Interest expense		0
Interest expense, related parties	8	(1)
Net gain/(loss) financial investments		0
Valuation adjustment financial investments		0
Other finance income/(expenses)		(0)
Net financial items		<u>(1)</u>
Profit/(loss) before tax		(12)
Tax expense	2	<u>0</u>
Profit/(loss) for the year		<u><u>(12)</u></u>
<u>Allocations and capital transfers for the year</u>		
Dividend		0
Transferred to/from share premium		0
Transferred to/from other paid-in capital		0
Transferred to/from other equity		12
Total allocations and transfers		<u><u>12</u></u>

Integrated Wind Solutions AS

Balance

All figures in NOK 1000

ASSETS	Note	31.12.2020
<u>Non-current assets</u>		
<u>Intangible assets</u>		
Deferred tax asset	2	0
<u>Non-current financial assets</u>		
Shares in subsidiaries	10	120
Intercompany receivables	7	0
Financial investments		0
		120
Total non-current assets		120
<u>Current assets</u>		
Receivables		0
Financial investments	11	0
Intercompany receivables	7	3
Other current receivables		0
Bank deposits		106
Total current assets		109
Total assets		229
EQUITY AND LIABILITIES		
<u>Paid-in capital</u>		
Share capital	3, 4	100
Share premium	3, 4	8
Other paid-in capital	3, 4	0
<u>Retained earnings</u>		
Reserve for valuation variances		0
Retained earnings	3	(12)
Total equity		96
<u>Provision for liabilities</u>		
Deferred tax	2	0
<u>Non-current liabilities</u>		
Debt to shareholders	9	0
Secured credit facility	9	0
		0
<u>Current liabilities</u>		
Tax payable	2	(0)
Creditors		6
Intercompany creditors	7	121
Other current liabilities		6
Total current liabilities		133
Total equity and liabilities		229

Oslo, 15 March 2021

Sigurd Thorvildsen
Chairman of the Board

Jens-Julius Ramdahl Nygaard
Board member / CEO

Ole Christian Hvidsten
Board member

Cathrine Haavind
Board member

Integrated Wind Solutions AS

Cash flow statement

All figures in NOK 1000

		23.07 - 31.12 <u>2020</u>
<u>Cash flows from operating activity</u>		
Profit/(loss) before tax		-12
Tax payable		0
Depreciation and amortisation		0
Valuation adjustment financial investments		0
Foreign exchange effect long term debt		0
Gain/loss by sale of securities		0
Cash flow from operations		<u>-12</u>
Change in debtors, creditors and other accruals		-1
Net cash flow generated by / used in operations	A	<u>-14</u>
<u>Cash flows from investing activities</u>		
Invested in property, plant and equipment		0
Invested in securities		0
Invested in shares in subsidiaries		0
Net cash flow from investments	B	<u>0</u>
<u>Cash flows from financing activities</u>		
Change in non-current receivables		0
Secured credit facility		0
Loan issue costs secured credit facility		0
Loan issue costs amortized		0
Installments on secured credit facility		0
Long-term liabilities, shareholder loan		0
Paid-in equity		120
Net cash flow from financial activities	C	<u>120</u>
Net cash flow for the year	A+B+C	106
Cash and cash equivalents at 1.1		<u>0</u>
Cash and cash equivalents at 31.12		<u>106</u>

Corporate information and accounting principles of Integrated Wind Solutions AS

Corporate information

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

The Company was incorporated January 23rd July 2020. From incorporation date 23rd July 2020 until end of the year, the Company had no significant business operation. The Company has in February 2021 through its subsidiaries entered into new-building contracts for two purpose built offshore windfarm service vessels with planned delivery in first and second quarter of 2023. At the same time, an option contract with the yard for potential calling of four optional vessels was signed. As the Company had no vessels in operation in 2020, several of the accounting principles described below will be relevant only after the vessels are delivered from the yard and commenced operation.

Summary of significant accounting principles

Basis of preparation

The financial statements of Integrated Wind Solutions AS have been prepared in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles. The financial statements are presented in Norwegian kroner (NOK).

Shares in subsidiaries

Shares in subsidiaries are measured at cost less accumulated impairment losses. Such assets are impaired to fair value when the decrease in value is not considered being of a temporary nature and is deemed necessary based on generally accepted accounting principles. Any impairment recorded is reversed when the rationale for the recognized impairment loss no longer applies. Dividends, group contribution and other distributions from subsidiaries are recognized when these are resolved in the subsidiaries.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in other currencies are translated at the exchange rate applicable at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates are recognized in the income statement as financial income or expense.

Recognition of revenue and expenses

Revenue from the sale of services is recognized in the income statement in the period that services are rendered at rates established in the relevant contracts. Costs are expensed in the same period as related revenue.

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. The cost of an asset comprises its purchase price and directly attributable cost of bringing the asset to its working condition. When it can be clearly demonstrated that expenditures have resulted in an increase in future economic benefits expected to be obtained from the use of the assets beyond its originally assessed standard of performance, the expenditure is capitalized as an additional cost of the asset. Any component of an asset with a cost that is significant in relation to the total cost of the asset is depreciated separately. Components with a similar depreciation method and useful life are grouped together.

Depreciation is calculated using the straight-line method for each asset, after taking into account the estimated residual value, over its expected useful lives. Components of fixed assets with different economic

useful lives are depreciated over their respective useful lives. No charge for depreciation is recorded made until the asset is available for use.

Impairment

Property, plant and equipment are assessed for impairment when events or circumstances indicate the carrying amount of the assets may not be recoverable. When such indicators are present, the carrying values of the assets are tested for recoverability. If the carrying amount exceeds the recoverable amount for the asset, an impairment loss is recognized, and the asset is written down to its recoverable amount. The impairment is reversed when the basis for the write-down no longer exists.

Cash and cash equivalents

Cash represents cash on hand and deposits at bank that are repayable on demand. Cash equivalents represent short-term, highly liquid investments which are readily convertible into known amounts of cash with original maturities of three months or fewer and which are subject to an insignificant risk of change in value. The cash flow statement is presented using the indirect method.

Accounts receivable

Accounts receivables are carried at amortized cost. The interest element is disregarded if it is insignificant. Should there be objective evidence of a fall in value, the difference between the carrying amount and the present value of future cash flow is recognized as a loss, discounted by the receivable amount's effective interest rate.

Share capital and dividends

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are recognized as a reduction of equity, net of tax if deductible, from the proceeds.

Proposed dividend payments from the Company are recognized as a liability in the financial statements on the balance sheet date.

Long-term interest-bearing debt

All borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method. Debt repayable within one year is classified as a current liability.

Pensions

The company has no employees in 2020. When employments are agreed, the Company will implement a defined contribution plan for its employees.

Under a defined contribution plan, the company is responsible for making an agreed contribution to the employee's pension savings. The Group has no further payment obligations once the contributions have been paid. Contribution are recognized as an employee benefit expense in the income statement when they fall due.

Tax

The tax expense consists of the tax payable and changes in deferred tax. Deferred tax is calculated at the nominal income tax rate of net temporary differences existing between accounting and tax values, and any carry forward losses for tax purposes at year-end. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to exercise judgement and to make estimates and assumptions that affect the

application of policies, reported amounts of revenue, expenses, assets and liabilities and disclosures. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Integrated Wind Solutions AS

All figures in NOK 1000 (unless otherwise stated)

Note 1 Assets

The Group has no fixed assets at year end. In February 2021 the Group signed two new-building contracts for purpose built offshore windfarm service vessels.

The vessels will be delivered in first and second quarter of 2023.

The vessels will be depreciated over the estimated remaining useful life at the time of acquisition.

Note 2 Income tax

The tax cost can be specified as follows;

<u>Tax payable for the year</u>	<u>2020</u>
Ordinary profit/(loss) before tax	-12
Permanent differences	0
Change in temporary differences	0
Change in tax loss carryforwards	12
Taxable income for the year	<u>0</u>

Current tax rate	22 %
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Tax payable on ordinary income	<u>0</u>
Tax payable	<u>0</u>

Tax payable shown in the balance sheet is calculated as follows:

Tax payable for the year	0
Tax payable on Group contribution (received)/paid	<u>0</u>
Total income tax payable	<u>0</u>

Temporary differences offset

Miscellaneous long-term items	0
Other temporary differences	0
Loss carried forward	-12
Tax credit interests carried forward	<u>0</u>
Basis for calculation of deferred tax	<u>-12</u>

Deferred tax rate	22 %
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Deferred tax asset / (liability)	<u>3</u>
----------------------------------	----------

Valuation allowance	<u>12</u>
Deferred tax asset / (liability)	<u>-3</u>

Total deferred tax asset / (liability)	<u><u>0</u></u>
--	-----------------

The deferred tax expense comprises:

Deferred tax asset/(liability) in closing balance	0
- Tax effect on cash flow hedge	0
- Tax effect changes and corrections	0
- Deferred tax in opening balance	<u>0</u>
Deferred tax (expense) / income	<u>0</u>

Total tax costs for the year comprise:

Tax payable for the year	0
Deferred tax	<u>0</u>
Total tax (expense) / income for the year	<u><u>0</u></u>

Integrated Wind Solutions AS**Note 3 Equity**

	Share capital	Share premium	Other paid-in capital	Reserve for valuation variances	Retained earnings	Total equity
Capital at incorporation	100	20				120
Incorporation expenses		-12				-12
Cash flow hedge (net of tax)				0		0
Profit/(loss) 2020		0		0	-12	-12
Group contribution (net of tax)					0	0
Equity at 31.12.2020	100	8	0	0	-12	96

Note 4 Share capital and shareholders

	Number of shares	Par value per share	Share capital
Share capital at incorporation date	100 000	1,00	100
Equity issue up to 31 Dec 2020	0	1,00	0
Share capital at 31.12.2020	100 000	1,00	100

The company's shares represent equal rights in the company, and the shareholders of the company are;

<u>Shareholders of the Company</u>	<u>Shares</u>	<u>Ownership</u>
Awilco AS	100 000	100,00 %
Other shareholders	-	0,00 %
	<u>100 000</u>	

Note 5 Employees, remuneration to executive employees, etc.

The company had no employees during the year.

No remuneration, issue of loans or collateral for loans has been expensed in favour of the company's officers during the financial year.

Audit fee of NOK 5,- is expensed for ordinary financial audit of the company.

Audit fee of NOK 0,- is expensed for other services.

Note 6 Group contribution

		<u>2020</u>
Group contribution received/(accrued)		0
Tax effect of group contribution	22 %	0
Net group contribution after tax		<u>0</u>

Integrated Wind Solutions AS

Note 7 Intercompany receivables and debt

	2020	
	Current	Non-current
<u>Intercompany receivables</u>		
Awilco AS	3	0
Awind 4 AS	0	0
Awind 5 AS	0	0
Awind 6 AS	0	0
	<u>3</u>	<u>0</u>
<u>Intercompany debt</u>		
Awilco AS	121	0
	<u>0</u>	<u>0</u>
	<u>121</u>	<u>0</u>

Note 8 Related party transactions

For 2020	Sales to related parties	Purchases from related parties	Interest income related parties	Interest expense related parties
Awilhelmsen Management AS	0	6	0	0
Awilco Technical Services AS	0	0	0	0
Awilco AS	0	0	0	-1
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>6</u>	<u>0</u>	<u>-1</u>

To provide the company with access to important knowledge and services, the Group will enter into agreements with related parties:

Related party	Description of service
Awilhelmsen Management AS	Administrative Management Agreement
Awilco Technical Services AS	Ship Management Agreement
Awilco AS	Employee for Hire Agreement

Based on the Group's strategy of being a leading provider of offshore wind services, we will in the vessel building period engage an organization responsible for marketing, technical, market communication and administrative services.

In the transition to building an independent, full-scale organization, administrative and technical management services will be bought from Awilhelmsen Management AS and Awilco Technical Services AS respectively. Longer-term, the company will evaluate the cost-benefit of continued use of outsourcing to keep a lean organization. The Group's quality of operation is supported by experienced, educated, and well-trained staff.

Note 9 Long term interest bearing debt

	2020
<u>Long-term debt to shareholders</u>	
Awilco AS	0
Other shareholders	0
	<u>0</u>
<u>Secured credit facility</u>	
Secured credit facility drawn	0
First year installment reclassified to short term debt	0
Unamortized up front fees and accrued interests	0
	<u>0</u>

Note 10 Investment in subsidiaries

	Currency	Share capital	Par value	No. of shares owned	Holding and voting share	Cost price	Carrying value
<u>Investment in subsidiaries</u>							
Awind AS	NOK	100	1,00	100 000	100 %	120	120
<u>Subsidiary, Awind AS's, investment in subsidiaries in 2021</u>							
Awind 1 AS (in incorporation process)	NOK	100	1,00	100 000	100 %	120	120
Awind 2 AS (in incorporation process)	NOK	100	1,00	100 000	100 %	120	120
Awind 3 AS (in incorporation process)	NOK	100	1,00	100 000	100 %	120	120
Awind 4 AS	NOK	30	10,00	3 000		55	55
Awind 5 AS	NOK	30	10,00	3 000		55	55
Awind 6 AS	NOK	30	10,00	3 000	100 %	55	55
Shares in subsidiaries						<u>525</u>	<u>525</u>

Note 11 Securities and financial instruments

<u>Financial instruments</u>	<u>2020</u>
Securities and investments	0
Derivative financial instruments	0
	<hr/>
	0

(1) The Company has no financial securities, and not entered into any financial derivative instrument agreements per year end.

Note 12 Financial instruments and risk management

Please see the financial statements for the Group for information regarding financial instruments and risk management.

Note 13 Commitments, contingencies and subsequent events

Please see the financial statements for the Group for information regarding guarantees, commitments, contingencies and subsequent events.

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Integrated Wind Solution AS (the Company), in our opinion:

- The financial statements are prepared in accordance with the law and regulations
- The accompanying financial statements give a true and fair view of the financial position of the parent company as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act (NGAAP) and accounting standards and practices generally accepted in Norway.
- The accompanying financial statements give a true and fair view of the financial position of the group as at December 31, 2020, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

The financial statements comprise

- The financial statements of the parent company, which comprise the balance sheet as at December 31, 2020, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet at 31 December 2020, statement of comprehensive income, statement of changes in equity, cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no Key Audit Matters in 2020.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Board of Directors' report, but does not



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include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation and fair presentation of the financial statements of the parent company in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the parent company use the going concern basis of accounting insofar as it is not likely that the enterprise will be wound up. The financial statements of the group use the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Refer to <https://revisorforeningen.no/revisjonsberetninger> which contains a description of Auditor's responsibilities.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so

would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 15. March 2021

Revisorgruppen Oslo AS



Tom Thomassen

State Authorised Public Accountant