

Financial Report

Q2 2022



INTERIM FINANCIAL REPORT

Q2 2022¹

HIGHLIGHTS

- Total revenue of NOK 56 million for Q2 2022 compared with NOK 51 million in the previous quarter.
- EBITDA of NOK -3 million for Q2 2022 compared with NOK -7 million in the previous quarter.
- Entered a strategic partnership with Bourbon to address the French commissioning and maintenance market of offshore wind farms.
- The Dogger Bank consortium intends to charter one CSOV for Dogger Bank C for commissioning and construction work with commencement in mid-2025. IWS has already secured contract work for Dogger Bank A and B. The intended new charter contract is under documentation with expected signing in H2 2022.
- Signed the EUR 56.25 million senior secured credit facility for the financing of the two first CSOVs.
- Good progress on the first two CSOVs under construction at China Merchants Industry Holdings Co., Ltd ("CMI") with an expected delivery of the first vessel during Q2 2023.
- Received NOK 68 million in proceeds from tranche 2 of the NOK 350 million private placement that was completed in March.
- The 30% owned PEAK Wind continues the strong growth with an increase in Q2 2022 net revenues of 19% quarter over quarter ("QoQ") and 79% year over year ("YoY"). The number of employees has increased by 30% since year-end 2021.
- IWS Services continues to develop with an increase in Q2 2022 revenues of 10% versus Q1 2022 explained by ProCon.
- Strong market for CSOVs with increased charter rates and newbuilding prices.

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

OPERATIONS

Group structure

The activities in the Group are organised into IWS Fleet AS ("IWS Fleet"), IWS Services AS ("IWS Services"), and the associated company PEAK Wind A/S ("PEAK Wind").

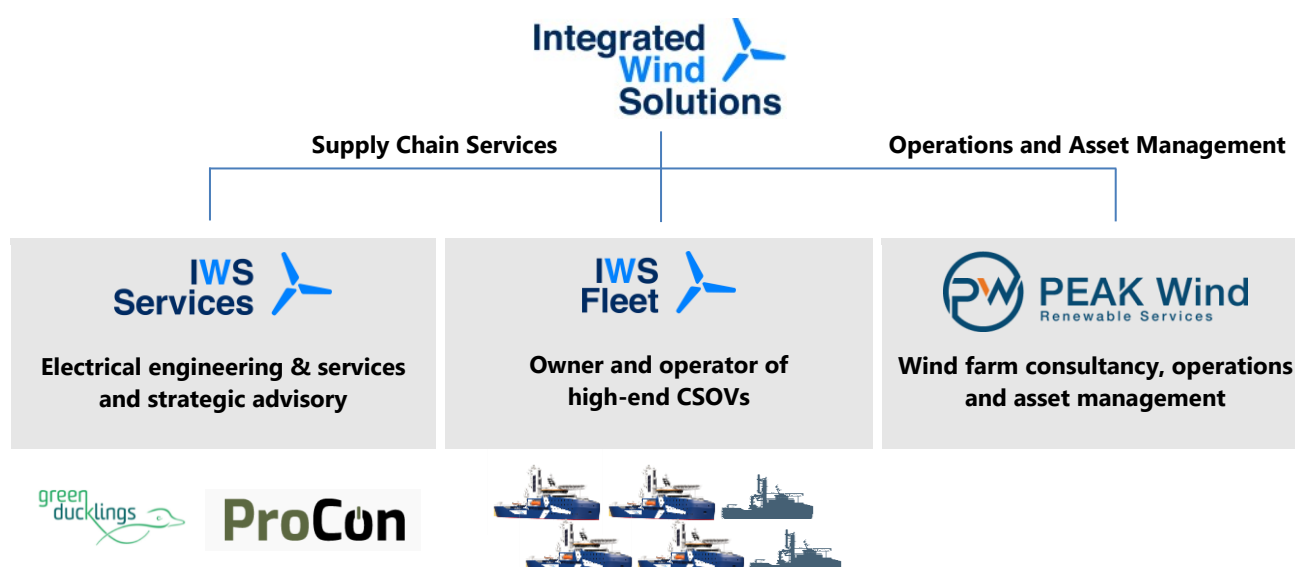
IWS Fleet is the owner and operator of high-end CSOVs with four newbuildings under construction at the leading shipyard CMI.

For IWS Services², the two Danish offshore wind service/consulting companies ProCon Group ApS³ ("ProCon")

and Green Ducklings A/S⁴ ("Green Ducklings") form the base of the supply chain service offerings.

The 30%⁵ owned PEAK Wind is the leading provider of operations and asset management services to wind farms and is classified as an associated company.

These companies form the base of Integrated Wind Solutions' ("IWS" or the "Group") strategy of becoming the preferred service provider within the offshore wind sector.



Group management

The group management team consists of CEO Lars-Henrik Røren, COO Christopher Andersen Heidenreich and CFO Marius Magelie.

IWS Fleet site office at CMI

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

² 97% owned by Integrated Wind Solutions ASA

³ 75% owned IWS Services (100 % of the voting shares)

⁴ 100% of the voting shares

⁵ Fixed price option exercisable by September 2024 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 second quarter of 2022. Construction activity is high in European incumbent countries, and the first turbines for major wind farms now being installed in key new markets such as France and the US.

The war in Ukraine with a subsequent energy crisis in Europe has shifted attention to the topic of energy security to become less reliant on imported Russian gas. For many European countries, offshore wind has been launched as one of the key drivers of this transition.

The offshore wind market is nevertheless not excluded by the global inflationary pressure and supply chain disruptions, which could also increase the cost of offshore wind. The sector, in general, should, however, not be more affected compared with other renewable energy sources.

The European target remains 125-130 GW of offshore wind installed in 2030, and European countries continue to increase their offshore wind ambitions.

As a clear example, the four prime ministers of Denmark, Germany, Belgium, and the Netherlands co-signed a joint declaration in Denmark in May, quadrupling the four countries' offshore wind capacity to 65GW in 2030 and a tenfold increase to at least 150GW in 2050.

Another key trend to observe is the push for clever grid system integration across offshore wind projects leveraging benefits from power-to-X ("PtX") and alternative fuel. A trend driven by the need to provide decarbonized energy to heavy transport and industry.

Green Ducklings consider +130GW in 2030 as achievable, but the significant uncertainty related to substantial supply chain and grid infrastructure constraints and lengthy project permitting processes remains. Potentially pressure has also been further increased by dynamics outside Europe e.g. the new Inflation Reduction Act 2022, increasing historic investments in clean energy in the US.

Market for CSOVs

Shorter-term charter rates for CSOVs and walk-to-work ("W2W") vessels have increased (and stabilised at higher levels) in Q2 2022 and compared with Q1 2022 and Q2 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. Several IMR/Subsea vessels have been fixed long-term at rates above historical levels in the W2W market and we expect this trend to continue.

According to Clarksons, there are limited, if any, availability of high-end tier 1 and tier 2 W2W vessels in the short term. Furthermore, the global fleet of CSOVs and SOVs counted 38 vessels in operations of which 23 are considered "Tier 1". The total orderbook consists of 27 vessels, of which four vessels have been ordered by IWS.

With limited new supply, coupled with continued growth in offshore wind farm development as well as a stronger oil and gas market, we see the market for CSOV vessels continue to improve.

MAIN EVENTS DURING Q2 AND POST-QUARTER EVENTS

Newbuildings

The company has ordered four CSOVs from CMI with an expected delivery of the first vessel, IWS Skywalker, during Q2 2023. The second vessel, IWS Windwalker, is scheduled for Q4 2023 delivery.

The yard is progressing well on the first two CSOVs under construction. The first steel cut for IWS Seawalker and IWS Starwalker is scheduled for Q3 2022 and Q4 2022, respectively.

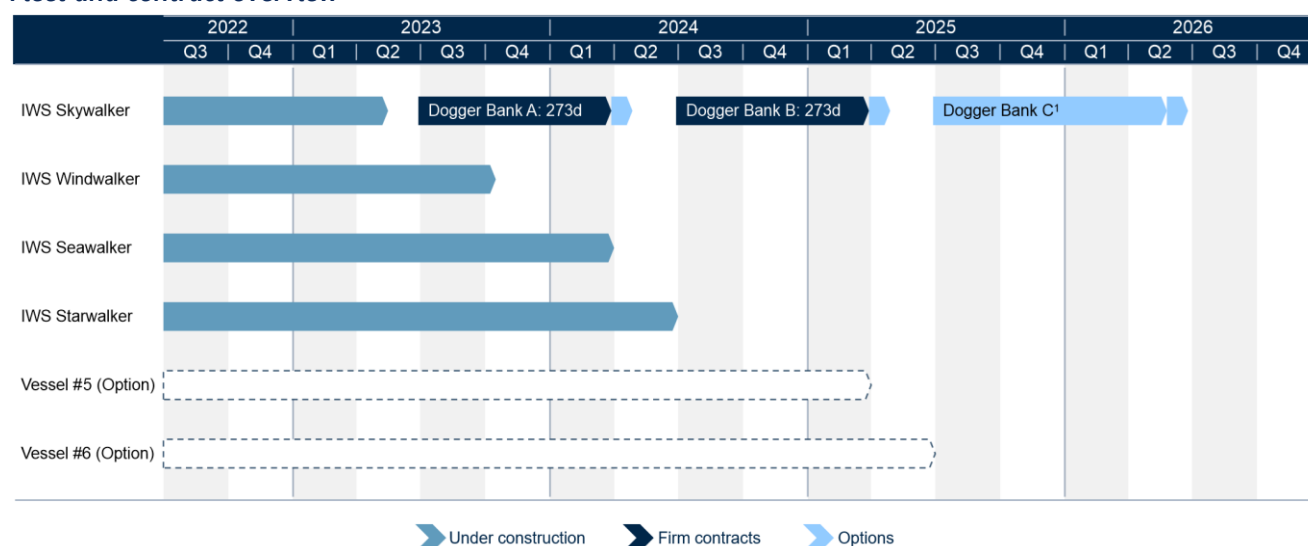
The firm average yard price for the four vessels is about EUR 46m per vessel (turnkey contracts). About 50% of the vessel value is related to Norwegian export companies providing advanced technology ensuring safe and efficient operations.

The global shipyards are not immune to the global supply-chain pressure, and there are general risks related to the timing of delivery of key components.

Employment

IWS Fleet has been notified by the Dogger Bank Consortium 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 and the contract is being documented with expected signing during H2 2022. The company has already secured two separate charter contracts with the Dogger Bank consortium with a start-up in 2023 and 2024.

Fleet and contract overview



1) The contract will be effective when contractual documentation is completed, expected in Q3 2022.

Financing

In March, the company 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, corresponding to proceeds of NOK 68 million.

In April, 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 June, the company entered a strategic partnership, through its subsidiary IWS Fleet, with the major French offshore marine service company, Bourbon, to address the French commissioning and maintenance market of offshore wind farms. This will allow Bourbon to market and operate the CSOVs in France. With this partnership, the ambition is to offer a range of services dedicated to offshore wind farms in the French market.

FINANCIAL REVIEW

Income statement

Total revenue for the second quarter of 2022 was NOK 56.2 million, of which ProCon contributed NOK 53.6 million and the group's 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 second quarter of 2022 was NOK 2.2 million (NOK 2.1 million in Q1 2022), and NOK -0.9 million amortisation of excess values related to intangible assets identified in the Purchase Price Allocation ("PPA") at the time of the investment. The Group's share of net result in PEAK Wind after amortisation increased by 30% QoQ before accounting adjustments.

Operating expenses for the second quarter of 2022 were NOK 59.6 million compared with NOK 57.9 million in the previous quarter. The increase is due to NOK 4.8m higher costs in ProCon (mainly increased project-related costs) and NOK 3.3 million lower costs in the Company driven by bonuses paid in Q1.

EBITDA was NOK -3.5 million for the second quarter of 2022 compared with NOK -7.0 million in the previous quarter. ProCon, PEAK Wind and Green Ducklings contributed NOK 4.6 million, NOK 1.3 million, and NOK -0.4 million, respectively, with the other Group entities contributing a combined EBITDA of NOK -9.0 million. For ProCon, the margins are expected to fluctuate on a quarterly basis due to the various project mix and progress.

Finance expenses increased to NOK 1.2 million in the second quarter of 2022 compared with 0.8 million in the previous quarter because of negative interest rate on increased holdings of cash in Euro.

The net loss for the second quarter of 2022 was NOK 4.5 million compared with a net loss of NOK 9.0 million in the first quarter of 2022.

Liquidity and financial position

Total cash and cash equivalents amounted to NOK 443 million at quarter-end, up from NOK 415 million at the end of the previous quarter. The net increase is mainly explained by the second tranche of the equity issue of NOK 68 million in April, and payment of instalments to the shipyard and other costs related to the CSOVs under construction of NOK 43 million.

The carrying value of vessels under construction of NOK 376 million includes the yard instalments on "IWS Skywalker" and "IWS Windwalker", and the first instalments on "IWS Seawalker" and "IWS Starwalker" ordered in March and accumulated directly attributable project costs and borrowing 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 68 million include goodwill and other intangible assets recognised as part of the acquisition of ProCon and Green Ducklings in the third quarter of 2021.

Other non-current assets relate to borrowing costs, paid on the Senior Secured Credit Facility, that will be capitalised as part of vessels under construction.

Other current assets of NOK 64 million at quarter-end, compared with NOK 45 million at the previous quarter end, consist mainly of trade receivables related to construction contracts in ProCon.

Book equity on 30 June 2022 was NOK 1,034 million and total assets were NOK 1 116 million, giving an equity ratio of 93% at quarter-end.

Comparative figures

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

OUTLOOK

The outlook for the offshore wind industry remains highly positive.

We continuously observe that private, as well as public and government initiatives and ambitions, are growing. Offshore wind has become a truly global industry with foreseeable high growth numbers.

The IWS group of companies is well-positioned to take part in this growth within its relevant segments providing CSOVs (IWS Fleet), electrical works and above-waterline services (ProCon), offshore wind market intelligence (Green Ducklings), and the consultancy & advisory and operations & asset management services of wind farms provided by PEAK Wind.

The offshore wind industry including IWS is, however, not protected from issues related to supply-chain turbulence caused directly and indirectly by the ongoing war in Ukraine

and covid-19 quarantine issues that remain a challenge in parts of the world.

ProCon mainly works on long-lead contracts, secured 3-12 months in advance. 2022 seems to be a year with high productivity and strong execution of backlog. With this high expected activity level in 2022, we foresee a somewhat lower activity in H1 23. However, from H2 2023 onwards, the foundation and transition piece installation activity is expected to increase again backed by already announced projects.

PEAK Wind is expected to continue its strong growth and expand its geographical scope and offerings.

Management continues to focus on building a strong foundation and platform to secure the long-term success of the Group.

STATEMENT OF RESPONSIBILITY

We confirm, to the best of our knowledge, that the condensed set of financial statements for the second 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, 29 August, 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 (unaudited)

<i>In NOK thousands</i>	Note	Q1 2022	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	2021
Operating revenue		49 591	54 861	-	104 452	-	49 007
Share of net profit of associates		1 278	1 302	-	2 580	-	2 346
Total revenue		50 869	56 163	-	107 032	-	51 353
Operating expenses		-57 878	-59 625	-2 674	-117 503	-5 164	-60 881
Earnings before interest, taxes and depr (EBITDA)		-7 009	-3 462	-2 674	-10 471	-5 164	-9 528
Depreciation and amortisation	2	-1 690	-1 330	-	-3 020	-	-2 239
Earnings before interest and taxes (EBIT)		-8 699	-4 792	-2 674	-13 491	-5 164	-11 767
Finance income		289	143	-	432	-	270
Finance expenses		-758	-1 196	-75	-1 954	-78	-1 737
Net foreign currency exchange gains		81	1 533	-	1 614	-	-2 504
Net finance income		-388	480	-75	92	-78	-3 971
Loss before taxes		-9 087	-4 312	-2 750	-13 399	-5 242	-15 738
Income tax expense	5	128	-193	-	-65	-	-1 010
Loss for the period		-8 959	-4 505	-2 750	-13 464	-5 242	-16 748
Attributable to non-controlling interests		448	500	-	948	-	1 162
Attributable to shareholders of the parent		-9 407	-5 005	-2 750	-14 412	-5 242	-17 910
Weighted average number of shares		18 480 733	28 397 287	17 568 607	23 466 404	10 099 687	13 928 965
Basic and diluted earnings per share in NOK		-0.51	-0.18	-0.16	-0.61	-0.52	-1.29

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

<i>In NOK thousands</i>	Note	Q1 2022	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	2021
Loss for the period		-8 959	-4 505	-2 750	-13 464	-5 242	-16 748
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss							
<i>Cash flow hedge, net of tax effect</i>	4	920	11 884	761	12 804	761	-2 401
<i>Translation of foreign operations</i>		-11 725	15 815	-	4 090	-	-614
Total comprehensive income		-19 764	23 194	-1 989	3 430	-4 480	-19 763
Attributable to non-controlling interests		-500	1 090	-	590	-	680
Attributable to shareholders of the parent		-19 264	22 104	-1 989	2 840	-4 480	-20 443

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (unaudited)

<i>In NOK thousands</i>	Note	30.06.2022	31.03.2022	31.12.2021	30.06.2021
ASSETS					
Non-current assets					
Vessels under construction	2	376 227	330 179	90 671	88 790
Other fixed assets	2	1 591	1 331	1 913	-
Intangible assets	2/8	67 846	65 065	68 093	-
Investments accounted for using the equity method		133 321	123 877	130 942	-
Deferred tax assets	5	5 573	4 133	3 327	-
Other non-current assets		6 973	-	-	-
Total non-current assets		591 531	524 584	294 946	88 790
Current assets					
Cash and cash equivalents	3	443 309	414 556	388 876	593 636
Inventory		17 943	36 212	30 469	-
Other current assets		63 661	45 284	41 706	1 551
Total current assets		524 913	496 052	461 051	595 187
Total assets		1 116 444	1 020 637	755 997	683 977
EQUITY AND LIABILITIES					
Equity					
Share capital	7	57 076	52 802	35 201	35 201
Share premium reserve	7	970 687	907 006	647 676	647 596
Retained earnings/other comprehensive income		-20 578	-42 682	-23 417	-4 518
Non-controlling interests		26 799	25 709	26 209	-
Total equity		1 033 984	942 835	685 668	678 279
Non-current liabilities					
Non-current interest-bearing debt		11 645	12 258	14 263	-
Deferred tax liability	5	8 411	3 531	3 956	215
Other non-current liabilities		930	472	472	-
Total non-current liabilities		20 986	16 260	18 691	215
Current liabilities					
Trade payables		27 099	27 581	27 650	5 168
Borrowings		6 305	450	5 410	-
Other current liabilities		28 070	33 509	18 578	315
Total current liabilities		61 474	61 541	51 638	5 482
Total equity and liabilities		1 116 444	1 020 637	755 997	683 977

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (unaudited)

<i>In NOK thousands</i>	Note	Q1 2022	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	2021
Cash flow from operating activities							
Loss before tax		-9 087	-4 312	-2 750	-13 399	-5 242	-15 738
Depreciation and amortisation	2	1 690	1 330	-	3 020	-	2 239
Increase (-)/decrease (+) in prepayments, accruals and stock		-9 322	70	-575	-9 252	-569	-25 931
Increase (+)/decrease (-) in trade and other payables		1 973	1 038	-19 201	3 011	5 335	15 219
Net profit from associates		-1 278	-1 302	-	-2 580	-	-2 346
Net cash flow from operating activities		-16 024	-3 176	-22 525	-19 200	-476	-26 556
Cash flow from investing activities							
Purchase of property, plant and equipment	2	-238 404	-42 300	-3 679	-280 704	-88 790	-90 517
Purchase of subsidiaries and associates	8	-	-	-	-	-	-178 136
Net cash flow from investing activities		-238 404	-42 300	-3 679	-280 704	-88 790	-268 653
Cash flow from financing activities							
Proceeds from issue of share capital/minority shareholder		281 611	68 389	4 028	350 000	704 028	708 058
Equity issue costs		-6 000	-556	991	-6 556	-21 339	-21 259
Proceeds from (+)/repayment of (-) borrowings and loan fees		5 855	-16 527	-	-10 672	-	-1 602
Net cash flow from financing activities		281 466	51 306	5 019	332 772	682 689	685 197
Cash and cash equivalents at beginning of the period		388 876	414 556	614 821	388 876	212	212
Net increase in cash and cash equivalents		27 038	5 830	-21 185	32 868	593 424	389 988
Exchange rate effects		-1 358	22 923	-	21 565	-	-1 323
Cash and cash equivalents at the end of the period	3	414 556	443 309	593 636	443 309	593 636	388 877

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited)

In NOK thousands	Attributable to owners of the Company						Total equity
	Share capital	Share premium reserve	OCI ¹⁾	Other equity	Total	NCI ²⁾	
Equity at 01.01.2021	100	8	-	-38	70	-	70
Loss for the period	-	-	-	-5 241	-5 241	-	-5 241
Other comprehensive income	-	-	761	-	761	-	761
Equity issue per 09.03.2021	9 900	190 100	-	-	200 000	-	200 000
Equity issue per 22.03.2021	25 000	475 000	-	-	500 000	-	500 000
Equity issue per 29.04.2021	201	3 827	-	-	4 028	-	4 028
Equity issue costs ³⁾	-	-21 339	-	-	-21 339	-	-21 339
Total equity at 30.06.2021	35 201	647 596	761	-5 279	678 279	0	678 279
Equity at 01.01.2022	35 201	647 676	-2 401	-21 017	659 459	26 209	685 668
Profit for the period	-	-	-	-14 412	-14 412	948	-13 464
Other comprehensive income	-	-	14 081	3 171	17 252	-358	16 894
Equity issue per 22.03.2022	17 601	264 010	-	-	281 611	-	281 611
Equity issue per 12.04.2022	4 274	64 115	-	-	68 389	-	68 389
Equity issue costs ³⁾	-	-5 114	-	-	-5 114	-	-5 114
Total equity at 30.06.2022	57 076	970 687	11 680	-32 258	1 007 185	26 799	1 033 984

1) Other comprehensive income is related to the Group's foreign currency hedges, presented net of NOK 4.0 million tax (period to 30.06.2021: net of NOK 0.2 million tax)

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

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

Basis of preparation

The condensed consolidated interim financial statements are presented in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The

Statements are presented in NOK rounded to the nearest thousand, except as otherwise indicated. The condensed consolidated interim 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 not include all the information and disclosures required by International Financial Reporting Standards (IFRS) for a complete set of financial statements, and the Statements should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 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
Acquisition cost at 01.01.2022	90 671	2 134	70 111	162 916
Acquisitions/instalments in the period	285 556	64	-	285 620
Foreign exchange translation adjustments	-	79	2 500	2 579
Acquisition cost at 30.06.2022	376 227	2 277	72 611	451 115
Accumulated depreciation at 01.01.2022	-	-221	-2 018	-2 239
Depreciation and amortisation	-	-443	-2 577	-3 020
Foreign exchange translation adjustments	-	-22	-170	-192
Accumulated depreciation at 30.06.2022	-	-686	-4 765	-5 451
Net carrying amount at 30.06.2022	376 227	1 591	67 846	445 664

In February 2021, IWS signed newbuilding contracts for two 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, guarantee fees and capitalised borrowing costs. Borrowing

costs of NOK 1.9 million relating to the Senior Secured Credit Facility have been capitalised in the second quarter of 2022.

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>	30.06.2022	31.03.2022	31.12.2021	30.06.2021
Bank deposits denominated in NOK	44 123	138 878	335 498	579 371
Bank deposits denominated in NOK, restricted	2 249	766	12 330	10 156
Bank deposits denominated in DKK	19 797	27 848	29 427	4 109
Bank deposits denominated in EUR	373 752	245 293	5 093	-
Bank deposits denominated in other currencies	3 388	1 771	6 528	-
Total cash and cash equivalents	443 309	414 556	388 876	593 636

Note 4 – Commitments and contingencies

Shipbuilding contracts

IWS entered in February 2021 into turnkey newbuilding contracts for two CSOVs with scheduled delivery in 2023. The contracts are entered into with the yard CMI. Remaining instalments for the two ships amount to EUR 65.7 million.

In March 2022, the company entered into newbuilding contracts for two additional CSOVs with scheduled delivery in 2024 with the same yard. Remaining instalments for the two additional ships amounts to EUR 81.8 million.

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*.

Financing

IWS signed a EUR 56.25 million Senior Secured Credit Facility with SEB, SR-Bank, and Eksfin in the second quarter of 2022. The proceeds of the facility will be used for long-term post-delivery financing of the Group's first two CSOVs on order for delivery in 2023.

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 future taxable profits will be available against which the asset can be utilised.

Note 6 – Related party transactions

Guarantees

In April, the Parent Company Guarantee issued by Awilco AS in 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 (the "PCG") in favour of the shipyard, against an accelerated payment to CMI of 5% for the two vessels.

The company has also issued guarantees in favour of the shipyard CMI related to the shipbuilding contracts signed by the subsidiaries Awind 1 AS and Awind 2 AS.

The guarantees for Awind 4 AS and Awind 5 AS are 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: 10% at the signing of the contract, 10% at steel cutting, 5% for accelerated payment and 10% at launching of the vessels.

The guarantees for Awind 1 AS and Awind 2 AS are limited to 35% of the yard price on the same terms as above, reduced by

a pro-rata amount according to the instalments to the yard: 10% at steel cutting and 10% at launching of the vessels.

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, 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. AWM is 100% owned by Awilhelmsen AS, which owns 100% of Awilco AS. The management agreement has been terminated with effect from June 2023, at which point the relevant services will be managed by the Group.

Note 7 – Share capital and shareholder information

Paid in capital

<i>In NOK thousands, unless stated otherwise</i>	Number of shares	Par value per share	Share capital	Paid-in premium	Total paid-in capital
Share capital at 01.01.2022	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
Share capital increase 12 April 2022	2 137 151	NOK 2.00	4 274	64 115	68 389
Equity issue costs				-5 114	-5 114
Share capital at 30.06.2022	28 538 198	NOK 2.00	57 076	970 687	1 027 763

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.

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 consists of 2,137,151 shares issued in April. 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 2.00.

10 largest shareholders as of 12 August 2022

Shareholder	Number of shares	Ownership (in %)
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
Toluma Norden AS	556 250	1.9
Ludvig Lorentzen AS	536 151	1.9
Sub total	21 937 771	76.9
Other shareholders	6 600 427	23.1
Total	28 538 198	100.0

Note 8 – Business combinations

The group acquired Awilco Technical Management AS ("ATM") 30 May 2022 for consideration equal to cash acquired less incorporation costs. ATM is a shelf company that had no other assets or liabilities and no operations. ATM has after the balance sheet date been renamed IWS Fleet Management AS.

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.

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 utilisation are not defined as financial APMs. Financial APMs should not be considered as a substitute for measures of performance in accordance with IFRS. Disclosures of APMs are subject to established internal control procedures.

The Group's financial APMs are:

- EBIT: Operating revenue - Operating expenses - Administration expenses - Depreciation and amortisation
- EBITDA: EBIT + Depreciation and amortisation
- Interest-bearing debt: Long-term interest-bearing debt + Short-term interest-bearing debt + Pension liabilities
- Book equity ratio: Total equity / Total assets

The reconciliation of Total revenue, EBIT and EBITDA with IFRS figures can be derived directly from the Group's consolidated Income Statement.

