

Financial Report

Q4 2022



INTERIM FINANCIAL REPORT

Q4 2022¹

RECENT HIGHLIGHTS

- Total revenue of NOK 53 million for Q4 2022 compared with NOK 59 million in the previous quarter.
- EBITDA of NOK -4 million for Q4 2022 compared with NOK -4 million in the previous quarter.
- Exercised options and entered into newbuilding contracts with China Merchants Industry Holdings Co. for construction of two additional CSOVs with a firm yard price of EUR 52.5 million and scheduled delivery in Q2 2025. When delivered, IWS will have a fleet of six identical Skywalker class vessels. The Group has also secured options for two additional vessels.
- IWS Services revenue of NOK 52.5 million in Q4, compared with NOK 58.2 million in the previous quarter.
- The Group's share of the net profit in PEAK Wind was NOK 1.4 million (NOK 1.5 million in Q3 2022), before NOK -0.9 million amortisation of acquisition-related intangible assets.
- Signed the final charter contract for Dogger Bank C with start-up in 2025 and a duration of 304 days with the Dogger Bank consortium. IWS has now secured contract work for Dogger Bank A, B and C.
- The Company has after the balance sheet date received a term sheet for a Green Senior Secured Credit Facility from Skandinaviska Enskilda Banken AB ("SEB") and SpareBank 1 SR-Bank ASA ("SR Bank") for the debt financing of IWS Seawalker and IWS Starwalker.
- Successfully completed private placement of NOK 350 million in January 2023 by issuing 10,606,060 shares at a subscription price of NOK 33 per share.
- Continued strong market for CSOVs with increased charter rates and newbuilding prices, improving the first-mover advantage of early market entrants.

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

OPERATIONS

Group structure

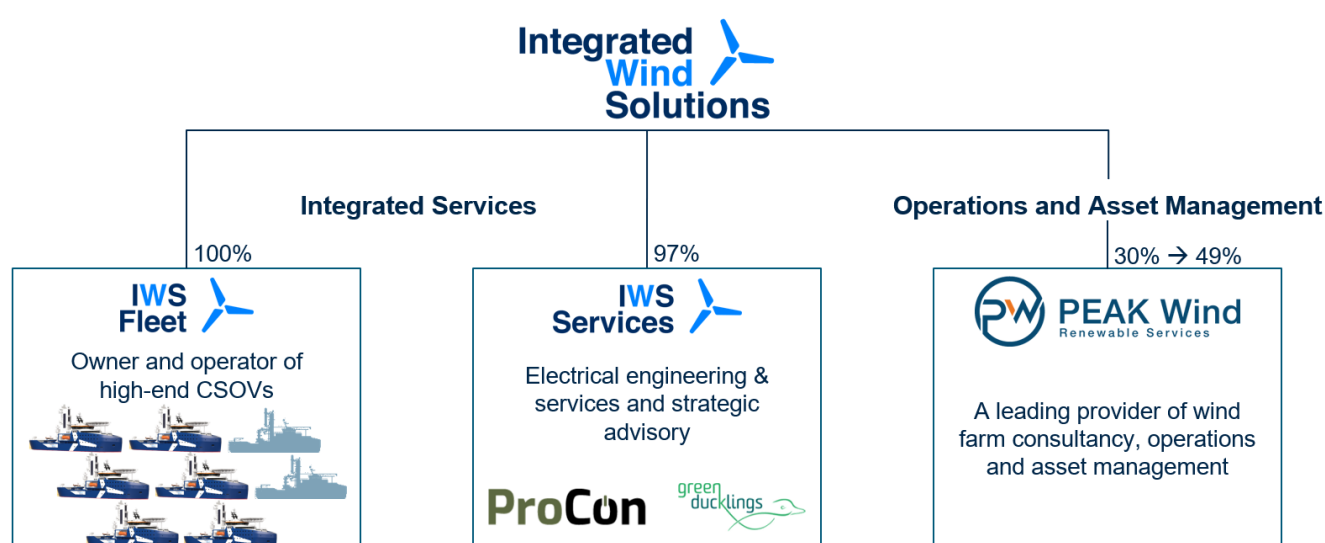
The activities in the Group are organised into IWS Fleet AS (“IWS Fleet”), IWS Services A/S (“IWS Services”), and the associated company PEAK Wind A/S (“PEAK Wind”).

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

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 entire construction period.

² 97% owned by Integrated Wind Solutions ASA

³ 75% owned by IWS Services A/S (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

Europe continues the ambitious renewable energy transition rollout; the outlook in 2030 of 125 GW⁶ of offshore wind capacity compared with an installed base of 30 GW⁶ year-end 2022 implies significant growth in the industry in the years ahead.

While 2022 saw a record boost in offshore wind pipeline via awarded site exclusivities, driven by both floating and fixed leasing rounds, especially in the US and Scotland, 2022 was a low year for actual investments in offshore wind.

With an average annual rate of 5 GW reaching final investment decision in previous years (annual rate between 2015-2021), an accelerated FID rate of about 18 GW per annum is required to meet the 2030 European political targets alone.

Another key trend 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 decarbonised energy to heavy transport and industry.

Market for CSOVs

Shorter-term charter rates for walk-to-work (“W2W”) vessels have continued to increase in Q4 2022 and are higher than both in the previous quarter and Q4 2021. Availability of high-end Tier 1 CSOV’s in the short term is limited ahead of the high season.

The offshore wind industry has seen high activity levels in terms of construction activity in 2022 in all key markets, with several projects working through the fall and winter for final commissioning, according to Clarksons.

The macro environment is still positive, driven by a 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. 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.

The global fleet of CSOVs and SOVs counted 35 vessels in operations of which 23 are considered “Tier 1”. The total orderbook consists of 35 vessels, of which six 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 that continues to require walk-to-work vessels, we see the market for CSOV vessels continue to improve.

⁶ 4C Offshore, adaptations by Green Ducklings

MAIN EVENTS DURING Q4 AND POST-QUARTER EVENTS

Newbuildings

The yard is progressing well on the first two CSOVs under construction, with the successful launch of IWS Skywalker on 8 November 2022. The first steel cut ceremony for IWS Seawalker and IWS Starwalker took place on 9 November 2022. However, due to global supply chain issues affecting the delivery of the walk-to-work gangway system, the first vessel, IWS Skywalker, is now expected to commence its contract in Q4 2023. The second vessel, IWS Windwalker, is scheduled to be ready for commercial operations in early Q1 2024.

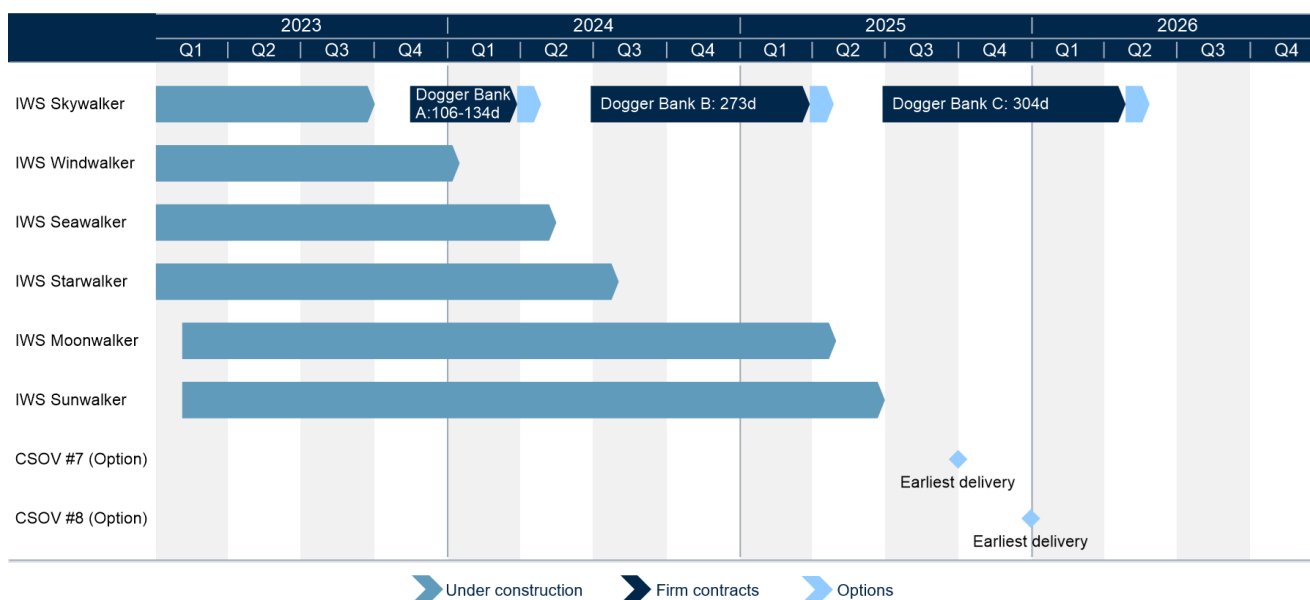
The Group has after the end of the quarter ordered two additional CSOVs from CMI with a firm yard price of EUR 52.5 million and scheduled delivery in Q2 2025. After delivery, IWS will have a fleet of six identical Skywalker class vessels. The Group has also secured options for two additional vessels.

The firm average yard price for the six vessels is about EUR 48m 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 signed the previously notified charter contract for Dogger Bank C, with the Dogger Bank Consortium. The charter will commence in 2025 with 304 firm days.

Fleet and contract overview



Equity financing

The Company successfully completed a private placement of NOK 350 million gross proceeds in January by issuing 10,606,060 shares at a subscription price of NOK 33 per share. The proceeds will be used to finance yard payments for the construction of the company's CSOVs and general corporate purposes.

Debt financing

The Group has after the balance sheet date received a term sheet for a Green Senior Secured Credit Facility from Skandinaviska Enskilda Banken AB ("SEB") and SpareBank 1 SR-Bank ASA ("SR Bank") for the debt financing of IWS Seawalker and IWS Starwalker. The debt facility for IWS Skywalker and IWS Windwalker was signed in Q2 2022.

FINANCIAL REVIEW

Income statement

Total revenue for the fourth quarter of 2022 was NOK 53.2 million, of which IWS Services contributed NOK 52.5 million (Q3: NOK 58.2 million) and the group's share of net profit in PEAK Wind was NOK 0.5 million.

The Group's share of the net profit in PEAK Wind in the fourth quarter of 2022 was NOK 1.4 million (NOK 1.5 million in Q3 2022), before NOK -0.9 million amortisation of acquisition-related intangible assets. PEAK Wind has during the quarter allocated more internal resources to strategic projects.

Operating expenses for the fourth quarter of 2022 were NOK 57.1 million compared with NOK 63.2 million in the previous quarter. The decrease is due to NOK 9.9m lower project-related costs in IWS Services and higher quarterly overheads.

Group EBITDA was NOK -3.9 million for the fourth quarter of 2022 compared with NOK -4.2 million in the previous quarter. IWS Services and PEAK Wind contributed NOK 3.5 million (Q3: NOK 2.0 million) and NOK 0.5 million (Q3: NOK 0.6 million), respectively, with the other Group entities contributing a combined EBITDA of NOK -7.9 million (Q3: NOK -6.8 million). For IWS Services' project-driven business model, the margins are expected to fluctuate quarterly due to the various project mix and progress.

The net loss for the fourth quarter of 2022 was NOK 3.9 million compared with a net loss of NOK 7.3 million in the third quarter of 2022. The NOK 3.4 million difference primarily relates to foreign exchange gains of NOK 1.4m in Q4 compared with a foreign exchange loss of NOK 0.4m in the previous quarter and higher interest income due to rate increases.

Liquidity and financial position

Total cash and cash equivalents amounted to NOK 248.0 million at quarter-end, down from NOK 437.9 million at the end of the previous quarter. The net decrease is explained primarily by

yard instalments of NOK 145.6 million, changes in working capital, government grants of NOK 8.7 million and dividends of NOK 2.5 million received from PEAK Wind.

The carrying value of vessels under construction of NOK 532.8 million includes the yard instalments on IWS Skywalker, IWS Windwalker, IWS Seawalker and IWS Starwalker, and accumulated directly attributable project costs and borrowing costs during the construction period. Details on the payment structure of the newbuilding contracts are found in *Note 6 – Commitments and contingencies*.

The intangible assets of NOK 66.6 million include goodwill and other intangible assets recognised as part of the acquisitions of ProCon and Green Ducklings in the third quarter of 2021.

Other non-current assets of NOK 7.2 million relate to borrowing costs, paid on the Green Senior Secured Credit Facility, that will be capitalised as part of vessels under construction over time and in full upon drawdown of the facility.

Contract assets and trade receivables of NOK 30.5 million and NOK 78.9 million, respectively, consist mainly of work in progress and trade receivables related to construction contracts in IWS Services, and is primarily the result of the timing of invoicing.

Book equity on 31 December 2022 was NOK 1 028.5 million and total assets were NOK 1 108.6 million, giving an equity ratio of 93% at quarter-end. The decrease in equity is, in addition to the loss for the period and translation of foreign operations, a result of the transfer of a cash flow hedging gain to vessels under construction.

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. 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 and supply-chain consultancy (Green Ducklings), and the consultancy & advisory and operations & asset management services of wind farms provided by the PEAK Wind Group.

Our first vessel, IWS Skywalker, is expected to commence its first out of three Dogger Bank Wind Farm (UK) contracts in Q4 2023. The second vessel, IWS Windwalker, is scheduled to be ready for commercial operations in early Q1 2024. IWS Seawalker and IWS Starwalker will follow in Q2 2024 and Q3 2024, respectively. Our recently (January 2023) announced newbuildings CSOV 5 (IWS Moonwalker) and CSOV 6 (IWS Sunwalker) are scheduled to be ready for operations mid-2025.

ProCon mainly works on long-lead contracts, secured 3-12 months in advance. 2022 was a year with very high productivity and strong execution of backlog. However, the offshore wind developers have a somewhat lower activity level for foundation and Transition Piece (“TP”) installation and construction in 2023 before the activity is back on a solid growth track from 2024 onwards, backed by already announced projects. ProCon is well positioned for the increasing offshore wind activity ahead, though is not immune from the somewhat slower foundation installation and TP production market in 2023.

We expect the PEAK Wind Group to continue its strong growth and expand its geographical scope and offerings. PEAK Wind has doubled in size (revenues and staff) over the last 18 months and foresees strong growth ahead. To secure and expand its position, PEAK Wind expects to allocate additional resources to strategic initiatives and strengthen the operational platform with system investments and more administrative team members. These initiatives will temporarily reduce the operating margin by a few percentage points in 2023 vs. 2022. However, the top line is expected to grow by about 30%, which is expected to secure another record year for PEAK Wind.

IWS Fleet will, during Q2 and Q3 prepare for its vessel operations, starting with IWS Skywalker in Q4 2023. All open specialist positions related to ship and technical management will be filled. Hence, the cost base will gradually start to increase from Q2, which is according to budgets.

IWS will move into a new office and separate from management and technical agreements between IWS and Awilhelmsen subsidiaries during Q2 2023. Our office rental costs, IT / ERP investments and opex, in general, will therefore be somewhat higher in 2023 versus 2022. Management continues to focus on building a strong 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 fourth 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, 27 February 2023

Sigurd E. Thorvildsen
Chair 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	Q3 2022	Q4 2022	Q4 2021	2022	2021
Operating revenue	2	58 388	52 726	48 170	215 566	49 007
Share of net profit of associates		605	500	1 647	3 685	2 346
Total revenue		58 993	53 226	49 817	219 251	51 353
Operating expenses	2	-63 230	-57 122	-46 647	-237 855	-60 881
Earnings before interest, taxes and dep. (EBITDA)		-4 237	-3 896	3 170	-18 604	-9 528
Depreciation and amortisation	3	-1 334	-1 646	-1 778	-6 000	-2 239
Earnings before interest and taxes (EBIT)		-5 571	-5 542	1 392	-24 604	-11 767
Finance income		243	924	253	1 599	270
Finance expenses		-933	-701	-1 638	-3 588	-1 737
Net foreign currency exchange gains		-415	1 449	-1 616	2 648	-2 504
Net finance income		-1 105	1 672	-3 001	659	-3 971
Loss before taxes		-6 676	-3 870	-1 609	-23 945	-15 738
Income tax expense	4	-644	-65	-1 112	-774	-1 010
Loss for the period		-7 320	-3 935	-2 720	-24 719	-16 748
Attributable to non-controlling interests		227	768	1 162	1 943	1 162
Attributable to shareholders of the parent		-7 547	-4 703	-3 883	-26 662	-17 910
Weighted average number of shares		28 538 198	28 538 198	17 600 698	25 988 013	13 928 965
Basic and diluted earnings per share in NOK		-0.26	-0.16	-0.22	-1.03	-1.29

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

<i>In NOK thousands</i>	Note	Q3 2022	Q4 2022	Q4 2021	2022	2021
Loss for the period		-7 320	-3 935	-2 720	-24 719	-16 748
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
<i>Cash flow hedge, net of tax effect</i>	6	6 861	2 587	-2 710	22 252	-2 401
<i>Translation of foreign operations</i>		7 069	-1 954	-580	9 205	-614
Total comprehensive income		6 610	-3 302	-6 011	6 738	-19 763
Attributable to non-controlling interests		1 057	1 665	680	3 312	680
Attributable to shareholders of the parent		5 553	-4 967	-6 691	3 426	-20 443

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (unaudited)

<i>In NOK thousands</i>	Note	31.12.2022	30.09.2022	31.12.2021
ASSETS				
Non-current assets				
Vessels under construction	3	532 776	384 648	90 671
Other fixed assets	3	2 681	1 736	1 913
Intangible assets	3	66 611	68 233	68 093
Investments accounted for using the equity method		134 090	137 034	130 942
Deferred tax assets	4	1 691	4 632	3 327
Other non-current assets		7 182	7 146	-
Total non-current assets		745 031	603 429	294 946
Current assets				
Contract assets		30 531	42 184	30 469
Trade receivables		78 888	35 099	37 682
Other current assets		6 134	2 880	4 025
Cash and cash equivalents	5	248 007	437 868	388 876
Total current assets		363 560	518 031	461 051
Total assets		1 108 591	1 121 460	755 997
EQUITY AND LIABILITIES				
Equity				
Share capital	8	57 076	57 076	35 201
Share premium reserve	8	969 244	970 687	647 676
Retained earnings/other comprehensive income		-28 440	-15 024	-23 417
Non-controlling interests		30 581	28 923	26 209
Total equity		1 028 461	1 041 662	685 668
Non-current liabilities				
Non-current interest-bearing debt		468	10 437	14 263
Deferred tax liability	4	3 050	8 773	3 956
Other non-current liabilities		3 943	1 127	472
Total non-current liabilities		7 461	20 337	18 691
Current liabilities				
Trade payables		16 901	21 072	27 650
Current interest-bearing debt		17 042	7 120	5 410
Other current liabilities		38 726	31 269	18 578
Total current liabilities		72 669	59 461	51 638
Total equity and liabilities		1 108 591	1 121 460	755 997

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (unaudited)

<i>In NOK thousands</i>	Note	Q3 2022	Q4 2022	Q4 2021	2022	2021
Cash flow from operating activities						
Loss before tax		-6 676	-3 870	-1 609	-23 945	-15 738
Depreciation and amortisation	3	1 334	1 646	1 778	6 000	2 239
Increase (-)/decrease (+) in prepayments, accruals and contract assets		1 462	-35 322	-23 804	-43 112	-25 931
Increase (+)/decrease (-) in trade and other payables		-1 374	108	15 559	1 745	15 219
Net profit from associates		-605	-500	-1 647	-3 685	-2 346
Net cash flow from operating activities		-5 859	-37 938	-9 723	-62 997	-26 557
Cash flow from investing activities						
Purchase of property, plant and equipment	3	-4 506	-156 910	-1 518	-442 120	-90 517
Purchase of subsidiaries and associates		-	-	-3 077	-	-178 136
Dividends received from associate		-	2 531	-	2 531	-
Net cash flow from investing activities		-4 506	-154 379	-4 595	-439 589	-268 653
Cash flow from financing activities						
Proceeds from issue of share capital/minority shareholder	2	-	-	4 030	350 002	708 058
Equity issue costs		-	-	-	-6 556	-21 259
Proceeds from (+)/repayment of (-) borrowings and loan fees		-2 636	-1 731	-11 434	-15 039	-1 602
Government grants		-	8 664	-	8 664	-
Payment of lease liabilities		-	-465	-	-465	-
Net cash flow from financing activities		-2 634	6 468	-7 404	336 606	685 197
Cash and cash equivalents at beginning of the period		443 309	437 868	410 842	388 876	212
Net increase in cash and cash equivalents		-12 999	-185 849	-21 722	-165 980	389 987
Exchange rate effects		7 558	-4 012	-243	25 111	-1 323
Cash and cash equivalents at the end of the period	5	437 868	248 007	388 876	248 007	388 876

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited)

<i>In NOK thousands</i>	Attributable to owners of the Company						NCI ²⁾	Total equity
	Share capital	Share premium reserve	Hedging reserve ¹⁾	Other equity	Total			
Equity at 01.01.2021	100	8	-	-38	70	-	70	
Profit/Loss for the period	-	-	-	-17 910	-17 910	1 162	-16 748	
Other comprehensive income	-	-	-2 401	-132	-2 533	-482	-3 015	
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⁾	-	-21 259	-	-27	-21 286	-	-21 286	
Acquisition of NCI	-	-	-	-2 910	-2 910	25 529	22 619	
Total equity at 31.12.2021	35 201	647 676	-2 401	-21 017	659 459	26 209	685 668	
Equity at 01.01.2022	35 201	647 676	-2 401	-21 017	659 459	26 209	685 668	
Profit for the period	-	-	-	-26 662	-26 662	1 943	-24 719	
Other comprehensive income	-	-	22 641	7 448	30 089	1 369	31 458	
Transfer to vessels under construction ³⁾	-	-	-8 449	-	-8 449	-	-8 449	
Reclassification	-	-	367	-367	-	-	-	
Transactions with non-controlling interests	-	-	-	-	-	1 060	1 060	
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 ⁴⁾	-	-6 557	-	-	-6 557	-	-6 557	
Total equity at 31.12.2022	57 076	969 244	12 158	-40 598	997 880	30 581	1 028 461	

1) Hedging reserve is related to the Group's foreign currency hedges, presented net of tax of NOK 0.0 million.

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

Transactions with non-controlling interests represent share capital increase in IWS Services A/S

3) The Group applies hedge accounting to EUR payments for vessels under construction. Hedging gain of NOK 8.4 million has been transferred to vessels under construction as a basis adjustment upon payment of yard instalments.

4) Equity issue costs and other transactions in equity are recorded net of tax to the extent the company will be able to utilise the tax deductions

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, with the addition of a new policy for government grants. 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.

Grants are recognised when it is reasonably certain that the Group will comply with the conditions and the grants will be received. Grants related to income are deducted in reporting the related expense. Grants related to assets are deducted in arriving at the carrying amount of the asset and recognised in profit or loss over the life of the depreciable asset as a reduced depreciation expense.

Note 2 – Operating segments

The Group is organised into business units based on its services and has two reportable segments:

- IWS Fleet, which is the owner-operator of CSOVs currently under construction.
- IWS Services, which provides design, engineering and construction along with operations- and management services to the offshore wind industry.

No operating segments have been aggregated to form the above reportable operating segments.

Segment performance is evaluated based on profit or loss before tax and is measured consistently with profit or loss before tax in the consolidated financial statements. It includes inter-segment cost allocations, and excludes inter-segment management fees, guarantee fees and interests.

The following table presents revenue and profit information for the Group's operating segments for the year ended 31 December 2022 and 2021, respectively:

<i>In NOK thousands</i>	IWS Fleet		IWS Services		Group functions/ eliminations ¹		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021
External customer revenue	-	-	214 613	48 933	953	74	215 566	49 007
Share of profit of associate PEAK Wind ²	-	-	-	-	3 685	2 346	3 685	2 346
Operating expenses	-9 012	-2 434	-203 985	-41 440	-24 858	-17 007	-237 855	-60 881
EBITDA	-9 012	-2 434	10 628	7 493	-20 220	-14 587	-18 604	-9 528
Depreciation and amortisation	-	-	-6 000	-2 239	-	-	-6 000	-2 239
EBIT	-9 012	-2 434	4 628	5 254	-20 220	-14 587	-24 604	-11 767
Net finance income	-110	4	-1 078	-1 647	1 847	-2 328	659	-3 971
Profit before tax	-9 122	-2 430	3 550	3 607	-18 373	-16 915	-23 945	-15 738

The following table presents assets and liabilities information for the Group's operating segments as of 31 December 2022 and 2021, respectively:

<i>In NOK thousands</i>	IWS Fleet	IWS Services	Group functions/ eliminations ¹	Consolidated
Segment assets				
31 December 2022	560 616	223 420	324 555	1 108 591
31 December 2021	97 965	185 647	472 385	755 997
Segment liabilities				
31 December 2022	13 247	59 000	7 883	80 130
31 December 2021	1 253	62 362	6 714	70 329

- 1) Group functions/eliminations includes revenue, expenses, assets, and liabilities of the parent company.
- 2) The Group's share of the net profit in PEAK Wind for 2022 is net of NOK 3.4 million amortisation of acquisition-related intangible assets.

Note 3 – Tangible and intangible non-current assets

<i>In NOK thousands</i>	Vessels under construction	Leased fixed assets	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	442 105	1 461	316	-	443 882
Foreign exchange translation adjustments	-	60	125	3 685	3 870
Acquisition cost at 31.12.2022	532 776	1 521	2 575	73 796	610 668
Accumulated depreciation at 01.01.2022	-	-	-221	-2 018	-2 239
Depreciation and amortisation	-	-185	-960	-4 855	-6 000
Foreign exchange translation adjustments	-	-8	-41	-312	-361
Accumulated depreciation at 31.12.2022	-	-193	-1 222	-7 185	-8 600
Net carrying amount at 31.12.2022	532 776	1 328	1 353	66 611	602 068

The carrying value of vessels under construction includes yard instalments, other directly attributable project costs, guarantee fees and capitalised borrowing costs. Borrowing costs of NOK 5.3 million relating to the Senior Secured Credit Facility have been capitalised up to the end of the fourth 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.

The group leases offices and vehicles. Rental contracts are for periods up to four years. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and/or leases of low-value items.

Intangible assets include goodwill and other intangible assets recognised as part of the acquisitions of ProCon and Green Ducklings.

The Group performed its annual impairment test in December, which did not indicate any need for impairment.

Note 4 – Corporation taxes

<i>In NOK thousands</i>	2022	2021
Current income tax	-29	-17
Changes in deferred tax	-745	-992
Total income tax expense	-774	-1 010

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 5 – Cash and cash equivalents

<i>In NOK thousands</i>	31.12.2022	30.09.2022	31.12.2021
Bank deposits denominated in NOK	22 772	30 368	335 498
Bank deposits denominated in NOK, restricted	1 293	1 326	12 330
Bank deposits denominated in DKK	31 036	53 222	29 427
Bank deposits denominated in EUR	188 795	349 475	5 093
Bank deposits denominated in other currencies	4 111	3 477	6 528
Total cash and cash equivalents	248 007	437 868	388 876

Note 6 – Commitments and contingencies

Shipbuilding contracts

Remaining instalments to the yard CMI for the IWS Skywalker and IWS Windwalker amount to EUR 61.5 million.

For IWS Seawalker and IWS Starwalker, remaining instalments amount to EUR 72.3 million.

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. The loan has been classified as green by the lenders.

Note 7 – Related party transactions

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 subject to an annual adjustment of 100% of any increase in the Norwegian consumer price index. ATS is 100% owned by Awilco AS, which is 100% owned by Awillhelmsen AS.

The Company also provides management services to ATS, reported as external revenue within Group functions/eliminations in *Note 2 – Operating segments*.

Management services

Awillhelmsen 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 Awillhelmsen 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.

Office rental

IWS subleases office space from AWM on market terms. Following renovation of the offices in 2022, a new short-term sublease was signed that better reflects the space utilised by the Group. The new sublease terminates on 31 May 2023 when IWS will move to new premises unrelated to AWM.

Note 8 – 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				-6 557	-6 557
Share capital at 31.12.2022	28 538 198	NOK 2.00	57 076	969 244	1 026 320

All issued shares have a par value of NOK 2.00 and are of equal rights. Integrated Wind Solutions ASA is incorporated in Norway and the share capital is denominated in NOK.

The below table with the 10 largest shareholders as of 7th February 2023 includes 10,606,060 shares that were issued in January 2023, as described in Note 9 - Events after the balance sheet date.

10 largest shareholders as of 24th February 2023

Shareholder	Number of shares	Ownership (in %)
Awilco AS	15 430 999	39.4
Skandinaviska Enskilda Banken AB	3 000 000	7.7
BNP Paribas	2 779 809	7.1
Sundt AS	1 853 106	4.7
Danske Invest Norge Vekst	1 824 358	4.7
Verdipapirfondet Nordea Norge Verdi	1 451 843	3.7
J.P. Morgan SE	1 430 452	3.7
Clearstream Banking S.A.	1 161 134	3.0
Toluma Norden AS	763 068	1.9
Ludvig Lorentzen AS	736 151	1.9
Subtotal	30 430 920	77.7
Other shareholders	8 713 338	22.3
Total	39 144 258	100.0

Note 9 – Events after the balance sheet date

Newbuildings

IWS entered in January 2023 into newbuilding contracts for two CSOVs with scheduled delivery in Q2 2025. The contracts are entered into with the yard China Merchants Industries Holdings Co Ltd and are based on a payment schedule where 10% was payable following the signing of the contract, 15% at steel cutting, 10% at launching and 65% at delivery of the vessels. The firm yard price is about EUR 52.5 million per vessel.

IWS has also secured options for two additional Skywalker class CSOVs from the same yard.

Due to global supply chain issues affecting the delivery of the walk to work gangway system, the Company has previously announced changes to the delivery schedule of the first two vessels. It has been agreed with the charterer of the first vessel, IWS Skywalker, that it will commence its contract in Q4 2023. The Company expects the second vessel, IWS Windwalker to be

ready for commercial operations in early Q1 2024. The revised delivery schedule is not expected to have a material financial impact on the Group.

Financing

The Company has received a term sheet for a Green Senior Secured Credit Facility from SEB and SR Bank for the debt financing of IWS Seawalker and IWS Starwalker.

Share capital increase

In January, the Company successfully raised gross proceeds of NOK 350 million in a private placement by issuing 10,606,060 shares at a subscription price of NOK 33 per share. Following the registration and issuance of the shares, the share capital of the Company is NOK 78,288,516 divided into 39,144,258 shares, each with a nominal value of NOK 2.00.

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.

