



# First half-year report 2023

Condensed Interim Consolidated Financial Information



## BW IDEOL FIRST HALF-YEAR RESULTS

### HIGHLIGHTS

#### MATURING PROJECTS UNDER DEVELOPMENT

- | Completion of geophysical and environmental campaigns and first year of bird and mammal surveys on Buchan Offshore Wind project
- | Start of prefabricated floater steel blocks assembly of EolMed floaters in Port-la-Nouvelle

#### EXPANDING THE SUBSTANTIATED PIPELINE IN STRATEGIC MARKETS

- | Signed HoT with Elawan to co-develop projects in Spain and Portugal
- | Signed a new partnership in South Korea for co-development and co-EPCI of a GW scale floating wind project

#### SECURING ADDITIONAL FUNDING

- | Signed agreement for a EUR 40 million funding by ADEME Investissement of BW Ideol's project development activities (July)
- | Signed EUR 12 million shareholder loan with BW Offshore and Noria

#### ACCELERATING PREPARATION FOR EPCI ACTIVITIES

- | Progressing on feasibility studies for standardised production line delivering ~1 GW of floaters per year
- | Port of Ardersier hub consolidated by GBP 300 million investment from Quantum Energy Partners
- | ISO 14001 environmental management certification

#### MAINTAINED FOCUS ON CASH DISCIPLINE

- | First half 2023 engineering revenue of EUR 2 million
- | Cash position of EUR 5.9 million at end of June 2023
- | First half operating cash-burn of EUR 3.5 million

BW Ideol continues to make good progress in executing its dual-leg strategy as co-developer of floating wind projects and as EPCI contractor of floating wind technology by maturing ongoing projects and adding new opportunities to the project pipeline.

Offshore wind is set to play a vital role in enabling decarbonisation of energy systems and ensuring energy security. This is reflected in growing commitments by Governments world-wide in developing new offshore renewable energy generation and related value chains. In April, nine European countries signed the Ostend Declaration, aiming to jointly produce at least 120 gigawatts of offshore wind energy by 2030 and at least 300 gigawatts by 2050 in the North Sea. The declaration also covers the Atlantic Ocean, Celtic Sea and Irish Sea, where the nine signatories will endeavour to accelerate deployment of offshore renewables and connectivity in these areas.

At the end of June 2023, BW Ideol had 1 GW of projects under development and approximately 4.4 GW of substantiated pipeline.

The agreement for a EUR 40 million funding by ADEME Investissement of BW Ideol's project development activities agreement combined with the EUR 12 million shareholder loan with BW Offshore and Noria are expected to finance BW Ideol's business plan for the next 12 months.

BW Ideol is well positioned to contribute to the energy transition at scale as a leading project developer and technology provider with a unique platform for execution of offshore floating wind developments.

## FINANCIALS

Revenue for the first half of 2023 was EUR 2 million, mainly related to design and engineering activities in France, Norway, UK, Japan, the US and Canada. This compares with EUR 2.7 million for the same period of 2022.

Operating loss before depreciation and amortisation (EBITDA) for the period was EUR 3.5 million compared to EUR 2.1 million in the same period of 2022. The year-over-year change reflects the decrease in revenue from customers and in the amount of French R&D tax credit received. Operating expenses included EUR 4.4 million (EUR 4.4 million)<sup>1</sup> of headcount-related costs and EUR 1.7 million (EUR 1.4 million) of other expenses.

Depreciation and amortisation were EUR 7.1 million (EUR 6.9 million), of which depreciation mostly related to the Floatgen demonstrator and rights of use assets were EUR 3.6 million and EUR 1 million, respectively, and EUR 2 million of amortisation was related to intangible technology assets. The operating loss for the period was EUR 10.6 million (EUR 9.0 million).

Net financial expense was EUR 0.2 million (EUR 0.5 million). The higher expense in 2022 was mainly due to unrealised foreign exchange losses related to the ScotWind investment (Buchan Offshore Wind Project). The investment was converted from debt to equity in December 2022. Net loss for the period was EUR 10.5 million (EUR 9.1 million).

At 30 June 2023, total equity was EUR 87.8 million and the equity ratio was 72%. Total cash was EUR 5.9 million, compared to EUR 9.1 million at 31 December 2022. Interest-bearing debt was EUR 9.9 million, including EUR 5 million under a shareholder loan.

Net cash outflow from operating activities was EUR 3.5 million (EUR 3.2 million) during the period. Net cash outflow related to investment activities was EUR 3.4 million (EUR 14.6 million). The previous year's investments include the Company's share of the ScotWind option fee of GBP 11 million paid in April. Net cash inflow from financing activities was EUR 3.7 million (outflow EUR 0.9 million).

## FUNDING AND CORPORATE MATTERS

On 5 July, BW Ideol and ADEME Investissement, a state-owned French financier of innovative infrastructure projects, signed the final agreement for a EUR 40 million funding by ADEME Investissement of BW Ideol's project development activities. The completion of the agreement followed a period of exclusive negotiations as announced in March 2023.

Under the agreement, BW Ideol will transfer its co-development project portfolio to the project development company BW Ideol Projects Company SAS and ADEME Investissement will invest an initial EUR 17.85 million paid at the first financial closing date planned before year end. Subsequent capital injections will be based on project funding calls with a co-financing at equal share between BW Ideol and ADEME Investissement. When all funding calls are completed, each of ADEME Investissement and BW Ideol will have invested EUR 40 million in the development company.

The first financial closing of the transaction remains subject to the completion of the reorganisation and in particular the approval by Crown Estate Scotland of the transfer of the ownership of BW Ideol's share in Buchan Offshore Wind to the BW Ideol Projects Company. Following first closing, BW Ideol will own 75.8% of BW Ideol Projects Company, representing a post-money valuation of BW Ideol Projects Company of around EUR 74 million. ADEME Investissement will increase its holding over time as further projects are matured and financed. BW Ideol will manage the development company through a service agreement.

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<sup>1</sup> All figures in parenthesis refer to the first semester of 2022



BW Ideal retains full ownership of its other business activities and assets, including technology and related IP and know-how portfolio, the floater EPCI business line and the exclusivity with the Port of Ardersier in Scotland for a floater production line, the Floatgen demonstrator, and the ownership in the EolMed pilot project. BW Ideal will also retain its teams, including engineering, business development, project execution, supply chain, legal, innovation, finance.

Separately, BW Ideal signed a EUR 12 million shareholder loan with BW Offshore and Noria, which combined with the planned funding from ADEME Investissement, is expected to finance BW Ideal's business plan for the next 12 months. At the end of June 2023, the Company had drawn EUR 5 million under the shareholder loan. BW Ideal is also exploring other options to cover the Company's long-term financing requirements.

In July, Thomas Choisnet resigned from the position as Chief Technology Officer (CTO) of BW Ideal. The process of recruiting a new CTO is underway.

## OPERATIONS

BW Ideal continues to execute its dual-track strategy as a co-developer of floating offshore wind projects and as EPCI (engineering, procurement, construction and installation) contractor of floating offshore wind technology. Progress is reflected in several recent cooperation agreements and participation in tenders for commercial scale floating offshore wind projects.

In late April, assembly of the three floating offshore wind turbines for the 30 MW EolMed project commenced at Port-la Nouvelle, France with the arrival of the initial prefabricated steel blocks which will make up the floating substructures based on BW Ideal's patented Damping Pool design. BW Ideal has completed the detailed designs for the project and is currently providing design support to construction and T&I (transport and installation) contractors during the execution phase. The Company has 5% ownership stake in the project and provides engineering services during the construction phase.

At Buchan Offshore Wind off the northeast coast of Scotland, the site investigations and environmental studies in preparation for the consent application were completed. In July, Ocean Infinity commenced the geophysical and geotechnical site investigations, starting with the export cable route followed by the offshore lease area later in 2023. Further, the Buchan Offshore Wind Limited (BOWL) partnership has awarded three large advisory contracts to experienced local Scottish consultancy firms covering key areas such as onshore and offshore stakeholder engagement and consultation, onshore project development and Environmental Impact Assessment, and property support including securing land rights for the substation and onshore cabling.

In addition to a 33.3% equity holding in BOWL, BW Ideal will design the floating foundations based on its proven and patented Damping Pool® technology. The Ardersier port, where BW Ideal holds an exclusivity agreement for a concrete floater production line to address the Scottish market, has received an initial commitment by US based investment firm Quantum Energy to accelerate the port redevelopment for up to GBP 300 million equity investment.

The collaboration with the EDF Renewables and Maple Power consortium for the 250 MW AO5 floating offshore wind tender near coast of South Brittany continues with the final date of bid submission on 2 October 2023 and the license award expected in February 2024. BW Ideal also cooperates with EDF Renewables and Maple Power on the design of floating foundations for the AO6 floating wind tender in the Mediterranean Sea covering two 250 MW sites. The consortium has been preselected for the AO6 tender. The competitive dialogue was launched in August 2022 and bid submission is expected in December 2023 with award in the first half of 2024.

In May, the Company signed a Head of Terms with Elawan for the co-development of a multi-GW pipeline of projects in the Iberian Peninsula. Elawan is a Spanish company, 100% owned by ORIX Corporation, with more than 2.6 GW of renewable assets built and an 8.4 GW portfolio of renewable projects. The companies are working to formalise the Joint Development Agreement and preparation of the upcoming tenders in Spain and Portugal.

BW Ideal continues to strengthen its position in Asia outside of Japan and has signed a MOU with an undisclosed partner and local leader in South Korea for the exclusive co-development and co-EPCI of a GW-scale floating offshore wind farm based on the Damping Pool floating offshore wind technology. The Company is also working with a local partner in Taiwan and is in discussions with several potential partners in Australia, where a 5 GW tender off New South Wales was recently launched.

The Company also progresses several other initiatives including detailed studies for power-to-platform projects in collaboration with BW Offshore.

BW Ideal's commercial development is founded on the Group's floating wind technology and expertise. The Group is continuously seeking to advance its technology solutions to grow its team competencies and skills and apply them to new products supporting safe and cost-efficient development of industrial scale floating wind farms.

The Floatgen floating unit installed offshore western France produced 2.6 GWh of renewable power during the first half of 2023 and had, at the end of the June, produced 26.8 GWh of electricity with high availability since commissioning, reflecting the seakeeping performance of BW Ideal's proprietary Damping Pool design. Throughout 2022 and in early 2023, the power output from Floatgen has on several occasions exceeded the maximum expected output from the Vestas V80 turbine, confirming the exceptional performance offered by the movements of BW Ideal's Damping Pool design. In late June, the Sealhyfe offshore hydrogen production pilot facility produced first green hydrogen using renewable power generated by Floatgen.

## RISK AND UNCERTAINTY

BW Ideal has identified three major groups of risks, which are tied to the business and industry in which the Company operates, to legal and regulatory factors and to the Company's financial position. Some of these risks are out of BW Ideal's control, including industry and market risks. Please see the 2022 Annual Report available at [www.bw-ideal.com](http://www.bw-ideal.com) for more detailed information on risk factors.

For the second half of 2023, BW Ideal emphasises global inflationary pressure, continued global supply chain challenges and potential for further interest rate increases as key risk factors that over time may impact the floating offshore wind market development and the execution of the Company's long-term strategy and operations by potentially affecting the maturation of future new development projects and the cost of raw materials and financing.

## OUTLOOK

BW Ideal aims to be a leading long-term owner of floating wind assets in key offshore markets worldwide. The primary focus is to continuously progress, expand and de-risk the Group's project pipeline. The funding from ADEME Investissement and the shareholder loan is expected to finance the Company's business plan for the next 12 months and support work on establishing additional long-term funding.

BW Ideal has set a goal to be involved in an approximately 10 GW gross portfolio of floating wind projects by 2030 by developing the existing pipeline and strong joint venture partnerships, through scaling and optimisation of the patented Damping Pool® technology, and by developing the global organisation and leveraging the partnership with BW Offshore, including in the power-to-platform market. The Group considers itself to be ahead of plan for the 10 GW target based on the recent progress. The rapid global expansion of the commercial scale floating wind market supports a continued strong market outlook.

## DECLARATION OF THE BOARD

We confirm to the best of our knowledge that the Condensed Interim Consolidated Financial Information for the period for 1 January to 30 June 2023 has been prepared in accordance with IAS 34 “Interim Financial Reporting” and gives a true and fair view of BW Ideal AS’s consolidated assets, liabilities, financial position and income statement as a whole.

We also confirm to the best of our knowledge that the Financial Summary includes a fair review of important events that arose during this period, and their impact on the Condensed Interim Consolidated Financial Information, and accounts properly for the principal risks and uncertainties for the remaining six months of the financial year, as well as major related party transactions.

Oslo and La Ciotat, 23 August 2023

Marco Beenen  
Chairman

Yngvil Asheim  
Director

Julian Brown  
Director

Paul de la Guérivière  
CEO

Jean Huby  
Director

## CONDENSED CONSOLIDATED STATEMENT OF INCOME

(Unaudited figures in KEUR)

|  | Notes | 1H 2023         | 1H 2022        | FY 2022         |
|--|-------|-----------------|----------------|-----------------|
| <b>CONTINUING OPERATIONS</b>                                     |       |                 |                |                 |
| Revenue from Contracts with Customers                            |       | 1 971           | 2 666          | 6 639           |
| Other operating income   |       | 652             | 1 107          | 2 106           |
| Operating expenses   |       | (6 102)         | (5 852)        | (11 488)        |
| <b>Operating profit /(loss) before depreciation/amortisation</b> | 11    | <b>(3 479)</b>  | <b>(2 079)</b> | <b>(2 743)</b>  |
| Depreciation   |       | (4 770)         | (4 715)        | (9 510)         |
| Amortisation   |       | (2 363)         | (2 211)        | (4 387)         |
| <b>Operating profit/(loss)</b>                                   |       | <b>(10 612)</b> | <b>(9 004)</b> | <b>(16 641)</b> |
| Net interest expense   |       | 1               | (18)           | 15              |
| Other financial items  |       | (178)           | (518)          | (814)           |
| <b>Net financial income/(expense)</b>                            |       | <b>(176)</b>    | <b>(536)</b>   | <b>(799)</b>    |
| Share of profit/(loss) from equity accounted investments         |       | (97)            | -              | (57)            |
| <b>Profit/(loss) before tax</b>                                  |       | <b>(10 886)</b> | <b>(9 540)</b> | <b>(17 497)</b> |
| Income tax benefit   |       | 432             | 432            | 869             |
| <b>Profit/(loss) from continuing operations</b>                  |       | <b>(10 452)</b> | <b>(9 108)</b> | <b>(16 628)</b> |
| <b>Net profit/(loss) for the period</b>                          |       | <b>(10 452)</b> | <b>(9 108)</b> | <b>(16 628)</b> |
| Attributable to shareholders of the parent                       |       | (10 452)        | (9 108)        | (16 628)        |
| Attributable to non-controlling interests                        |       | 0               | 0              | 0               |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited figures in KEUR)

|  | 1H 2023         | 1H 2022        | FY 2022         |
|--|-----------------|----------------|-----------------|
| Loss for the period  | (10 452)        | (9 108)        | (16 628)        |
| <b>Items that are or may be reclassified to profit or loss</b> |                 |                |                 |
| Remeasurement of Retirement Provision                          | -               | -              | 100             |
| Foreign operations – foreign currency translation differences  | 259             | (7)            | (9)             |
| <b>Other comprehensive income for the period, net of tax</b>   | <b>259</b>      | <b>(7)</b>     | <b>91</b>       |
| <b>Total comprehensive income for the period</b>               | <b>(10 193)</b> | <b>(9 115)</b> | <b>(16 537)</b> |

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(Unaudited figures in KEUR)

| ASSETS  | Notes | 30.06.2023     | 30.06.2022     | 31.12.2022     |
|---|-------|----------------|----------------|----------------|
| Other Property, plant & equipment               | 2     | 500            | 463            | 530            |
| Right-of-use assets                             | 3     | 4 233          | 6 464          | 5 326          |
| Technical Installations                         |       | 1 597          | 8 409          | 5 187          |
| Other Intangible assets                         | 4     | 3 944          | 4 177          | 3 913          |
| Goodwill  | 4     | 25 606         | 25 606         | 25 606         |
| Technology Asset                                | 4     | 50 628         | 54 612         | 52 620         |
| Equity Accounted Investments                    | 5     | 19 085         | 12 799         | 16 032         |
| Other Investments                               | 6     | 1 250          | 1 250          | 1 250          |
| Other non-current assets                        | 7     | 5 206          | 2 632          | 4 609          |
| <b>Total non-current assets</b>                 |       | <b>112 139</b> | <b>116 412</b> | <b>115 073</b> |
| Trade receivables and other current assets      |       | 3 338          | 4 627          | 2 127          |
| Cash and cash equivalents                       |       | 5 941          | 14 080         | 9 133          |
| <b>Total current assets</b>                     |       | <b>9 279</b>   | <b>18 708</b>  | <b>11 260</b>  |
| <b>TOTAL ASSETS</b>                             |       | <b>121 418</b> | <b>135 120</b> | <b>126 332</b> |
| EQUITY AND LIABILITIES                          | Notes | 30.06.2023     | 30.06.2022     | 31.12.2022     |
| Shareholders' equity                            | 8     | 87 762         | 105 364        | 97 881         |
| <b>Total equity</b>                             |       | <b>87 762</b>  | <b>105 364</b> | <b>97 881</b>  |
| Interest-bearing long-term debt                 | 9     | 3 203          | 4 830          | 4 229          |
| Shareholder loan                                | 9     | 5 000          |                |                |
| Pension obligations                             |       | 176            | 229            | 176            |
| Asset retirement obligations                    |       | 2 393          | 2 172          | 2 393          |
| Other long-term liabilities                     | 10    | 3 442          | 3 489          | 3 349          |
| Long-term lease liabilities                     | 3     | 1 667          | 1 899          | 1 784          |
| Deferred Tax Liability                          |       | 11 138         | 12 015         | 11 576         |
| <b>Total non-current liabilities</b>            |       | <b>27 019</b>  | <b>24 633</b>  | <b>23 507</b>  |
| Trade payables and other short-term liabilities |       | 4 746          | 3 161          | 3 064          |
| Interest-bearing short-term debt                | 9     | 1 654          | 1 682          | 1 650          |
| Short-term lease liabilities                    | 3     | 231            | 274            | 229            |
| Income tax liabilities                          |       | 5              | 6              | 1              |
| <b>Total current liabilities</b>                |       | <b>6 636</b>   | <b>5 123</b>   | <b>4 944</b>   |
| <b>Total liabilities</b>                        |       | <b>33 656</b>  | <b>29 756</b>  | <b>28 451</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>             |       | <b>121 418</b> | <b>135 120</b> | <b>126 332</b> |



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(Unaudited figures in KEUR)

|                                     | Share Capital | Share Premium  | Retained Earnings | Shareholder's equity | Foreign Currency Translation Reserve | Total equity  |
|-------------------------------------|---------------|----------------|-------------------|----------------------|--------------------------------------|---------------|
| Equity on 01 January 2023           | 313           | 130 591        | (33 023)          | 97 881               |                                      | 97 881        |
| Profit/loss for the period          |               |                | (10 453)          | (10 453)             |                                      | (10 453)      |
| Other equity                        |               |                |                   |                      |                                      |               |
| Share-based expense                 |               |                | 85                | 85                   |                                      | 85            |
| Exchange differences                |               |                |                   |                      | 250                                  | 250           |
| <b>Total equity on 30 June 2023</b> | <b>313</b>    | <b>130 591</b> | <b>(43 391)</b>   | <b>87 513</b>        | <b>250</b>                           | <b>87 762</b> |

|                                     | Share Capital | Share Premium  | Retained Earnings | Shareholder's equity | Foreign Currency Translation Reserve | Total equity   |
|-------------------------------------|---------------|----------------|-------------------|----------------------|--------------------------------------|----------------|
| Equity on 01 January 2022           | 313           | 130 591        | (17 302)          | 113 602              |                                      | 113 602        |
| Profit/loss for the period          |               |                | (9 108)           | (9 108)              |                                      | (9 108)        |
| Other equity                        |               |                | 340               | 340                  |                                      | 340            |
| Share-based expense                 |               |                | 541               | 541                  |                                      | 541            |
| Exchange differences                |               |                |                   |                      | (11)                                 | (11)           |
| <b>Total equity on 30 June 2022</b> | <b>313</b>    | <b>130 591</b> | <b>(25 529)</b>   | <b>105 375</b>       | <b>(11)</b>                          | <b>105 364</b> |

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

(Unaudited figures in KEUR)

|   | 1H 2023        | 1H 2022         | FY 2022         |
|---|----------------|-----------------|-----------------|
| Profit/(loss) before taxes                              | (10 886)       | (9 540)         | (17 497)        |
| Unrealised currency exchange loss/(gain)                | 140            | 469             | 730             |
| Depreciation and amortisation                           | 7 133          | 6 926           | 13 897          |
| Share-based payment expense                             | 85             | 541             | 626             |
| Change in Subsidies & Grants Receivable                 | (647)          | (1 106)         | (319)           |
| Add back of net interest expense                        | (1)            | 18              | (15)            |
| Changes in working capitals                             | 675            | (506)           | (868)           |
| <b>Net cash flow from operating activities</b>          | <b>(3 501)</b> | <b>(3 199)</b>  | <b>(3 445)</b>  |
| Investment in other property, plant & equipment         | (57)           | (377)           | (1 461)         |
| Investment in other intangible assets (capitalised R&D) | (458)          | (475)           | (493)           |
| Acquisition of equity accounted investments             | (2 874)        | (13 234)        | (16 753)        |
| Investments in financial investments                    | -              | (493)           | -               |
| <b>Net cash flow from investing activities</b>          | <b>(3 389)</b> | <b>(14 579)</b> | <b>(18 707)</b> |
| Proceeds from shareholder loan                          | 5 000          | -               | -               |
| Repayment of debt and other liabilities                 | (1 127)        | (769)           | (1 160)         |
| Interest paid   | (44)           | (69)            | (105)           |
| Payment of lease liabilities                            | (130)          | (96)            | (242)           |
| <b>Net cash flow from financing activities</b>          | <b>3 698</b>   | <b>(934)</b>    | <b>(1 507)</b>  |
| <b>Net change in cash and cash equivalents</b>          | <b>(3 192)</b> | <b>(18 712)</b> | <b>(23 659)</b> |
| Cash and cash equivalents at beginning of period        | 9 133          | 32 792          | 32 792          |
| <b>Cash and cash equivalents at end of period</b>       | <b>5 941</b>   | <b>14 080</b>   | <b>9 133</b>    |

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### Note 1 – Basis for preparation

#### Organisation and principal activities

BW Ideol AS (hereafter 'BW Ideol or 'the Company') was incorporated on 22 October 2020 and is a limited liability company ('aksjeselskap' or 'AS') registered and domiciled in Norway. The Company is listed on Euronext Growth Oslo (Norway). BW Ideol AS acquired 100% of the outstanding shares in Ideol SAS as of 15 March 2021, prior to this transaction, BW Ideol AS had no business activities. These consolidated interim financial statements for the period starting from 1 January 2023 and ending 30 June 2023 comprise the Company and its subsidiaries (together referred to as the 'Group' or 'BW Ideol Group'), most notably Ideol SAS.

The Group is an offshore wind developer with operations internationally, most notably France, Japan and Scotland. The company's activities include the development, construction, financing and operations of floating wind farms as well as the engineering, procurement, construction and installation of floating wind foundations using its patented Damping Pool® technology. The main offices are in Oslo, Norway and La Ciotat, France.

#### Basis of preparation

These interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2022 ('last annual financial statements'). They do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

These interim financial statements were authorised for issue by the Company's Board of Directors on 23 August 2023. The interim financial statements are unaudited. As a result of rounding differences, numbers and or percentages may not add up to the total.

#### Use of estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were significant.

#### Change in Accounting Policy

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of BW Ideol's annual consolidated financial statements for the year ended 31 December 2022.

## Note 2 – Property, Plant & Equipment

(Unaudited figures in KEUR)

|  | Technical installation | Other PP&E   | Total           |
|--|------------------------|--------------|-----------------|
| <b>Cost at 01 January 2023</b>   | <b>16 717</b>          | <b>690</b>   | <b>17 407</b>   |
| Additions  | 0                      | 57           | 57              |
| Impairment   | 0                      | 0            | 0               |
| <b>Cost at 30 June 2023</b>  | <b>16 717</b>          | <b>747</b>   | <b>17 464</b>   |
| <b>Accumulated depreciation and impairment charge at 01 January 2023</b> | <b>(11 530)</b>        | <b>(160)</b> | <b>(11 690)</b> |
| Current year depreciation  | (3 590)                | (87)         | (3 677)         |
| Impairment   | 0                      | 0            | 0               |
| <b>Accumulated depreciation and impairment charge at 30 June 2023</b>    | <b>(15 120)</b>        | <b>(247)</b> | <b>(15 367)</b> |
| <b>Book value at 30 June 2023</b>  | <b>1 597</b>           | <b>500</b>   | <b>2 097</b>    |

|  | Technical installation | Other PP&E  | Total          |
|--|------------------------|-------------|----------------|
| <b>Cost at 01 January 2022</b>   | <b>16 496</b>          | <b>200</b>  | <b>16 696</b>  |
| Additions  | 0                      | 347         | 347            |
| Impairment   | 0                      | 0           | 0              |
| <b>Cost at 30 June 2022</b>  | <b>16 496</b>          | <b>547</b>  | <b>17 043</b>  |
| <b>Accumulated depreciation and impairment charge at 01 January 2022</b> | <b>(4 644)</b>         | <b>(46)</b> | <b>(4 690)</b> |
| Current year depreciation  | (3 443)                | (40)        | (3 483)        |
| Impairment   | 0                      | 0           | 0              |
| <b>Accumulated depreciation and impairment charge at 30 June 2022</b>    | <b>(8 087)</b>         | <b>(86)</b> | <b>(8 173)</b> |
| <b>Book value at 30 June 2022</b>  | <b>8 409</b>           | <b>463</b>  | <b>8 872</b>   |

Technical installation tangible asset comprises the Floatgen demonstrator, owned by the Company and operating off the Brittany coast in France since September 2018, and the related decommissioning costs. The demonstrator is being amortised over a five-year period.

## Note 3 – Leases

(Unaudited figures in KEUR)

### Right-of-use assets and Lease liabilities

BW Ideol leases office premises in La Ciotat, France (HQ). The Company re-located to a new office premises in the third quarter of 2022 and has signed a nine-year lease agreement beginning in April 2022 for the location.

BW Ideol entered into a lease agreement for exclusive port rights to gain long-term access to Ardersier Port in Scotland for local manufacturing of concrete floating substructures for in-house and third-party ScotWind developments. The initial right on the site secured is for a period of 3 years and is then renewable for a further

two additional extensions of 3 years. The two additional extensions of 3 years are not included in the lease liability. The Port of Ardersier is responsible for the re-development of the port in order to accommodate several activities including the potential serial manufacturing of floating wind foundations. Dredging works started in late 2021. The lease was fully prepaid in 2021.

|  | Office Premises | Ports        | Right-of-use assets | Lease liabilities |
|--|-----------------|--------------|---------------------|-------------------|
| <b>On 01 January 2023</b>                  | <b>2 000</b>    | <b>3 326</b> | <b>5 326</b>        | <b>2 013</b>      |
| Additions                                  |                 |              |                     |                   |
| Depreciation expense                       | (121)           | (972)        | (1 093)             |                   |
| Interest expense                           |                 |              |                     | 16                |
| Lease payments                             |                 |              |                     | (130)             |
| Foreign currency translation gain / (loss) |                 |              |                     |                   |
| <b>Balance on 30 June 2023</b>             | <b>1 879</b>    | <b>2 354</b> | <b>4 233</b>        | <b>1 899</b>      |

|  | Office Premises | Ports        | Right-of-use assets | Lease liabilities |
|--|-----------------|--------------|---------------------|-------------------|
| <b>On 01 January 2022</b>                  | <b>75</b>       | <b>5 269</b> | <b>5 344</b>        | <b>77</b>         |
| Additions                                  | 2 183           | 0            | 2 183               | 2 183             |
| Depreciation expense                       | (91)            | (972)        | (1 063)             |                   |
| Interest expense                           |                 |              |                     | 9                 |
| Lease payments                             |                 |              |                     | (96)              |
| Foreign currency translation gain / (loss) |                 |              |                     |                   |
| <b>Balance on 30 June 2022</b>             | <b>2 167</b>    | <b>4 297</b> | <b>6 464</b>        | <b>2 173</b>      |

## Note 4 – Intangible assets & Goodwill

(Unaudited figures in KEUR)

|  | Goodwill      | Technology     | R&D            | Software intangible assets | Total Intangible assets |
|--|---------------|----------------|----------------|----------------------------|-------------------------|
| <b>Cost at 01 January 2023</b>   | <b>25 606</b> | <b>59 758</b>  | <b>4 532</b>   | <b>148</b>                 | <b>90 044</b>           |
| Additions  |               | 0              | 401            | 0                          | 401                     |
| Impairment   |               |                |                |                            |                         |
| <b>Cost at 30 June 2023</b>  | <b>25 606</b> | <b>59 758</b>  | <b>4 933</b>   | <b>148</b>                 | <b>90 445</b>           |
| <b>Accumulated amortisation and impairment charge at 01 January 2023</b> | <b>0</b>      | <b>(7 138)</b> | <b>(722)</b>   | <b>(45)</b>                | <b>(7 905)</b>          |
| Current year amortisation  | 0             | (1 992)        | (356)          | (15)                       | (2 363)                 |
| Impairment   |               |                |                |                            |                         |
| <b>Accumulated amortisation and impairment charge at 30 June 2023</b>    | <b>0</b>      | <b>(9 130)</b> | <b>(1 078)</b> | <b>(60)</b>                | <b>(10 268)</b>         |
| <b>Book value at 30 June 2023</b>  | <b>25 606</b> | <b>50 628</b>  | <b>3 855</b>   | <b>88</b>                  | <b>80 177</b>           |



|  | Goodwill      | Technology     | R&D          | Software intangible assets | Total Intangible assets |
|--|---------------|----------------|--------------|----------------------------|-------------------------|
| <b>Cost at 01 January 2022</b>   | <b>25 268</b> | <b>59 758</b>  | <b>4 308</b> | <b>119</b>                 | <b>89 453</b>           |
| Additions  | 338           | 0              | 475          | 29                         | 842                     |
| Impairment   |               |                |              |                            |                         |
| <b>Cost at 30 June 2022</b>  | <b>25 606</b> | <b>59 758</b>  | <b>4 783</b> | <b>148</b>                 | <b>90 295</b>           |
| <b>Accumulated amortisation and impairment charge at 01 January 2022</b> | <b>0</b>      | <b>(3 154)</b> | <b>(347)</b> | <b>(18)</b>                | <b>(3 519)</b>          |
| Current year amortisation  | 0             | (1 992)        | (375)        | (14)                       | (2 381)                 |
| Impairment   |               |                |              |                            |                         |
| <b>Accumulated amortisation and impairment charge at 30 June 2022</b>    | <b>0</b>      | <b>(5 146)</b> | <b>(722)</b> | <b>(32)</b>                | <b>(5 900)</b>          |
| <b>Book value at 30 June 2022</b>  | <b>25 606</b> | <b>54 612</b>  | <b>4 060</b> | <b>116</b>                 | <b>84 395</b>           |

R&D assets represent the accumulated capitalised development projects. BW Ideal is pursuing a number of initiatives around its Damping Pool® patented foundation technology including research and development of innovative building materials, mooring systems and construction methods.

Goodwill has an indefinite useful life and is tested for impairment at least annually. The goodwill was initially recognised in March 2021 as part of the acquisition of Ideal SAS (see note 4) consisting of one segment 'Floating wind'. Final adjustments were made to the purchase price allocation in 2022 within the one-year timeframe, resulting in a EUR 0.34 million increase in the goodwill balance. Goodwill was tested for impairment as of 31 December 2022 and the impairment test also included the technology assets. A discounted cash flow model was used to determine the fair value less cost of disposal for the CGU. The projected cash flows were based on the most up-to-date forecast by management which includes: 1) A probability weighted pipeline of projects in co-development, with cash flows using end-of life cash flows for projects identified and 2) a probability weighted pipeline of EPCI contracts. The impairment calculation demonstrated that the value in use exceeded the carrying amount of the CGU, thus no impairment loss was recognized.

## Note 5 – Equity Accounted Investments

|                                     | 1H 2023       | 1H 2022       | FY 2022       |
|-------------------------------------|---------------|---------------|---------------|
| Equity Accounted Investments        | 19 085        | 12 799        | 16 032        |
| <b>Equity Accounted Investments</b> | <b>19 085</b> | <b>12 799</b> | <b>16 032</b> |

On 17 January 2022, Ideal SAS, as a partner of the Buchan Offshore Wind Ltd (previously Floating Energy Alliance 1 Limited) consortium, obtained the development rights for a floating offshore wind farm with a capacity of 960 MW off the northeast coast of Scotland by winning the ScotWind tender organized by Crown Estate Scotland. The development right relates to the area designated NE8 in the Scottish Government's Marine Sector Plan for Offshore Wind, which is located approximately 75km north-east of Fraserburgh on the Aberdeenshire coast. BOW is a consortium comprising BayWa r.e., a German-based renewable energy project developer with UK offices in Glasgow and Edinburgh, Elicio, an experienced Belgian offshore wind developer, owner and operator, and BW Ideal. BOW finalized the development rights contract with CES in April 2022.

Equity-accounted investees relates to the 33.3% ownership interest in Buchan Offshore Wind Ltd (previously Floating Energy Allyance 1 Limited) initially acquired in April 2022 for an amount of GBP 0.1 thousand. Buchan Offshore Wind Ltd. is incorporated in Scotland, and this is its principal place of business. Further a shareholder loan facility of EUR 1.15 million and GBP 13.03 million was granted in 2022. The loan was subsequently converted to equity in December 2022.

In January 2023 an additional equity investment of GBP 1 million was made. A further investment of GBP 1.5 million was made in June 2023. Due to the pending transaction with ADEME (see note 13 subsequent events) this transaction has been classed as a loan and unpaid capital to Buchan Offshore Wind Ltd and reported as an increase in 'Equity Accounted Investments', 'Other Current Assets' and 'Other Short-Term Liabilities' in June 2023. As at 30 June 2023, BW Ideol's 33.3% ownership corresponded to 16,533,130 ordinary shares of GBP 1 each.

In addition, BW Ideol has a 33.3% ownership in Floating Energy Allyance 2 Limited acquired for an unpaid capital amount of GBP 0.1 thousand in 2022. An application for the company to be dissolved has been introduced in the UK in June 2023.

## Note 6 – Other Investments

Other investments amounting to EUR 1.25 million at 30 June 2023 related to:

|                                     | 1H 2023      | 1H 2022      | FY 2022      |
|-------------------------------------|--------------|--------------|--------------|
| 5% ownership interest in EolMed, FV | 1 250        | 1 250        | 1 250        |
| <b>Other Investments</b>            | <b>1 250</b> | <b>1 250</b> | <b>1 250</b> |

### EolMed

The Group holds a 5% ownership interest in EolMed, a Company incorporated for the development of a 30MW Mediterranean offshore wind farm which was acquired in November 2021 for an amount of EUR 1.25 million. Further a shareholder loan facility of EUR 1.6 million was granted in 2021 and EUR 0.5 million in May 2022 at Final Investment Decision.

The investment in EolMed is measured at fair value through other comprehensive income (FVOCI) as the investment in equity securities represent investments that the BW Ideol Group intends to hold for the long-term strategic purposes. During 2022 there was no dividend income recognised and there were no transfers of any cumulative gain or loss within equity relating to the investment.

As of 31 December 2022, the Company conducted a valuation of its equity stake in the Company using a discounted cash flow method and a sensitivity analysis on the discount rate retained in line with IAS39 requirements. If the discount rate would be +/- 1% the FV would be EUR 0.05 million lower / EUR 0.150 million higher. The projected cash flows were based on the most up to-date forecast by management which includes managements judgement on the expected development, capital and operating expenses, tariffs and discount rates. No changes have been identified to the underlying assumptions as applied in the valuation per 31 December 2022 that would require changes to the recorded fair value of the investment.

## Note 7 – Other Non-Current Assets

Other non-current assets amounting to EUR 5.2 million at 30 June 2023 related to:

|                                  | 1H 2023      | 1H 2022      | FY 2022      |
|----------------------------------|--------------|--------------|--------------|
| Eolmed Shareholder Loan Facility | 2 193        | 2 098        | 2 098        |
| Eolmed Interest on Loan Facility | 54           | 43           | 96           |
| French Government Tax Incentive  | 2 596        | 0            | 1 959        |
| Other                            | 363          | 491          | 455          |
| <b>Other Investments</b>         | <b>5 206</b> | <b>2 632</b> | <b>4 609</b> |

### French Government Tax Incentive

EUR 2.6 million relates to a French government tax incentive on R&D activities performed during in 2022 and 2023. This is a recurring incentive which is calculated each year. The Company tax status changed in 2022 from a medium sized company to a large group as a result of the acquisition in 2021. As a result, the incentive will no longer be paid each year but will be paid on a deferred basis in the third year following the R&D activities if the amount is not in the meantime offset against income tax profits. As a result, the tax incentive has been classed as 'Other non-current assets' starting in Q4 2022 versus 'Other current assets' in 1H2022.

## Note 8 – Equity

The number of issued shares was 31,510,525 at 30 June 2023 (31,510,525 at 31 December 2022).

The Board of Directors has been granted an authorization to issue up to 2,000,000 shares (NOK 200,000 of share capital) to employees. As of 31 December 2021, 1,695,073 shares have been awarded under the continuation plan and the long-term incentive plan and subject to various vesting period. A further 337 162 shares have been awarded in 2022.

## Note 9 – Interest-bearing debt & Shareholder Loans

(Unaudited figures in KEUR)

### Non-Current Debt

The Company had the following long-term interest-bearing debt:

|                               | 30.06.2023   | 30.06.2022   | 31.12.2022   |
|-------------------------------|--------------|--------------|--------------|
| Loans CERA                    | 787          | 1 133        | 946          |
| Loans BNP Paribas             | 741          | 1 122        | 933          |
| Loans BPI                     | 1 675        | 2 575        | 2 350        |
| Loan HSBC                     | 0            | 0            | 0            |
| BW Offshore Holding Pte Ltd * | 4 167        | 0            | 0            |
| Larochette Invest SARL *      | 833          | 0            | 0            |
| <b>Total</b>                  | <b>8 203</b> | <b>4 830</b> | <b>4 229</b> |

\* Shareholder loans: BW Ideol signed a EUR 12 million shareholder loan with BW Offshore and Noria, which combined with the planned funding from ADEME Investissement, is expected to provide financing for BW Ideol's

business plan for the next 12 months. At the end of June 2023, the Company had drawn EUR 5 million under the shareholder loan.

### Current Debt

The Company had the following current interest-bearing debt:

|                   | 30.06.2023   | 30.06.2022   | 31.12.2022 |
|-------------------|--------------|--------------|------------|
| Loans CERA        | 373          | 371          | 93         |
| Loans BNP Paribas | 380          | 378          | 95         |
| Loans BPI         | 900          | 925          | 225        |
| Loan HSBC         | 0            | 7            | 0          |
| <b>Total</b>      | <b>1 654</b> | <b>1 681</b> | <b>413</b> |

### Note 10 – Other liabilities

(Unaudited figures in KEUR)

The following table sets out the maturity profile of the Company's other liabilities based on contractual undiscounted payments.

Below non-interest-bearing debt relates to financing from Regional, European and National bodies for environmental and research and development activities. No maturity is indicated for the advance payable to ADEME as this is linked to future revenues for which the timing could not be determined at December 2022. Non-interest-bearing debt is classified in other liabilities.

### Non-Current

|                         | 30.06.2023   | 30.06.2022   | 31.12.2022   |
|-------------------------|--------------|--------------|--------------|
| Financing PACA region   | 0            | 0            | 0            |
| Repayable Advance ADEME | 3 289        | 3 289        | 3 289        |
| Zero-interest loan BPI  | 100          | 200          | 150          |
| <b>Total</b>            | <b>3 389</b> | <b>3 489</b> | <b>3 439</b> |

### Current

|                         | 30.06.2023 | 30.06.2022 | 31.12.2022 |
|-------------------------|------------|------------|------------|
| Financing PACA region   | 0          | 167        | 0          |
| Repayable Advance ADEME | 0          | 0          | 0          |
| Zero-interest loan BPI  | 100        | 100        | 100        |
| <b>Total</b>            | <b>100</b> | <b>267</b> | <b>100</b> |

## Note 11 – Revenue

During the period, The Company generated EUR 2.0 million of design and engineering revenues mainly related to projects in France, Japan, Norway and USA. The French R&D tax credit of EUR 0.7 million was recorded as Other Operating Income under IFRS.

## Note 12 – Commitments and Guarantees

As of 30 June 2023, BW Ideol had off balance sheet guarantees relating to its 5% share in EolMed. The guarantees cover an eventual necessity to finance the project in proportion to the equity contribution amounting to EUR 1.4 million and bank guarantees covering breach of obligation during the construction phase amounting to EUR 0.8 million.

In addition, as of 30 June 2023, BW Ideol had an off-balance sheet guarantee relating to its 33.3% share in Buchan Offshore Wind Ltd (previously Floating Energy Alliance 1 Ltd). The guarantee relates to the option lease agreement granted by the Crown Estate Scotland in respect of rights to develop the windfarm site NE8 off the northeast coast of Scotland and amounts to GBP 1.7 million.

Finally, as of 30 June 2023 BW Ideol had one off balance sheet guarantee relating to its 33.3% share in Buchan Offshore Wind Ltd. The Guarantee relates to the site investigation services contract entered into between BOW and Ocean Infinity (UK) Ltd and amounts to GBP 3.8 million.

## Note 13 – Subsequent events

On 5 July, BW Ideol and ADEME Investissement, a state-owned French financier of innovative infrastructure projects, signed the final agreement for a EUR 40 million funding by ADEME Investissement of BW Ideol's project development activities. The completion of the agreement followed a period of exclusive negotiations as announced in March 2023.

Under the agreement, BW Ideol will transfer its co-development project portfolio to the project development company BW Ideol Projects Company SAS and ADEME Investissement will invest an initial EUR 17,85 million paid at the first financial closing date planned in September 2023. Subsequent capital injections will be based on project funding calls with a co-financing at equal share between BW Ideol and ADEME Investissement. When all funding calls are completed, both ADEME Investissement and BW Ideol will have invested EUR 40 million in the development company.

The first financial closing of the transaction remains subject to the completion of the reorganisation and in particular the approval by Crown Estate Scotland of the transfer of the ownership of BW Ideol's share in Buchan Offshore Wind to BW Ideol Projects Company. Following first closing, BW Ideol will own 75.8% of BW Ideol Projects Company, representing a post-money valuation of BW Ideol Projects Company of around EUR 74 million. ADEME Investissement will increase its holding over time as further projects are matured and financed. BW Ideol will manage the development company through a service and secondment agreement.





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