

# ANNUAL REPORT 2021





BW Ideol is a leading fully integrated platform in floating offshore wind with more than 10 years of experience from design, execution and development of floating wind projects based on our patented floating offshore wind technology and engineering capabilities.

The company has a dual-leg growth strategy as a floater EPCI and maintenance services provider and as a wind-farm project developer and co-owner.



BW Ideol has two full-scale offshore floating wind turbines in operation in France and Japan, a significant project pipeline, and is supported by BW Offshore's extensive experience from developing and operating offshore energy production systems.

**ONE OF THE  
MOST PROMISING  
CLEANTECH  
COMPANIES OF ITS  
GENERATION**

**2010**

Year of creation (of Ideol SA)

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**STAFF OF ~70**

An experienced and multidisciplinary team

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**1GW project  
awarded**

in Scotland

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**5 PATENTS**

supporting Damping Pool® technology

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**9  
INTERNATIONAL  
AWARDS**

Entrepreneurship and innovation awards

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## INDEPENDENT AUDITOR'S REPORT

# 2021 in brief

BW Ideol AS is a global leader in floating offshore wind technology and project development. The company was founded on 15 March 2021 following BW Offshore's strategic acquisition of Ideol SA, a private placement raising gross EUR 51.5 million of growth capital and subsequent listing of BW Ideol on Euronext Growth in Oslo. BW Ideol's main office is in La Ciotat, France.

## KEY EVENTS



## SUBSEQUENT EVENTS

Securing close to 1GW of floating offshore wind acreage in ScotWind leasing round as part of the Floating Energy Alliance in January 2022

Signing of an investment agreement with JERA and ADEME Investissement in January 2022



# Message from the CEO

**BW Ideol is a company founded on two strong legacies with extensive experience and capabilities within renewable and offshore energy production, creating a strong platform for a growing floating offshore wind business with significant long-term value creation potential.**

In early 2022, our value proposition founded on co-development and our proven, in-house developed and patented floating wind technology, was recognised with the award of one of the most attractive ScotWind leases to the Floating Energy Alliance (FEA) with BW Ideol as a partner.

## Accelerated growth ambitions

Last year's joining of forces by Ideol and BW Offshore, was the coming together of two businesses with a unique combined competence across the entire value chain of floating offshore wind. Supported by new investors, we raised growth capital and listed on Euronext Growth in Oslo. And together, we have created a global leader in floating offshore wind with accelerated growth ambitions prepared to deliver industrial-scale projects based on our own floater technology.

By delivering on those ambitions, we remain true to the mission set forth by Ideol SA more than a decade ago of creating a sustainable future by unlocking the vast potential of floating offshore wind. With the backing of BW Offshore and their near 40 years of experience in developing and financing large complex offshore projects, we are stronger than ever and eager to lead the way in the global transition to clean renewable energy.

## Executing our dual-leg strategy

Commercial activity is high, reflected in several cooperation agreements with strong counterparties, and we are continuously expanding our organisation to strengthen capabilities and project execution capacity. We are making good progress executing our dual-leg strategy as a co-developer of floating offshore wind projects and EPCI\* and offshore wind technology provider with strong positions in the world's first commercial tenders.

Our positioning was confirmed in early 2022 with the FEA consortium, where we are an equal partner with BayWa r.e. and Elicio, securing the rights to develop a near 1GW floating offshore wind farm off the northeast coast of Scotland in the ScotWind leasing round. This was the first-ever large-scale lease award for floating wind farms. We have signed agreements for engineering services and technology licencing with FEA, securing revenues from the project as it is developed towards start of installation before 2030. Last year, we secured exclusive, long-term access to the nearby Ardersier Port where we intend to establish a

production line for concrete foundations to serve our own and potentially third-party developments with significant local job and value creation.

In December, we became a 5% owner of the 30MW pre-commercial EolMed wind farm in the Mediterranean Sea. This is our second investment as a co-developer, after the fully owned Floatgen project in France. We also signed an engineering and licence agreement earlier in the year with EolMed in the continuity of our collaboration since 2016. By being present across the entire project value chain, we deliver on our strategy and gain experience for future projects.



**Together, we have created a global leader in floating offshore wind with accelerated growth ambitions prepared to deliver industrial-scale projects based on our own floater technology.**



\* Engineering, Procurement, Construction and Installation

We are also engaged in the South Brittany tender in France which may become the second commercial-scale floating wind tender awarded globally. Here we are partnering with EDF Renewables and Maple Power to provide our floating foundations to support their bid and to become project co-developer.

We are also progressing other projects in Europe, the US West Coast and in Japan. These engagements build on our unique technology and continuous research and development to innovate further on our floating foundations to drive down the cost of developing offshore wind. In cooperation with BW Offshore and other partners we are realising synergies and expanding our product offering to include new solutions for power-to-platform and floating power substations based on our Damping Pool® technology.

While we are strengthening our organisation and growing our project pipeline, we are also mindful of our capacity to finance the execution of these developments. We recently joined with JERA, Japan's largest utility company, and ADEME Investissement, a French state-owned investor in innovative infrastructure projects, to create an investment company for financing the co-development of offshore wind projects using our technology over the next 5 years. This provides us with substantial funding capacity to deliver on our growth ambitions.

### Strong sustainable outlook

The COP26 conference in Glasgow last November reiterated the urgency of developing clean energy solutions at scale and decarbonise global energy systems. Offshore wind is one of the main enablers for this, and we are convinced floating solutions


are key to unlock the full potential as a major contributor to the global energy transition. We are an early mover in this market and our fully proven, competitive floating technology, strong in-house competencies, ability to scale and strong partnerships make us ideally positioned to take a leading market position and create significant value for our stakeholders over time.

“

**We are convinced floating solutions are a major contributor to the global energy transition.**

”

2021 was a turning point for the entire organisation and I would like to extend my gratitude to everyone for their dedication and hard work, both in terms of developing and growing our business and in supporting efforts to safeguard our people and partners amid the Covid-19 pandemic. As an extension of this development, we redefined our values as a company - Upright, Trustful, Audacious, Committed and Solution-driven. These values reflect how we as one team work to make floating wind a key contributor to the world's energy transition and by that creating sustainable long-term value for all our stakeholders.

  
**Paul de la Guérivière**  
CEO of BW Ideol

# THIS IS BW IDEOL

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**BW Ideol's mission is to create a sustainable future by deploying its proprietary floating technology, the Damping Pool®, to unlock the vast potential of offshore wind.**

The ambition is to become a long-term owner of floating wind assets, with an investment strategy focused on agile and optimal deployment of capital. The company is leveraging its technology, competence and experience via a dual-leg strategy:

## **Co-developer of floating offshore wind projects**

BW Ideol forms joint ventures with local utilities and financial sponsors to develop, build, install and operate floating wind farms, reinforcing its chances to be awarded sites by its increased execution and financing resources with the backing of BW Offshore.

## **Floating offshore wind EPCI contractor and maintenance and services provider**

BW Ideol leverages its highly competent engineering and execution workforces to design, manufacture and deliver floaters to its customers. This includes the intention to offer customers the alternative to lease floaters, or the combination of the floater and wind turbine as a combined asset, on a long-term basis.

The company is progressing both legs of its strategy by developing and maturing a pipeline of offshore wind projects with strong partners and is positioning itself to become a global leader in the production of renewable energy from floating wind assets.

BW Ideol has two full-scale demonstrators in operation in France and Japan and is engaged in multiple pre-commercial- and commercial-scale projects worldwide. The company is on track to deliver on its ambition of engaging in a portfolio of approximately 10GW gross floating offshore wind capacity by 2030.

# Activities

- Presence of BW Ideol teams
- BW Ideol Projects

## FLOATGEN PROJECT

Successfully operating since 2018



**Capacity** : 2MW / Vestas V80  
**Floater** : built in concrete in Saint-Nazaire harbor (40 km from the installation site)  
**Mooring** : nylon fiber rope  
**Water depth** : 33 metres  
**Installation site** : SEM-REV test site, Le Croisic, France  
**Distance from shore** : 22 kilometres  
**Main partners** : Bouygues Travaux Publics, Ecole Centrale de Nantes,...

## PRE-COMMERCIAL AND COMMERCIAL PROJECTS

Several pre-commercial and commercial-scale projects are under development on different continents : Europe, Asia, USA...with a target of at least 10GW under development, under construction and in operation by 2030.

## SOUTH-BRITTANY TENDER

**Capacity** : up to 270MW  
**Partners** : EDF Renewables, Maple Power

## SCOTWIND PROJECT

**Capacity** : 960MW  
**Co-development of the project with** : BayWa r.e., Elicio

## EOLMED PROJECT

Scheduled for construction in 2022



**Capacity** : 30MW / 3 units  
**Water depth** : 55 metres  
**Installation site** : Gruissan (French Mediterranean)  
**Distance from shore** : 16 kilometres  
**Co-development of the project with** : Qair, TotalEnergies Renewables



## CALIFORNIA PILOT PROJECT

**Capacity** : 40MW

## TAIWANESE PROJECT

Design and engineering services contract for a commercial-scale floating wind farm

## R&D PROJECTS

R&D projects with industrial and academic partners, all aiming at optimising serial production and reducing the LCOE of floating offshore wind.

## FLOATING POWER SERVICES

Floating substation based on BW Ideol's technology, in partnership with Hitachi Energy.  
 Power-to-platform and storage solutions, in partnership with BW Offshore.

## JAPAN

Multiple site-specific joint development agreements with leading japanese utilities and developers, such as Eneos.

## HIBIKI PROJECT

Successfully operating since 2018



**Capacity** : 3MW / 1 unit  
**Floater** : built in steel at Hitachi Zosen's Sakai works (Osaka)  
**Mooring** : Chainlink  
**Water depth** : 55 metres  
**Installation site** : Kitakyūshū, Japan  
**Main partners** : NEDO, Hitachi Zosen, Marubeni, University of Tokyo...



## A CLEAR MISSION AND LONG TERM AMBITIONS



### Mission and vision

Create a sustainable future by using floating technology to unlock the vast potential of offshore wind

Be the leading long-term owner of floating wind assets in key offshore wind markets across the globe



### 2030 goals

~10GW gross portfolio

Projects in France, Japan, UK and California

>15% of portfolio in operation

Refurn on equity above 15%



### Key building blocks

Building on existing pipeline and strong JV partnerships

Scaling and optimising technology

Extending organisation globally

Leveraging BW Offshore partnership

## A STRONG FLOATING OFFSHORE WIND MARKET OUTLOOK

Offshore wind turbines offer numerous advantages such as stronger and more regular wind, less visual impact, fewer space restrictions and a competitive long-term solution for clean energy production. These advantages are the driving force for a rapidly growing offshore wind market addressing a large untapped global market potential.

Traditionally, the offshore wind market has been limited to shallow water by using bottom-fixed foundations. These require specialised offshore vessels for installation, favourable weather conditions.

Floating wind technology unlocks the water depth constraints, the visual impact from the seaside and allows for more cost-efficient quayside construction, assembly and maintenance. It also requires smaller specialised installation vessels. BW Ideol's Damping Pool® technology is engineered to facilitate serial production close to the wind farms and enable increased local content, job- and value-creation.

Offshore wind offers superior production performance compared to onshore wind and solar with a significant potential to scale both in terms of the project capacity and the size of turbines.

The International Energy Agency (IEA) in its Offshore Wind Outlook 2019 special report, estimates that the required installed offshore wind capacity in its Sustainable development scenario will need to grow from approximately 30GW of installed capacity in 2020 to an estimated ~225GW in 2030 and ~560GW in 2040. This represents a compounded annual growth rate of 16% with offshore wind representing more than 5% of global electricity supply.

Floating offshore wind is positioned to capture a significant share of this market due to access to larger areas for development where water depths are unsuitable for bottom-fixed solutions and due to a proven higher wind capacity factor\*.

*\* Capacity factor measures the utilisation of the wind turbine by dividing actual unit electricity output by the maximum possible output.*



## FOCUS ON FOUR OFFSHORE WIND GROWTH MARKETS

**BW Ideol is initially focusing on four core markets: France, Japan, the UK and the US West Coast. Additionally, the company is closely monitoring market opportunities in other areas including Northern and Southern Europe, and South-East Asia.**



**In France**, the electricity grid operator (RTE) issued a report in October 2021 presenting different energy mix scenarios for France to achieve carbon neutrality and secure its energy supply by 2050. RTE concluded that between 22 to 62GW of offshore wind capacity will be needed to achieve the targets in any of the scenarios, depending on the share of nuclear power. The most probable scenario implies the installation of around 45GW of offshore wind by 2050. Currently, no offshore wind farm is in operation in France, apart from BW Ideol's Floatgen demonstrator. It confirms a substantial market potential for BW Ideol as the most favourable areas for offshore wind power in France require floating wind solutions. BW Ideol's portfolio in France includes Floatgen and EolMed, on the Brittany and Mediterranean coasts, and the partnership with EDF RE and Maple Power related to an up to 270 MW on-going tender.



**In the UK**, in January 2022, 17 leases were awarded in the ScotWind license round by the Crown Estate Scotland for a total of 25GW of installed capacity, of which 14.6GW was for floating wind. This represents a confirmed large market in the UK which is under active development for installation before the end of the decade. BW Ideol was awarded the NE8 lease for 960MW as part of the Floating Energy Alliance. In addition, Crown Estate has announced the preparation of a new leasing round dedicated to floating wind in the Celtic Sea. BW Ideol signed a strategic partnership agreement with Ardersier Port in September 2021, giving exclusive access for manufacturing concrete floaters. The plan is to set up a multi-project construction line in cooperation with the port owners to enable industrialisation and serial production of floaters.



**In the US**, the coastal areas off California represent a large potential for floating wind installations. There is strong demand for new power generation close to consumption centres to mitigate risks of power outages due to earthquakes and wildfires. In October 2021, Bureau of Ocean Energy Management (BOEM) outlines new offshore wind leasing for up to seven new leasing rounds by 2025, including potentially four large areas dedicated to floating wind (California, Oregon, Maine) for a total capacity above 5GW. BOEM designated wind energy area off Central California in November 2021 to prepare Environmental Assessment and Californian State modelling underlines a need for around 10GW of offshore wind to reach a 100% clean target by 2045. BW Ideol's 40MW project off Vandenberg Space Force Base has made significant progress with the launch of an environmental assessment by the California State Lands Commission in October 2021. The next step is permitting.



**The Japanese** market also represents a great potential as the country is redefining its energy mix following the Fukushima nuclear disaster. The construction and installation of floating wind farms is considered a strategic requirement. The Japanese government issued guidelines targeting between 30GW and 45GW of offshore wind to be installed before 2040, including a 10GW target by 2030. In addition, two first auctions under the new law governing the award of offshore wind sites were finalised in December 2021. They included a pilot floating wind project and the first bottom-fixed projects for a total 1.7GW.

**In addition, there are ongoing discussions for tenders in Spain, Taiwan, the Celtic Sea and Norway confirming the emergence of the floating offshore wind market. Execution of these projects is likely to commence around 2027.**

## TECHNOLOGY AND SERVICES

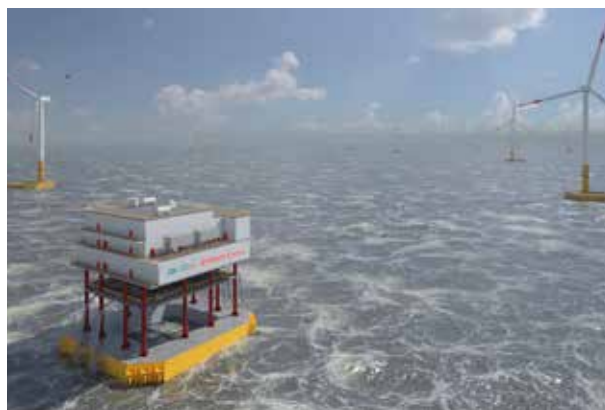
**The market for floating offshore wind solutions remains concentrated with a limited number of players with proven technology.**

BW Ideol's core technology is the patented state-of-the-art Damping Pool® floating foundation solution. The square-shaped structure comprises a central opening with specific hydrodynamic properties optimising foundation stability. Water trapped in the central opening counteracts the floater motions induced by the external waves. The solution can be implemented, without any major modification, with all standard offshore wind turbines.

The foundation is designed to manage a wide range of conditions and is proven by the Company's operating demonstrators installed offshore France and Japan. The floater technology can be deployed at any water depth above 30 metres, independently from any seabed conditions, and can accommodate wind turbines of all capacities.

The foundations can be manufactured using both steel and concrete. The use of concrete allows construction located as close as possible to the deployment site supporting higher local content and job creation.

BW Ideol's floater technology enables quayside installation of wind turbines due to its very shallow draft. This reduces both wind turbine installation costs and risks compared to traditional bottom-fixed foundations. It enables efficient scale-up to accommodate larger wind turbines without the need for a large yard and deep harbour. The floater unit can later be easily towed back to port using standard vessels, reducing maintenance costs for major wind turbine overhauls. The decommissioning is simplified and no components are left on-site.



### Floating substation

BW Ideol and Hitachi ABB are developing a universal floating offshore substation for floating offshore wind farms starting at water depths of 40 metres. Based on the Damping Pool® concept, the modular substation is engineered to operate in the world's most extreme environments and to offer maximum modularity.

The design enables efficient quayside installation, testing and pre-commissioning of the topside and offshore installation without heavy-lift offshore operations. BW Ideol's proven supply chain supports onsite serial production and creation of local jobs. This substation is market-ready for upcoming floating commercial tenders world-wide.



### Joint task force with BW Offshore

BW Ideol and BW Offshore have jointly established a Renewable Power Services task force targeting floating substation and power-to-platform solutions.



**BW OFFSHORE**



## OUR PEOPLE

**BW Ideol has 69 employees, with the majority having extensive backgrounds in engineering, project execution, and experience from developing renewable energy projects.**

The combined competence of the Company covers the disciplines required to develop floating wind projects, act as a floater EPCI contractor and further develop the Company's floating offshore wind technology.



Floatgen floating  
wind turbine, operating  
in France since 2018



## Operating assets

BW Ideol has two floating offshore wind demonstration units in operation. These provide unique operational data and experience related to construction methods, deployment and operation and reinforce the technology excellence of BW Ideol's patented Damping Pool® technology.

### FLOATGEN – FIRST FLOATER IN OPERATION

Floatgen is a 2MW floating wind turbine demonstrator constructed with concrete foundation and installed in 33 metres of water depth off the coast of Le Croisic. It is France's first offshore wind turbine, providing electricity to approximately 3,000 households.

The Floatgen wind turbine produced a total of 18.5GWh since January 2019 when full operations started. The wind turbine has faced challenging weather conditions including maximum wave heights of nearly 11 metres in February 2020, confirming the robustness of the Damping Pool® technology.

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As the first demonstration unit for BW Ideol's floating technology, a unit owned, operated and fully maintained by us, it has provided, and will continue to provide an unparalleled experience, particularly in terms of operation and maintenance optimisation, in addition to its value as a showcase model and as a unique R&D platform to qualify new components and methods.

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## HIBIKI – SECOND FLOATER IN OPERATION

**Hibiki is a 3 MW floating wind turbine demonstrator constructed with a steel foundation and installed in 55 metres of water depth off the coast of Kitakyushu, Japan, with start of operations in 2018.**

It was developed for the New Energy and Industrial Technology Development Organisation (NEDO) as part of tenders to test different technologies aimed at reducing the cost of floating wind farms. The NEDO consortium was built around the Damping Pool® technology, identified as a leading cost-cutting technology.

Within the context of this project, BW Ideol, on behalf of its partner Hitachi Zosen, was responsible for the design and engineering of one steel and one concrete foundation, as well as supporting the construction and installation of the Hibiki demonstrator.



**Hibiki floating  
wind turbine, operating  
in Japan since 2018**

# Projects

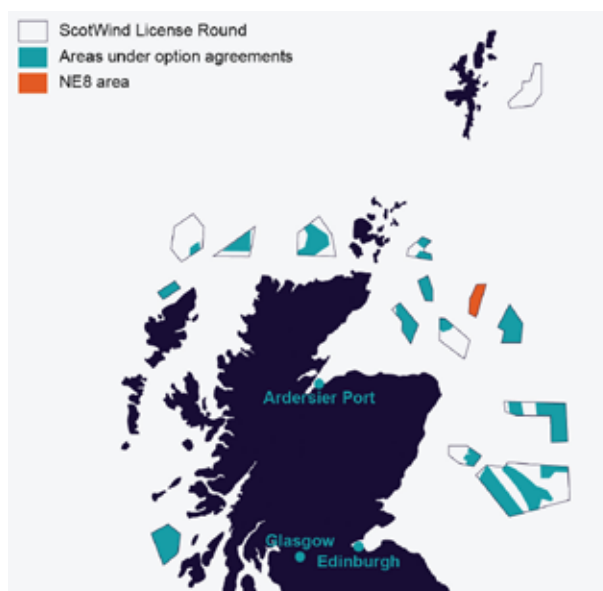
**BW Ideol is continuously monitoring developments in the offshore wind markets and pursuing accretive opportunities for deploying floating solutions around the world. The company holds strong positions in key focus markets.**

## KEY COMMERCIAL PROJECTS AND ONGOING TENDERS

### ScotWind

The Floating Energy Alliance (FEA) has secured the rights to develop a floating offshore wind farm with an approximate capacity of 1GW off the northeast coast of Scotland. FEA is a development partnership comprising BW Ideol, BayWa r.e., a global renewable energy business with UK offices in Glasgow and Edinburgh, and Elicio, an experienced Belgian offshore wind developer, owner and operator.

The "option agreement" is for the area designated NE8 in the Scottish Government's Sectoral Marine Plan for Offshore Wind, which is located some 75km to the northeast of Fraserburgh on the Aberdeenshire coast. FEA expects to enter into an Option Lease Agreement with CES by April 2022.



## UK MANUFACTURING SITE



BW Ideol has gained exclusive, long-term access to the Ardersier Port in Scotland for manufacturing concrete floating wind foundations based on the Damping Pool® technology. In December 2021, the Ardersier Port Authority started transforming the 400 acres of port area with more than a kilometre of quayside into a fully circular energy transition facility.

It is the largest brownfield port in the UK. The planned local production line in Scotland will serve ScotWind tenders won by BW Ideol and its partners, as well as other consortiums which may base their projects on BW Ideol's floater technology through EPCI contracts.





### South Brittany

The South Brittany project is France's first commercial-scale floating wind tender. The project will have a capacity of up to 270MW and is part of France's national Multiannual Energy Programme aiming to tender 8.75GW of offshore wind capacity by 2028.

BW Ideol has entered into a partnership agreement with EDF Renewables, a subsidiary of EDF Group, and Maple Power, a joint venture between CPP Investments and Enbridge Inc., to cooperate on the design of the technical solution for the floating foundations. EDF and Maple were in September 2021 pre-selected to participate in the tender process.

### Japan

In Japan, BW Ideol has entered into multiple site-specific joint development agreements with leading Japanese utilities and developers. This includes Eneos Corporation, Japan's largest oil refiner and distributor, which in July 2021 signed an agreement with BW Ideol for a commercial-scale floating offshore wind farm off Japan. BW Ideol has one of the largest floating wind pipelines under development in Japan, with a total of ~2GW.



## KEY PRE-COMMERCIAL DEVELOPMENTS

### EolMed

The French government has selected the EolMed consortium centred around BW Ideol's floating technology for the development and construction of a 30MW offshore wind farm consisting of three wind turbines in the Mediterranean Sea 15 kilometres off the coastal town of Gruissan.

The consortium is led by the French renewable energy developer Qair and includes TotalEnergies, BW Ideol and the wind turbine manufacturer Vestas. BW Ideol is a project partner, holding a 5% equity ownership in the project, and a supplier of the floating foundation technology and engineering services. The project is progressing towards a final investment decision (FID) and expected start of construction in early 2022.



### US West Coast

A 40MW+ pre-commercial project is currently developed by BW Ideol based on our Damping Pool® technology. The wind farm is planned to be installed off the Vandenberg Space Force Base in Santa Barbara County, California.

In late 2021, the project progressed towards environmental assessment just over two years after BW Ideol submitted the initial lease application. The plan is to leverage BW Ideol's cost competitive concrete hulls while also minimising long-distance shipping and logistics, and to use local labour, supply-chains and infrastructure in California to reduce the carbon footprint and maximise local content contribution.

## OTHER ANNOUNCED PROJECT

### Taiwan

In July, BW Ideol signed a design and engineering services contract with an undisclosed leading party for a commercial-scale floating wind farm in Taiwan.

# Management



## **Paul de la Guérivière – Chief Executive Officer**

Paul has been the CEO of BW Ideol since its creation in 2010. He has supported the development and transformation of the company, since its early focus on technology development, to the deployment of demonstrators and now its worldwide expansion on a large portfolio of commercial projects. He has been involved in defining the strategy of the company, structuring and financing the company, managing the strategic acquisition by BW Offshore and the listing of the company on Euronext Growth Oslo.



## **Thomas Choynet – Chief Technology Officer**

Thomas has extensive experience from all stages of offshore structures, from concept development to detailed design, installation, operation, and construction. Prior to Ideol, he managed several teams and projects within Principia, designing ships, and fixed-base and floating structures. Thomas holds a Master of Science in Naval Architecture from ENSTA - ParisTech.



## **Stéphane Toumit – Engineering Director**

Stéphane has vast experience in design and FEA simulation of offshore structures. He started his career at Technip as a Flexible Pipe Design Engineer before later joining Principia, where he spent 14 years successively in management and engineering roles. Stéphane graduated both in Hydrodynamics & Marine Technologies and in Structural Mechanics.



## **Bruno Geschier – Chief Sales & Marketing Officer**

Bruno is an entrepreneur and international business development specialist with focus on the construction, engineering services and natural resources industries. He has experience from working in the US and Canada, before later managing the international expansion and export activities of French SME companies within consumer electronics, energy efficiency and renewable energy such as Aldes and Fonroche Energie. Bruno joined Ideol in March 2014 and holds a Master of Science degree in Management.



## **Nicolas de Kerangal – Chief Finance & Partnerships Officer**

Nicolas started his career in the M&A department of Credit Agricole Indosuez in 2001. In 2008, he joined Amyris in California where he held various positions within finance and strategy before becoming a Managing Partner at Sparkling Partner in 2015 developing early phase technology companies. Nicolas joined BW Ideol in 2019, and holds an MBA from the University of California, Berkeley and a Master of Management from Neoma Business School.



## **Ghislain Dufay – Chief Product & Operations Officer**

Ghislain started his career at Saipem in 2004 before joining Vinci in 2008 working on major international engineering projects. He later became Business Development Manager and initiated LNG projects in Europe, Russia, the US and Australia and was also Commercial/Construction Director, overseeing projects in the construction phase. Ghislain is an Engineer with a specialisation in oil and engines.

# Board of Directors



## CHAIR

### Marco Beenen

**CEO BW Offshore - Board of Directors of BW Energy**

Senior leadership positions in BW Offshore since 2012, including positions as COO, VP Business Development and Senior VP Fleet. Prior experience from executive positions in the Netherlands and USA as President of Gusto MSC Inc and Vice President Engineering with SBM Offshore.



## BOARD MEMBER

### Yngvil Asheim

**Managing Director of BW LNG**

Joined BW in 2010 as Managing Director for BW Fleet Management and later became Managing Director for BW Shipping before becoming Managing Director for BW LNG in 2015. Prior experience from leadership positions in Høegh and DNV in addition to several Board positions.



## BOARD MEMBER

### Julian Brown

**Vice President and UK Country Manager for MHI Vestas , Non-executive chairman at Tekmar Group plc and a director of Renewable UK**

Twenty years of experience from the renewables industry, including being chairman and co-founder of 8.2 Aarufield Ltd, head of AREVA Wind in the UK and managing director of NEG Micon Rotors Ltd.



## BOARD MEMBER

### Yasuhiro Matsui

**General Manager of the Corporate Finance Department, Division 5 (Energy) of Development Bank of Japan Inc.**

25 years of finance experience in the energy and infrastructure industry. Specialised in both energy and infrastructure-related Project Finance and Capital Markets and involved in the first Green Bond issued by DBJ as Japanese Issuer in 2014.



## BOARD MEMBER

### Jean Huby

**Chief Executive Officer of Ocean Breeze Energy, owner and operator of the first commercial offshore wind park in Germany, BARD Offshore 1**

Experience in the energy sector as former CEO of AREVA Wind from 2011 to 2013 and as Senior Vice President, Strategy and Mergers & Acquisitions at AREVA group from 2008 to 2011. Started his career in the European Commission, where he worked in the antitrust division and was an advisor to the Commissioner for Transport.



# Board of Directors report

## The BW Ideol Group is executing its dual-leg strategy as co-developer of floating offshore wind projects and as EPCI contractor of floating wind technology.

Progress was reflected in new partnerships, tender participations, engineering contracts and licence agreements during 2021 and the award of close to 1GW of floating offshore wind acreage in the ScotWind leasing round as part of the Floating Energy Alliance (FEA) in early 2022.

BW Ideol AS was established as a global pure player in floating offshore wind technology on 15 March 2021 following the acquisition of Ideol SA and a private placement raising gross EUR 51.5 million of growth capital and subsequent listing on Euronext Growth Oslo on 18 March. BW Ideol is registered in the Norwegian Register of Business with subsidiaries in France, the USA and Japan. Business activities are largely executed out of the main office at La Ciotat, France.

BW Ideol has installed two operational demonstrator assets, Floatgen and Hibiki, both commissioned in 2018. The Group operates Floatgen, which continued to record high availability and produced 5.7GWh of electricity in 2021. The two demonstrators provide validation of BW Ideol's Damping Pool® technology. They position the Group as one of few market participants with proven full-scale solutions and with important assets supporting marketing and positioning for new projects.

### Operational and commercial developments

BW Ideol has since inception made good commercial progress by maturing ongoing projects and adding new opportunities to the commercial pipeline.

In December, the Group acquired a 5% ownership in the 30MW EolMed floating wind pilot project in the French Mediterranean. This investment confirms the company's dual-track growth strategy as a co-developer of floating wind projects and as a floating foundation EPCI provider. BW Ideol and Qair have been cooperating on the project since 2016. In 2020, TotalEnergies Renewables acquired a 20% ownership in the project. Separately, in early 2021, BW Ideol signed an engineering contract and licence agreement for the project with a combined value of over EUR 4 million.

In September, Ardersier Port Authority and BW Ideol signed a formal partnership agreement. The agreement provides BW Ideol with exclusive and long-term access to Ardersier Port for the manufacturing of concrete floaters and both parties have agreed

to explore the set-up of a serial production line dedicated to the delivery of locally manufactured floating wind substructures based on BW Ideol's proven Damping Pool® technology.

The planned facility is intended to provide the floating foundations to FEA's 1GW ScotWind development and over time potentially other own and third-party developments in the region.

Also, in September, BW Ideol signed a partnership agreement with EDF Renewables and Maple Power for France's first commercial-scale floating offshore wind tender in South Brittany, following the formal launch of the tender in April. The project will be located off the coast of South Brittany with a capacity of up to 270MW. This tender is part of France's national Multiannual Energy Programme (Programmation Pluriannuelle de l'Energie) aiming at putting 8.75GW of offshore wind capacity out to tender by 2028.

The Group is also advancing several other initiatives. In November the planned pilot-project in California progressed to the environmental assessment stage, representing the next milestone in a permitting process for what may become one of the first wind farms off the coast of California. In the third quarter, BW Ideol signed a joint development agreement with Eneos Corporation, Japan's largest oil refiner and distributor, to develop a site-specific commercial-scale floating offshore wind farm off Japan, a design and engineering service agreement for a commercial-scale project under development in Taiwan.

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

In June, BW Ideol signed a memorandum of understanding (MoU) with Hitachi ABB Power Grids to collaborate on developing industry-first scalable floating substations for commercial-scale floating offshore wind farms. Substations are an essential part of offshore wind farm infrastructure, connecting the power cables from each wind turbine and stepping up the power to a higher voltage for safe and reliable transfer to the onshore electricity grid. Hitachi ABB Power Grids will provide modular, scalable, compact substation packages for installation on BW Ideol's shallow-draft floating platforms. Both companies have worked closely together for several years to co-create a standardised and modular solution

that addresses market requirements and the unique demands of operating in the most challenging environmental and seabed conditions.

BW Ideol also established a joint "Renewable Power Services" task force with BW Offshore with a joint offering targeting floating substations and power-to-platform solutions. Discussions are ongoing with the first potential customers.

#### **Covid-19**

BW Ideol has a proactive approach to minimise the risk of business interruption caused by the Covid-19 pandemic and is adhering to local public health advisories to safeguard people and operations. This includes the use of home offices and travel restrictions. The group has not experienced any material impact on operations or additional costs due to Covid-19 in 2021 beyond the day-to-day impact of adhering to health advisories.

### **Health, safety, security, environment and quality**

Health, safety, security, environment and quality ("HSSEQ") have the highest priority throughout the BW Ideol organisation. The Company has established policies for safety, security, occupational health and environmental management. BW Ideol prioritises safety in all its operations and has "zero harm" as an overriding objective for personnel and the environment. The Company also shows due respect for the individual, human rights and employment practices.

BW Ideol is developing its framework for addressing material environmental, social and governance (ESG) related risks and opportunities and strengthening the focus on sustainability throughout the organisation. As a project developer and technology provider for the development of safe and sustainable renewable energy production solutions, sustainability is deeply integrated in the Company's long-term strategy for value-creation. More detailed information can be found in the separate sustainability section of this Annual Report.

### **Organisation**

BW Ideol seeks to be an inclusive employer and believes that diversity among employees and management contributes positively to the work environment and strengthens competitiveness and performance. There is no discrimination due to gender, nationality, culture or religion with respect to remuneration, promotion or recruitment. The Group is committed to recognise diversity and ensure equal opportunities, including fair employment conditions.

At 31 December 2021, the Group had 69 employees after adding net 14 new full-time employees during the year. The Group's working environment and culture are considered strong with a continuous focus on improvement. In 2021, absence due to sickness was 2.40% of the total days worked by employees. The Group's working environment and culture are considered strong with a continuous focus on improvement.

### **Financial review**

The consolidated financial figures for the BW Ideol Group presented below relate to the full-year 2021 and notably include the combination between BW Ideol AS (Norway) and Ideol SA (France) from 15 March 2021. There are no prior-year comparable figures as BW Ideol AS, while created in 2020, had no business activities prior to the combination date.

#### **Profit and loss**

Group revenue from contracts with customers for 2021 was EUR 2.26 million reflecting mainly design and engineering activities for projects in France and Japan. Other operating income was EUR 1.40 million derived from the French R&D tax incentive scheme for the period of 15 March to 31 December.

Operating loss before depreciation and amortisation for the period was EUR 7.76 million. Operating expenses were EUR 11.4 million, including EUR 6.16 million of headcount-related costs and EUR 5.26 million of other expenses, including expenses related to business development activities and ScotWind tender-related expenses, non-capitalised expenses related to the combination and listing, and other expenses related to Ideol France operations (IT, offices).

Depreciation and amortisation amounted to EUR 8.82 million, of which EUR 4.69 million of depreciation was mainly related to the Floatgen demonstrator, EUR 3.52 million was amortisation of the technology intangible assets recognised due to the purchase price allocation analysis, and EUR 0.61 million of depreciation related to leases. The operating loss for the period was EUR 16.6 million.

Net financial expense was EUR 0.75 million. Net loss for the period was EUR 16.6 million, after recognising a tax income of EUR 0.69 million.

#### **Balance sheet**

At 31 December 2021, total equity was EUR 113.6 million and the equity ratio was 79.7%. Total cash and cash equivalents were EUR 32.8 million, and interest-bearing debt was EUR 7.06 million.

As a result of the Purchase Price Allocation analysis conducted under IFRS3, the company recognised intangible technology assets of EUR 59.8 million and goodwill of EUR 25.3 million, of which EUR 13.1 million as a deferred tax liability and EUR 12.2 million as residual goodwill.

#### **Cash flow**

Net cash flow from operating activities was negative EUR 5.88 million during 2021. Net cash outflow on investment activities including the cash consideration of the acquisition of Ideol SA, was EUR 56.9 million. Net cash inflow from financing activities was EUR 92.9 million, including EUR 52.2 million from BW Offshore to finance the cash portion of the Ideol SA acquisition and EUR 51.6 million of gross IPO proceeds, partly offset by transaction costs and repayment of debt and lease liabilities.

### Liquidity and financing

The ending cash balance on 31 December 2021 was EUR 32.8 million and is expected to fund operations beyond the next 12 months.

### Parent company result

The Parent company, BW Ideol AS, had a net loss of EUR 3.36 million in 2021. At 31 December 2021, the parent company's total assets were EUR 127.2 million and total equity was EUR 127.1 million.

### Going concern

Based on the Group's overall position at the end of the year, as well as the current outlook, the Board believes BW Ideol has a good foundation for continued operations. The accounts have been prepared on a going concern basis.

## Corporate governance

As a company admitted to trading on Euronext Growth in Oslo, BW Ideol is not subject to the Norwegian Code of Practice for Corporate Governance (the Code) issued by the Norwegian Corporate Governance Board (NUES/NCGB). The Board has adopted a Corporate Governance Policy and commits the Company to good corporate governance and seeks to comply with the most current version of the Code dated 14 October 2021. More detailed information can be found in the separate Corporate Governance Report section of this Annual Report.

## Risk management

BW Ideol 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 Ideol's control, including certainty industry and market risks. Please see the Information Document dated 17 March 2021 available at [www.bw-ideol.com](http://www.bw-ideol.com) for more detailed information on risk factors.

### Business and industry risks

The Group's profitability depends on the demand for the floater products and the realisation of projects, which to a certain extent is dependent on the volume and prices of electricity and government support schemes. The Group and its partners will seek to reduce the effect of price fluctuations, or reliance on customers in doing so, by entering into long-term fixed-price contracts or equivalent risk-reducing measures (feed-in tariffs, contracts for difference and corporate power purchase agreements). The extent of government subsidies and support will lead to a significant degree depend on the evolution of electricity market prices over time.

### Legal and regulatory risks

The Group positions for and engages in the development of offshore wind globally and uses a global footprint to support its business development. The Group is subject to a wide variety of national and international laws and regulations in relation to its operations in France, Japan, the United Kingdom or the United States of America and other countries it engages in to develop or support its business. Any breach of laws can be costly and expose the Group to liability and could limit its options. To mitigate local risk and capture opportunities, BW Ideol has established teams in Japan and the U.S. to improve understanding of local regulations and development processes.

### Financial risk

Construction of offshore wind projects and the supply of the products are highly capital intensive, and the Group will likely require additional debt and/or equity financing to secure operations and working capital. The availability and cost of such funding is uncertain, and lack of funding may prevent the Group from developing projects or supplying its products.

BW Ideol operates in countries with other currencies than the group's presentation currency EUR and is exposed to changes in foreign currency rates. Awareness of the exposure is materialised through precautions to minimise the risk. While currently not significant, the group will seek to further minimise multi-currency exposure by using hedging strategies.

### Events after the balance sheet date

On 5 January 2022, BW Ideol AS announced the execution of an investment agreement with JERA, Japan's largest utility company, and ADEME Investissement, a French state-owned investment company, aiming at financing innovative infrastructure projects funded by the Investment for the Future Program, to create an investment company for financing the co-development of offshore wind projects using BW Ideol's patented Damping Pool® technology over the next 5 years.

On 17 January 2022, BW Ideol AS, as an equal partner in the Floating Energy Alliance (FEA), secured the rights to develop a floating offshore wind farm with a capacity of 960MW off the northeast coast of Scotland through Crown Estate Scotland's ScotWind leasing round. The "option agreement" is for the area designated NE8 in the Scottish Government's Sectoral Marine Plan for Offshore Wind, which is located some 75km to the northeast of Fraserburgh on the Aberdeenshire coast. FEA is a development partnership comprising BayWa r.e., a global renewable energy business with UK offices in Glasgow and Edinburgh, Elicio, an experienced Belgian offshore wind developer, owner and operator, and BW Ideol. FEA expects to enter into an Option Lease Agreement with CES by April 2022. Separately, on 14 January 2022, BW Ideol signed an engineering service agreement and a technology licence agreement with FEA securing revenues for BW Ideol in relation to the project over the coming years.

## Outlook

BW Ideol's vision is to be a leading long-term owner of floating wind assets in key offshore markets across the globe. The primary focus is to continuously progress, expand and de-risk the Company's project pipeline. The goal is to have participated in an approximately 10GW gross portfolio of floating offshore 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-gas platform market.

The rapid expansion of the commercial-scale floating offshore wind market across the globe supports a strong market outlook. The ScotWind lease awards in January 2022 included approximately 15GW of floating wind capacity to be developed over the next 10 years in Scotland alone. In the US, the Bureau of Ocean Energy Management in October 2021 outlined new offshore wind leasing for up to seven new leasing rounds by 2025, including potentially four large areas dedicated to floating wind for a total capacity above 5GW.

In France, 750MW of capacity are set to be tendered by the French government in 2022 and 2023. RTE, the French electricity grid operator, issued a report in October acknowledging a required capacity of 22GW to 62GW of offshore wind needed for France to achieve carbon neutrality by 2050. In Japan, The Ministry of Economy, Trade and Industry (METI) has introduced targets for the country to reach carbon neutrality by 2040. The country envisages the deployment of 30 to 45GW of offshore wind capacity, of which 10GW shall be deployed by the end of the current decade. In both France and Japan, floating offshore wind is expected to be a key contributor to the deployment targets.

In Norway, the government is moving towards a tender for an expected 1.5GW of floating offshore wind capacity at Utsira Nord on the west coast with a potential launch in the next few years. Other markets in the Mediterranean basin, offshore the UK, in South-East Asia, and in South Korea are poised for a significant deployment of floating wind capacity and will offer numerous opportunities in the near future.



# Board of Directors statement

**The Board of Directors has today considered and adopted the Annual Report of BW Ideol AS for the financial year 1 January to 31 December 2021.**

The Annual Report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements for Euronext Growth listed companies.

In our opinion, the Consolidated Financial Statements and Parent Company Financial Statements give a true and fair view of the financial position on 31 December 2021 of the Group and the Parent company and of the results of the Group and Parent company operations and cash flows for 2021.

In our opinion, Board of Directors report includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

**CHAIRPERSON**

**Marco Beenen**

*Sign.*

**BOARD MEMBER**

**Yngvil Asheim**

*Sign.*

**BOARD MEMBER**

**Julian Brown**

*Sign.*

**BOARD MEMBER**

**Yasuhiro Matsui**

*Sign.*

**BOARD MEMBER**

**Jean Huby**

*Sign.*

**CEO**

**Paul de la Guérivière**

*Sign.*

# SUSTAINABILITY REPORT 2021

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**BW Ideol seeks to be a good corporate citizen and places due respect on the impact its business activities may have on employees, partners, suppliers, investors and the societies in which the Company is present.**

A review of the Company's strategy, long-term targets, business model, market technology and projects can be found in the Annual Report and the Board of Directors report.

In combination with the Board of Directors report, this section of the Annual Report seeks to meet the requirements for company reporting on corporate social responsibility as specified in the Norwegian Accounting Act ("Regnskapsloven"). The review is generally focused on the business activities under the operational control of BW Ideol.

# Governance

The Management and the Board are responsible for ensuring that the Company conducts its business with integrity and with due focus on sustainable and responsible operations and that it applies principles for sound corporate governance. The Board holds the highest authority in the Company's decision-making hierarchy to approve matters of significance.

BW Ideol has adopted a Corporate Governance (CG) policy aligned with the Norwegian Code of Practice for Corporate Governance and provides a separate CG report in the Annual Report.

The Company is committed to conduct business in a fair, ethical and transparent manner by adhering to the principles and guidelines stated in the Company's code of conduct ("Règlement intérieur"). The Company strives to be a good corporate citizen and uphold the highest ethical and responsibility standards.

In 2022-2023, BW Ideol intends to develop a more comprehensive structure for management and monitoring of ESG objectives by defining a chain of command and proper policies and guidelines.



# People, planet and prosperity

BW Ideol is about supporting the transition to a net zero society and creating long-term value for its stakeholders with positive impacts for society at large.

BW Ideol develops renewable energy solutions in a responsible manner. By leveraging its experienced organisation, capabilities and unique technology, the Company enables a transition to green electricity and the elimination of greenhouse gas emissions in the areas the Company operates.

The Company seeks to minimise negative impacts of its operating activities and asset investments, while creating material positive effects through responsible development of local value chains. Moreover, compared to other technologies, floating offshore wind has inherent environmental advantages, such as:

- access to better wind conditions resulting in higher production of electricity and lower intermittence, and therefore a reduction in production cost per MWh,
- reduced impact on the surrounding environment, including visual, noise, fishing and commercial shipping.

## MISSION AND VALUES

BW Ideol is guided by its mission and values, which distil the Company's ambition to contribute positively to the well-being of people, sustainable development of our planet as well as value creation and prosperity for all.

### Mission

**Make floating wind a key contributor to the world's energy transition**

### Core values



#### UPRIGHT

We are honest, fair and humble

We promote truthful relations with all stakeholders

We care for our positive impact on society and on others



#### TRUSTFUL

We work as a team and act collaboratively

We are curious, open-minded and we value diversity

We promote autonomy, initiative and we trust each other



#### AUDACIOUS

We are bold and aim for the best

We value taking risks to succeed and innovate

We support thinking differently



#### COMMITTED

We help build a sustainable world

We act with courage and determination

We are self-demanding and seek excellence



#### SOLUTION-DRIVEN

We go to the core of problems to deliver innovative solutions

We actively seek opportunities to learn and improve continuously

We value creativity and pragmatism



## THE UN SUSTAINABILITY DEVELOPMENT GOALS

BW Ideol supports the UN Sustainable Development Goals (SDGs). The 17 global goals are at the heart of the UN's 2030 Agenda for Sustainable Development which was adopted by the United Nations General Assembly in 2015 to provide a shared blueprint for peace and prosperity for people and the planet, now and into the future.



### **Target 7.2: Increase substantially the share of renewable energy in the global energy mix**

BW Ideol contributes by developing floating offshore wind power generation capacity globally as a project developer and technology provider



### **Target 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation**

- BW Ideol contributes by developing a nascent sector of the renewable energy market and the related value-chain for floating offshore wind



### **Target 9.1: Develop quality, reliable, sustainable and resilient infrastructure**

- BW Ideol contributes to the development and industrialisation of sustainable energy infrastructure with decentralised value chain and significant local value creation

The Company considers three of the SDGs as material where it believes it may have the most impact and a further three SDGs as important and where it seeks to contribute positively. This reflects the current nature of BW Ideol's operations as a company in the early stages of commercial development. The prioritisation will likely change over time as the nature of the Company's operations develops.



### **Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership**

**at all levels of decision-making in political, economic and public life** - BW Ideol contributes through zero tolerance for discrimination and focus on general gender diversity



### **SDG 13: Take urgent action to combat climate change**

BW Ideol develops innovative technology and renewable power production solutions that enables decarbonisation of global energy systems



### **Target 14.2: Conserve and sustainably use the oceans, seas and marine resources for sustainable development**

- BW Ideol contributes to sustainable offshore renewable energy production through technology and operational procedures which limits the negative impacts on marine and coastal ecosystems

## REPORTING ON ESG FACTORS

BW Ideol is a young company, listed on Euronext Growth Oslo in March 2021. Current operations are largely within business development, project planning, engineering, as well as research and development. These leave a limited environmental footprint. This will increase over time as projects move to the physical development phase with construction and installation activities in the coming years.

The Company is in the process of developing its framework for systematically identifying and managing ESG-related risks and opportunities. This includes the mapping of the main stakeholders and the most important areas where the Company may make the biggest negative and positive impacts.

As part of this, the Company has considered the Sustainability Accounting Standards Board (SASB) guidelines for the disclosure of financially material sustainability information as a starting point for dialogue with shareholders, customers, partners, employees and other relevant stakeholders.

The Standards identify the subset of environmental, social, and governance (ESG) issues most relevant to financial performance per industry. BW Ideol is part of the wind technology & project developer industry, comprising companies that manufacture the various components of wind power systems, provide post-sale maintenance and support services, and companies that develop, build, and manage wind energy projects, both offshore and onshore.

Out of 26 relevant industry issues, SASB highlights the following three as the most material topics:

- employee health and safety,
- ecological impacts of project development,
- materials sourcing and efficiency.

BW Ideol sees a clear connection between these material topics and the prioritised UN SDGs as specified above. During 2022 and 2023, the Company aims to develop a framework for risk management and reporting related to ESG topics and corporate responsibility.

## PEOPLE

BW Ideol seeks to be an inclusive employer and believes that equality and diversity among employees and management contributes positively to the work environment and strengthens competitiveness and performance. There is no discrimination due to gender, nationality, culture or religion with respect to remuneration, promotion or recruitment. The Group is committed to recognise diversity and ensure equal opportunities, including fair employment conditions.

### 69

**Number of employees at year-end in 3 countries**

### 14

**Net new employees during the year**

### 7

**Number of nationalities**

### 2%

**Employee departure rate**

### 2.40%

**Sick leave**

### 71%

**Training programs:** percentage of employees having received at least one training



### 0%



### 100%

**Gender balance - Top management**



### 22%



### 78%

**Gender balance - Total organisation**



### 20%



### 80%

**Gender balance - Board of Directors**



### 36%



### 64%

**Gender balance - New hires in 2021**

### Onboarding, training and competency

In 2021, BW Ideol's departure rate (number of departures vs average headcount), calculated for permanent contracts, was particularly low. In the coming years, retention will remain key and will be integrated in the company's HR priorities. The low departure rate may be considered a result of the Company's engagement at each stage of employees' professional development.

In 2021, the company implemented a complete on-boarding programme to welcome new employees in the most complete and warmest possible way (in the Covid-19 context). BW Ideol continuously invests in employee training and competencies. 71% of employees received at least one training in 2021.

A specific multi-year training programme was implemented for middle management in 2021. Incentive programmes were also introduced to reward and to keep employees with high potential.

Since 2020, the company has had an internal Covid-19 consultation task force, comprising the HSE officer and two staff representatives, to participate in the practical implementation of government protocols. It has supported the implementation of a wide range of measures to protect employees' health as well as facilitation of efficient project execution.

### Gender equality & diversity

At 1 March 2022, BW Ideol will publish an index of professional equality between men and women (index defined and framed by the French labour code). The objective will be, during 2022, to maintain and to improve the gender balance.

For recruitment, the company has adopted monthly metrics to closely monitor the gender repartition throughout the recruitment process. BW Ideol will continue to promote the recruitment of female profiles, in particular for engineering and management positions. The Company is in the process of defining a list of actions to be implemented to attract women. This includes considering how to formulate job offers and actions to strengthen the Company's employer brand.

As engineers and technicians (engineering & operations departments) representing 70% of the workforce, BW Ideol's puts particular emphasis on promoting engineering jobs for women. This includes promotion of women at work at BW Ideol through the Company's recruitment web page and through the participation of female employees at conferences at engineering schools to encourage women to seek a career at BW Ideol.

**BW Ideol offers all the same opportunities and continues to enrich the diversity of its teams.**

### Compensation policy

BW Ideol's compensation is determined according to performance, experience, critical competence and market value, and to ensure that our compensation decisions are fair and to avoid unconscious bias. The following factors are taken into account:

- market value of the job,
- criticality of competency, retention, etc
- performance, contribution and key achievements for the last period,
- competency and experience level increase achieved the last period,
- attitude and respect of HQSE requirements.

In addition, BW Ideol organises an annual salary review based on managers' feedbacks, reviewed by the Leadership team to ensure consistency.

In 2020, BW Ideol decided to enlarge its compensation structure with a collective bonus scheme. The first payment was done in 2021 and concerned all employees who received the same single amount regardless of their gender and function.

ESG criteria have been integrated and prevail in the calculation of this collective bonus scheme. Of eight criteria, four are ESG-oriented (25% of the criteria are based on Environmental metrics and 25% are based on Social metrics).

BW Ideol has also introduced a bicycle allowance to encourage the use of non-polluting modes of transport. 10 employees received this allowance during 2021.

## PLANET

BW Ideol seeks to minimise negative impacts of operating activities. The Company will establish procedures for measuring greenhouse gas emissions caused by its activities. Currently the nature of these activities is such that carbon emissions are considered non-material. The technology and services the company provides are enablers for the development of industrial scale renewable energy production and the transition to clean electricity supply.

BW Ideol has always been very careful to limit its environmental footprint, especially during the construction, installation and operation phases. The use of concrete and the reduced dimensions of the floaters enable local development and procurement opportunities. As such, construction can be undertaken as close as possible to the future wind farms, thus limiting offshore towing and environmental impact for the floating foundations, while simultaneously creating local jobs.

In 2021, Ecole Centrale de Nantes, which operates SEM-REV where Floatgen is installed, issued a first environmental impact study. This report covers several fields from physics (underwater acoustics, electromagnetic fields, temperature) to biology (marine mammals, benthic communities, avifauna, etc.) during installation and operation phases. No strong effect or impact was identified in relation to the marine environment and no environmental incidents or pollution have occurred during the construction, operation and maintenance phases of the Floatgen floating offshore wind turbine.



### BW Ideol's supports the "Pure Ocean" foundation

In 2021, BW Ideol took the initiative to engage with a foundation dedicated to the preservation of the marine environment, the Pure Ocean Foundation. Pure Ocean's main mission is to support state-of-the-art applied research projects to conserve marine biodiversity, protect and restore fragile marine ecosystems, increase knowledge of the oceans and contribute to the fight against climate change. BW Ideol supported this initiative by making a financial contribution to a skipper engaged in the Mini-Transat race in partnership with this foundation. The foundation also organised a half-day to raise awareness among BW Ideol's employees, including a beach-cleaning session near the main office.

Topic	2021 (and before) actions	2022-2023 ambitions
<b>Product Design and Lifecycle Management</b>	<ul style="list-style-type: none"> <li>• Launch of ISO 14001 environmental management system certification process</li> <li>• Publication of the first Floatgen environmental report</li> </ul>	<ul style="list-style-type: none"> <li>• Redefine and progress on ISO14001 certification process</li> <li>• Define a carbon footprint calculation methodology</li> </ul>
<b>Materials Sourcing and Efficiency</b>	<ul style="list-style-type: none"> <li>• Start to develop detailed overview of the key environmental advantages of using concrete floaters including local content potential</li> </ul>	<ul style="list-style-type: none"> <li>• Continue developing the overview of the environmental advantages of concrete floaters</li> </ul>

## PROSPERITY

BW Ideol is committed to upholding high ethical standards in all its business activities. All employees and others performing work for and on behalf of BW Ideol and/or any of its affiliates are expected to adhere to all applicable laws and regulations, the Company's code of conduct, and to demonstrate ethical behaviour in their business relations and decisions.

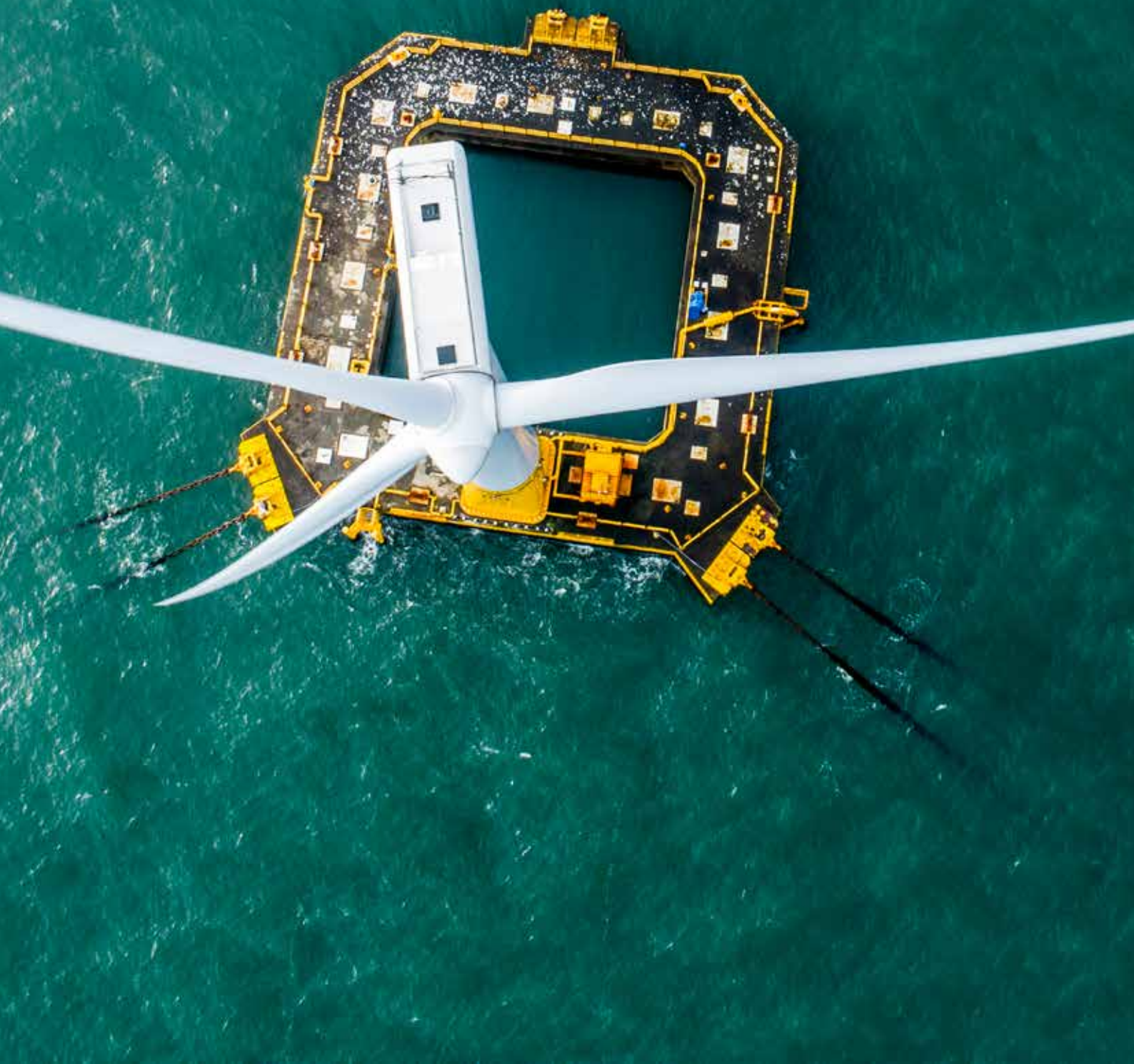
The Company operates globally and has a strategy which facilitates development of local manufacturing, value chains and job creation near sites for development of floating wind farms. This may include activities in countries which have a higher risk of corruption and bribery. The Company's main operating markets of France, the United Kingdom, the U.S. and Japan, all rank among the top 27 of 180 nations included in Transparency International's 2021 Corruption Perceptions Index (CPI) with low levels of perceived public corruption.

In 2021, BW Ideol started the development of Anti-Bribery and Corruption (ABC) framework for employees, vendors and other third-party business relations. The ABC framework will be implemented in 2022 and the Company will start measuring and reporting on outcomes. BW Ideol has established a whistleblowing mechanism allowing all employees and third-party acting for the Company and other stakeholders to raise concerns which may help prevent and reduce any harm to the people involved and to the Company. The mechanism includes on-line and anonymous reporting of concerns. A whistleblowing policy describes the process by which employees and other stakeholders should alert the Company to an issue of serious concern which cannot be resolved by local management. It defines the eligibility criteria for using the whistleblowing mechanism and explains the process for reporting and investigating any suspicion or breach of the Company's policies, values and principles.



# CORPORATE GOVERNANCE REPORT

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BW Ideol AS (hereinafter "BW Ideol" or "Company") is a Norwegian limited liability company. The Company's shares are admitted to trading on Euronext Growth Oslo. The Company's activities are primarily governed by The Norwegian Private Limited Liability Companies Act and the Company's Articles of Association.

Additional aspects of the Company's activities are governed by Norwegian law pursuant to the Listing Agreement between the Oslo Stock Exchange and the Company. In particular, the Norwegian Securities Trading Act and the Norwegian Stock Exchange Regulations will generally apply.

## 1. Implementation and reporting on corporate governance

The Board of Directors (the "Board") is of the opinion that the interests of the Company and its shareholders are best served by the adoption of business policies and practices which are legal, compliant, ethical and open in relation to all dealings with customers, potential customers and other third parties. These policies are fair and in accordance with best market practice in relationships with employees and are also sensitive to reasonable expectations of public interest.

The Board on 14 March 2021 adopted a Corporate Governance Policy in connection with the admission to trading of the Company's shares on Euronext Growth Oslo. While the Company

is not subject to the Norwegian Code of Practice for Corporate Governance (the "Code") prepared by the Norwegian Corporate Governance Board, the Board commits the Company to good corporate governance and seeks to comply with the most current version of the Code dated 14 October 2021.

The Board provides an overall overview of the Company's corporate governance in the Company's Annual Report. The review includes each individual point of the Code. If the Company does not fully comply with the Code, this is explained in the Company's Annual Report. As at 31 December 2021, the Company did not comply with the following recommendations of the Code: *Section 7: The Company does not have a nomination committee.*

Furthermore, a description of the most important corporate governance principles of the Company shall be made available on the Company's website in accordance with the Company's "Investor Relations Policy". By publishing an overview of all aspects of the Company's corporate governance policy, shareholders, employees and other stakeholders are more equipped to evaluate the extent to which the Company follows principles of good corporate governance.

### Articles of association

*The Articles of Association are enclosed in Appendix A to the Information Document. Below is a summary of the provisions of the Articles of Association adopted on 14 March 2021 with effect of the first day of trading on Euronext Growth.*

#### 10.9.1 Objective of the Company

*Pursuant to section 3, the object of the Company is to conduct business within development and investment in floating offshore wind projects, engineering, procurement, construction and installation of floating wind foundations and everything in connection with this, including owning shares in other companies.*

#### 10.9.2 Share capital and par value

*Pursuant to section 4, the Company's share capital is NOK 3,109,319.80 divided into 31,093,198 shares, each with a nominal value of NOK 0.1. The shares shall be registered with a central securities depository (the Norwegian Central Securities Depository (VPS)).*

#### 10.9.3 The Board of Directors

*Pursuant to section 5, Board of Directors shall consist of 3 to 7 members, according to the decision of the general meeting.*

#### 10.9.4 Signatory right

*Pursuant to section 6, two Board members have the right to sign on behalf of the Company jointly.*

#### 10.9.5 Restrictions on transfer of shares

*Pursuant to section 7, the shares are freely transferable.*

#### 10.9.6 General meetings

*Pursuant to section 8, the annual general meeting shall deal with and resolve the following matters:*

- *approval of the annual accounts and the Annual Report, including distribution of dividends, and*
- *other issues, which according to applicable law or the articles of association is a matter for the general meeting to resolve. Documents relating to matters to be considered at the general meeting are not required to be sent to the shareholders if the documentation is available on the Company's website or similar electronic platform. This also applies to documents that are required by law to be attached to the notice of the general meeting, provided that a shareholder may require that documents to be considered at the general meeting shall be sent to that shareholder.*

## 2. The business

The Company's business objective, as set out in the Company's articles of association, reads as follows: *"The object of the Company is to conduct business within development and investment in floating offshore wind projects, engineering, procurement, construction and installation of floating wind foundations and everything in connection with this, including owning shares in other companies."*

The Company's operations shall comply with the business objective set forth in the Company's articles of association, which are presented in the Annual Report together with the Company's primary objectives and strategies.

The Board is responsible for and leads the Company's strategic planning, including the definition of clear objectives, strategies and risk profile for the Company's business activities such that the company creates value for the shareholders and other stakeholders in a sustainable manner. The Company's objectives, main strategies and risk profile are described in the Annual Report, and considers both financial, social and environmental factors.

BW Ideol has implemented corporate values, ethical guidelines and guidelines for corporate social responsibility. These values and guidelines are described in BW Ideol's Code of Ethics and Business Conduct and internal policies.

BW Ideol's Board of Directors, CEO and any employees acting in a managerial capacity, including those for controlled subsidiaries, are covered under a Directors and Officers Liability Insurance held by BW Offshore Limited. The insurance policy is issued by a reputable insurer with an appropriate rating.

## 3. Equity and dividends

At 31 December 2021, the Company's consolidated equity was EUR 113.6 million, which is equivalent to 80% of total assets. The Board continuously evaluates the Company's capital requirements to ensure that the capital structure is at a level which is suitable considering the Company's objectives, strategy and risk profile.

The Company is in a growth phase and is not expected to be in a position to pay any dividends. After the growth phase, it is the Company's ambition to pay attractive dividends based on the consolidated net profit of the Group. The amount of any dividend to be distributed will be dependent on, inter alia, the Company's investment requirements and rate of growth. There can be no assurance that in any given year a dividend will be proposed or declared, or if proposed or declared, that the dividend will be as contemplated by the policy. The Company has not paid any dividends following its incorporation.

Any authorisation granted to the Board of Directors to increase the Company's share capital or to purchase treasury shares shall be restricted to defined purposes. If the Board proposes that the general meeting grants such authorisations, each

authorisation shall be assessed and resolved separately by the general meeting. Any authorisation will be limited in time and may in no event last longer than two years. The Company will follow the recommendation of the Code and limit the time to the next annual general meeting, such that any authorisation granted is reassessed annually.

At 31 December 2021, the Board held the following authorisations:

- authorisations to increase the share capital by up to NOK 200,000 for delivering shares to employees under the incentive schemes implemented by the Company. The authorisation is valid to the Company's annual general meeting in 2022, but no longer than 30 June 2022,
- an authorisation to acquire own shares on behalf of the Company of a total nominal value of NOK 200,000 for the purpose of deliver shares to employees under the incentive schemes implemented by the Company. The authorisation is valid to the Company's annual general meeting in 2022, but no longer than 30 June 2022.

## 4. Equal treatment of shareholders

The Company has one class of shares. Each share in the Company carries one vote, and all shares carry equal rights, including the right to participate in general meetings. All shareholders shall be treated on an equal basis, unless there is just cause for treating them differently.

Any decision to waive the pre-emption rights of existing shareholders to subscribe for shares in a share capital increase, shall be justified by the common interest of the Company and the shareholders. Where the Board of Directors resolves to issue new shares and deviate from existing shareholders' pre-emptive rights pursuant to an authorisation granted to the Board of Directors, the stock exchange announcement issued in connection with the share issue shall also include a justification for the deviation. There were no such share capital increases following the admission to trading in 2021.

Any transactions the Company carries out in its own shares shall be carried out either through the Oslo Stock Exchange or with reference to prevailing stock exchange prices if carried out in another way. If there is limited liquidity in the Company's shares, the Company shall consider other ways to ensure equal treatment of all shareholders. All transactions in treasury shares shall be publicly disclosed in a stock exchange announcement. There were no such transactions in own shares in 2021.

## 5. Freely transferable shares

The shares of the Company are freely transferable and there are no limitations on any party's ability to own or vote for shares in the Company.

## 6. General meetings

The Board of Directors shall make effort to ensure that the Company's shareholders can participate and exercise their voting rights in the Company's general meeting, and that the general meeting is an effective forum for shareholders and the Board of Directors.

This shall, among other actions, be facilitated through the following actions or documents:

- the notice of the general meeting and any ancillary documents and background information on the resolutions to be considered at the general meeting (if any) shall be available on the Company's website no later than 21 days prior to the date of the general meeting,
- the resolutions and any ancillary documentation shall be sufficiently detailed and comprehensive, thereby allowing shareholders to understand and make an opinion on all matters to be considered at the general meeting,
- the deadlines for shareholders to register their attendance at the general meeting shall be set as close to the date of the general meeting as practically possible. The deadline may not expire before the earliest of five days before the date of the general meeting,
- the Board of Directors and the chairperson of the general meeting shall ensure that the shareholders are able to vote separately on each matter and each candidate nominated for election to the Company's Board of Directors and other corporate bodies of the Company (if applicable),
- the chair of the Board of Directors and the CEO shall be present at general meetings. The other members of the Board of Directors are entitled to present at general meetings and should to the extent possible attend general meetings. The auditor shall be present at general meetings where matters of relevance are on the agenda.

Shareholders who are unable to attend the general meeting shall be given the opportunity to be represented by proxy, to vote by proxy or be present by using electronic means.

The Board of Directors shall in this respect, with regards to the notice of the general meeting:

- provide information on the procedure for attending by proxy,
- nominate a person who will be available to vote on behalf of non-attending shareholders as their proxy (normally being the chair of the Board of Directors), and
- prepare a proxy form, which shall, to the extent possible, be set up so that it is possible to vote separately on each individual matter on the agenda and each candidate nominated for election.

The minutes of the annual general meeting will be published on the Company's website no later than 15 days after the date of the meeting.

## 7. Nomination committee

The Company does not currently have a nomination committee, and this represents a deviation from the Code. The Board will on an annual basis evaluate if it should propose for the general meeting that a nomination committee is established.

## 8. The composition and independence of the Board

The Board shall consist of between five to seven directors as specified in the articles of association, which are elected by the general meeting for a period of two years unless otherwise determined by the general meeting. Members of the Board may be re-elected. The Board appoints the chairman amongst the elected Board members.

**Members of the Board are welcome to own shares in the Company.**

Name	Role	Considered independent of the main shareholders and management	Served since	Term expires	Participation in Board meetings in 2021	Shares in BW Ideol [direct/indirect]	Nationality
Mr. Marco Beenen*	Chairman	No	2021	2023	100%	21 276	Dutch
Ms. Yngvil Asheim	Board member	No	2021	2023	100%	10 638	Norwegian
Mr. Julian Brown	Board member	Yes	2021	2023	100%	2 446	English
Mr. Jean Huby	Board member	Yes	2021	2023	100%	0	French
Mr. Yasuhiro Matsui	Board member	Yes	2021	2023	100%	0	Japanese

\* Mr. Marco Beenen is the CEO of BW Offshore Ltd, the majority shareholder of BW Ideol.

At least half of the members of the Board of Directors shall reside in Norway or another EEA country unless the Norwegian Ministry of Trade, Industry and Fisheries grants an exemption from this statutory residency requirement.

The composition of the Board shall ensure that it can act independently of any special interests. A majority of the shareholder-elected members of the Board are independent of the Company's executive personnel and material business connections of the Company. In addition, at least two of the members of the Board are independent of the Company's major shareholder. The Board does not include the Company's chief executive officer or any other executive personnel.

Given the diverse qualifications, experience, background and profile of the Board member, the composition of the Board meets BW Ideol's need for expertise, capacity and diversity. A short description of the directors and their respective areas of expertise are presented in the Annual Report and on the Company's website [www.bw-ideol.com](http://www.bw-ideol.com).

Following the admission to trading, BW Ideol held one extraordinary general meeting (EGM) on 6 April 2021 where Mr. Jean Huby and Mr. Yasuhiro Matsui were elected as members to the Board of Directors for a period of 2 years until the AGM in 2023.

## 9. The work of the Board of Directors

The Board is ultimately responsible for the management of the Company and for supervising its day-to-day management. The duties and tasks of the Board are detailed in the Company's articles of association.

The Board produces an annual plan for its work, with particular emphasis on objectives, strategy and implementation. The Board issues instructions for its own work, as well as for the executive personnel, with particular emphasis on clear internal allocation of responsibilities and duties.

The Board instructions state how the Board and executive management shall handle agreements with related parties. In case of material transactions between the Company and a shareholder, a shareholder's parent company, director, officer, or persons closely related to any of these, the Board will obtain a valuation from an independent third party. Independent valuations shall also be obtained in respect of transactions between companies in the same group where any of the companies involved have minority shareholders. For more information regarding related party transactions, see note 21 of the consolidated financial statements.

Board members and executive management cannot consider or vote over matters in which they have a special interest. Board members and executive management shall inform the Board of any material interests that they may have in matters

to be considered by the Board of Directors, so that these can be considered in an unbiased and satisfactory manner.

In order to conduct its work, the Board each year fixes in advance a number of regular scheduled meetings of the Board for the following calendar year, although additional meetings may be called by the chairman. The directors shall normally meet in person, but if so allowed by the chairman, directors may participate in any meeting of the Board by electronic means. Minutes in respect of the meetings of the Board of Directors are kept by the Company in Norway.

The following Board committees were appointed at year-end 2021:

### Audit committee

The Audit Committee acts as a preparatory and advisory committee for the Board. The Audit Committee is responsible for approving the Board's annual review of the Company's most important areas of exposure to risk and its internal control arrangements, as well as an annual supervisory plan for internal audit work. The Audit Committee follows up on internal controls in connection with quarterly reviews of the Group's financial reporting, in addition to two meetings in which internal control issues are addressed specifically. The chief financial officer, the Company's other relevant senior staff and representatives of the external auditor, attend the meetings of the Audit Committee. At least once a year, the Board and the Audit Committee review the Company's internal control procedures relating to its financial reporting process. As at 31 December 2021, the Audit committee consisted of Yasuhiro Matsui (Chair) and Yngvil Asheim.

### Remuneration Committee

The Remuneration Committee acts as a preparatory and advisory committee for the Board in order to ensure thorough and independent preparation of matters relating to compensation to the executive personnel. As at 31 December 2021, the Remuneration committee consisted of Jean Huby (Chair) and Marco Beenen.

The Board carries out an annual evaluation of its performance and expertise.

## 10. Risk management and internal control

The Board ensures that the Company has sound internal control procedures and systems to manage its exposure to risks related to the conduct of the Company's business, to support the quality of its financial reporting and to ensure compliance with laws and regulations. Such procedures and systems contribute to securing shareholders' investment and the Company's assets.

Management and internal control are based on Company-wide policies and internal guidelines in areas such as Finance and Accounting, HSE, Project Management, Operation, Technical and



Business Development, in addition to implementation and follow-up of a risk assessment process. The Company's management system is central in the Company's internal control and ensures that the Company's vision, policies, goals and procedures are known and adhered to.

The Board annually reviews of the Company's most important areas of exposure to risk and its internal control arrangements and an annual supervisory plan for internal audit work is approved by the CEO, based on HSSEQ recommendations and risk assessments carried out.

The Board's Audit Committee follows up internal control in connection with quarterly reviews of the Group's financial reporting in addition to two meetings in which internal control issues are addressed specifically. The chief financial officer, the Company's other relevant senior staff and representatives of the external auditor, attend the meetings of the Audit Committee.

The systems for risk management and internal control also encompass the Company's guidelines regarding how the Company integrates considerations related to stakeholders into its creation of value. Please see the sustainability section of the Annual Report for more information.

BW Ideol has established a Code of Conduct for the Company and its employees, providing guidance to employees on how they can communicate with the Board to report matters relating to illegal or unethical conduct by the Company.

## 11. Remuneration of the Board of Directors

The general meeting decides the remuneration of the Board. The remuneration of the Board and its individual directors shall reflect the Board's responsibility, competence, use of resources and the complexity of the business activities. The remuneration of the directors shall not be linked to the Company's performance and the directors do not receive profit-related remuneration or share options or retirement benefits from the Company. Any remuneration in addition to normal fees to the directors is specifically stated in the Annual Report.

Directors or companies related to BW Ideol shall not normally undertake special tasks for the Company in addition to the directorship. However, if they do so, the entire Board shall be informed, and the fee shall be approved by the Board.

Detailed information of Board remuneration can be found in note 19 of the consolidated financial statements.

## 12. Salary and other remuneration of executive management

The Board decides the salary and remuneration of the CEO. Remuneration of the executive personnel is reviewed annually by the Remuneration Committee, which generally considers the

executive personnel's performance and also gathers information from comparable companies before making its recommendation to the Board for approval. Such recommendation aims to ensure convergence of the financial interests of the executive personnel and the shareholders.

Performance-related remuneration of the executive management shall be linked to value creation for shareholders or to the Company's profit over time. Any performance-related remuneration to executive personnel is subject to an absolute limit. The limit is approved by the Board of Directors based on a recommendation from the Remuneration Committee.

Any share-based incentive program in the Company available to the employees of the Company and subsidiaries requires the approval of the Board. Detailed information of remuneration, loans, shareholding of the management and any share option programs can be found in note 19 of the consolidated financial statements.

## 13. Information and communications

The Company is committed to provide information in a manner that contributes to establishing and maintaining confidence with important interest groups and stakeholders. The information is based upon transparency, openness and equal treatment of all shareholders. A precondition for the share value to reflect the underlying values in the Company is that all relevant information is disclosed to the market. Based on this, BW Ideol will endeavour to keep the shareholders informed about profit developments, prospects and other relevant factors for their analysis of the Company's position and value. It is emphasised that the information is uniform and simultaneous.

*Please see the Investor Relations Policy available on [www.bw-ideol.com](http://www.bw-ideol.com).*

## 14. Take-overs

In the event of a take-over process, the Board shall ensure that the Company's shareholders are treated equally and that the Company's activities are not unnecessarily interrupted. The Board shall also ensure that the shareholders have sufficient information and time to assess the offer.

In the event of a take-over process, the Board shall abide by the principles of the Code, and also ensure that the following take place:

- the Board shall ensure that the offer is made to all shareholders, and on the same terms,
- the Board shall not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or the Company,

- the Board shall strive to be completely open about the take-over situation,
- the Board shall not institute measures which have the intention of protecting the personal interests of its members at the expense of the interests of the shareholders, and
- the Board must be aware of the particular duty the Board carries for ensuring that the values and interests of the shareholders are safeguarded.

The Board shall not attempt to prevent or impede the take-over bid unless this has been decided by the shareholders in the general meeting in accordance with applicable laws. The main underlying principles shall be that the Company's shares shall be kept freely transferable and that the Company shall not establish any mechanisms which can prevent or deter take-over offers unless this has been decided by the shareholders in general meeting in accordance with applicable law.

If an offer is made for a Company's shares, the Board shall issue a statement evaluating the offer and making a recommendation as to whether shareholders should or should not accept the offer. If the Board finds itself unable to give a recommendation to the shareholders on whether or not to accept the offer, it should explain the reasons for this. The Board's statement on a bid shall make it clear whether the views expressed are unanimous, and if this is not the case, it shall explain the reasons why specific members of the Board have disagreed or abstained from the statement.

A takeover process gives rise to a particular duty of care to disclose information, where openness is an important tool for the Board of Directors to ensure equal treatment of all shareholders. The Board of Directors shall strive to ensure that neither inside information about the Company, nor any other information that must be assumed to be relevant for shareholders in a bidding process, remains unpublished. In this respect, agreements entered into between the Company and the bidder that are material to the market's evaluation of the offer should be publicly disclosed no later than at the same time as the announcement that the offer will be made is published.

The Board shall consider whether to obtain a valuation from an independent expert. If any member of the Board, or close associates of such member, or anyone who has recently held a position but has ceased to hold such a position as a member of the Board, is either the bidder or has a particular personal interest in the bid, the Board shall obtain an independent valuation. This shall also apply if the bidder is a major shareholder (as defined in section 8 above). Any such valuation should either be enclosed with the Board's statement or reproduced or referred to in the statement.

## 15. Auditor

BW Ideol's external auditor is KPMG AS. The auditor is appointed by the general meeting and holds office for the term resolved by the general meeting or until a successor is appointed.

The auditor is independent of BW Ideol AS and annually confirms its independence in writing to the Audit Committee.

The auditor is responsible for the audit of the consolidated financial statements of the Company. The Board ensures that the auditor annually presents an audit plan to the Audit Committee and/or the Board.

The Audit Committee invites the auditor to participate in the committee's review and discussion of the annual accounts and quarterly interim accounts. In these meetings, the Audit Committee is informed of the annual and quarterly accounts and issues of special interest to the auditor. The Audit Committee holds meets at least once a year with the auditor with no representative of the executive management present. Further, the auditor shall participate in meeting(s) of the Board that deal with the annual accounts. At these meetings the auditor should review any material changes in the Company's accounting principles, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the management of the Company and/or the Audit Committee.

At least once a year, the Audit Committee reviews the Company's internal control procedures with the auditor, including weaknesses identified by the auditor and proposals for improvement. The Board has established guidelines that specify the right of the executive management to use the auditor for purposes other than auditing.

The auditor shall attend the general meeting if the matters to be dealt with are of such nature that his or her presence is deemed necessary. The auditor is in any case entitled to participate in the general meeting.

The general meeting authorises the Board to determine the remuneration of the auditor. For more information about remuneration of the auditor, see note 19 in the consolidated financial statements.

# Shareholder information

## Share price development

BW Ideol AS has one class of shares. There were 31,510,525 shares issued 31 December 2021, and the shares each had a nominal value of NOK 25.8. From the first day of trading on Euronext growth, 18 March 2021, until year end the shares traded between NOK 49.9 and NOK 25.0 per share, and a total of 2.7 million shares was traded in the period ending 31 December 2021. The market capitalization was NOK 812.5 million.



## Dividend and dividend policy

BW Ideol is in a growth phase and is not in a position to pay any dividends. After the growth phase, it is the Company's ambition to pay attractive dividends based on the consolidated net profit of the Group. However, no assurance can be made that in any given year a dividend will be proposed or declared, or if it can be proposed or declared.

## Analyst coverage

Three investment banks had coverage of BW Ideol at year-end 2021. See [www.bw-ideol.com/en/investors](http://www.bw-ideol.com/en/investors) for more details and contact information.

## General meetings and Board authorisations

As at 31 December 2021, the Board of Directors held the following authorisations:

- authorisation to increase the share capital by up to NOK 200,000 for delivering shares to employees under the incentive schemes implemented by the Company,
- authorisation to acquire own shares on behalf of the Company of a total nominal value of NOK 200,000 for the purpose of deliver shares to employees under the incentive schemes implemented by the Company.

BW Ideol will hold its annual general meeting on 13 May 2022. Information will be made available on the company's website and Newsweb in due time.

## Financial calendar 2022

Event	Date		
Annual General Meeting	13	May	2022
First quarter 2022 update	16	May	2022
Half year 2022 results	28	July	2022
Third quarter 2022 update	09	Nov	2022

## Largest shareholders per 31 December 2021

	NAME	%	SHARES
1	Bw Offshore Holdings Pte Ltd	53.21%	16 767 219
2	Kerogen Investments No 48 Ltd	7.97%	2 510 638
3	Noria	6.82%	2 150 000
4	Paul De La Gueriviere - Aiogen	6.23%	1 963 340
5	Novaelia	6.17%	1 943 340
6	Spesialfondet Klp Alfa Global Ener	2.70%	851 063
7	Hpc	2.37%	746 260
8	Institut Œnologique	2.02%	635 800
9	Kristian Falnes As	1.43%	450 000
10	Mp Pensjon Pk	1.01%	319 148
11	J.p. Morgan Ag Equities	0.72%	228 362
12	Choisnet Thomas	0.72%	227 000
13	Falnes	0.63%	200 000
14	Caceis Bank	0.56%	175 000
15	Bnp Paribas	0.54%	170 000
16	Six Sis Ag	0.48%	152 350
17	Toluma Norden As	0.41%	130 000
18	Nordnet Bank Ab	0.38%	120 948
19	Citibank, N.a.	0.32%	100 000
20	Avkast Invest As	0.32%	100 000
Top 20		95.01%	29,940,468
Other		4.99%	1,570,057
<b>Total</b>		<b>100%</b>	<b>31,510,525</b>

A large offshore wind turbine with three white blades and a yellow base, situated in the ocean. The base has the text 'ID1' on it. In the background, another smaller yellow structure is visible on the horizon.

# FINANCIAL STATEMENTS

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# Consolidated financial statements

## Consolidated statement of income

(Figures in KEUR)

	Note	For the period 22 October 2020 to 31 December 2021
Revenue from contracts with customers	17	2 259
Other operating income	17	1 402
Operating expenses	18	(11 424)
<b>Operating profit /(loss) before depreciation/amortisation</b>		<b>(7 763)</b>
Depreciation	5	(5 566)
Amortisation	6	(3 251)
<b>Operating profit/(loss)</b>		<b>(16 581)</b>
Net interest expense		(229)
Other financial items		(519)
<b>Net financial income/(expense)</b>		<b>(748)</b>
<b>Profit/(loss) before tax</b>		<b>(17 329)</b>
Income tax expense	20	693
<b>Profit/(loss) from continuing operations</b>		<b>(16 636)</b>
<b>Net profit/(loss) for the period</b>		<b>(16 636)</b>
Attributable to shareholders of the parent		(16 636)
Attributable to non-controlling interests		0
Basic and diluted earnings per share (in EUR)		(0.79)
Weighted average number of ordinary shares outstanding (in '000)		21 000

## Consolidated statement of comprehensive income

(Figures in KEUR)

	For the period 22 October 2020 to 31 December 2021
Loss for the period	(16 636)
<b>Items that are or may be reclassified to profit or loss</b>	
Foreign operations – foreign currency translation differences	(2)
<b>Other comprehensive income for the period, net of tax</b>	<b>(2)</b>
<b>Total comprehensive income for the period</b>	<b>(16 638)</b>

## Consolidated statement of financial position

(Figures in KEUR)

ASSETS	Note	For the Period Ending 31 December 2021
Other property, plant & equipment	5	154
Right-of-use assets	7	5 344
Technical installations	5	11 852
Other intangible assets	6	4 063
Goodwill	6	25 267
Technology asset	6	56 604
Other non-current assets	8	3 270
<b>Total non-current assets</b>		<b>106 553</b>
Trade receivables and other current assets		3 200
Cash and cash equivalents		32 792
<b>Total current assets</b>		<b>35 992</b>
<b>TOTAL ASSETS</b>		<b>142 545</b>

EQUITY AND LIABILITIES	Note	For the Period Ending 31 December 2021
Share capital	10	313
Share premium	10	130 591
Retained earnings		(17 300)
Foreign currency translation reserve		(2)
<b>Total equity</b>		<b>113 602</b>
Interest-bearing long-term debt	12	5 654
Pension obligations		229
Asset retirement obligations	15	2 172
Other long-term liabilities	13	3 539
Long-term lease liabilities		16
Deferred tax liability	4	12 453
<b>Total non-current liabilities</b>		<b>24 063</b>
Trade payables and other short-term liabilities	16	3 405
Interest-bearing short-term debt	12	1 408
Short-term lease liabilities		62
Income tax liabilities		6
<b>Total current liabilities</b>		<b>4 880</b>
<b>Total liabilities</b>		<b>28 943</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>142 545</b>

## Consolidated statement of changes in equity

(Figures in KEUR)

ASSETS	Share Capital	Share Premium	Retained Earnings	Shareholder's equity	Foreign Currency Translation Reserve	Total equity
Incorporation and issue of share capital on 22 October 2020	3	1	0	4	0	4
Share capital decrease	(3)	(1)	0	(4)	0	(4)
Share-issuance - acquisition	203	79 123	0	79 326	0	79 326
Share-issuance - IPO	110	51 468	0	51 578	0	51 578
Profit/loss for the period	0	0	(16 636)	(16 636)	0	(16 636)
Transaction costs on issuance of shares	0	0	(2 286)	(2 286)	0	(2 286)
Other movements	0	0	(190)	(190)	0	(190)
Share based payment	0	0	1 812	1 812	0	1 812
Other comprehensive income / (loss)	0	0	0	0	(2)	(2)
<b>Total equity at 31 December 2021</b>	<b>313</b>	<b>130 591</b>	<b>(17 300)</b>	<b>113 604</b>	<b>(2)</b>	<b>113 602</b>

## Consolidated statement of cash flows

(Figures in KEUR)

	For the period 22 October 2020 to 31 December 2021
Profit/(loss) before taxes	(17 329)
Unrealised currency exchange loss/(gain)	2
Depreciation and amortisation	8 818
Share-based payment expense	1 812
Change in subsidies & grants receivable	825
Add back of net interest expense	229
Changes in Working Capital	(241)
<b>Net cash flow from operating activities</b>	<b>(5 884)</b>
Investment in other property, plant & equipment	(1 815)
Investments in financial investments	(2 854)
Investment in subsidiaries, net of cash acquired	(49 577)
<b>Net cash flow from investing activities</b>	<b>(54 246)</b>
Proceeds from share issuances	103 796
Transaction costs relating to the share issuance	(2 298)
Repayment of debt and other liabilities	(2 264)
Interest paid	(438)
Payment of lease liabilities	(5 878)
<b>Net cash flow from financing activities</b>	<b>92 918</b>
<b>Net change in cash and cash equivalents</b>	<b>32 788</b>
Cash and cash equivalents at beginning of period	4
<b>Cash and cash equivalents at end of period</b>	<b>32 792</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 1 – General

#### 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). As the company was incorporated in October 2020, these consolidated financial statements are for the period 22 October 2020 until 31 December 2021 and for the period then ended, in accordance with the Norwegian Accounting Act section 1-7. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group" or "the BW Ideol Group"), most notably Ideol SA. BW Ideol AS acquired 100% of the outstanding shares in Ideol SA as of 15 March 2021, prior to this transaction, BW Ideol AS had no business activities. In December 2021, Ideol SA ("Société Anonyme") was converted into Ideol SAS ("Société par Action Simplifiée").

The Group is an offshore wind developer with operations internationally, most notably in France, Scotland and Japan. 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.

The consolidated financial statements were approved by the Board of Directors on 22 February 2022.

### Note 2 – Significant account policies

#### Basis of preparation

The consolidated financial statements ending 31 December 2021 of BW Ideol have been prepared in accordance with the Norwegian Accounting Act and International Financial Reporting Standards (IFRS) as adopted by the European Union.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of complying with the BW Ideol Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

The financial tables below show figures in Euro thousands unless otherwise stated. As a result of rounding differences, numbers and or percentages may not add up to the total.

#### Use of estimates

In preparing these 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.

#### Currency translation

##### Functional and presentation currency

The functional currency of BW Ideol AS and the presentation currency of the Group is Euro ("EUR").

##### Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the date of transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation of financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

#### Basis for consolidation

##### Subsidiaries

Subsidiaries are legal entities over which the Group has control. Control is achieved when the Group is exposed or has rights to variable returns from its involvement with a company in which it has invested and has the ability to use its power to affect its returns from this company. Subsidiaries are fully consolidated as of the date on which control is transferred to the Group and are de-consolidated as of the date control ceases.

##### Transactions eliminated on consolidation

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries are changed whenever necessary to ensure consistency with the policies adopted by the BW Ideol group.

#### Classification of assets and liabilities

Assets for long-term ownership or use are classified as non-current assets. Other assets are classified as current assets. Liabilities which fall due more than one year after being incurred are classified as non-current liabilities. Liabilities which fall due less than one year after they are incurred are classified as current liabilities.



## Revenue recognition

### Revenue from contracts with customers

The revenue in BW Ideol relates to delivery of services related to development projects within the offshore wind industry, primarily in deep water utilizing floating foundation technologies. Early parts of the development process include technical studies, environmental studies, wind studies and grid studies. Subject to the positive outcome of such studies and business case assessments, BW Ideol together with its partners advances to discussions and formal processes concerning licensing and lease agreements with appropriate authorities in order to become a co-developer and operator of offshore floating wind projects. Revenue is recognised over time using a cost progress method or according to delivered time and materials. All current contracts consist of a single performance obligation.

### Interest income

Interest income is recognised on a time proportion basis applying the effective interest method.

## Employee benefits

### Share-based payment

The grant date fair value of equity settled share-based payment arrangements granted to employees is recognised as an employee benefits expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

## Taxes

The BW Ideol Group may be subject to income tax in the countries in which it operates. The BW Ideol Group provides for tax on profit based on the profit for financial reporting purposes, adjusted for non-taxable revenue and expenses.

Income tax expense represents the sum of tax currently payable, changes in deferred tax liabilities and deferred tax assets.

Deferred tax liabilities/tax assets are calculated on all differences between the book value and tax value of assets and liabilities, except for:

- differences linked to goodwill which are not tax deductible,
- differences related to investments in subsidiaries, associates or joint ventures when the Group controls when the temporary differences are to be reversed and this is not expected to take place in the foreseeable future.

Deferred tax assets are recognised when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset. Previously unrecognised deferred tax assets are recognised to the extent it has become probable that the deferred tax asset can be utilised. Similarly, the deferred

tax asset is reduced to the extent that it is no longer regarded as probable that the deferred tax asset can be utilised.

Deferred tax assets and liabilities are recognised when assets with temporary differences are acquired through business combinations.

Deferred tax liabilities and deferred tax assets are measured on the basis of the enacted or substantially enacted tax rates applicable to the respective entity in the BW Ideol Group where temporary differences have arisen. Deferred tax liabilities and deferred tax assets are recognised at their nominal value. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income becomes taxable.

Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

## Property, plant and equipment (PP&E)

### Measurement

PP&E are measured at cost less accumulated depreciation and impairment charges. This includes costs of material, direct labour and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, attributable overheads and estimate of costs of demobilising the asset.

### Depreciation

Depreciation will start when an item of PP&E is ready for use as intended by management.

The estimated useful lives of the categories of PP&E are as follows:

- technical installations which includes the Floatgen demonstrator are depreciated over 5 years on a straight-line basis,
- other PP&Es, like IT equipment, IT software and office equipment are depreciated over a 3-5 year period on a straight-line basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is higher than its estimated recoverable amount.

## Intangible assets and goodwill

### Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units (CGUs) for the purpose of the annual impairment testing.

### Technology

Technology acquired in a business combination are recognised at fair value at the acquisition date when intangible assets criteria are met and amortised on a straight-line basis over the useful life of fifteen years.

### **Research and development**

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Capitalised development costs are amortised over the period of expected future benefit, usually five years.

### **Impairment**

Non-current and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount that the asset's carrying amount exceeds its recoverable amount, being the higher of an asset's fair value less cost of disposal and its value in use.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is greater of its value in use and its fair value less cost of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets or CGU. The use of a post-tax discount rate does not result in a different determination of the need for, or the amount of, impairment (reversal) that would be required if a pre-tax discount rate had been used.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### **Investment grants**

The recognition of investment grants intended to finance non-current assets is recorded in other operating income as soon as the granting of the grant is certain, that is to say when the corresponding expenditure has been made.

### **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **Financial assets**

The Company's financial assets are trade- and related-party receivables and cash and cash equivalents. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. As of now the Company measures its financial assets at amortised costs.

### **Financial assets at amortised cost**

The Company measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows,
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes trade- and intercompany receivables and cash and cash equivalents.

### **Financial assets at fair value through OCI**

The BW Ideol Group holds equity securities at FVOCI as these securities represent investments that the BW Ideol Group intends to hold for long term strategic purposes. These assets are measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

**Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either
  - a. the Company has transferred substantially all the risks and rewards of the asset, or
  - b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Impairment of financial assets**

For intercompany receivables, the Company applies a simplified approach in calculating Estimated Credit Losses (ECLs). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date, based on its historical credit loss experience.

The Company considers a financial asset in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

**Derecognition of financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised and measured at amortised cost. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

**Cash and cash equivalents**

Cash and cash equivalents are denominated primarily in EUR, USD and NOK. Cash and cash equivalents include cash on hand, short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and short-term deposits with an original maturity of three months or less.

**Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in other equity as a deduction, net of tax, from the proceeds. Where the Company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued.

**Provisions for other liabilities and charges**

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, when it is likely that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

**Asset retirement obligations (ARO)**

Provisions for ARO are recognised when the BW Ideol Group has a legal or constructive obligation to cover expenses associated with dismantling and removal of assets, and when a reliable estimate of this liability can be made.

The ARO is recognised based on the present value of the estimated cash outflows to be incurred to conduct abandonment activities, considering relevant risks and uncertainties. The corresponding amount is recognised to the related PP&E in the Consolidated Statement of Financial Position and depreciated using the same depreciation method used for the asset.

The ARO will be assessed annually to incorporate the annual revisions to the estimated retirement costs, discount rate and retirement date estimates. Changes in estimates will be recognised as an adjustment to the provision and the corresponding PP&E.

In the event of decrease in the ARO provision related to a producing asset exceeds the carrying amount of the asset, the excess is recognised as a reduction of depreciation in the Consolidated Statement of Income.

When an asset has reached the end of its useful life, all subsequent changes to the ARO provision are recognised when they occur in operating expenses in the Consolidated Statement of Income.

### Classification of assets and liabilities

Assets for long-term ownership or use, including technical installations and property, plant and equipment are classified as non-current assets. Other assets are classified as current assets. Interest-bearing liabilities which fall due more than one year after being incurred are classified as long-term, and the following year's instalments are classified as short term.

Other liabilities which fall due more than one year after being incurred are classified as long-term, and the following year's instalments are classified as short-term.

### Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Identifiable assets are recognised separately from goodwill and are assets for which it is probable that the expected future economic benefits that are attributable to the assets will flow to the entity and the fair value of the asset can be measured reliably. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

### Leases

The BW Ideol Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract transfers the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract transfers the right to control the use of an identified asset, the BW Ideol Group uses the definition of a lease in IFRS 16.

#### *The group as a lessee*

The BW Ideol Group applies a single recognition and measurement approach for all leases except for short-term leases and leases of low value. The BW Ideol Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### *Right-of-use assets*

The BW Ideol Group recognises a right-of-use asset and a lease liability at the commencement date of the lease. Right-of-use assets are measured at cost and depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

### Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. In calculating the present value, the BW Ideol Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments,
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the BW Ideol Group changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the Consolidated Statement of Income if the carrying amount of the right-of-use asset has been reduced to zero.

The BW Ideol Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

#### *Short-term leases and leases of low value*

The BW Ideol Group applies the short-term lease recognition exemption to its short-term leases. A short-term lease is a lease that have a lease term of 12 months or less from the commencement date. It also applies the low-value exemption to leases of office equipment that are considered to be low value. Lease payments for these leases are recognised as an expense on a straight-line basis over the lease term. The BW Ideol Group has elected to not separate non-lease components and account for the lease and the non-lease components as a single lease component.

## Note 3 – Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires use of estimates and assumptions. The following is a summary of the assessments, estimates and assumptions made that could have a material effect on the consolidated financial statements. Actual results may differ from these estimates.

#### *Asset retirement obligations*

Asset retirement costs will be incurred by the BW Ideol Group at

the end of the operating life of the demonstrator Floatgen. The BW Ideol Group assesses its retirement obligations at each reporting date. The ultimate asset retirement costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience gained through other actions. The expected timing, extent and amount of expenditure can also change, for example in response to changes in reserves or changes in laws and regulations or their interpretation. Therefore, significant estimates and assumptions, including estimated retirement costs, discount rates, and estimated retirement dates, are made in determining the provision for asset retirement obligations. As a result, there could be significant adjustments to the provisions established which would affect future financial results. The provision at the reporting date represents management's best estimate of the present value of the future asset retirement costs required.

#### **Impairment of goodwill and technology and purchase price allocation**

Valuations performed in light of the purchase price allocation and impairment test of goodwill and technology assets demands a high degree of estimation. Management must make complex assessments of the expected cash flows arising and discount rates used in the valuation models. Changes to these estimates could have significant impact on the impairments recognised and future changes may lead to additional impairments or to reversals of previously recognised impairments.

The financial forecasts used in the purchase price allocation and preparation of the goodwill and technology asset impairment test reflects management's judgment on the probability of realizing projects, and for those projects expected to be developed, the development and capital expenditures, operating expenses and the tariff applied to the electricity sold which is being determined using a target internal rate of return as well as the discount rate. Specific to the valuation of the technology asset management's judgment includes the presumed royalty rates and useful life of the asset. This judgement is based on present circumstances at the valuation date, as to the most likely set of conditions and the course of action it is most likely to take. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period will almost always differ from the forecasts and as such differences may be material. In addition, floating offshore wind is a new industry with no commercial projects established yet globally, resulting in a high degree of estimation uncertainty related to the identification of prospective projects and chances of acquiring such projects.

#### **Note 4 – Purchase price allocation**

The table below presents the results of the purchase price allocation analysis that has been prepared following the acquisition of Ideol SA (France) by BW Ideol AS (Norway) and the subsequent listing of BW Ideol AS. On 15 March 2021, BW Ideol AS acquired 100% of the outstanding shares in Ideol SA, 71.6%

of the shares were acquired for a cash consideration of EUR 52.2 million and the remaining 28.4% of the shares were settled through the issuance of 5,815,240 new shares of BW Ideol AS. Subsequently, on 18 March 2021, BW Ideol AS completed a listing on the Euronext Growth exchange in Oslo of 11,655,625 shares (including greenshoe shares) at share price of NOK 47.00 by means of a private placing. This private placement share price was determined to be the fair value of the BW Ideol AS consideration shares issued as part of the acquisition of Ideol SA.

For the period from 15 March 2021 to 31 December 2021, Ideol SA contributed revenue of EUR 2.259 million and a loss of EUR 10.814 million to the Group's results. If the acquisition had occurred on 1 January 2021, management estimates that the consolidated revenue would have been EUR 2.361 million, and consolidated loss for the year would have been EUR 19.102 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2021.

#### **Consideration/acquisition price**

Consideration in cash	52 219
Contribution in kind (5,815,240 shares @ NOK 47)	27 104
<b>Total consideration</b>	<b>79 324</b>

Included in the identifiable assets and liabilities acquired at the date of acquisition of Ideol SA are inputs (primarily technology), processes and an organized workforce. The Group has determined that together the acquired inputs and processes significantly contribute to the ability to create revenue. The Group has concluded that the acquired set is a business. The acquisition related costs, including legal fees and due diligence fees, amounted to approximately EUR 1.4 million, which were recorded as operating expenses.

Taking control of Ideol SA enables the Group to establish itself as a leading global player in floating offshore wind. The combination of Ideol technology, operational track record and engineering capabilities and pipeline of projects with the execution capabilities focused on large-scale offshore projects within BW Offshore offers a unique combination.

The purchase price allocation analysis has led to the recognition of a technology intangible asset. As of the acquisition date, it was valued at EUR 59.8 million. It will be amortized on a straight-line basis over the remaining useful life of the asset estimated at 15 years, taking into consideration current industry experience, patents and know how associated with the technology. The fair value of the technology has been measured based on an income approach, calculating the present value of future royalty income the technology is expected to generate.



If new information is obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Purchase price allocation	Acquisition date
Consideration transferred	79 324
Fair value of identifiable assets & liabilities	(54 056)
Goodwill	25 268

The amounts of revenue and profit or loss of the acquiree since the acquisition date included in the consolidated statement of profit or loss and OCI for the reporting period amount to a loss of EUR 3.4 million.

The revenue and profit or loss of the combined entity for the current reporting period as though the acquisition date had been as of the beginning of the annual reporting period amount to a loss of EUR 19.1 million.

The amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed are indicated below.

	15 March 2021
Other property, plant & equipment	94
Right-of-use assets	120
Technical installation tangible assets	14 096
Other intangible assets	3 883
Technology asset	59 758
Other non-current assets	420
Trade receivables and other current assets	3 098
Cash and cash equivalents	2 642
Interest-bearing long-term debt	(5 234)
Pension obligations	(190)
Asset retirement obligations	(1 217)
Other long-term liabilities	(5 282)
Long-term lease liabilities	(62)
Deferred tax liability	(13 147)
Trade payables and other short-term liabilities	(2 079)
Interest-bearing short-term debt	(2 784)
Short-term lease liabilities	(61)
<b>Total</b>	<b>54 056</b>

Acquired receivables were estimated at the contractual amounts. The estimate at the acquisition date of the contractual cash flows not expected to be collected was zero and all amounts were collected during 2021.

## Note 5 – Property, plant & equipment

	Technical installation	Other PP&E	Total
<b>Cost at 22 October 2020</b>	<b>0</b>	<b>0</b>	<b>0</b>
Additions through business combinations	14 096	94	14 190
Additions	2 400	106	2 506
Impairment	0	0	0
<b>Cost at 31 December 2021</b>	<b>16 496</b>	<b>200</b>	<b>16 696</b>
<b>Accumulated depreciation and impairment charge at 22 October 2020</b>	<b>0</b>	<b>0</b>	<b>0</b>
Current year depreciation	(4 644)	(46)	(4 690)
Impairment	0	0	0
<b>Accumulated depreciation and impairment charge at 31 December 2021</b>	<b>(4 644)</b>	<b>(46)</b>	<b>(4 690)</b>
<b>Book value at 31 December 2021</b>	<b>11 852</b>	<b>154</b>	<b>12 006</b>

Technical installation tangible asset comprises the Floatgen demonstrator, owned by the BW Ideol Group and operating off the Brittany coast in France since September 2018, and the related decommissioning costs. The demonstrator is being depreciated over a 5-year period.

## Note 6 – Intangible assets and goodwill

ASSETS	Goodwill	Technology	R&D	Software intangible assets	Total Intangible assets
<b>Cost at 22 October 2020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Additions through business combinations	25 268	59 758	3 830	52	88 908
Additions	0	0	478	67	545
Impairment	0	0	0	0	0
<b>Cost at 31 December 2021</b>	<b>25 268</b>	<b>59 758</b>	<b>4 308</b>	<b>119</b>	<b>89 480</b>
<b>Accumulated amortisation and impairment charge</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
at 22 October 2020					
Current year amortisation	0	(3 154)	(347)	(18)	(3 519)
Impairment	0	0	0	0	0
<b>Accumulated amortisation and impairment charge</b>	<b>0</b>	<b>(3 154)</b>	<b>(347)</b>	<b>(18)</b>	<b>(3 519)</b>
<b>at 31 December 2021</b>					
<b>Book value at 31 December 2021</b>	<b>25 269</b>	<b>56 604</b>	<b>3 961</b>	<b>101</b>	<b>85 961</b>

R&D assets represent the accumulated capitalized development projects. BW Ideol 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 Ideol SA (see note 4) consisting of one segment "Floating wind". Goodwill was tested for impairment as of 31 December 2021 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 probability weighted cash flows for prospective offshore wind projects using end-of life cash flows for projects identified. The impairment calculation demonstrated that the value in use exceeded the carrying amount of the CGU, thus no impairment loss was recognised.

Key assumptions used in the impairment calculation include:

### Cash flows, project IRR, price of electricity

For the co-development activity, cash flows related to the estimated projects in portfolio include: (i) development expenses, including expenses related to engineering services provided by BW Ideol to each project during this phase, (ii) capital expenditures during construction phase, including royalties derived from BW Ideol's technology licensing, (iii) wind farm operating expenses and (iv) reimbursement of project finance debt. The tariff applied to the electricity sold is being determined by using a target IRR estimated at the start of the construction phase and takes into account the target financial structure and expenses profiles.

For the co-EPCI activity, cash flows related to potential EPCI contracts include engineering services during the development phase, gross profit from procurement and construction and royalties derived from licensing the technology to each project.

### Discount rate and sectorial WACC

Based on the cumulated cashflows, the implied discount rate at the time of the acquisition has been established at 6.4% and revised up to 6.7% during the impairment test.

In order to assess the relevance of our implied discount rate based approach to valuation, we have determined a sectorial post-tax Weighted Average Cost of Capital (WACC) derived from the Capital Asset Pricing Model (CAPM) methodology and incremental borrowing rate, assuming cash flows in Euro. A selected sample of comparable companies active in the renewable power sector was established. The WACC is based on a risk-free rate in 2021 of 0.0% based on S&P capital IQ data, and a market risk premium of 8.0%. The estimated unlevered beta for equity was 0.57. The equity to total capital ratio was 65%. This resulted in a post-tax WACC of 5.4%. The targeted Discount Rate of 6.7% being used as part of the impairment test reflects a risk premium of 1.3% compared to the sectorial WACC, notably reflecting the riskier nature of the floating wind business and the inherent risk to the pipeline of projects under development.

Testing procedures of BW Ideol's single CGU related goodwill as of 31 December 2021 are conducted to meet IFRS requirements, and especially IAS 36. In compliance with IAS 36, BW Ideol's recoverable value was based on the estimation of its value in use derived from a discounted cash flow approach, and is equivalent to BW Ideol's enterprise value as of 31 December 2021. To determine the recoverable value of assets, the value in use derived

from future cash flows was considered. Net probabilities have been updated to reflect current evolutions for projects and the discount rate was revised up to 6.7%.

#### Sensitivities

##### Prospective capacity

In the impairment test it is assumed the BW Ideol Group to secure 10.7GW within the next 10 years based on 17 targeted prospects or anticipated licensing rounds. A sensitivity whereby the overall capacity would be reduced by 1.2GW (approximately 10%), by taking out a targeted prospect with a start-up in 2031, would not result in an impairment to be recognized.

##### Discount rate

The impairment assessment is sensitive to changes in the discount rate. A 0.5% increase in the discount rate would result in a full impairment of goodwill and technology assets.

##### Internal rate of return

In the impairment assessment, the BW Ideol Group assumed a certain return on investment by setting an internal rate of return in the range of 5.6% to 11.3% resulting in an estimated EBITDA. A decrease in the estimated EBITDA by 0.5% would result in an impairment charge of EUR 17.5 million.

## Note 7 – Leases

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

BW Ideol leases office premises in La Ciotat, France (HQ). The remaining lease term is 15 months.

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 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.

### Amounts recognised in profit or loss

During 2021, interest on lease liabilities recognised in profit or loss amounted to EUR 0.001 million and expenses related to short-term leases amounted to EUR 0.070 million.

## Note 8 – Other non-current assets

Other non-current assets amounting to EUR 3.3 million at 31 December 2021 related to 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.

The investment in EolMed is at fair value through other comprehensive income (FVOCI) because the investment in equity securities represent investments that the BW Ideol Group intends to hold for the long term strategic purposes. During 2021 there was no dividend income recognised and there were no transfers of any cumulative gain or loss within equity relating to the investment.

## Note 9 – Trade and other current assets

	2021
Trade receivables	1 045
Other current receivables	33
Public duties receivables	1 831
Tax receivables	10
Prepaid expenses	280
<b>Trade and other current assets</b>	<b>3 200</b>

	Office Premises	Ports	Right-of-use assets	Lease liabilities
<b>On 22 October 2020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Addition through business combinations	120	0	120	62
Additions	3	5 831	5 834	61
Depreciation expense	(48)	(561)	(609)	0
Interest expense	0	0	0	1
Lease payments	0	0	0	(47)
<b>Balance on 31 December 2021</b>	<b>75</b>	<b>5 269</b>	<b>5 344</b>	<b>77</b>

The fair value of trade and other current assets is equal to the carrying amount. As of 31 December 2021, there were no overdue balances and the expected credit loss for BW Ideol is immaterial.

Public duties receivables of EUR 1.183 million relates to a French government tax incentive on R&D activities performed during 2021. This is a recurring incentive which is calculated and paid each year. The carrying amount of the BW Ideol Group's trade and other receivables are denominated in EUR.

## Note 10 – Equity

The number of issued shares was 31,510,525 on 31 December 2021.

	Number of issued shares
<b>Incorporation and issue of share capital on 22 October 2020</b>	<b>1 000</b>
Capital reduction pre-transaction	-1 000
Share-issuance - cash portion of Ideol SA acquisition	14 639 660
Share-issuance - share portion of Ideol SA acquisition	5 815 240
Share-issuance - private placement Euronext Growth Oslo	10 638 298
Share-issuance - Greenshoe	417 327
<b>TOTAL issued shares on 31 December 2021</b>	<b>31 510 525</b>

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.

## Note 11 – Earnings per share

### Basic

Basic earnings per share are calculated by dividing the net result attributable to the shareholders of the parent by the weighted average number of ordinary shares in issue during the year.

### Diluted

The company had no instrument outstanding during the reporting period with a potentially dilutive effect.

	2021
Profit attributable to ordinary shareholders	(16 636)
Weighted-average number of ordinary shares (in '000)	21 000
<b>Basic and diluted earnings per share (in EUR)</b>	<b>(0.79)</b>

There are no differences between basic and diluted earnings per share at 31 December 2021.

## Note 12 – Interest-bearing debt

The following table sets out the maturity profile of the Company's interest-bearing debt based on contractual undiscounted payments. All debt is in Euros. There are no debt covenants related to the interest-bearing debt. There is no difference between the carrying amount and face value for these loans.

	Effective interest rate	Year of maturity	Carrying amount 2021
Loan BPI France	5,0%	2022-25	325
Loan BPI France (FEI)	3,2%	2022-26	1 350
French state guaranteed loan (BNP)	0,8%	2022-26	1 532
French state guaranteed loan (CERA)	0,3%	2022-26	1 504
French state guaranteed loan (BPI)	1,8%	2022-26	2 000
Loan BPI France	3,5%	30-Sep-22	75
Loan BNP	2,5%	07-Jun-22	112
Loan Caisse Épargne FEI	2,3%	30-Jun-22	112
Loan HSBC	2,2%	12-Jul-22	52
<b>Total interest-bearing debt</b>			<b>7 063</b>

	Short-term				Long-term
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	2023-2027
Loan BPI France	25	25	25	25	225
Loan BPI France (FEI)	75	75	75	75	1 050
French state guaranteed loan (BNP)	-	74	74	73	1 311
French state guaranteed loan (CERA)	-	62	62	62	1 318
French state guaranteed loan (BPI)	-	83	83	83	1 750
Loan BPI France	25	25	25	-	-
Loan BNP	56	57	-	-	-
Loan Caisse Épargne FEI	55	55	2	-	-
Loan HSBC	23	23	7	-	-
<b>Total interest-bearing debt</b>				<b>1 408</b>	<b>5 654</b>

### Note 13 – Other liabilities

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

Non-interest bearing debt relates to financing from Regional, European and National bodies for environmental and research and development activities. Most notably, management received

an advance from ADEME, the French Agency for Ecological Transition. The liability is recorded at its nominal value, repayment is fully contingent on the BW Ideol Group realizing certain revenue targets. The repayment schedule could therefore not be reliably determined, however, no repayments are expected within 5 years. No adjustment has been made for the time value of money considering the risk free rates in the Euro zone are negative.

	Year of maturity	Carrying amount 2021	Short-term	Long-term
Financing PACA region	2022	335	335	0
Repayable advance ADEME	NA	3 289	0	3 289
Zero-interest loan BPI	2022-25	350	100	250
<b>Total non-interest-bearing financing</b>		<b>3 974</b>	<b>435</b>	<b>3 539</b>

	Short-term				Long-term	
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	2023-2027	N/A
Financing PACA region	167	0	168	0	0	0
Repayable advance ADEME	0	0	0	0	0	3 289
Zero-interest loan BPI	25	25	25	25	250	0
<b>Total non-interest-bearing debt</b>				<b>435</b>		<b>3 539</b>



## Note 14 – Reconciliation of movements of liabilities and equity to cash flows arising from financing activities

	Share capital	Retained earnings	Foreign currency translation on reserve	Interest-bearing long-term debt	Interest-bearing short-term debt	Interest payable	Lease liabilities	For the period 15 March 2021 to 31 December 2021
<b>Balance at 22 October 2020</b>								
Proceeds from share issue: parent company	52 219							52 219
Proceeds from share issue: parent Company share of issuance on Oslo Stock Market	9 917							9 917
Proceeds from share issue: Oslo Stock Market	39 683							39 683
Proceeds from share issue: Greenshoe Oslo Stock Market	1 977							1 977
Transaction costs relating to the share issuance		(2 298)						(2 298)
Repayment of debt and other liabilities				(1 568)	(696)			(2 264)
Interest paid						(438)		(438)
Payment of lease liabilities							(5 878)	(5 878)
<b>Net cash flow from financing activities</b>	<b>103 796</b>	<b>(2 298)</b>	<b>-</b>	<b>(1 568)</b>	<b>(696)</b>	<b>(438)</b>	<b>(5 878)</b>	<b>92 918</b>
<b>Change arising from obtaining control of subsidiaries</b>								
				7 222	2 178		123	
Accrued interest					(74)			
New leases							5 831	
<b>Total liability related other changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(74)</b>	<b>-</b>	<b>5 831</b>	
<b>Total equity related other changes</b>	<b>27 107</b>	<b>(15 002)</b>	<b>(2)</b>					
<b>Balance at 31 December 2021</b>	<b>130 904</b>	<b>(17 300)</b>	<b>(2)</b>	<b>5 654</b>	<b>1 408</b>		<b>77</b>	

## Note 15 – Asset retirement obligation

The BW Ideol Group has made a provision for asset retirement obligations (ARO) related to future decommissioning of the Floatgen demonstrator. The amount recognised is the present value of the estimated future expenditures determined in accordance with local conditions and requirements. The asset retirement obligation increased in 2021 due to a deeper understanding of the decommissioning scope and technical solutions for floating offshore wind turbines.

	Asset retirement obligation
Balance at 22 October 2020	0
Additions through business combinations	1 217
Additions	954
<b>Balance at 31 December 2021</b>	<b>2 171</b>

## Note 16 – Trade and other short-term liabilities

	2021
Trade liabilities	755
Other current liabilities	2 218
Public duties payable	403
Liabilities to related parties	28
<b>Trade and other payables</b>	<b>3 405</b>

The fair value of trade and other current payables is the same as the carrying amount.

Other current liabilities of EUR 2.2 million are mainly related to employee charges and employee social charges.

The carrying amount of the BW Ideol Group's trade and other receivables are mainly denominated in EUR.

## Note 17 – Revenue

The business and reporting structure for the BW Ideol Group, based on information provided to its chief operating decision maker, consists of one operating segment (Floating wind).

### Revenue from contracts with customers

During the period, the Company generated EUR 2.3 million of design and engineering revenues related to projects in France (EUR 2.0 million) and Japan (EUR 0.3 million). Revenue is recognised over time using a cost progress method or according to delivered time and materials.

### Other operating income

French R&D tax credit of EUR 1.4 million was recorded as other operating income.

### Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	31 December 2021
Receivables, included in "Trade receivables and other current assets"	647
Contract assets, included in "Trade receivables and other current assets"	398
Contract liabilities, included in "Trade payables and other short-term liabilities"	(57)

The contract assets relate to the Group's rights to consideration for work completed but not billed at the reporting date for

engineering services. The contract liabilities primarily relate to the advance invoicing for engineering work to be performed.

### Remaining performance obligations

There were no remaining performance obligations at 31 December 2021 that have an original expected duration beyond one year. As allowed by IFRS 15, no information is provided about remaining performance obligations at 31 December 2021 that have an original expected duration of one year or less.

## Note 18 – Operating expenses

	Total
Payroll expenses	7 747
Lawyer's, audit & consultant fees	1 538
Other operating expenses	1 710
Insurance	284
Directors fees	145
<b>Total operating expenses</b>	<b>11 424</b>

## Note 19 – Employee benefit expenses, remuneration to directors and auditors

### Employee benefit expenses

	2021
Salary	3 323
Social contributions	1 953
Share based payments	1 812
Expenses related to defined contribution scheme	40
Bonus	449
Other benefits	170
<b>Total employee benefit expenses</b>	<b>7 747</b>
<b>Average number of employees</b>	<b>55,2</b>

	2021
Salary	931
Social contributions	883
Bonus	116
Other benefits	18
<b>Total</b>	<b>1 948</b>

In 2021 Top Management comprises of the followings:

Paul de la Guérivière - Chief Executive Officer

Thomas Choynet - Chief Technology Officer

Stéphane Toumit - Engineering Director

Bruno Geschier - Chief Sales & Marketing Officer

Nicolas de Kerangal - Chief Finance & Partnerships Officer

Ghislain Dufay - Chief Product & Operations Officer

## Share based payment plans

### Continuation Plan - Options

On 18 March 2021, under the one-time award under the Continuation Program, BW Ideol awarded:

	No. Of Shares
CEO Paul de la Guérivière	578 910
CCO Bruno Geschier	300 490
CFO Nicolas de Kerangal	156 971
Engineering Director Stéphane Toumit	19 621
<b>Total No. of shares</b>	<b>1 055 992</b>

Under the Continuation Program for 2021, the total number of options awarded is 1,476,282. Each option will give the holder the right to acquire one BW Ideol share. A total of 30 BW Ideol employees have been invited to participate in the programme.

The strike price of the option under the Continuation Plan is NOK 47.00 and is equal to the listing price. The options have a vesting period of one year, followed by a three-year exercise period. The options will expire four years after the award date.

### Long-term incentive program - Options

On 18 March 2021, under the first annual award under the Long-term Incentive Program (LTIP), BW Ideol awarded:

	No. of shares
CEO Paul de la Guérivière	60 000
CTO Thomas Choynet	12 000
CCO Bruno Geschier	20 000
CFO Nicolas de Kerangal	16 000
COO Ghislain Dufay	16 000
Engineering Director Stéphane Toumit	11 200
<b>Total No. of shares</b>	<b>135 200</b>

Under the LTIP for 2021, the total number of options awarded is 204,549. Each option will give the holder the right to acquire

one BW Ideol share. A total of 23 BW Ideol employees have been invited to participate in the programme.

The strike price of the option under the LTIP is NOK 47.00 and is equal to the listing price. The options have a vesting period of three years with annual instalment, followed by a three-year exercise period. The options will expire six years after the award date.

### Long-term Incentive Program – Restricted Stock Units (“RSUs”)

On 18 March 2021, under the first annual award under the Long-term Incentive Programme (LTIP), BW Ideol awarded:

	No. of shares
CTO Thomas Choynet	1 182
CCO Bruno Geschier	1 971
CFO Nicolas de Kerangal	1 576
COO Ghislain Dufay	1 576
Engineering Director Stéphane Toumit	1 104
<b>Total No. of shares</b>	<b>7 409</b>

Under the LTIP for 2021, the total number of restricted stock units awarded is 14,242. Each RSU will give the holder the right to acquire one BW Ideol share. A total of 22 BW Ideol employees have been invited to participate in the programme. The RSUs will be vested after a period of three years.

### Measurement of fair value

The fair value of share options has been measured using the Black-Scholes formula. The inputs used in the measurement of the fair value at grant date were as follows:

	2021
Fair value at grant date	14.7
Share price at grant date	47.0
Exercise price	46.1
Expected volatility (weighted average)	57.4%
Expected life	2.12
Expected dividends	-
Risk free interest rate	0.5%

Because of BW Ideol's restricted amount of share price history, the expected volatility used in the calculations are estimated according to IFRS-2 Appendix B §B29 which states: "Alternatively, the entity could consider the historical or implied volatility of similar listed entities, for which the share price or option price information is available, to use when estimating expected volatility". The expected term of the instruments is adjusted for the constraints that BW Ideol employees have to exercise options.

The number and weighted-average exercise prices of share options under the share option programs were as follows:

#### Share options

2021		
	Number of options	Weighted average exercise price
Outstanding at 1 January	-	-
Granted during the year	1 680 831	47
Outstanding at 31 December	1 680 831	47
<b>Exercisable at 31 December</b>	<b>0</b>	<b>0</b>

#### RSUs

2021		
	Number of options	Weighted average exercise price
Outstanding at 1 January	-	-
Granted during the year	14 242	-
Outstanding at 31 December	14 242	-
<b>Exercisable at 31 December</b>	<b>-</b>	<b>-</b>

#### Board of Directors' remuneration

2021	
Directors fees	147
Number of shares	0
Share options	0

#### Auditors' remuneration

2021	
Audit	187
Other assurance	38
<b>Total fees</b>	<b>225</b>

KPMG AS is the appointed auditor of the BW Ideol Group.

## Note 20 – Income tax expenses/income

The tax income for the period predominantly comprises of deferred tax on the technology asset amortisation.

#### Tax expense/income for the year

2021	
Deferred tax effect of changes in temporary differences	693
Tax payable	0
<b>Total tax income recognised in statement of income</b>	<b>693</b>

#### Effective tax rate

2021	
Profit/(Loss) before tax from continuing operations	(17 329)
Income tax at Norwegian statutory income tax rate of 22%	(3 812)
Effect of tax rates in foreign jurisdictions	(658)
Tax effect on permanent differences related to R&D credits	(393)
Changes in unrecognised deferred tax assets	4 170
<b>Total income tax (expense)/income at the effective income tax rate</b>	<b>693</b>
<b>Effective tax rate</b>	<b>4%</b>

#### Deferred tax liabilities

As part of the purchase price allocation, the BW Ideol Group recorded a deferred tax liability of EUR 13.147 million in 2021 an amount of EUR 0.693 million was recognized in profit and loss, resulting in a deferred tax liability per 31 December 2021 of EUR 12.453 million. All deferred tax liabilities relate to temporary differences arising from the recognition of technology intangible assets.

#### Tax losses carried forward

The Group has tax losses carried forward which are not recognised, amounting to EUR 52 million. The majority of those losses are related to France (EUR 48 million). These losses are not recognised as it is not possible to predict with reasonable certainty whether adequate taxable profit will be available in the future against which losses can be utilised. Of the total amount EUR 0.0 million will expire in 2022. Tax losses in France may be carried forward indefinitely.

## Note 21 – Related party transactions

BW Offshore Holdings Pte Ltd is the largest individual shareholder, having an ownership of 53.21% in BW Ideol AS.

Reference is made to note 19 for remuneration to the Board of Directors and Top Management.

### Intercompany receivables and payables

	2021
<b>Short-term related parties payables</b>	
BW Offshore Norway AS	15
BW Adolo Pte. Ltd.	10
BW Offshore Singapore Pte. Ltd.	43
<b>Total short-term related parties payables</b>	<b>68</b>

There were no long-term related parties payables at 31 December 2021.

All amounts relate to re-charges for business support services provided.

### Intercompany transactions

	2021
BW Offshore Norway AS	34
BW Adolo Pte. Ltd.	10
BW Offshore Singapore Pte. Ltd.	131
<b>Total related parties costs</b>	<b>175</b>

All amounts relate to re-charges for business support services provided.

## Note 22 – Financial risk management

### Financial risk factors

#### Financial risk management

Activities expose the BW Ideol Group to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk, and liquidity risk.

The BW Ideol Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The finance management team will report to Top Management, the Audit Committee and the Board of Directors on the status of activities on a regular basis.

The BW Ideol Group does not use financial instruments, including financial derivatives, for trading purposes.

#### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income. As at 31 December 2021, BW Ideol is in the early stages of the project development process, which includes concept studies, environmental studies, wind studies and grid studies. Pricing, invoicing and the majority of costs are in Euros. All non Group debt is at fixed interest rates. Due to this the market risk is deemed to be minimal at this point in time.

#### Foreign currency risk

The functional currency of the combining companies is mainly EUR. In general, operating revenues and a significant portion of operating expenses are denominated in EUR. The BW Ideol Group is exposed to expenses and investments incurred in currencies other than EUR ("foreign currencies"). Per December 2021 such expenses and investments are not significant. The BW Ideol Group has no financial instruments for currency hedging per 31 December 2021 that manages risk actively. The need to implement such instruments is monitored by Management and aligned to the business development.

#### Interest rate risk

Except for the amount due to and from related parties (Intercompany Loan between BW Ideol AS and Ideol SA), the BW Ideol Group's operating cash flows are not affected by changes in market interest rates.

#### Credit risk

Credit risk is the risk of financial losses if a customer or counterparty to financial receivables and financial instruments fails to meet contractual obligations. Financial guarantees, derivatives and cash deposits are only conducted with approved counterparties and predominantly with investment grade financial institutions and are governed by standard agreements. The risk of counterparties being financially incapable of fulfilling their obligations is regarded as minor as there have not historically been any losses on accounts receivable. Counterparties are large stable companies and receivables are invoiced and collected on a monthly or quarterly basis.

#### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions in order to meet obligations of finance liabilities when they become due. The BW Ideol Group monitors the liquidity through cash flow forecasting of operational and investment activities in the short-, medium- and long-term. Cash requirements related to overheads and provision of technical engineering services are covered by a mix of the related revenues, debt and capital acquired via the acquisition. For high investment projects related to the co-development and operation



of offshore floating wind projects BW Ideol forms joint ventures with local utilities and financial sponsors to develop, build, install and operate floating wind farms, reinforcing its chances to be awarded sites by its increased execution and financing resources with the backing of BW Offshore.

#### Fair values

The BW Ideol Group has not engaged in any currency forward hedges, derivatives, cross currency or interest swaps as at 31 December 2021. For the financial assets and financial liabilities reported at 31 December 2021 the carrying amount is a reasonable approximation of fair value.

Carrying amount					Fair value			
	Financial assets at amortised costs	Fair value through OCI	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value								
Other non-current assets	2 020			2 020				
Trade receivables and other current assets	3 200			3 200				
Cash and cash equivalents	32 792			32 792				
	38 012			38 012				
Financial assets measured at fair value								
Other non-current assets		1 250		1 250		1 250		1250
		1 250		1 250		1 250		
Financial liabilities not measured at fair value								
Interest-bearing long-term debt			5 654	5 654				
Other long-term liabilities			3 539	3 539				
Long-term lease liabilities			16	16				
Trade payables and other short-term liabilities			3 405	3 405				
Interest-bearing short-term debt			1 408	1 408				
Short-term lease liabilities			62	62				
			14 083	14 083				

## Note 23 – List of subsidiaries

Subsidiaries	Country of incorporation	Ownership 2021
Ideol SA	France	100%
Ideol Japan LLC	Japan	100%
Ideol US Inc.	US	100%

Ideol SA was acquired as of 15 March 2021, Ideol Japan was incorporated per 21 January 2019 and Ideol US per 15 August 2019.

## Note 24 – Commitments and guarantees

As of 31 December 2021 BW Ideol had an off balance sheet guarantee relating to its 5% share in EolMed. The guarantee mainly covers breach of obligation to ADEME by EolMed during the development phase and amounts to EUR 0.4 million. The guarantee amount will increase when the project moves to the construction phase in 2022.

### Note 25 – Impact of the Covid-19 pandemic

The Covid-19 pandemic that reached the French territory in March 2020 has had a relatively limited impact on BW Ideol's operations in 2021. The Company has maintained a wide range of measures implemented since the start of the pandemic to minimise the risk to people and operations including social distancing and working from home. Main projects such as progressing the engineering phase of EolMed experienced no impact as a result. The medium-term impact is not estimable at the moment, it may imply delays in upcoming calls for tenders. BW Ideol remains vigilant and mobilized to adapt to any change that may impact its prospects in the short and medium term.

### Note 26 – Subsequent events

On 5 January 2022, Ideol announced the signing of an investment agreement with JERA, a Japanese energy group, and ADEME, a French public investment company, aimed at financing future innovative infrastructure projects. The agreement also covers the creation of an investment company to finance the co-development of offshore wind projects using Ideol's patented Damping Pool® technology over the next 5 years.

On 17 January 2022, Ideol SA, as a partner of the Floating Energy Alliance (FEA) 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. FEA 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 Ideol. FEA expects to conclude finalising the development rights contract with CES by April 2022.

Separately, on 14 January 2022, Ideol signed an engineering service agreement and a technology license agreement with FEA guaranteeing revenue for Ideol SA in connection with the project for years to come.

# Parent Company Financial Statements

The parent company is BW Ideol AS (Norway). There are no prior-year comparable figures as BW Ideol AS, while created in 2020, had no business activities prior the combination date.

## Parent company statement of income

(Figures in KEUR)

	Note	For the period 22 October 2020 to 31 December 2021
CONTINUING OPERATIONS		
Operating expenses	3	(3 153)
<b>Operating profit /(loss) before depreciation/amortisation</b>		<b>(3 153)</b>
<b>Operating profit/(loss)</b>		<b>(3 153)</b>
Net interest income		230
Other financial items		(437)
<b>Net financial income/(expense)</b>		<b>(207)</b>
<b>Profit/(loss) before tax</b>		<b>(3 359)</b>
Income tax expense		0
<b>Profit/(loss) from continuing operations</b>		<b>(3 359)</b>
<b>Net profit/(loss) for the period</b>		
Attributable to shareholders of the parent		(3 359)
Attributable to non-controlling interests		0

## Parent company statement of comprehensive income

(Figures in KEUR)

	For the period 22 October 2020 to 31 December 2021
Loss for the period	(3 359)
<b>Items that are or may be reclassified subsequently to profit or loss</b>	
Foreign operations – foreign currency translation differences	
<b>Total comprehensive income for the period</b>	<b>(3 359)</b>

## Parent company statement of financial position

(Figures in KEUR)

ASSETS	Note	Period ending 31 December 2021
Investment in subsidiary		101 824
IC long-term receivables		22 825
<b>Total non-current assets</b>		<b>124 649</b>
Trade receivables and other current assets		130
Cash and cash equivalents		2 439
<b>Total current assets</b>		<b>2 570</b>
<b>TOTAL ASSETS</b>		<b>127 218</b>

EQUITY AND LIABILITIES	Period ending 31 December 2021
Share capital	313
Share premium	130 591
Other equity	(474)
Retained earnings	(3 359)
<b>Total equity</b>	<b>127 070</b>
<b>Total non-current liabilities</b>	<b>0</b>
Trade payables and other short-term liabilities	148
<b>Total current liabilities</b>	<b>148</b>
<b>Total liabilities</b>	<b>148</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>127 218</b>

## Parent company statement of changes in equity

(Figures in KEUR)

	Share capital	Share premium	Retained earnings	Shareholder's equity	Total equity
Incorporation and issue of share capital on 22 October 2020	3	1	0	4	4
Share capital decrease	(3)	(1)	0	(4)	(4)
Share-issuance – acquisition	203	79 123	0	79 326	79 326
Share-issuance – IPO	110	51 468	0	51 578	51 578
Profit/loss for the period	0	0	(3 359)	(3 359)	(3 359)
Other equity – transaction costs	0	0	(2 287)	(2 287)	(2 287)
Share-based payment	0	0	1 812	1 812	1 812
Exchange differences	0	0	0	0	0
<b>Total equity on 31 December 2021</b>	<b>313</b>	<b>130 591</b>	<b>(3 834)</b>	<b>127 070</b>	<b>127 070</b>

## Parent company statement of cash flows

(Figures in KEUR)

	For the period 22 October 2020 to 31 December 2021
Profit/(loss) before taxes	(3 359)
Share-based payment expense	1 812
Add back of net interest expense	(230)
Changes in trade payables	2
Changes in other balance sheet items and items related to operating activities	27
<b>Net cash flow from operating activities</b>	<b>(1 749)</b>
Investment in subsidiaries	(77 719)
<b>Net cash flow from investing activities</b>	<b>(77 719)</b>
Proceeds from share issue: parent company	52 219
Proceeds from share issue: Oslo Stock Market	51 577
Transaction costs relating to the share issuance	(2 298)
Intercompany loan	(19 500)
Interest paid	(95)
<b>Net cash flow from financing activities</b>	<b>81 903</b>
<b>Net change in cash and cash equivalents</b>	<b>2 435</b>
Cash and cash equivalents at beginning of period	4
Cash and cash equivalents acquired at beginning of period	
<b>Cash and cash equivalents at end of period</b>	<b>2 439</b>



# NOTES TO THE PARENT COMPANY CONSOLIDATED FINANCIAL STATEMENTS

## Note 1 – General

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) since 18 March 2021. As the company was incorporated in October 2020, these financial statements are for the period 22 October 2020 until 31 December 2021 and for the year then ended, in accordance with the Norwegian Accounting Act section 1-7. BW Ideol AS is the holding company and has not business activities prior to the acquisition of Ideol SA on 15 March 2021.

All figures are in KEUR if not otherwise stated. As a result of rounding differences, numbers and or percentages may not add up to the total.

The financial statements were approved by the Board of Directors on 22 February 2022.

## Note 2 – Accounting policies

### Basis of preparation

The financial statement figures for BW Ideol AS relate to the period from 22 October 2020 to 31 December 2021. There are no prior-year comparable figures as BW Ideol AS, while created in 2020, had no business activities prior the combination date.

The financial statements ending 31 December 2021 of BW Ideol AS have been prepared in accordance with the Norwegian Accounting Act and International Financial Reporting Standards (IFRS) as adopted by the European Union.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of complying with the BW Ideol Group's accounting policies.

The financial tables below show figures in Euro unless otherwise stated. As a result of rounding differences, numbers and or percentages may not add up to the total.

### Use of estimates

In preparing these 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.

### Currency translation

#### Functional and presentation currency

The functional currency of BW Ideol AS and the presentation currency of the Group is Euro ("EUR").

#### Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the date of transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation of financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

#### Classification of assets and liabilities

Assets for long-term ownership or use are classified as non-current assets. Other assets are classified as current assets. Liabilities which fall due more than one year after being incurred are classified as non-current liabilities. Liabilities which fall due less than one year after they are incurred are classified as current liabilities.

### Taxes

BW Ideol AS provides for tax on profit based on the profit for financial reporting purposes, adjusted for non-taxable revenue and expenses.

Income tax expense represents the sum of tax currently payable, changes in deferred tax liabilities and deferred tax assets.

Deferred tax liabilities / assets are calculated on all differences between the book value and tax value of assets and liabilities.

Deferred tax assets are recognised when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset. Previously unrecognised deferred tax assets are recognised to the extent it has become probable that the deferred tax asset can be utilised. Similarly, the deferred tax asset is reduced to the extent that it is no longer regarded as probable that the deferred tax asset can be utilised.

Deferred tax liabilities and deferred tax assets are measured on the basis of the enacted or substantially enacted tax rates applicable in Norway if temporary differences have arisen. Deferred tax liabilities and deferred tax assets are recognised at their nominal value. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income becomes taxable.

Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

### Impairment

Non-current and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount that the asset's carrying amount exceeds its recoverable amount, being the higher of an asset's fair value less cost of disposal and its value in use.

### Capitalisation of expenses

Capitalized expenses are deducted from operating expenses and recorded as R&D in progress. Upon entry into service, they are amortized over a maximum period of 5 years.

### Investment grants

The recognition of investment grants intended to finance non-current assets is recorded in other income as soon as the granting of the grant is certain, that is to say when the corresponding expenditure has been made.

### Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

The Company's financial assets are trade- and intercompany receivables and cash and cash equivalents. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. As of now the Company measures its financial assets at amortised costs.

#### Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows,
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes trade- and intercompany receivables and cash and cash equivalents.

#### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either,
  - a. the Company has transferred substantially all the risks and rewards of the asset, or
  - b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### Impairment of financial assets

For intercompany receivables, the Company applies a simplified approach in calculating Estimated Credit Losses (ECLs). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date, based on its historical credit loss experience. The Company considers a financial asset in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### Derecognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised and measured at amortised cost. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

#### Cash and cash equivalents

Cash and cash equivalents are denominated primarily in EUR, USD and NOK. Cash and cash equivalents include cash on hand, short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and short-term deposits with an original maturity of three months or less.

#### Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in other equity as a deduction, net of tax, from the proceeds. Where the Company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted

from equity attributable to the company's equity holders until the shares are cancelled or reissued.

#### Classification of assets and liabilities

Assets for long-term ownership or use, including technical installations and property, plant and equipment are classified as non-current assets. Other assets are classified as current assets. Interest-bearing liabilities which fall due more than one year after being incurred are classified as long-term, and the following year's instalments are classified as short term.

Other liabilities which fall due more than one year after being incurred are classified as long-term, and the following year's instalments are classified as short-term.

#### Subsidiaries

The Company accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Company. In determining whether a particular set of activities and assets is a business, the Company assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Identifiable assets are recognised separately from goodwill and are assets for which it is probable that the expected future economic benefits that are attributable to the assets will flow to the entity and the fair value of the asset can be measured reliably. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

### Note 3 – Operating expenses

	For the period 22 October 2020 to 31 December 2021
Management and support services	46
Share-based payment expense	1 812
Director's fees	147
Lawyer's fee	844
Audit fees	179
Other expenses	124
<b>Total operating expenses</b>	<b>3 153</b>

### Note 4 – Share capital

On 18 March 2021, BW Ideol AS was publicly listed on Oslo Børs, a stock exchange operated by Oslo Børs ASA (the « Oslo Stock Exchange»). The Group raised 51.6 MEUR in equity capital through the share issue.

During the period 22 October 2020 to 31 December 2021 BW Ideol AS issued a total of 31 510 525 shares each with a nominal value of NOK 0.1.

	KEUR
Proceeds from share issue: parent company	52 219
Proceeds from share issue: parent company share of issuance on Oslo Stock Market	9 917
Proceeds from share issue: Oslo Stock Market	39 683
Proceeds from share issue: Greenshoe Oslo Stock Market	1 977
Contribution in kind (5,815,240 shares @ NOK 47)	27 104
<b>Total consideration</b>	<b>130 900</b>

### Note 5 – Financial assets and liabilities

	Financial asset	Financial liabilities
Cash and cash equivalents	2 439	
IC - Long-term receivables	22 825	
Other current assets	130	
Other current liabilities		147
IC - Short-term liabilities		1
<b>Total</b>	<b>25 395</b>	<b>148</b>

The fair value of financial assets and liabilities is the same as the carrying amount.

### Note 6 – Financial risk management

#### Financial risk factors

##### Financial risk management

Activities expose BW Ideol AS to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk, and liquidity risk.

BW Ideol AS overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

The finance management team will report to Top Management, the Audit Committee and the Board of Directors on the status of activities on a regular basis.

BW Ideol AS does not use financial instruments, including financial derivatives, for trading purposes.

#### **Market risk**

The parent company does not have any operational activity. Due to this the market risk is deemed to be minimal at this point in time.

#### **Foreign currency risk**

The functional currency of BW Ideol AS is EUR. In general, operating revenues and a significant portion of operating expenses are denominated in EUR. BW Ideol AS is exposed to expenses and investments incurred in currencies other than EUR ("foreign currencies"). Per December 2021 such expenses and investments are not significant. BW Ideol AS has no financial instruments for currency hedging per 31 December 2021 that manages risk actively. The need to implement such instruments is monitored by Management and aligned to the business development.

#### **Interest rate risk**

Except for the amount due to and from related parties (Intercompany Loan between BW Ideol AS and Ideol SA), BW Ideol AS operating cash flows are not affected by changes in market interest rates.

#### **Credit risk**

Credit risk is the risk of financial losses if a customer or counterparty to financial receivables and financial instruments fails to meet contractual obligations. Financial guarantees, derivatives and cash deposits are only conducted with approved counterparties and predominantly with investment grade financial institutions and are governed by standard agreements. The risk of counterparties being financially incapable of fulfilling their obligations is regarded as minor as there have not historically been any losses on accounts receivable. Counterparties are large stable companies and receivables are invoiced and collected on a monthly or quarterly basis.

#### **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions in order to meet obligations of finance liabilities when they become due. BW Ideol AS monitors the liquidity through cash flow forecasting of operational and investment activities in the short, medium and long-term.

Cash requirements related to overheads and provision of technical engineering services are covered by a mix of the related revenues, debt and capital acquired via the acquisition. For high investment projects related to the co-development and operation of offshore floating wind projects BW Ideol AS subsidiaries will form joint ventures with local utilities and financial sponsors to develop, build, install and operate floating wind farms, reinforcing its chances to be awarded sites by its increased execution and financing resources with the backing of BW Offshore.

#### **Fair values**

BW Ideol AS has not engaged in any currency forward hedges, derivatives, cross currency or interest swaps as at 31 December 2021.

For the financial assets and financial liabilities reported at 31 December 2021 the carrying amount is a reasonable approximation of fair value.

<b>Subsidiaries</b>	<b>Country of Incorporation</b>	<b>Ownership 2021</b>
Ideol SA	France	100%

## **Note 8 – Intercompany receivables and payables**

	<b>2021</b>
<i>Long-term related parties receivables</i>	
Ideol SA	22 825
<b>Total long-term related parties receivables</b>	<b>22 825</b>
<i>Short-term related parties payables</i>	
BW Offshore Norway AS	15
BW Offshore Singapore Pte. Ltd.	27
<b>Total short-term related parties payables</b>	<b>42</b>

The parent company BW Ideol AS granted its subsidiary Ideol SA an intercompany loan amounting to EUR 45 million in 2021. EUR 22.5 million of the loan was converted to equity on 15 December 2021. Intercompany loan agreements with subsidiaries are set up based on regular market rates depending on the location of operation.

# Independent Auditor's Report



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To the General Meeting of BW Ideol AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of BW Ideol AS, which comprise:

- The financial statements of the parent company BW Ideol AS (the Company), which comprise the statement of financial position as at 31 December 2021, the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of BW Ideol AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements;
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the EU; and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the EU.

### Basis for Opinion

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

### Other Information

The Board of Directors and the Chief Executive Officer (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

#### Offices in:

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserede revisorer - medlemmer av Den norske Revisorforening

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodø	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund





## Independent Auditor's Report - BW Ideol AS

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial

**Independent Auditor's Report - BW Ideol AS**

statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 22 February 2022  
KPMG AS

*Sign.*

Hendrik Leendert Oostenrijk  
State Authorised Public Accountant

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