



Interim report
Q3 2022

ZITON A/S
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Highlights of the report

Highlights of Q3 2022

- The Siemens Gamesa Renewable Energy (“SGRE”) long-term time charter of J/U WIND ENTERPRISE for 3 years and 8 months was initiated on 1 March 2021. The vessel continues to operate successfully on the time charter with limited off-hire days.
- EBITDA amounted to EUR 8.2m in Q3 2022 compared to EUR 7.2m in Q3 2021. The increase is due to improved profitability of framework agreements and other tenders attained during Q3 2022 compared to the Meerwind blade campaign and tenders attained during Q3 2021.
- The contemplated debt restructuring that has been communicated in earlier stock exchange announcements dated 31 March, 7 June and 30 September 2022 is now completed. The debt restructuring was completed on 30 September 2022, and therefore the balance sheet presented in this interim report reflects the strengthening of the capital structure and liquidity of the company following the debt restructuring. The debt restructuring includes various elements to provide the company with a long-term sustainable capital structure and significant strengthening of liquidity:
 - An extension of maturities of the first and second lien bonds issued by ZITON A/S by 24 months.
 - Conversion of EUR 38.7m in subordinated debt into equity.
 - Net liquidity improvement of EUR 10.1m.
 The debt restructuring makes Permira Credit Solutions III Sub Master Euro S.à.r.l. the new controlling shareholder of ZITON A/S.
- The KPI guidance for 2022 is unchanged:
 - **Weighted average utilisation rate.** We expect a utilisation rate in the range of 70%-80%.
 - **EBITDA.** We expect EBITDA to be in the range of EUR 26-30m.
 - **Cash flow from operating activities.** We expect cash flows from operating activities of EUR 23-27m. This reflects a

slight increase in working capital, resulting in a cash conversion rate of around 90%.

- **CAPEX.** We expect CAPEX of around EUR 5m.

Information in this report

The information provided in this interim report is submitted in accordance with the Bond Agreements on FRN ZITON A/S EUR 100,000,000 callable bonds 2018/2022 (ISIN NO 0010832488).

As required under the Bond Agreements, the consolidated financial statements of ZITON A/S are prepared in accordance with IFRS with Euro as the reporting currency.

This report has not been reviewed or audited by the company’s auditors.

Disclaimer

This report may contain certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Although the Company believes that these assumptions were reasonable when made, the statements provided in this report are solely opinions and forecasts which are subject to uncertainty, risks, contingencies and other important factors which are difficult or impossible to predict and are beyond the Company’s control. A multitude of factors may cause actual results to differ significantly from any anticipated development expressed or implied in this document. No representation is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved, and you are cautioned not to place any undue reliance on any forward-looking statement.

Management Review

Market activity

The activity level for regular major component replacements was higher than the same quarter the year before. For the full year the market is expected to continue to show double digit growth rates. Our analysis shows that the increase is driven by turbines reaching an age of 6-10 years, where wear and tear increasingly seem to drive the need for component replacement.

The market for blade campaigns and other larger major component campaigns is more erratic, and initiation of such larger projects is subject to uncertainty and wider competition.

Contract developments

There was no change to contracts during Q3 2022. ZITON's current contracts within offshore wind operations and maintenance ("O&M") include:

- On 17 December 2020, Siemens Gamesa Renewable Energy ("SGRE") and ZITON signed a time charter of 3 years and 8 months from 1 March 2021 to 31 October 2024 for J/U WIND ENTERPRISE ("SGRE long-term charter").

The time charter was initiated on 1 March 2021. As customary for time charter contracts, SGRE will pay a fixed time charter rate and pay for variable OPEX-related costs during the tenor of the time charter. SGRE will take on the full weather risk while ZITON will be responsible for operational uptime of the vessel.

- On 1 May 2019, Ørsted and ZITON signed a three-years' framework agreement covering nine of Ørsted's offshore wind farms. The contract has been extended and now expires on 31 March 2023.
- On 18 December 2019, Vestas Offshore Wind ("Vestas") and ZITON signed a three-year framework agreement. The framework agreement is an extension and amendment of the two companies' former framework agreement. Most of the turbines for which Vestas has jack-up requirements are for their 8+MW turbines. As J/U WIND ENTERPRISE is on SGRE long-term charter, ZITON is constrained in our ability to service most of Vestas' larger turbines.

- ZITON's framework agreement with Vattenfall Wind Power AB ("Vattenfall") expired in November 2020. Vattenfall has completed a tender to service both smaller and larger 8+MW turbines. ZITON was selected second supplier, which involves that if the first supplier declines to carry out a specific component exchange, ZITON can take on the task. Under the new contract ZITON has continued to perform major component replacements for Vattenfall.

Vessel operations

J/U WIND ENTERPRISE continues to operate on time charter with SGRE with limited off-hire days.

During Q3 2022, J/U WIND, J/U WIND PIONEER and J/U WIND SERVER operated under framework agreements with Ørsted, Vestas and Vattenfall as well as other tenders attained.

J/U WIND was out of operations from mid-June until mid-August, for ordinary five years renewal survey according to class requirements. The renewal survey was completed within time and budget.

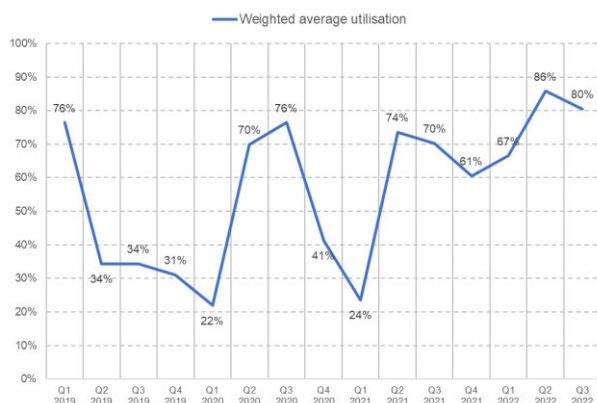
Competitive environment

ZITON is the clear market leader within dedicated O&M services for major component replacements at offshore wind farms. The primary business of most other jack-up vessels is within transport and installation ("T&I") of new offshore wind farms. From time-to-time T&I vessels are also used for O&M services. The main exceptions are Van Oord, that was selected first supplier for the four-year framework agreement with Vattenfall and operates two vessels regularly used for O&M, and Harren & Partner who operate two jack-up vessels dedicated for O&M.

Utilisation rates

The weighted average utilisation rate for Q3 2022 was at 80%. This is an improvement compared to utilisation of 70% in Q3 2021. The improvement in utilisation reflects higher utilisation of J/U WIND PIONEER and J/U WIND SERVER that operated on framework agreements and tenders attained, while the utilisation of J/U WIND was lower than the year

before, as the vessel was out of operations for half of the quarter due to renewal survey. The utilisation of J/U WIND ENTERPRISE was unchanged compared to the year before at high level reflecting limited off hire days.



Note: The weighted average utilisation rate is calculated as vessel revenue and other operating income deducting project-related expenses during the quarter divided by full utilisation at standard rates of EUR 185k/day (EUR 135k/day until the end of June 2019). Each vessel has a different weighting depending on its specifications.

Outlook for 2022

The outlook for 2022, is based on the key assumptions that J/U WIND ENTERPRISE will continue to operate successfully on the SGRE time charter with limited off-hire days, and that the three other vessels will carry out regular major component replacements on framework agreements and other tenders attained. The KPI guidance for 2022 is unchanged:

- **Weighted average utilisation rate.** We expect a utilisation rate in the range of 70%-80%.
- **EBITDA.** We expect EBITDA to be in the range of EUR 26-30m.
- **Cash flow from operating activities** We expect cash flows from operating activities of EUR 23-27m. This reflects a slight increase in working capital, resulting in a cash conversion rate of around 90%.
- **CAPEX.** We expect CAPEX of around EUR 5m.

Completion of debt restructuring

The contemplated debt restructuring that has been communicated in earlier stock exchange announcements dated 31 March, 7 June and 30 September 2022 is now completed. The debt restructuring was completed on 30 September 2022, and therefore the balance sheet presented in this interim report reflects the strengthening of the capital structure and liquidity of the company following the

debt restructuring.

The debt restructuring includes various elements to provide the company with a long-term sustainable capital structure and significant strengthening of liquidity:

- An extension of maturities of the first and second lien bonds issued by ZITON A/S by 24 months. The first lien bonds will hereafter mature on 3 October 2024 and the second lien bonds on 3 April 2025.
- Conversion of EUR 38.7m in subordinated debt into equity, thereby significantly strengthening the company's equity.
- Net liquidity improvement of EUR 10.1m. This consist of a EUR 10m increase in the second lien bonds. For the first lien bonds amortisation on 4 April 2022 was reduced from EUR 2.5m to EUR 1.25m and capitalisation of interest amounting to EUR 1.9m. EUR 3.1m of the new liquidity was applied towards repayment of part of the second super senior working capital facility.

The debt restructuring makes Permira Credit Solutions III Sub Master Euro S.à.r.l. the new controlling shareholder of ZITON A/S.

Pareto Securities AB acted as financial advisor for the Company.

Appointment of board member

Jon Oliver Bryce has been appointed to the Board of Directors of ZITON A/S as an independent member. Mr. Bryce brings years of leadership experience from the offshore industry from both private and public companies. He is director of Zero-C Offshore Ltd and Preikestolen Ltd. He has a BSc Engineering Systems from Napier University, Edinburgh. Mr. Bryce was born in 1968.

Risks and uncertainties

ZITON A/S is exposed to various risks that may be of significance to the company's future operations, results and financial position. For a description of ZITON A/S' risks, please refer to the Risk Management section on pages 39-41 and note 4.1 "Risk management" on pages 74-75 of the 2021 annual report.

Financial Review

REVIEW OF THE INCOME STATEMENT

| EUR '000 | Q3 2022 | Q3 2021 | Change | YTD 2022 | YTD 2021 | Change |
|-----------------------------------|---------------|---------------|---------------|---------------|----------------|--------------|
| Revenue | 15,979 | 18,088 | -2,110 | 44,342 | 43,618 | 724 |
| OPEX and project-related expenses | -6,014 | -9,325 | 3,311 | -16,649 | -25,581 | 8,931 |
| SG&A | -1,789 | -1,522 | -267 | -6,064 | -4,794 | -1,270 |
| EBITDA | 8,176 | 7,242 | 934 | 21,628 | 13,243 | 8,385 |
| Depreciation | -2,805 | -2,719 | -86 | -8,345 | -8,233 | -111 |
| EBIT | 5,371 | 4,523 | 848 | 13,283 | 5,010 | 8,273 |
| Financials, net | -6,607 | -5,779 | -828 | -18,572 | -16,873 | -1,700 |
| Income before tax | -1,237 | -1,257 | 20 | -5,289 | -11,863 | 6,574 |
| Key ratios | | | | | | |
| EBITDA margin | 51.2% | 40.0% | 11.1% | 48.8% | 30.4% | 18.4% |

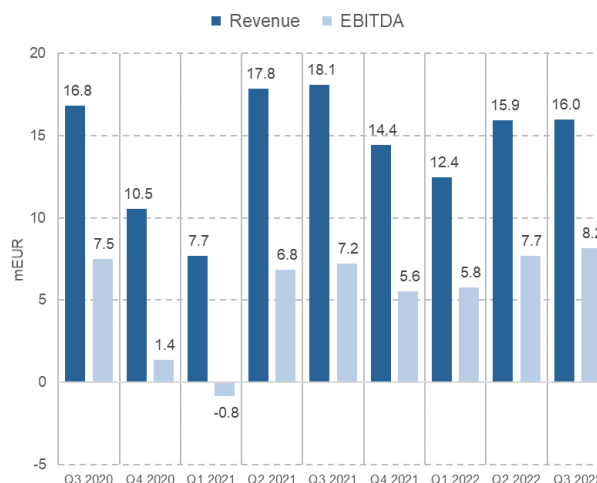
Review of the income statement for Q3 2022

The consolidated income statement for the ZITON Group shows revenue for Q3 2022 of EUR 16.0m, compared to revenue of EUR 18.1m in Q3 2021. The lower revenue reflects that ZITON, in Q3 2021, provided a turnkey solution at the Meerwind blade campaign resulting in the customer being invoiced costs for technicians and repair facilities. Otherwise, revenue was positively affected by improved utilisation of J/U WIND PIONEER and negatively affected by lower utilisation of J/U WIND as the vessel was out of operations for half of the quarter, for ordinary five years renewal survey according to class requirements.

Vessel OPEX and project-related costs decreased by EUR 3.3m from Q3 2021 to Q3 2022. The main reason was a reduction of project-related costs, as ZITON in Q3 2021 provided a turnkey solution at the Meerwind blade campaign including costs for technicians and repair facilities.

SG&A increased to EUR 1.8m in Q3 2022 from EUR 1.5m in Q3 2021 mainly due increased remuneration resulting from improved performance of the company.

EBITDA amounted to EUR 8.2m in Q3 2022 compared to EUR 7.2m in Q3 2021. The increase is due to improved profitability of framework agreements and other tenders attained during Q3 2022 compared to the Meerwind blade campaign and tenders attained during Q3 2021.



Depreciation was largely unchanged at EUR 2.8m in Q3 2022 compared to EUR 2.7m in Q3 2021.

Financials, net was an expense of EUR 6.6m in Q3 2022 compared to an expense of EUR 5.8m in Q3 2021. The increased financial costs are mainly a consequence of one-off costs related to the debt restructuring as well as slightly higher debt and expensing of capitalised issue costs.

Review of income statement YTD 2022

The consolidated income statement for the ZITON Group shows an increase in revenue by EUR 0.7m to EUR 44.3m YTD 2022 compared to revenue of EUR 43.6m in YTD 2021. The improvement in revenue is composed of an increase in revenue in Q1 2022 of EUR 4.8m and a decrease in Q2 2022 of EUR 1.9m and in Q3 2022 of EUR 2.1m. In 2021, WIND ENTERPRISE was in dock for the first two months. Further, J/U WIND SERVER operated on a project on the east coast of the

UK for which completion was delayed by several weeks, resulting in low revenue in Q1 2021. The lower revenue in Q2 and Q3 2022, reflects that ZITON, in Q2 and Q3 2021, provided a turnkey solution at the Meerwind blade campaign resulting in the customer being invoiced costs for technicians and repair facilities.

Vessel OPEX and project-related costs decreased to EUR 16.6m in YTD 2022 from EUR 25.6m in YTD 2021. The main reason for the decrease is primarily high project-related expenses in Q2 and Q3 2021 for the Meerwind blade campaign, as well as the project on the east coast of the UK during Q1 2021.

SG&A increased to EUR 6.1m in YTD 2022 from EUR 4.8m in YTD 2021 mainly due to one-off costs of approx. EUR 1.0m related to abortion of the sales process and initiation of the debt restructuring process as well as increased remuneration resulting from improved performance of the company.

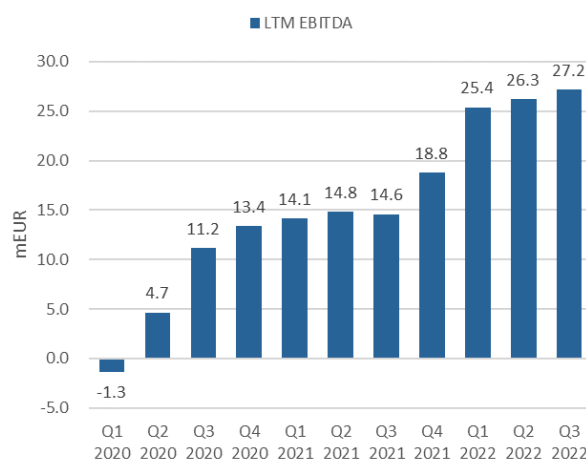
EBITDA amounted to EUR 21.6m YTD 2022 compared to EUR 13.2m YTD 2021. The increase is due to improved profitability of framework agreements and other tenders attained during 2022 compared to the Meerwind blade campaign and other tenders during 2021. Further, J/U WIND ENTERPRISE was in dock for the first two months of the year and J/U WIND SERVER operated on the project on the east coast of the UK for which completion was delayed by several weeks, resulting in low revenue in Q1 2021.

Depreciation was largely unchanged at EUR 8.3m in YTD 2022 compared to EUR 8.2m in YTD 2021.

Financials, net was an expense of EUR 18.6m YTD 2022 compared to an expense of EUR 16.9m in YTD 2021. The increased financial costs are mainly a consequence of one-off costs related to the debt restructuring as well as slightly higher debt and expensing of capitalised issue costs.

EBITDA covenant

As part of the debt restructuring, the covenant for subordinated capital ratio (“SCR”) was discontinued and replaced by minimum EBITDA covenant of EUR 16.25m. EBITDA for the last twelve months was at EUR 27.2m at the end of Q3 2022. This is a steady improvement compared to prior years as illustrated below.



REVIEW OF THE BALANCE SHEET AT THE END OF Q3 2022

| EUR 000 | Q3 2022 | Q3 2021 | Change | Q3 2022 | Q4 2021 | Change |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Assets | | | | | | |
| Vessel, including fixtures & equipment | 176,473 | 184,779 | -8,305 | 176,473 | 182,147 | -5,674 |
| Other non-current assets | 226 | 269 | -43 | 226 | 256 | -30 |
| Non-current assets | 176,699 | 185,048 | -8,348 | 176,699 | 182,404 | -5,705 |
| Trade and other receivables | 9,685 | 8,681 | 1,003 | 9,685 | 5,669 | 4,015 |
| Cash and cash equivalents | 10,588 | 1,328 | 9,260 | 10,588 | 1,498 | 9,090 |
| Current assets | 20,273 | 10,009 | 10,263 | 20,273 | 7,167 | 13,105 |
| Total assets | 196,973 | 195,058 | 1,915 | 196,973 | 189,570 | 7,403 |
| Equity and Liabilities | | | | | | |
| Equity | 10,539 | -18,991 | 29,530 | 10,539 | -22,245 | 32,784 |
| Subordinated loan | - | 33,214 | -33,214 | - | 34,511 | -34,511 |
| Bond loans, second lien | 50,606 | 35,800 | 14,806 | 50,606 | 37,048 | 13,558 |
| Bond loans, first lien | 121,116 | 126,475 | -5,359 | 121,116 | 124,699 | -3,584 |
| Lease obligations | 301 | 590 | -289 | 301 | 639 | -338 |
| Working capital facility | 6,241 | 8,994 | -2,752 | 6,241 | 9,152 | -2,911 |
| Other liabilities | 8,170 | 8,975 | -805 | 8,170 | 5,765 | 2,405 |
| Total liabilities | 186,434 | 214,048 | -27,614 | 186,434 | 211,815 | -25,380 |
| Total equity and liabilities | 196,973 | 195,058 | 1,916 | 196,973 | 189,570 | 7,403 |
| Key ratios | | | | | | |
| Subordinated capital ratio | 31.2% | 27.4% | 3.8% | 31.2% | 27.0% | 4.2% |

Review of the balance sheet, end of Q3 2022

The total value of the vessels (incl. fixtures & equipment and leased offices) amounted to EUR 176.5m at the end of Q3 2022. This compares to EUR 184.8m at the end of Q3 2021 and 182.1m at the end of Q4 2021. The decrease is mainly due to depreciation partly offset by vessel CAPEX.

Trade and other receivables amounted to EUR 9.7m at the end of Q3 2022 compared to EUR 8.7m at the end of Q3 2021 and EUR 5.7m at the end of Q4 2021. The increase is mainly due to change in customer mix towards customers with longer payment terms.

Cash and cash equivalents amounted to EUR 10.6m at the end of Q3 2022 compared to EUR 1.3m at the end of Q3 2021 and EUR 1.5m at the end of Q4 2021. The increase is mainly due to a net liquidity improvement of EUR 10.1m following completion of the debt restructuring. This consist of a EUR 10m increase in the second lien bonds. For the first lien bonds amortisation on 4 April 2022 was reduced from EUR 2.5m to EUR 1.25m and capitalisation of interest amounting to EUR 1.9m. EUR 3.1m of the new liquidity was applied towards repayment of part of the second super senior working capital facility.

Equity was positive at EUR 10.5m at the end of Q3 2022, compared to a negative amount of EUR 19.0m at the end of Q3 2021 and negative EUR 22.2m at the end of Q4 2021. The significant increase in equity is a

consequence of conversion of EUR 38.7m in subordinated debt into equity, partly offset by losses incurred during the periods.

Subordinated loan was reduced to zero following conversion into equity, compared to EUR 33.2m at the end of Q3 2021 and EUR 34.5m at the end of Q4 2021.

Bonds loan, second lien amounted to EUR 50.6m at the end of Q3 2022 compared to EUR 35.8m at the end of Q3 2021 and EUR 37.0m at the end of Q4 2021. The increase is mainly due to an increase of the loan by EUR 10m as part of completion of the debt restructuring.

Working capital facility amounted to EUR 6.2m at the end of Q3 2022 compared to EUR 9.0m at the end of Q3 2021 and EUR 9.2m at the end of Q4 2021. The reduction is due to a EUR 3.1m repayment of part of the second super senior working capital as part of completion of the debt restructuring.

Subordinated Capital Ratio covenant

The covenant for subordinated capital ratio (SCR) was discontinued and replaced by minimum EBITDA covenant of EUR 16.25m. The SCR at the end of Q3 2022 was at 31.0% compared to 27.4% at the end of Q3 2021 and 27.0% at the end of Q4 2021. The increase is mainly due to an increase of the second lien loan by EUR 10m as part of completion of the debt restructuring.

REVIEW OF STATEMENT OF CASH FLOWS FOR Q3 2022

| <i>EUR 000</i> | Q3 2022 | Q3 2021 | Change | YTD 2022 | YTD 2021 | Change |
|--|--------------|---------------|--------------|---------------|---------------|---------------|
| EBITDA | 8,176 | 7,242 | 934 | 21,628 | 13,243 | 8,385 |
| Working capital adjustments | 2,332 | -1,048 | 3,380 | -2,024 | -1,761 | -263 |
| Other adjustments | -1,283 | -719 | -563 | -1,853 | -1,043 | -810 |
| Income tax expense | -591 | - | -591 | -591 | - | -591 |
| Net cash flows from operating activities | 8,635 | 5,474 | 3,160 | 17,160 | 10,440 | 6,720 |
| Financial payments, net | -2,519 | -2,587 | 68 | -5,243 | -7,862 | 2,619 |
| Net cash before investing activities | 6,116 | 2,888 | 3,228 | 11,918 | 2,578 | 9,339 |
| Investing activities | -1,735 | -1,016 | -719 | -2,309 | -4,987 | 2,679 |
| Net cash flows after investing activities | 4,381 | 1,872 | 2,510 | 9,609 | -2,409 | 12,018 |
| Financing activities | 3,849 | -3,545 | 7,394 | -519 | 3,454 | -3,972 |
| Net cash flows after financing activities | 8,230 | -1,674 | 9,904 | 9,090 | 1,045 | 8,046 |

| <i>Available liquidity</i> | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 | Q3 2021 |
|--|---------------|--------------|------------|--------------|--------------|
| Liquidity | 10,588 | 2,358 | 404 | 1,498 | 1,328 |
| Available draw on working capital facility | 384 | 65 | 24 | 224 | 390 |
| Available liquidity | 10,972 | 2,422 | 428 | 1,722 | 1,718 |

Review of the cash flow statement

Cash flows from operating activities were an inflow of EUR 8.6m in Q3 2022 driven by positive EBITDA. This compares to a cashflow from operating activities of EUR 5.5m in Q3 2021. For YTD 2022, they were an inflow of EUR 17.2m compared to EUR 10.4m for YTD 2021.

Financial payments, net amounted to negative EUR 2.6m in Q3 2022 compared to negative EUR 2.6m in Q3 2021. For YTD 2022, they were an outflow of EUR 5.3m compared to outflow of EUR 7.9m in YTD 2021. Interest payment on the first lien loan issued by ZITON A/S of EUR 1.9m due on 4 April 2022 was not paid in cash, but as a replacement PIK-bonds were issued.

Investing activities amounted to an outflow of EUR 1.7m in Q3 2022 compared to an outflow of EUR 1.0m in Q3 2021. For YTD 2022, it showed an outflow of EUR 2.3m compared to EUR 5.0m in YTD 2021. The change is mainly due to CAPEX related to the 10-years classing of J/U WIND ENTERPRISE that was completed in Q1 2021 and the ordinary five years renewal survey according to class requirements for J/U WIND completed in Q3 2022.

Financing activities amounted to a cash inflow of EUR 3.8m in Q3 2022 compared to an outflow of EUR 3.5m in Q3 2021. For YTD 2022, it showed an outflow of

EUR 0.5m compared to an inflow of EUR 3.5m for YTD 2021. In Q3 2022, it consist of a EUR 10m increase in the second lien bonds, partly offset by amortisation of EUR 1.25m on the first lien bonds in ZITON A/S, ordinary amortisation on Wind Enterprise P/S bonds as well as EUR 3.1m for repayment of part of the second super senior working capital facility. In 1H 2021, cash flow inflow from financing activities included full draw on the second super senior working capital facility of EUR 9.0m.

Available liquidity including available drawings on our working capital facility amounted to EUR 11.0m at the end of Q3 2022, compared to EUR 1.7m at the end of Q3 2021 and EUR 1.7m available at the end of Q4 2021. This reflects the improvement in liquidity of EUR 10.1m resulting from the debt restructuring as elaborated on earlier in this report.

Consolidated financial statements for ZITON A/S

| <i>EUR '000</i> | Note | Q3 2022 | Q3 2021 | YTD 2022 | YTD 2021 |
|---|------|---------------|---------------|---------------|----------------|
| Revenue | 1 | 15,979 | 18,088 | 44,342 | 43,618 |
| Project-related expenses | | -1,339 | -4,866 | -3,384 | -11,417 |
| Operational expenses | | -4,675 | -4,459 | -13,265 | -14,164 |
| Gross profit | | 9,965 | 8,763 | 27,692 | 18,038 |
| Administrative expenses | | -373 | -256 | -2,152 | -1,179 |
| Staff costs, office staff | | -1,416 | -1,265 | -3,912 | -3,616 |
| EBITDA | | 8,176 | 7,242 | 21,628 | 13,243 |
| Depreciation & amortisation | | -2,805 | -2,719 | -8,345 | -8,233 |
| EBIT | | 5,371 | 4,523 | 13,283 | 5,010 |
| Financial income | | 9 | 46 | 20 | 174 |
| Financial expenses | | -6,617 | -5,825 | -18,592 | -17,046 |
| Income before tax | | -1,237 | -1,257 | -5,289 | -11,863 |
| Tax on profit (loss) | | -593 | -52 | -595 | -206 |
| Income for the year | | -1,830 | -1,309 | -5,884 | -12,069 |
| <i>Attributable to:</i> | | | | | |
| Owners of ZITON A/S | | -1,823 | -1,307 | -5,864 | -12,061 |
| Non-controlling interest - Profit/loss | | -6 | -2 | -20 | -8 |
| Income for the year | | -1,830 | -1,309 | -5,884 | -12,069 |
| STATEMENT OF COMPREHENSIVE INCOME | | | | | |
| <i>EUR '000</i> | Note | Q3 2022 | Q3 2021 | YTD 2022 | YTD 2021 |
| Income for the year | | -1,830 | -1,309 | -5,884 | -12,069 |
| <i>Items that will be reclassified subsequently to the income statement when specific conditions are met:</i> | | | | | |
| Exchange adjustments of foreign entities, net of tax | | 53 | -1 | 53 | -11 |
| Cash flow hedges, realised gains/(losses) incurred during period | | - | - | - | - |
| Cash flow hedges, deferred gains/(losses) incurred during period | | - | - | - | - |
| Total comprehensive income for the year, after tax | | -1,776 | -1,310 | -5,831 | -12,080 |
| <i>Attributable to:</i> | | | | | |
| Owners of ZITON A/S | | -1,770 | -1,308 | -5,810 | -12,072 |
| Non-controlling interest - Profit/loss | | -6 | -2 | -20 | -8 |
| Total comprehensive income for the year, after tax | | -1,776 | -1,310 | -5,831 | -12,080 |

| <i>EUR '000</i> | Note | Q3 2022 | Q3 2021 | Q4 2021 |
|---|------|----------------|----------------|----------------|
| Assets | | | | |
| Non-current assets | | | | |
| Vessel, including fixtures & equipment | 2 | 176,473 | 184,779 | 182,147 |
| Intangible assets | | 118 | 161 | 148 |
| Deferred tax asset | | 108 | 108 | 108 |
| Non-current assets | | 176,699 | 185,048 | 182,404 |
| Current assets | | | | |
| Inventories | | 316 | 179 | 193 |
| Trade and other receivables | | 9,369 | 8,502 | 5,476 |
| Cash and cash equivalents | | 10,588 | 1,328 | 1,498 |
| Current assets | | 20,273 | 10,009 | 7,167 |
| Total assets | | 196,973 | 195,058 | 189,571 |
| Equity and Liabilities | | | | |
| Equity | | | | |
| Share capital | | 54 | 14,473 | 14,473 |
| Reserves | | 74 | -34 | -2 |
| Retained earnings | | 10,173 | -33,708 | -36,974 |
| Total equity attributable to owners of ZITON A/S | | 10,301 | -19,269 | -22,503 |
| Non-controlling interest | | 238 | 278 | 258 |
| Total equity | | 10,539 | -18,991 | -22,245 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Subordinated loan | | - | 33,214 | 34,511 |
| Bond loans, second lien | | 50,606 | 35,800 | 37,048 |
| Bond loans, first lien | | 114,147 | 122,126 | - |
| Lease obligations | | 99 | 330 | 279 |
| Deferred income tax liabilities | | 757 | 728 | 1,127 |
| Provision for other liabilities | | - | 318 | - |
| Total non-current liabilities | | 165,609 | 192,516 | 72,965 |
| Current liabilities | | | | |
| Subordinated loan | | - | - | - |
| Bond loans, second lien | | - | - | - |
| Bond loans, first lien | | 6,969 | 4,349 | 124,699 |
| Lease obligations | | 202 | 260 | 360 |
| Current tax payable | | - | 336 | - |
| Working capital facility | | 6,241 | 8,994 | 9,152 |
| Trade and other payables | | 6,040 | 6,910 | 3,656 |
| Provision for other liabilities | | 1,374 | 684 | 982 |
| Total current liabilities | | 20,826 | 21,532 | 138,849 |
| Total liabilities | | 186,434 | 214,048 | 211,815 |
| Total equity and liabilities | | 196,973 | 195,058 | 189,571 |

| <i>EUR '000</i> | Note | Q3 2022 | Q3 2021 | YTD 2022 | YTD 2021 |
|---|------|---------------|---------------|---------------|----------------|
| Income before tax | | -1,237 | -1,257 | -5,289 | -11,863 |
| Operating activities | | | | | |
| <i>Adjustments for non-cash items</i> | | | | | |
| Reversal financial expenses, net | | 6,607 | 5,779 | 18,572 | 16,873 |
| Depreciation and writedowns of the period | | 2,805 | 2,719 | 8,345 | 8,233 |
| Other adjustments | | -1,283 | -719 | -1,853 | -1,043 |
| <i>Working capital adjustments</i> | | | | | |
| Change in inventories | | -22 | 0 | -123 | 54 |
| Change in trade receivables | | 1,181 | -428 | -3,893 | -6,150 |
| Change in trade payables | | 1,173 | -620 | 1,991 | 4,335 |
| <i>Income tax expense</i> | | | | | |
| Income tax expense | | -591 | - | -591 | - |
| Net cash flows from operating activities | | 8,635 | 5,474 | 17,160 | 10,440 |
| <i>Financial payments</i> | | | | | |
| Financial receipts | | - | - | - | - |
| Financial payments | | -2,519 | -2,587 | -5,243 | -7,862 |
| Net cash flows before investing activities | | 6,116 | 2,887 | 11,918 | 2,579 |
| Investing activities | | | | | |
| Purchase of vessel, fixtures & equipment | | -1,735 | -1,016 | -2,309 | -4,987 |
| Other cash flows from investing activities | | - | - | - | - |
| Net cash used in investing activities | | -1,735 | -1,016 | -2,309 | -4,987 |
| Financing activities | | | | | |
| Repayment of borrowings | | -3,000 | -3,288 | -7,370 | 27,744 |
| Proceeds from borrowings | | 10,000 | - | 10,000 | - |
| Draw on working capital facility | | -3,076 | -124 | -2,911 | 8,504 |
| Lease payments | | -75 | -133 | -238 | -32,795 |
| Net cash used/received in financing activities | | 3,849 | -3,545 | -519 | 3,454 |
| Net (decrease)/increase in cash and cash equivalents | | 8,230 | -1,674 | 9,090 | 1,045 |
| Cash and cash equivalents at beginning of period | | 2,358 | 3,002 | 1,498 | 284 |
| Exchange gains/losses on cash and cash equivalents | | - | - | - | - |
| Net cash and cash equivalents at end of period | | 10,588 | 1,328 | 10,588 | 1,328 |

STATEMENT OF CHANGES IN EQUITY

YTD 2022

| EUR '000 | Share capital | Attributable to owners of ZITON A/S | | | | | Total | Non-controlling interests | Total equity |
|---------------------------------------|---------------|-------------------------------------|----------------------|------------------|----------------|-------------------|---------|---------------------------|--------------|
| | | Reserve for warrants | Translation reserves | Cash flow hedges | Total reserves | Retained earnings | | | |
| Balance at 31 December 2021 | 14,473 | 143 | -145 | - | -2 | -36,974 | -22,503 | 258 | -22,245 |
| Total comprehensive income, after tax | - | - | 53 | - | 53 | -5,864 | -5,810 | -20 | -5,831 |
| Share capital reduction | -14,473 | - | - | - | - | 14,473 | - | - | - |
| Cancellation of warrants | - | -143 | - | - | -143 | - | -143 | - | -143 |
| Share capital increase | 54 | - | - | - | - | 38,707 | 38,761 | - | 38,761 |
| Cost of capital increase | - | - | - | - | - | -156 | -156 | - | -156 |
| Other adjustment | - | - | 166 | - | 166 | -13 | 153 | - | 153 |
| Balance at YTD | 54 | - | 74 | - | 74 | 10,173 | 10,301 | 238 | 10,539 |

Share capital

On 30 September 2022, ZITON A/S held an extraordinary general meeting. The company's share capital was reduced from 108,013,705 shares of DKK 1 each (EUR 14,474k) to 0 and all of the company's share classes and warrants were cancelled. Subsequently, company's share capital was increased by EUR 54k by conversion of existing debt. The increase in share capital of EUR 54k resulted in a share premium of EUR 38,707k. The shares are divided into three classes: 1,352,090 A shares of DKK 0.01 each, 150,232 B shares of DKK 0.01 each and 38,497,678 C shares of DKK 0.01 each. A shares are voting shares, B shares are non-voting shares and C shares carry preferential rights of dividend. Permira Credit Solutions III Sub Master Euro S.à.r.l. is the new controlling shareholder of ZITON A/S holding 55% of the voting shares.

Reserves

Equity reserves consist of the following:

The translation reserve comprises foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK and translation from the functional currency to the presentation currency.

YTD 2021

| EUR '000 | Share capital | Attributable to owners of ZITON A/S | | | | | Total | Non-controlling interest | Total equity |
|---------------------------------------|---------------|-------------------------------------|----------------------|------------------|----------------|-------------------|---------|--------------------------|--------------|
| | | Reserve for warrants | Translation reserves | Cash flow hedges | Total reserves | Retained earnings | | | |
| Balance at 31 December 2020 | 13,098 | 143 | -166 | - | -23 | -30,272 | -17,197 | 287 | -16,911 |
| Total comprehensive income, after tax | - | - | -11 | - | -11 | -12,061 | -12,072 | -8 | -12,080 |
| Capital increase | 1,375 | - | - | - | - | 8,625 | 10,000 | - | 10,000 |
| Balance at YTD | 14,473 | 143 | -177 | - | -34 | -33,708 | -19,269 | 278 | -18,991 |

Share capital

In January 2021, the share capital was increased by EUR 1,375k as part of the purchase price of the vessel J/U WIND ENTERPRISE. The increase in share capital of EUR 1,375k resulted in a share premium of EUR 8,625k (in total EUR 10,000k). At the end of Q3 2021, the share capital consisted of 108,013,705 shares of DKK 1 each (EUR 14,474K). The shares are divided into two classes: 16,986,984 A shares of DKK 1 each and 91,026,721 B shares of DKK 1 each. Each A share carries one vote, while B shares do not carry voting rights, but carry preferential rights of dividend.

Note 1 – Revenue

The internal reporting framework used for reporting on revenue and expenses to the Executive Management Team and the Board of Directors has been set up to reflect and report on jack-up vessel, ZITON Contractors A/S and Hangout A/S revenue and expenses. As all jack-up vessels including ZITON Contractors A/S and Hangout A/S operate on similar assignments, management reviews the results of the Group as a whole to assess performance. Thus, there is only one operating segment.

Revenue from customers

The Group operates in northern Europe. The geographical distribution of revenue is based on the country in which the wind farm is located.

| EUR '000 | Q3 2022 | Q3 2021 | YTD 2022 | YTD 2021 |
|-------------------------------|----------------|----------------|-----------------|-----------------|
| United Kingdom | 8,650 | 2,873 | 21,397 | 8,590 |
| Denmark | 2,528 | 763 | 6,482 | 4,032 |
| Germany | - | 8,993 | 502 | 19,001 |
| Sweden | 445 | - | 1,774 | - |
| Belgium | - | 860 | 920 | 1,450 |
| Netherlands | - | - | 317 | 256 |
| Ireland | - | 389 | - | 388 |
| Total non time charter | 11,623 | 13,878 | 31,392 | 33,717 |
| Long- term time charter | 4,355 | 4,211 | 12,950 | 9,905 |
| Total | 15,979 | 18,088 | 44,342 | 43,621 |

Sales to the largest customers, accounting for more than 10% of revenue, made up 32%, 27%, 14% and 13% of total revenue in Q3 2022 (Q3 2021: 69% and 10%, respectively).

Time Charter

Where contracts are identified as a lease (time charter), revenue recognition is based on a straight-line basis over the term of the lease period.

The amount of revenue stated in the above table for both the current financial year and the comparable financial year include the agreed time charter rates earned during leases. The lease and service components are recognised as revenue under the same pattern of transfer to customers. A separate disclosure of the lease components and the service income components has not been provided as it is impracticable to establish such a disclosure.

Note 2 - Vessels and equipment

| Q3 2022 EUR '000 | Property | Fixtures & equipment | Vessels | Total |
|---|-----------------|-------------------------------------|----------------|----------------|
| Cost at 1 January 2022 | 1,131 | 3,129 | 247,766 | 252,025 |
| Exchange rate adjustments | 6 | 5 | 81 | 93 |
| Additions | - | 159 | 2,514 | 2,673 |
| Disposals | - | -44 | - | -44 |
| Additions to leased assets (Right-of-use assets) | - | 7 | - | 7 |
| Disposals of leased assets (Right-of-use assets) | - | -51 | - | -51 |
| Cost YTD | 1,137 | 3,205 | 250,361 | 254,703 |
| Depreciation at 1 January 2022 | -749 | -1,410 | -67,684 | -69,843 |
| Exchange rate adjustments | -3 | -3 | -78 | -84 |
| Depreciation | -212 | -313 | -7,832 | -8,357 |
| Disposals | - | 18 | - | 18 |
| Depreciation on leased assets (Right-of-use assets) | - | - | - | - |
| Disposals of leased assets (Right-of-use assets) | - | 37 | - | 37 |
| Depreciation YTD | -964 | -1,671 | -75,594 | -78,229 |
| Impairment losses at 1 January 2022 | - | - | - | - |
| Impairment losses YTD | - | - | - | - |
| Carrying amount YTD | 173 | 1,533 | 174,767 | 176,473 |
| <hr/> | | | | |
| Q3 2021 EUR '000 | Property | Fixtures & equipment | Vessels | Total |
| Cost at 1 January 2021 | 1,180 | 2,770 | 242,743 | 246,694 |
| Exchange rate adjustments | - | 32 | 70 | 102 |
| Additions | - | 274 | 5,003 | 5,277 |
| Disposals | - | - | - | - |
| Additions to leased assets (Right-of-use assets) | - | - | - | - |
| Disposals of leased assets (Right-of-use assets) | - | - | - | - |
| Cost YTD | 1,180 | 3,076 | 247,816 | 252,071 |
| Depreciation at 1 January 2021 | -507 | -1,065 | -57,451 | -59,022 |
| Exchange rate adjustments | - | -13 | -23 | -36 |
| Depreciation | -195 | -306 | -7,733 | -8,234 |
| Disposals | - | - | - | - |
| Depreciation on leased assets (Right-of-use assets) | - | - | - | - |
| Disposals of leased assets (Right-of-use assets) | - | - | - | - |
| Depreciation YTD | -702 | -1,383 | -65,207 | -67,293 |
| Impairment losses at 1 January 2021 | - | - | - | - |
| Impairment losses YTD | - | - | - | - |
| Carrying amount YTD | 478 | 1,692 | 182,609 | 184,779 |

Assessment of Impairment of vessels

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In YTD 2022, ZITON realised a loss for the year and as a result, ZITON performed an impairment test. An impairment loss is recognised in the amount by which an asset's carrying amount exceeds its recoverable amount – measured using the higher of the fair value less cost to sell and value in use. An impairment loss is recognised if the higher of the fair value less cost to sell and value in use is less than the carrying amount of the assets.

The value in use is calculated as the present value of total expected cash flows during the rest of the vessels' economic lives. This includes any concluded framework agreements and signed charters as well as estimated utilisation and average day rates for the "open charter periods".

- The estimated utilisation is based on the projected future installation of offshore turbines, the average rate at which a turbine needs assistance from a jack-up vessel in the turbine's lifetime, ZITON's expected market share,

and jack-up vessel requirements for blade campaigns.

- Average day rates are based on estimated future market prices and/or contracts.

Hence, the exact value used to measure impairment charges is subject to some degree of uncertainty and is based on what the company believes is the best estimate of fair value. The budget used for impairment testing is based on a five-year period, including a terminal period.

Management's assessment of indications of impairment of vessels is based on the cash-generating unit (CGU) in which all vessels, ZITON Contractors A/S and Hangout A/S are included (jack-up vessel operating segment).

An impairment test is carried out based on value in use. The impairment test is performed by estimating the recoverable amount at value in use calculated as the present value of the total expected cash flows during the rest of the vessels' economic lives, a determined WACC of 9.2% before tax, and a growth rate in the terminal period of 0%.

The value in use was estimated to be higher than the carrying amount of EUR 176,473k.

Management assesses that the long-term value at the close of the financial period exceeds the carrying amounts, and accordingly, there is no indication of impairment loss.

Note 3 - Commitments and contingencies

Since the end of 2022, no significant changes have occurred to contingent assets and liabilities other than those referred to in the annual report for 2021.

Note 4 - Related party transactions

No significant changes have occurred to related parties or types and scale of transactions with these parties other than what was disclosed in the 2021 annual report, with the exception that joint taxation with Jack-Up Holding A/S and Anpartsselskabet af 1. december 2011 was discontinued as of 30 September 2022, as Jack-Up Holding A/S no longer is the controlling shareholder of ZITON A/S.

Note 5 - Subsequent events

Other than the developments disclosed in the review, no significant events have occurred between the end of the quarter and publication of this interim report which materially affect the results for the period or the financial position.

Note 6 – Basis of reporting

Accounting policies

Basis of consolidation

The interim report has been prepared in accordance with the international financial reporting standard IAS 34 on interim reports. No interim report has been prepared for the parent company (ZITON A/S).

The accounting policies adopted in the preparation of the interim report are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021. The Group has not applied early adoption of any other standard, interpretation or amendment that has been issued but is not yet effective.

Significant estimates and assumptions

Going Concern

During 2019 to 2021, ZITON's balance sheet deteriorated as operational earnings declined as a consequence of blade campaigns that were less profitable than anticipated, and because the vessel fleet was expanded with the purchase of

J/U WIND ENTERPRISE, thereby leading to sizeable interest-bearing debt compared to equity and cash flow to service the debt. This resulted in a debt restructuring that was completed on 30 September 2022, therefore the balance sheet presented in this interim report reflects the strengthening of the capital structure and liquidity of the company following debt restructuring.

The debt restructuring includes various elements to provide the company with a long-term sustainable capital structure and significant strengthening of liquidity:

- An extension of maturities of the first and second lien bonds issued by ZITON A/S by 24 months. The first lien bonds will hereafter mature on 3 October 2024 and the second lien bonds on 3 April 2025.
- Conversion of EUR 38.7m in subordinated debt into equity, thereby significantly strengthening the company's equity.
- Net liquidity improvement of EUR 10.1m. This consist of a EUR 10m increase in the second lien bonds. For the first lien bonds amortisation on 4 April 2022 was reduced from EUR 2.5m to EUR 1.25m and capitalisation of interest amounting to EUR 1.9m. EUR 3.1m of the new liquidity was applied towards repayment of part of the second super senior working capital facility.

Management assesses the entity's ability to continue as a going concern to be met and the consolidated financial statement have therefore been prepared on a going concern basis and no changes to recognition or measurement have been made.

Risks

For a description of the risks ZITON A/S is exposed to, please refer to the Risk Management section on pages 39-41 and note 4.1 "Risk management" on pages 74-75 of the 2021 annual report.

Management statement

The Board of Directors and Executive Management have considered and approved the interim report for ZITON A/S for Q3 2022. The interim report has not been audited or reviewed by the company's independent auditors.

The interim report for the first three quarters of 2022 has been prepared in accordance with International Financial Reporting Standards and IAS 34 as adopted by the EU, and further disclosure requirements for issuers of bonds listed on the Oslo Stock Exchange.

In our opinion, the interim report gives a true and fair view of the ZITON's assets, liabilities, and financial position at 30 September 2022, and of the results of the ZITON's operations and cash flow the first three quarters of 2022.

We further consider that the Management review gives a true and fair view of the developments in ZITON's activities and business, the results for the period and of ZITON's financial position as a whole, and a description of the most significant risks and uncertainties which ZITON faces.

Horsens, 22 November 2022

Executive Management

Thorsten Jalk
CEO

Board of Directors

Samuel Martin Gross
Chairman

Jon Oliver Bryce

Thorsten Jalk

Jens Michael Haurum

Financial calendar 2022 and 2023

Interim report Q4 2022 – 28 February 2023

Annual Report 2022 - 19 April 2023

Interim report Q1 2023 - 24 May 2023

Interim report Q2 2023 - 30 August 2023

Interim report Q3 2023 - 23 November 2023

For further information, please contact

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