



ZITON



Interim report  
Q3 2024

ZITON A/S  
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## Highlights of the report

### Highlights of Q3 2024

- EBITDA amounted to EUR 19.5m in Q3 2024 compared to EUR 9.9m in Q3 2023, an increase of 97%. The improvement was due to an increase in revenue reflecting that J/U WIND ENERGY went on time charter with Siemens Gamesa at the end of February 2024, as well as improved contribution from the three smaller vessels due to a stronger market for major component replacements.
- Macquarie Asset Management, (“Macquarie”) via Macquarie European Infrastructure Fund 7, has entered into a share purchase agreement with funds advised by Permira Credit and other existing shareholders to acquire all issued and outstanding shares of Zappy TopCo ApS and its wholly-owned subsidiary ZITON A/S (“the Transaction”).

Closing of the Transaction is anticipated by the end of Q4 2024 or Q1 2025, subject to regulatory approvals, at which time Macquarie will obtain 100% ownership of ZITON.

The Transaction is expected to have the following effects on ZITON’s capital structure:

The first lien bond (ISIN NO0012928185) listed on Oslo Børs, the senior secured ESG-linked loan and the Super Senior Working Capital Facility are expected to be retained in the capital structure.

On 11 October 2024, ZITON summoned a Written Resolution to seek bondholders’ approval of Macquarie as a Permitted Transferee under the bond terms. The voting period ends on 1 November 2024.

The second lien bond (ISIN NO0012928169) will be purchased by Macquarie.

Further announcements regarding the Transaction will be made if and when appropriate.

- The terms of the first lien bond loan (ISIN NO0012928185) and the second lien bond loan (ISIN NO0012928169) include a definition of margins that if the leverage ratio is reduced below 4.25x the margin will be reduced by 300 bps. The leverage ratio at the end of Q3 2024 was at 3.83x and thereby below 4.25x. The consequence is that the margins will be reduced on the bonds issued, and therefore the margin on the first lien bond loan will be reduced from 9 December 2024.

- The KPI guidance for 2024 is unchanged (with the exception of CAPEX for WIND ENERGY):
  - **Weighted average utilisation rate.** We expect a utilisation rate in the range of 90–100%.
  - **EBITDA.** We expect EBITDA to be in the range of EUR 55–59m.
  - **Cash flow from operating activities.** We expect cash flows from operating activities to be in the range of EUR 50–54m. This takes the reversal of trade payables related to the upgrade of J/U WIND ENERGY amounting to EUR 6.5m at the end of 2023 into account.
  - **CAPEX.** We expect CAPEX of EUR 7–9m excluding CAPEX related to J/U WIND ENERGY. In addition, we expect CAPEX for J/U WIND ENERGY of approximately EUR 26–28m (up from approximately EUR 26m) including CAPEX for leg extension and capitalised interest costs of approximately EUR 2m related to the vessel.
- Beyond 2024, the effect of having J/U WIND ENERGY on time charter with Siemens Gamesa for the full year will positively effect EBITDA. Further, when the time charter for J/U WIND ENTERPRISE was extended it was mutually agreed with Siemens Gamesa that the day rate for J/U WIND ENTERPRISE will increase materially from mid-2025. In summary, the contracted terms of the two long-term time charter contracts with Siemens Gamesa are, almost entirely, expected to enhance running twelve months EBITDA to around EUR 75m from mid-2025.

**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 150,000,000 callable bonds 2023/2028 (ISIN NO0012928185).

As required under the Bond Agreement, 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

### Macquarie Asset Management to acquire ZITON

Macquarie Asset Management, ("Macquarie") via Macquarie European Infrastructure Fund 7, has entered into a share purchase agreement with funds advised by Permira Credit and other existing shareholders (together, the "Sellers") to acquire all issued and outstanding shares of Zappy TopCo ApS and its wholly-owned subsidiary ZITON A/S ("the Transaction").

Closing of the Transaction is anticipated by the end of Q4 2024 or Q1 2025, subject to regulatory approvals, at which time Macquarie will obtain 100% ownership of ZITON ("the Closing").

The Transaction is expected to have the following effects on ZITON's capital structure:

- The first lien bond (ISIN NO0012928185), listed on Oslo Børs, the senior secured ESG-linked loan and the Super Senior Working Capital Facility are expected to be retained in the capital structure. On 11 October 2024, ZITON summoned a Written Resolution to seek bondholders' approval of Macquarie as a Permitted Transferee under the bond terms. The voting period ends on 1 November 2024.
- The second lien bond (ISIN NO0012928169) will be purchased by Macquarie.

Further announcements regarding the Transaction will be made if and when appropriate.

### Zappy TopCo ApS' purchase of new vessel

Zappy TopCo ApS, the parent company of ZITON, has founded a new company called DiscoveryCo ApS which consequently is a sister company to ZITON. DiscoveryCo ApS has agreed to purchase a vessel in China which will be transported back to Europe to service the 6-10 MW segment of turbines for major component replacements. The vessel was built in 2011 and operated for the first ten years in Europe, whereafter it has been installing turbines in China.

When the vessel arrives in Europe it will be upgraded to the current European industry standards.

DiscoveryCo ApS has entered into a time charter agreement with a large customer for the new vessel. The new vessel is expected to go on time charter during Q2 2025.

DiscoveryCo ApS will finance the purchase of the vessel through a bridge facility until Closing. At Closing the bridge facility will be replaced by an equity increase from Macquarie through Zappy TopCo ApS.

DiscoveryCo ApS has no employees, but will enter into a ship management agreement with ZITON A/S who performs all services related to sales, technical management, operations, crewing, administration etc. The structure enables that there is no intercompany balances or leakage of cash flow between ZITON A/S and DiscoveryCo ApS.

### Contract developments

There has been no changes to contracts since the publication of the interim report for Q2 2024. Below is an overview of the current contract status.

#### *Time charter agreement for J/U WIND ENTERPRISE*

The current time charter agreement for J/U WIND ENTERPRISE expires on 20 June 2025 as Siemens Gamesa has utilised all of their extension options. An extension was signed in April 2023 to extend the time charter from 21 June 2025 to 31 December 2029 at more favourable terms, including a higher day rate, reflecting the changes in the market environment since the original time charter was entered into in December 2020. Therefore, the profitability of J/U WIND ENTERPRISE is expected to increase materially from mid-2025. Siemens Gamesa will retain an option for early termination of the contract after 1 January 2027 against a one-off compensation payment.

#### *Time charter agreement for J/U WIND ENERGY*

J/U WIND ENERGY went on time charter with Siemens Gamesa at the end of February 2024 with a duration of six years, thus the contract expires in February 2030. For this time charter contract, Siemens Gamesa does not hold any options for early termination. Currently, the vessel has 78m legs which are planned to be extended for the vessel to operate at some of the deepest locations of current and future offshore wind turbines installed by Siemens Gamesa. The leg extension is expected to be completed during the low season 2024/2025 or 2025/26.

As customary for time charter contracts, Siemens Gamesa will pay a fixed time charter rate and pay for variable OPEX-related costs during the tenure of the time charters.

In addition to the Siemens Gamesa contracts, ZITON's current contracts within offshore wind O&M includes:

- On 22 December 2022, RWE and ZITON entered into a strategic agreement which will provide

RWE with priority services and quick response to avoid unscheduled downtime on their offshore wind turbines.

The framework agreement has a duration of four years and allows RWE to utilise multiple vessels across ZITON's versatile fleet dedicated to O&M services. The agreement involves that RWE makes a minimum annual commitment for utilisation of ZITON's fleet of EUR 10.7m.

- On 1 May 2019, Ørsted and ZITON signed a three-year framework agreement covering nine of Ørsted's offshore wind farms. The contract has been extended and now expires on 31 December 2025.
- On 18 December 2019, Vestas Offshore Wind ("Vestas") and ZITON signed a three-year framework agreement. Discussions are ongoing for an extension and enlargement of the framework agreement. Most of the turbines for which Vestas has jack-up requirements are for their 8+ MW turbines. As J/U WIND ENTERPRISE and J/U WIND ENERGY are time chartered by Siemens Gamesa, we are constrained in our ability to service most of Vestas' larger turbines. ZITON continue to support Vestas' requirements for major component replacements for their below 4 MW turbines.
- ZITON is second supplier to Vattenfall until the beginning of 2025. This means that if the first supplier declines to carry out a specific component replacement, ZITON can take on the task if we have available capacity. ZITON is expected to continue to operate as second supplier with limited replacements carried out for Vattenfall.

### Market activity

The activity level for regular major component replacements showed strong growth in Q3 2024 compared to the same quarter the year before. The growth was in particular seen in the below 6 MW segment. Our analysis shows that the increase is driven by turbines reaching an age of 6-10 years and beyond, where wear and tear increasingly set in and drive an increase in the need for major component replacements. On average, turbines below 6 MW have an average age of around twelve years and turbines between 6-11 MW have an average age of around four and a half years. Therefore, the majority of the current market for major component replacements is for turbines below 6 MW which can be serviced by our smaller vessels J/U WIND, J/U WIND PIONEER and J/U WIND SERVER. During the next two to six years, we expect the market for 6-11 MW turbines to increase significantly. This market

can be serviced by our vessels J/U WIND ENTERPRISE and J/U WIND ENERGY.

In addition, serial defects on major components will further increase the activity level for major component replacements. 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.

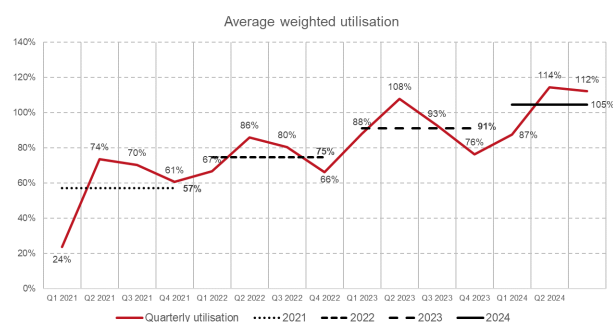
### Vessel operations

J/U WIND ENERGY went on time charter with Siemens Gamesa at the end of February 2024. J/U WIND ENTERPRISE continues to operate on time charter with Siemens Gamesa with limited off-hire days. During Q3 2024, J/U WIND, J/U WIND PIONEER and J/U WIND SERVER mainly operated under framework agreements with RWE, Ørsted, SSE Renewables and other tenders attained.

### Utilisation rates

The weighted average utilisation rate for Q3 2024 was 112%, compared to a utilisation rate of 93% in Q3 2023.

Our definition of financial utilisation is a simple calculation of "revenue - project related expenses" / "standard day rate for the vessel" x "no. of days in the period". We use this definition as many of our projects are offered on a fixed price basis, where neither the day rate nor the number of days used on the projects are fixed. Thus, our utilisation can be higher than 100% due to effective operations when we are able to complete projects in fewer days than expected when we carry out fixed price projects.



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 268k/day (EUR 135k/day until the end of June 2019 and EUR 185k/day until end of February 2024). Each vessel has a different weighting depending on its specifications.

### Competitive environment

ZITON is the clear market leader within dedicated O&M services for major component replacements at offshore wind farms. Competitors includes Harren Group, who operates two O&M dedicated jack-up

vessels, Gulf Marine Services who have won a O&M time charter tender for Ørsted with a single vessel, and Van Oord who is the first supplier on a four-year framework agreement with Vattenfall and operates two vessels regularly used for O&M. 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.

#### Outlook for 2024 and beyond

The outlook for 2024, is based on the following key assumptions:

- The long-term charter agreement with Siemens Gamesa for J/U WIND ENERGY. The vessel has been upgraded and initiated the time charter at the end of February 2024. The vessel is expected to operate successfully with limited off-hire days. However, in late 2024 the vessel may undergo a leg extension, during which the day rate on the time charter will be reduced.
- The long-term charter agreement with Siemens Gamesa for J/U WIND ENTERPRISE. The vessel is expected to continue to operate successfully with limited off-hire days.
- The three smaller vessels, servicing the market below 6 MW, will carry out regular major component replacements on framework agreements and other tenders attained.

The KPI guidance for 2024 is unchanged (with the exception of CAPEX for WIND ENERGY):

- **Weighted average utilisation rate.** We expect a utilisation rate in the range of 90-100%.
- **EBITDA.** We expect EBITDA to be in the range of EUR 55-59m.
- **Cash flow from operating activities.** We expect cash flows from operating activities to be in the range of EUR 50-54m. This takes the reversal of trade payables related to the upgrade of J/U WIND ENERGY amounting to EUR 6.5m at the end of 2023 into account.
- **CAPEX.** We expect CAPEX of EUR 7-9m excluding CAPEX related to J/U WIND ENERGY. In addition, we expect CAPEX for J/U WIND ENERGY of approximately EUR 26-28m (up from approximately EUR 26m) including CAPEX for leg extension and capitalised interest costs of approximately EUR 2m related to the vessel.

Beyond 2024, the effect of having J/U WIND ENERGY on time charter with Siemens Gamesa for the full year will positively effect EBITDA. Further, when the time charter for J/U WIND ENTERPRISE was extended it was mutually agreed with Siemens Gamesa that the day rate will increase materially from mid-2025. In summary, the contracted terms of the two long-term time charter contracts with Siemens Gamesa are, almost entirely, expected to enhance projected running twelve months EBITDA to around EUR 75m from mid-2025.

#### 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 50-52 and note 4.1 "Risk management" on page 106-107 of the 2023 annual report.

## Financial Review

### REVIEW OF THE INCOME STATEMENT

EUR'000	Q3 2024	Q3 2023	Change	YTD 2024	YTD 2023	Change
<b>Revenue</b>	<b>31,064</b>	<b>18,885</b>	<b>12,179</b>	<b>81,865</b>	<b>55,330</b>	<b>26,536</b>
Other operating income	-	-	-	7	-	7
OPEX and project-related expenses	-9,357	-6,916	-2,441	-26,242	-19,073	-7,169
SG&A	-2,257	-2,096	-162	-7,065	-6,562	-504
<b>EBITDA</b>	<b>19,450</b>	<b>9,874</b>	<b>9,576</b>	<b>48,565</b>	<b>29,695</b>	<b>18,870</b>
Depreciation	-4,577	-2,936	-1,641	-13,477	-8,719	-4,758
<b>EBIT</b>	<b>14,873</b>	<b>6,938</b>	<b>7,935</b>	<b>35,089</b>	<b>20,977</b>	<b>14,112</b>
Financials, net	-10,282	-7,389	-2,893	-29,517	-19,431	-10,086
<b>Income before tax</b>	<b>4,590</b>	<b>-451</b>	<b>5,041</b>	<b>5,572</b>	<b>1,546</b>	<b>4,026</b>

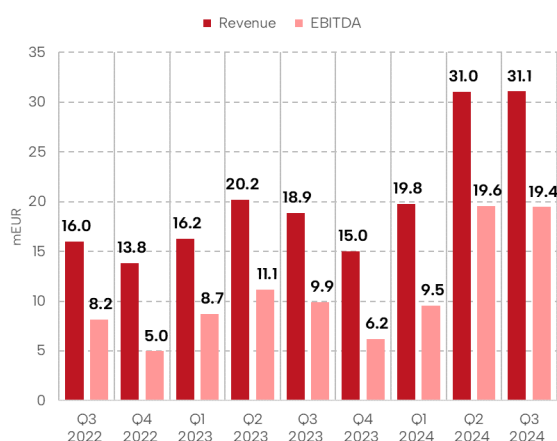
#### Review of the income statement for Q3 2024

The consolidated income statement for the ZITON Group shows revenue for Q3 2024 of EUR 31.1m, compared to revenue of EUR 18.9m in Q3 2023, an increase of 64%. The increase in revenue reflects that J/U WIND ENERGY went on time charter at the end of February 2024 as well as strong revenue growth from the three smaller vessels as the market for major component replacements was strong.

Vessel OPEX and project-related costs increased by EUR 2.4m from Q3 2023 to Q3 2024. The main reason was OPEX for J/U WIND ENERGY as well as OPEX for providing full-service solutions, which was at a strong level during Q3 2024.

SG&A increased to EUR 2.3m in Q3 2024 from EUR 2.1m in Q3 2023 mainly due to the employment of additional personnel to manage the operations of J/U WIND ENERGY.

EBITDA amounted to EUR 19.5m in Q3 2024 compared to EUR 9.9m in Q3 2023, an increase of 97%. The improvement was due to an increase in revenue reflecting that J/U WIND ENERGY went on time charter with Siemens Gamesa at the end of February 2024, as well as improved contribution from the three smaller vessels due to a stronger market for major component replacements.



Depreciation and impairment was at EUR 4.6m in Q3 2024 compared to EUR 2.9m in Q3 2023. The increase was largely related to depreciation of J/U WIND ENERGY.

Financials, net was an expense of EUR 10.3m in Q3 2024 compared to an expense of EUR 7.4m in Q3 2023. The increased financial costs were a consequence of the elevated reference rate (3m EURIBOR) for borrowings and increased debt to finance the purchase and upgrade of J/U WIND ENERGY.

#### Review of income statement YTD 2024

The consolidated income statement for the ZITON Group shows revenue for YTD 2024 of EUR 81.9m, compared to revenue of EUR 55.3m for YTD 2023, an increase of 48%. The increase in revenue reflects that J/U WIND ENERGY went on time charter at the end of February 2024 as well as strong revenue growth from the three smaller vessels as the market for major component replacements was strong.

Vessel OPEX and project related costs increased to EUR 26.2m for YTD 2024 from EUR 19.1m for YTD 2023. The main reason was OPEX for J/U WIND ENERGY as well as OPEX for providing full-service solutions, which was at a strong level for YTD 2024.

SG&A increased to EUR 7.1m for YTD 2024 from EUR 6.6m for YTD 2023 mainly due to the employment of additional personnel to manage the operations of J/U WIND ENERGY.

EBITDA amounted to EUR 48.6m for YTD 2024 compared to EUR 29.7m for YTD 2023, an increase of 64%. The improvement was due to an increase in revenue reflecting that J/U WIND ENERGY went on time charter with Siemens Gamesa at the end of February 2024, as well as improved contribution from the three smaller vessels due to a stronger market for

major component replacements, which was partly offset by one-off income of EUR 0.8m in Q1 2023 for J/U WIND ENTERPRISE.

Depreciation and impairment was at EUR 13.5m for YTD 2024 compared to EUR 8.7m for YTD 2023. The increase was largely related to depreciation of J/U WIND ENERGY.

Financials, net was an expense of EUR 29.5m for YTD 2024 compared to an expense of EUR 19.4m for YTD 2023. The increased financial costs mainly stemmed from the elevated reference rate (3m EURIBOR) for borrowings, increased debt to finance the purchase of J/U WIND ENERGY as well as higher interest margins on the debt following the refinancing in June 2023.

#### Reduction of bond loan margins

The terms of the first lien bond loan (ISIN NO0012928185) and the second lien bond loan (ISIN NO0012928169) include a definition of margins that if the leverage ratio is reduced below 4.25x the margin will be reduced by 300 bps. Similarly, for the ESG-linked loan the margin will be reduced by 270 bps.

The table below provides calculation of the leverage ratio at the end of Q3 2024. The leverage ratio is at 3.83x and thereby below 4.25x. The consequence is that the margins will be reduced on the bonds issued and the ESG loan from the next interest period. Therefore, the margin on the first lien bond loan will be reduced from 9 December 2024.

The consequence is that interest expenses will be reduced by around EUR 9m on an annual basis of which EUR 7m are cash interest expenses, thereby significantly improving cash flow.

<i>All figures in kEUR</i>	<i>EBITDA</i>
EBITDA Q4 2023	6,180
EBITDA Q1 2024	9,544
EBITDA Q2 2024	19,571
EBITDA Q3 2024	19,450
<b>LTM EBITDA Q3 2024</b>	<b>54,746</b>
Senior Interest bearing debt	237,212
- Cash and cash equivalents	27,593
<b>Net Interest Bearing Debt</b>	<b>209,619</b>
<b>Leverage ratio (NIBD/EBITDA)</b>	<b>3.83</b>



REVIEW OF THE BALANCE SHEET AT THE END OF Q3 2024

<i>EUR'000</i>	Q3 2024	Q3 2023	Change	Q3 2024	Q4 2023	Change
<b>Assets</b>						
Vessel, including fixtures & equipment	264,999	241,538	23,460	264,999	255,463	9,536
Other non-current assets	191	351	-159	191	231	-39
<b>Non-current assets</b>	<b>265,190</b>	<b>241,889</b>	<b>23,301</b>	<b>265,190</b>	<b>255,694</b>	<b>9,496</b>
Trade and other receivables	15,913	13,737	2,176	15,913	12,662	3,251
Cash and cash equivalents	27,593	49,346	-21,753	27,593	37,121	-9,529
<b>Current assets</b>	<b>43,506</b>	<b>63,082</b>	<b>-19,577</b>	<b>43,506</b>	<b>49,783</b>	<b>-6,277</b>
<b>Total assets</b>	<b>308,696</b>	<b>304,971</b>	<b>3,724</b>	<b>308,696</b>	<b>305,477</b>	<b>3,219</b>
<b>Equity and Liabilities</b>						
<b>Equity</b>	<b>24,644</b>	<b>23,476</b>	<b>1,168</b>	<b>24,644</b>	<b>19,072</b>	<b>5,572</b>
ESG loan	96,699	95,818	880	96,699	96,098	601
Bond loans, second lien	37,451	31,383	6,068	37,451	32,890	4,562
Bond loans, first lien	140,139	143,856	-3,716	140,139	144,502	-4,363
Lease obligations	374	509	-135	374	508	-134
Other liabilities	9,388	9,929	-541	9,388	12,406	-3,018
<b>Total liabilities</b>	<b>284,051</b>	<b>281,495</b>	<b>2,556</b>	<b>284,051</b>	<b>286,404</b>	<b>-2,353</b>
<b>Total equity and liabilities</b>	<b>308,696</b>	<b>304,971</b>	<b>3,724</b>	<b>308,696</b>	<b>305,477</b>	<b>3,219</b>

Review of the balance sheet

The total value of the vessels (including fixtures & equipment and leased offices) amounted to EUR 265.0m at the end of Q3 2024. This compares to EUR 255.5m at the end of 2023 and EUR 241.5m at the end of Q3 2023. The increases of EUR 9.5m and EUR 23.5m respectively were mainly due to the purchase of J/U WIND ENERGY in June 2023 and subsequent costs for the upgrade of the vessel.

Trade and other receivables amounted to EUR 15.9m at the end of Q3 2024 compared to EUR 12.7m at the end of 2023. The increase was mainly related to J/U WIND ENERGY initiating the time charter at the end of February 2024.

Cash and cash equivalents amounted to EUR 27.6m at the end of Q3 2024 compared to EUR 37.1m at the end of 2023. The reduction in cash was due to a reduction of the deposit on the CAPEX-accounts from EUR 17.5m to EUR 3.0m, as well as higher trade receivables.

Equity was positive at EUR 24.6m at the end of Q3 2024, compared to EUR 19.1m at the end of 2023 and EUR 23.5m at the end of Q3 2023. The increases were mainly due to profit during the period.

ESG loan and first lien bond loans collectively amounted to EUR 236.8m at the end of Q3 2024, compared to EUR 240.6m at the end of 2023 and EUR 239.7m at the end of Q3 2023. The changes were a consequence of amortisation partly offset by amortisation of capitalised loan costs.

Bond loans, second lien amounted to EUR 37.5m at the end of Q3 2024, compared to EUR 32.9m at the end of 2023 and EUR 31.4m at the end of Q2 2023. The changes were a consequence of accrual of interest on the loan.

The working capital facility was unutilised both at the end of Q3 2023, Q4 2023 and Q3 2024.

## REVIEW OF STATEMENT OF CASH FLOWS

<i>EUR'000</i>	Q3 2024	Q3 2023	Change	YTD 2024	YTD 2023	Change
<b>EBITDA</b>	<b>19,450</b>	<b>9,874</b>	<b>9,576</b>	<b>48,565</b>	<b>29,695</b>	<b>18,870</b>
Working capital adjustments	9,997	4,835	5,162	-6,267	715	-6,982
Other adjustments	62	-474	536	-28	-112	84
Income tax expense	-	-	-	-3	-	-3
<b>Net cash flows from operating activities</b>	<b>29,509</b>	<b>14,235</b>	<b>15,274</b>	<b>42,268</b>	<b>30,299</b>	<b>11,970</b>
Financial payments, net	-7,959	-4,385	-3,573	-22,481	-18,246	-4,236
<b>Net cash before investing activities</b>	<b>21,550</b>	<b>9,850</b>	<b>11,700</b>	<b>19,787</b>	<b>12,053</b>	<b>7,734</b>
Investing activities	-3,754	-18,317	14,563	-23,085	-75,125	52,040
<b>Net cash flows after investing activities</b>	<b>17,797</b>	<b>-8,467</b>	<b>26,264</b>	<b>-3,298</b>	<b>-63,072</b>	<b>59,774</b>
Financing activities	-3,670	-224	-3,446	-6,230	107,811	-114,042
<b>Net cash flows after financing activities</b>	<b>14,127</b>	<b>-8,691</b>	<b>22,817</b>	<b>-9,529</b>	<b>44,739</b>	<b>-54,268</b>
<b>Available liquidity</b>	<b>Q3 2024</b>	<b>Q2 2024</b>	<b>Q1 2024</b>	<b>Q4 2023</b>	<b>Q3 2023</b>	
<b>Cash and cash equivalents</b>	<b>31,415</b>	<b>17,369</b>	<b>16,542</b>	<b>39,902</b>	<b>52,087</b>	
Cash on retention account	3,822	3,904	2,774	2,781	2,741	
<b>Liquidity</b>	<b>27,593</b>	<b>13,466</b>	<b>13,768</b>	<b>37,121</b>	<b>49,346</b>	
Available draw on working capital facility	6,720	6,720	5,909	6,720	6,720	
<b>Available liquidity</b>	<b>34,313</b>	<b>20,186</b>	<b>19,677</b>	<b>43,842</b>	<b>56,066</b>	
Amount on CAPEX accounts	-3,045	-3,045	-3,042	-17,522	-29,350	
<b>Available liquidity (net of CAPEX accounts)</b>	<b>31,268</b>	<b>17,141</b>	<b>16,635</b>	<b>26,320</b>	<b>26,717</b>	

### Review of the cash flow statement

Cash flows from operating activities were an inflow of EUR 29.5m in Q3 2024 compared to an inflow of EUR 14.2m in Q3 2023. For YTD 2024 the cash inflow amounted to EUR 42.3m compared to an inflow of EUR 30.3m in YTD 2023. The cash flow is driven by EBITDA and working capital adjustments.

Working capital adjustments amounted to EUR 10.0m for Q3 2024 compared to EUR 4.8m for Q3 2023. For YTD 2024 working capital adjustments amounted to negative EUR 6.3m compared to EUR 0.7m for YTD 2023. Negative working capital adjustments were related to J/U WIND ENERGY initiating the time charter at the end of February 2024, thereby increasing trade receivables. In addition, trade payables for CAPEX for the upgrade of J/U WIND ENERGY were reduced as the upgrade of the vessel was completed during Q1 2024.

Financial payments, net amounted to EUR 8.0m in Q3 2024 compared to EUR 4.4m in Q3 2023. For YTD 2024 financial payments, net amounted to EUR 22.5m compared to EUR 18.2m for YTD 2023. The increased financial payments were a consequence of the elevated reference rate (3m EURIBOR) for borrowings and increased debt to finance the purchase and upgrade of J/U WIND ENERGY.

Investing activities amounted to an outflow of EUR 3.8m in Q3 2024 compared to an outflow of EUR 18.3m in Q3 2023. For YTD 2024 investing activities

amounted to EUR 23.1m compared to EUR 75.1m for YTD 2023. The high outflow for YTD 2023 was related to the purchase of J/U WIND ENERGY in June 2023. The high outflow for YTD 2024 was mainly related to upgrade of J/U WIND ENERGY.

Financing activities amounted to a cash outflow of EUR 3.7m in Q3 2024 compared to an outflow of EUR 0.2m in Q3 2023. For YTD 2024 financing activities amounted to an outflow of EUR 6.2m compared to an inflow of EUR 107.8m in for YTD 2023. The outflow for YTD 2024 was mainly related to the initiation of amortisation on the first lien bond loan. The inflow for YTD 2023 were mainly net proceeds from the refinancing in June 2023 which were used for the purchase and upgrade of J/U WIND ENERGY.

Available liquidity including available drawings on our working capital facility amounted to EUR 31.3m at the end of Q3 2024 compared to EUR 26.3m at the end of Q4 2023. The improvement was due to positive cash flow during the period.

### Liquidity covenant

The terms of the bonds and loans involves that the only covenant applicable from end of Q2 2023 until Q3 2024, is the covenant of minimum available liquidity of EUR 15m. At the end of Q3 2024, available liquidity, excluding balances on CAPEX-accounts (EUR 3.0m) amounted to EUR 31.3m, thereby exceeding the covenant.

Consolidated financial statements for ZITON A/S

<i>EUR'000</i>	Note	Q3 2024	Q3 2023	YTD 2024	YTD 2023
<b>Revenue</b>	1	<b>31,064</b>	<b>18,885</b>	<b>81,865</b>	<b>55,330</b>
Other operating income		-	-	7	-
Project-related expenses		-1,118	-1,225	-2,515	-2,526
Operational expenses		-8,239	-5,691	-23,726	-16,546
<b>Gross profit</b>		<b>21,707</b>	<b>11,970</b>	<b>55,631</b>	<b>36,257</b>
Administrative expenses		-513	-506	-1,626	-1,675
Staff costs, office staff		-1,745	-1,590	-5,439	-4,887
<b>EBITDA</b>		<b>19,450</b>	<b>9,874</b>	<b>48,565</b>	<b>29,695</b>
Depreciation & amortisation		-4,577	-2,936	-13,477	-8,719
<b>EBIT</b>		<b>14,873</b>	<b>6,938</b>	<b>35,089</b>	<b>20,977</b>
Financial income		330	448	575	517
Financial expenses		-10,612	-7,837	-30,092	-19,948
<b>Income before tax</b>		<b>4,590</b>	<b>-451</b>	<b>5,572</b>	<b>1,546</b>
Tax on profit (loss)		-1	-1	-3	-2
<b>Income for the year</b>		<b>4,590</b>	<b>-452</b>	<b>5,568</b>	<b>1,544</b>
<i>Attributable to:</i>					
Owners of ZITON A/S		4,597	-449	5,586	1,559
Non-controlling interest - Profit/loss		-7	-3	-18	-15
<b>Income for the year</b>		<b>4,590</b>	<b>-452</b>	<b>5,568</b>	<b>1,544</b>

STATEMENT OF COMPREHENSIVE INCOME

<i>EUR'000</i>	Note	Q3 2024	Q3 2023	YTD 2024	YTD 2023
<b>Income for the year</b>		<b>4,590</b>	<b>-452</b>	<b>5,568</b>	<b>1,544</b>
<i>Items that will be reclassified subsequently to the</i>					
Exchange adjustments of foreign entities, net of tax		9	-22	4	-34
<b>Total comprehensive income for the year, after tax</b>		<b>4,599</b>	<b>-474</b>	<b>5,572</b>	<b>1,510</b>
<i>Attributable to:</i>					
Owners of ZITON A/S		4,606	-472	5,590	1,525
Non-controlling interest - Profit/loss		-7	-3	-18	-15
<b>Total comprehensive income for the year, after tax</b>		<b>4,599</b>	<b>-474</b>	<b>5,572</b>	<b>1,510</b>

<i>EUR'000</i>	Note	Q3 2024	Q3 2023	Q4 2023
<b>Assets</b>				
<b>Non-current assets</b>				
Vessel, including fixtures & equipment	2	264,999	241,538	255,463
Intangible assets		153	215	192
Deferred tax asset		39	136	39
<b>Non-current assets</b>		<b>265,190</b>	<b>241,889</b>	<b>255,694</b>
<b>Current assets</b>				
Inventories		250	237	310
Contract assets		3,193	-	1,717
Trade and other receivables		12,470	13,499	10,635
Cash and cash equivalents		27,593	49,346	37,121
<b>Current assets</b>		<b>43,506</b>	<b>63,082</b>	<b>49,783</b>
<b>Total assets</b>		<b>308,696</b>	<b>304,971</b>	<b>305,477</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Share capital		54	54	54
Reserves		-149	-158	-152
Retained earnings		24,687	23,446	19,101
<b>Total equity attributable to owners of ZITON A/S</b>		<b>24,592</b>	<b>23,342</b>	<b>19,003</b>
Non-controlling interest		52	135	70
<b>Total equity</b>		<b>24,644</b>	<b>23,476</b>	<b>19,072</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
ESG loan		96,699	95,818	96,098
Bond loans, second lien		37,451	31,383	32,890
Bond loans, first lien		126,635	140,138	136,815
Lease obligations		142	335	276
<b>Total non-current liabilities</b>		<b>260,927</b>	<b>267,675</b>	<b>266,079</b>
<b>Current liabilities</b>				
Bond loans, first lien		13,504	3,717	7,687
Lease obligations		232	174	232
Tax payable		3	-	6
Trade and other payables		6,521	7,486	9,284
Provision for other liabilities		2,864	2,443	3,116
<b>Total current liabilities</b>		<b>23,124</b>	<b>13,820</b>	<b>20,325</b>
<b>Total liabilities</b>		<b>284,051</b>	<b>281,495</b>	<b>286,404</b>
<b>Total equity and liabilities</b>		<b>308,696</b>	<b>304,971</b>	<b>305,477</b>

<i>EUR'000</i>	Note	Q3 2024	Q3 2023	YTD 2024	YTD 2023
<b>Income before tax</b>		<b>4,590</b>	<b>-451</b>	<b>5,572</b>	<b>1,546</b>
<b><i>Operating activities</i></b>					
<i>Adjustments for non-cash items</i>					
Reversal financial expenses, net		10,282	7,389	29,517	19,431
Depreciation and writedowns of the period		4,577	2,936	13,477	8,719
Other adjustments		62	-474	-28	-112
<i>Working capital adjustments</i>					
Change in inventories		46	75	60	182
Change in trade receivables		7,990	2,626	-3,311	-3,422
Change in trade payables		1,961	2,134	-3,015	3,955
<i>Income tax expense</i>					
Income tax expense		-	-	-3	-
<b>Net cash flows from operating activities</b>		<b>29,509</b>	<b>14,235</b>	<b>42,268</b>	<b>30,299</b>
<i>Financial payments</i>					
Financial receipts		233	454	575	517
Financial payments		-8,192	-4,839	-23,057	-18,763
<b>Net cash flows before investing activities</b>		<b>21,550</b>	<b>9,850</b>	<b>19,787</b>	<b>12,053</b>
<b><i>Investing activities</i></b>					
Purchase of Tangible Fixed Assets		-3,754	-18,676	-23,116	-75,346
Disposal of Tangible Fixed Assets		-	374	31	364
Purchase of Intangible Fixed Assets		-	-15	-	-143
<b>Net cash used in investing activities</b>		<b>-3,754</b>	<b>-18,317</b>	<b>-23,085</b>	<b>-75,125</b>
<b><i>Financing activities</i></b>					
Repayments of loans		-3,595	-	-5,995	-172,365
Loan costs		-	-162	-89	-9,377
Proceeds from borrowings		-	-	-	281,339
Draw on working capital facility		-	-1	-	-6,248
Capital injection from parent		-	-	-	14,996
Cost of capital increase		-	0	-	-334
Lease payments		-75	-61	-147	-200
<b>Net cash used/received in financing activities</b>		<b>-3,670</b>	<b>-224</b>	<b>-6,230</b>	<b>107,811</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>14,127</b>	<b>-8,691</b>	<b>-9,529</b>	<b>44,739</b>
Cash and cash equivalents at beginning of period		13,466	58,036	37,121	4,607
<b>Net cash and cash equivalents at end of period</b>		<b>27,593</b>	<b>49,346</b>	<b>27,593</b>	<b>49,346</b>

STATEMENT OF CHANGES IN EQUITY  
YTD 2024

EUR'000	Attributable to owners of ZITON A/S					Non-controlling interests	Total equity
	Share capital	Translation reserves	Total reserves	Retained earnings	Total		
Balance at 31 December 2023	54	-152	-152	19,101	19,002	70	19,072
Total comprehensive income, after tax	-	4	4	5,586	5,590	-18	5,572
Balance at YTD	54	-149	-149	24,687	24,592	52	24,644

Share capital

At the end of Q3 2024, the share capital consisted of 400,000 shares of DKK 1 each (EUR 54k). The share capital is unchanged from last year. The company has only one class of shares owned by Zappy Topco ApS. Permira Credit Solutions III Sub Master Euro S.à.r.l. is the controlling shareholder of ZITON A/S holding 55% of the voting shares in Zappy Topco ApS.

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 2023

EUR'000	Attributable to owners of ZITON A/S					Non-controlling interest	Total equity
	Share capital	Translation reserves	Total reserves	Retained earnings	Total		
Balance at 31 December 2022	54	-124	-124	7,225	7,154	150	7,304
Total comprehensive income, after tax	-	-34	-34	1,559	1,525	-15	1,510
Capital increase in parent	-	-	-	14,996	14,996	-	14,996
Cost of capital increase	-	-	-	-334	-334	-	-334
Balance at YTD	54	-158	-158	23,446	23,342	135	23,476

Share capital

At the end of Q3 2023, the share capital consisted of 400,000 shares of DKK 1 each (EUR 54k). In June 2023, Zappy Topco ApS provided a capital contribution to ZITON A/S of EUR 15m.

## 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 non long-term time charter revenue is based on the country in which the wind farm is located (revenue recognised point in time). For long-term time charter contracts, the geographical distribution is based on the country in which the customer is invoiced (revenue recognised over time).

<i>EUR'000</i>	Q3 2024	Q3 2023	YTD 2024	YTD 2023
<b>Non long-term time charter (revenue recognised point in time)</b>				
United Kingdom	13,183	8,127	37,378	24,212
Denmark	6,813	6,355	14,635	14,944
Germany	-	-	1,518	1,277
Netherlands	-	-	1	1
Sweden	-	-	-	1,103
<b>Total non long-term time charter</b>	<b>19,996</b>	<b>14,482</b>	<b>53,533</b>	<b>41,537</b>
<b>Long-term time charter (revenue recognised over time)</b>				
Denmark	11,068	4,404	28,332	13,792
<b>Total long-term time charter</b>	<b>11,068</b>	<b>4,404</b>	<b>27,821</b>	<b>13,792</b>
<b>Total revenue</b>	<b>31,064</b>	<b>18,885</b>	<b>81,865</b>	<b>55,330</b>

During Q3 2024, sales to the largest customers, accounting for more than 10% of revenue, made up 42% and 36% of total revenue (2023: 34%, 28%, 18%, and 17%).

### Leases

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

The amount of revenue stated in the table above 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 recognized 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 2024 EUR'000	Property	Fixtures & equipment	Vessels	Total
Cost at 1 January 2024	885	5,490	340,681	347,056
Exchange rate adjustments	-	-2	-132	-134
Additions	-	679	22,353	23,032
Additions to leased assets (Right-of-use assets)	-	88	-	88
Disposals of leased assets (Right-of-use assets)	-	-51	-	-51
<b>Cost YTD</b>	<b>885</b>	<b>6,204</b>	<b>362,902</b>	<b>369,991</b>
Depreciation at 1 January 2024	-597	-1,830	-88,857	-91,284
Exchange rate adjustments	1	2	27	29
Depreciation	-	-378	-12,880	-13,259
Depreciation on leased assets (Right-of-use assets)	-108	-76	-	-184
Disposals of leased assets (Right-of-use assets)	-	15	-	15
<b>Depreciation YTD</b>	<b>-704</b>	<b>-2,268</b>	<b>-101,711</b>	<b>-104,683</b>
Impairment losses at 1 January 2024	-	-309	-	-309
<b>Carrying amount YTD</b>	<b>180</b>	<b>3,627</b>	<b>261,191</b>	<b>264,999</b>
Q3 2023 EUR'000	Property	Fixtures & equipment	Vessels	Total
Cost at 1 January 2023	1,121	4,044	251,186	256,351
Exchange rate adjustments	-15	-12	-535	-562
Additions	-	1,203	74,073	75,276
Disposals	-	-13	-378	-391
Additions to leased assets (Right-of-use assets)	24	-	-	24
Disposals of leased assets (Right-of-use assets)	-246	-82	-	-328
<b>Cost YTD</b>	<b>885</b>	<b>5,141</b>	<b>324,346</b>	<b>330,371</b>
Depreciation at 1 January 2023	-1,017	-1,191	-78,090	-80,298
Exchange rate adjustments	11	5	57	73
Depreciation	-	-245	-8,200	-8,445
Disposals	-	-403	5	-398
Depreciation on leased assets (Right-of-use assets)	-133	-73	-	-205
Disposals of leased assets (Right-of-use assets)	587	68	-	655
<b>Depreciation YTD</b>	<b>-552</b>	<b>-1,838</b>	<b>-86,228</b>	<b>-88,619</b>
Impairment losses at 1 January 2023	-	-214	-	-214
<b>Carrying amount YTD</b>	<b>333</b>	<b>3,088</b>	<b>238,117</b>	<b>241,538</b>

### 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 2023, 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, and ZITON's expected market share.
- 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 the fair value. The budget used for impairment testing is based on a five-year period, including a terminal period.

Management's assessment of indication 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 11.0% (2023: 11.0%) 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 265.0m. 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 2023, no significant changes have occurred to contingent assets and liabilities other than those referred to in the annual report for 2023.

### Note 4 – Related party transactions

Since the end of 2023 no significant changes have occurred to related parties or types of transactions with these parties other than what was disclosed in the annual report for 2023.

### 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 2023 except for the adoption of new standards effective as of 1 January 2024. 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.

In June 2023, completed refinancing of existing debt to simplify and extend its capital structure. Therefore the balance sheet presented in this interim report reflects the strengthening of the capital structure and liquidity of the company following the refinancing.

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 company's debt to minimum five years. The first lien bonds will hereafter mature on 9 June 2028, ESG-loan on 13 June 2028 and the second lien bonds on 9 December 2028.
- Conversion of EUR 15m of second lien bonds into equity, thereby increasing the company's equity.
- Net liquidity improvement of EUR 13.3m.

Management assesses the entity's ability to continue as a going concern to be met and the consolidated financial statements 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 50–52 and note 4.1 "Risk management" on page 106–107 of the 2023 annual report.

### Management statement

The Board of Directors and Executive Management have considered and approved the interim report for ZITON A/S for Q3 2024. The interim report has not been audited or reviewed by the company's independent auditors.

The interim report for Q3 2024 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 2024, and of the results of the ZITON's operations and cash flow from 1 January 2024 to 30 September 2024.

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, 29 October 2024

Executive Management

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Thorsten Jalk  
CEO

Board of Directors

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Samuel Martin Gross  
Chairman

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Jon Oliver Bryce

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Lars Rabe Tønnesen

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Thorsten Jalk

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Jens Michael Haurum

### Financial calendar 2024

Interim report Q4 2024 – 28 February 2025

Annual report 2024 – 30 April 2025

### For further information, please contact

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