



ZITON



Interim report
Q4 2024

ZITON A/S
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Highlights of the report

Highlights of Q4 2024

- EBITDA amounted to EUR 8.6m in Q4 2024 compared to EUR 6.2m in Q4 2023, an increase of 38%. 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.
- On 7 January 2025, closing of the transaction was completed whereby Macquarie Asset Management, (“Macquarie”) via Macquarie European Infrastructure Fund 7, acquired all issued and outstanding shares of Zappy TopCo ApS and its wholly-owned subsidiary ZITON A/S (“the Transaction”).
- The following sets out our KPI guidance for 2025:
 - **Weighted average utilisation rate.** We expect a utilisation rate in the range of 95-100%.
 - **EBITDA.** We expect EBITDA to be in the range of EUR 60-65m.
 - **Cash flow from operating activities.** We expect cash flows from operating activities to be in the range of EUR 58-63m.
 - **CAPEX.** We expect CAPEX EUR 24-28m including CAPEX for leg extension on J/U WIND ENERGY.

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's acquisition of ZITON

On 7 January 2025, closing of the transaction was completed whereby Macquarie Asset Management, ("Macquarie") via Macquarie European Infrastructure Fund 7, acquired all issued and outstanding shares of Zappy TopCo ApS and its wholly-owned subsidiary ZITON A/S ("the Transaction").

Following the completion of the Transaction, no immediate changes were introduced for 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 retained in the capital structure, and Macquarie has purchased the second lien bond (ISIN NO0012928169).

Contract developments

There has been no changes to contracts since the publication of the interim report for Q3 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 was not completed during the low season 2024/2025 and may therefore be completed during the low season 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.
- 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 Q4 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.

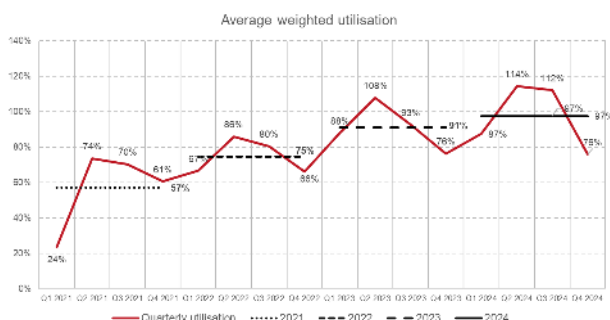
Vessel operations

J/U WIND ENERGY went on time charter with Siemens Gamesa at the end of February 2024. J/U WIND ENERGY and J/U WIND ENTERPRISE both continue to operate on time charter with Siemens Gamesa. During Q4 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 Q4 2024 was 76%, compared to a utilisation rate of 76% in Q4 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 in between installation projects for turbines in the 6–11 MW segment.

Outlook for 2025

The outlook for 2025, is based on the following key assumptions:

- We expect a positive contribution from the full-year effect of Siemens Gamesa time charter for J/U WIND ENERGY that was initiated at the end of February 2024. However, in late 2025 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 the day rate is set to increase significantly by mid-year 2025, according to the terms of contract extension signed in April 2023.
- 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 following sets out our KPI guidance for 2025:

- **Weighted average utilisation rate.** We expect a utilisation rate in the range of 95–100%.
- **EBITDA.** We expect EBITDA to be in the range of EUR 60–65m.
- **Cash flow from operating activities.** We expect cash flows from operating activities to be in the range of EUR 58–63m.
- **CAPEX.** We expect CAPEX to be in the range of EUR 24–28m including CAPEX for leg extension on J/U WIND ENERGY.

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	Q4 2024	Q4 2023	Change	YTD 2024	YTD 2023	Change
Revenue	22,660	14,783	7,877	104,526	70,113	34,412
Other operating income	8	205	-197	15	205	-189
OPEX and project-related expenses	-10,893	-6,374	-4,519	-37,135	-25,446	-11,688
SG&A	-3,209	-2,434	-775	-10,275	-8,996	-1,279
EBITDA	8,566	6,180	2,386	57,132	35,875	21,256
Depreciation, amortisation & impairment	-4,726	-3,103	-1,623	-18,203	-11,821	-6,381
EBIT	3,840	3,077	763	38,929	24,054	14,875
Financials, net	-9,525	-7,424	-2,101	-39,041	-26,855	-12,187
Income before tax	-5,684	-4,346	-1,338	-112	-2,801	2,688

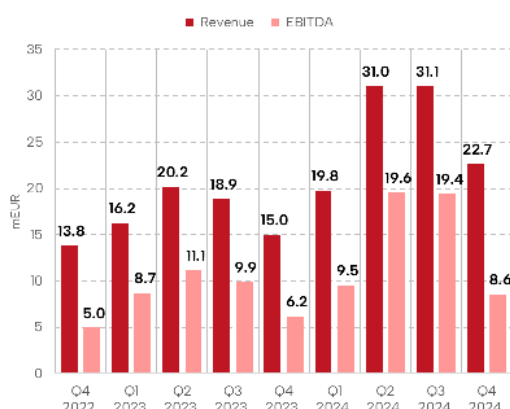
Review of the income statement for Q4 2024

The consolidated income statement for the ZITON Group shows revenue for Q4 2024 of EUR 22.7m, compared to revenue of EUR 14.8m in Q4 2023, an increase of 51%. 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 4.5m from Q4 2023 to Q4 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 Q4 2024.

SG&A increased to EUR 3.2m in Q4 2024 from EUR 2.4m in Q4 2023 mainly due to one-off transaction costs related to the sale of ZITON A/S as well as employment of additional personnel to manage the operations of J/U WIND ENERGY.

EBITDA amounted to EUR 8.6m in Q4 2024 compared to EUR 6.2m in Q4 2023, an increase of 38%. 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, amortisation & impairment was at EUR 4.7m in Q4 2024 compared to EUR 3.1m in Q4 2023. The increase was largely related to depreciation of J/U WIND ENERGY.

Financials, net was an expense of EUR 9.5m in Q4 2024 compared to an expense of EUR 7.4m in Q4 2023. The increased financial costs were a consequence of increased debt to finance the purchase and upgrade of J/U WIND ENERGY.

Review of income statement for 2024

The consolidated income statement for the ZITON Group shows revenue for 2024 of EUR 104.5m, compared to revenue of EUR 70.1m for 2023, an increase of 49%. 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 37.1m for 2024 from EUR 25.4m for 2023. The main reason was OPEX for J/U WIND ENERGY as well as costs for providing full-service solutions, which was at a strong level for 2024.

SG&A increased to EUR 10.3m for 2024 from EUR 9.0m for 2023 mainly due to one-off transaction costs related to the sale of ZITON A/S as well as employment of additional personnel to manage the operations of J/U WIND ENERGY.

EBITDA amounted to EUR 57.1m for 2024 compared to EUR 35.9m for 2023, an increase of 59%. 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 and one-off transaction costs related to the sale of ZITON A/S.

Depreciation, amortisation & impairment was at EUR 18.2m for 2024 compared to EUR 11.8m for 2023. The increase was largely related to depreciation of J/U WIND ENERGY.

Financials, net was an expense of EUR 39.0m for 2024 compared to an expense of EUR 26.9m for 2023. The increased financial costs were a consequence of increased debt to finance the purchase and upgrade of J/U WIND ENERGY as well as higher interest margins on the debt following the refinancing in June 2023.

REVIEW OF THE BALANCE SHEET AT THE END OF 2024

EUR'000	Q4 2024	Q4 2023	Change
Assets			
Vessel, including fixtures & equipment	264,035	255,463	8,572
Other non-current assets	128	231	-103
Non-current assets	264,163	255,694	8,469
Trade and other receivables	16,805	12,662	4,143
Cash and cash equivalents	21,947	37,121	-15,175
Current assets	38,751	49,783	-11,032
Total assets	302,914	305,477	-2,563
Equity and Liabilities			
Equity	18,884	19,072	-188
ESG loan	96,907	96,098	810
Bond loans, second lien	38,927	32,890	6,037
Bond loans, first lien	136,931	144,502	-7,572
Lease obligations	485	508	-23
Working capital facility	-	-	-
Other liabilities	10,781	12,406	-1,626
Total liabilities	284,030	286,404	-2,374
Total equity and liabilities	302,914	305,477	-2,562
Key ratios			
NIBD (adjusted for capitalised financing costs)	212,376	203,987	8,389
LTM EBITDA	57,132	35,875	21,256
Leverage ratio	3.72	5.69	-1.97
Cash interest expenses	29,716	28,395	1,321
LTM EBITDA	57,132	35,875	21,256
Interest cover ratio	1.92	1.26	0.66

Review of the balance sheet

The total value of the vessels (including fixtures & equipment and leased offices) amounted to EUR 264.0m at the end of 2024. This compares to EUR 255.5m at the end of 2023. The increases of EUR 8.6m was 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 16.8m at the end of 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 21.9m at the end of 2024 compared to EUR 37.1m at the end of 2023. The reduction in cash was mainly due to a reduction of the deposit on the CAPEX-accounts from EUR 17.5m to EUR 3.0m.

Equity was positive at EUR 18.9m at the end of 2024, compared to EUR 19.1m at the end of 2023. The decline was mainly due to negative net income for the year.

ESG loan and first lien bond loans collectively amounted to EUR 233.8m at the end of 2024, compared to EUR 240.6m at the end of 2023. The change was a consequence of amortisation partly offset by amortisation of capitalised loan costs.

Bond loans, second lien amounted to EUR 38.9m at the end of 2024, compared to EUR 32.9m at the end of 2023. The changes were a consequence of accrual of interest on the loan.

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

Covenants

According to the terms of ZITON's bonds and loans, the liquidity covenant expired and was replaced by covenants for leverage ratio and interest cover ratio.

The leverage ratio shall be below 6.00x from and including year-end 2024. At the end of 2024, the leverage ratio was at 3.7x and therefore well below the covenant of maximum 6.0x and a reduction from 5.7x at the end of 2023.

Interest cover ratio shall be above 1.25x from and including year-end 2024. At the end of 2024, the interest cover ratio was at 1.92x and therefore well above the covenant of minimum 1.25x and an increase from 1.26x at the end of 2023.

REVIEW OF STATEMENT OF CASH FLOWS

<i>EUR'000</i>	Q4 2024	Q4 2023	Change	YTD 2024	YTD 2023	Change
EBITDA	8,566	6,180	2,386	57,132	35,875	21,256
Working capital adjustments	475	3,547	-3,071	-5,791	4,262	-10,053
Other adjustments	-68	37	-105	-86	-78	-8
Income tax expense	-	-2	2	-7	-2	-5
Net cash flows from operating activities	8,974	9,762	-788	51,247	40,057	11,190
Financial payments, net	-7,235	-5,016	-2,219	-29,716	-23,262	-6,454
Net cash before investing activities	1,739	4,746	-3,007	21,531	16,796	4,736
Investing activities	-3,889	-16,858	12,969	-26,974	-91,984	65,010
Net cash flows after investing activities	-2,150	-12,112	9,962	-5,443	-75,188	69,745
Financing activities	-3,496	-112	-3,384	-9,732	107,703	-117,435
Net cash flows after financing activities	-5,646	-12,224	6,579	-15,175	32,515	-47,689
Available liquidity	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	
Cash and cash equivalents	25,118	31,406	17,368	16,539	39,900	
Cash on retention account	3,172	3,822	3,904	2,774	2,781	
Liquidity	21,946	27,584	13,465	13,765	37,119	
Available draw on working capital facility	6,720	6,720	6,720	5,909	6,720	
Available liquidity	28,666	34,304	20,185	19,674	43,840	
Amount on CAPEX accounts	-3,197	-3,045	-3,045	-3,042	-17,522	
Available liquidity (net of CAPEX accounts)	25,469	31,259	17,140	16,632	26,318	

Review of the cash flow statement

Cash flows from operating activities were an inflow of EUR 9.0m in Q4 2024 compared to an inflow of EUR 9.8m in Q4 2023. For 2024 the cash inflow amounted to EUR 51.2m compared to an inflow of EUR 40.1m in 2023. The cash flow is driven by EBITDA and working capital adjustments.

Working capital adjustments amounted to EUR 0.5m for Q4 2024 compared to EUR 3.5m for Q4 2023. For 2024, working capital adjustments amounted to negative EUR 5.8m compared to positive EUR 4.3m for 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 largely completed during Q1 2024.

Financial payments, net amounted to EUR 7.2m in Q4 2024 compared to EUR 5.0m in Q4 2023. For 2024 financial payments, net amounted to EUR 29.7m compared to EUR 23.3m for 2023. The increased financial payments were a consequence of increased debt to finance the purchase and upgrade of J/U WIND ENERGY as well as higher interest margins on the debt following the refinancing in June 2023.

Investing activities amounted to an outflow of EUR 3.9m in Q4 2024 compared to an outflow of EUR 16.9m in Q4 2023. For 2024 investing activities amounted to EUR 27.0m compared to EUR 92.0m for 2023. For 2024, EUR 18.0m were related to the upgrade of J/U WIND ENERGY and EUR 9.0m were related to the other vessels. The leg extension for J/U WIND ENERGY was not completed during the low season 2024/2025 resulting in lower than anticipated CAPEX.

Financing activities amounted to a cash outflow of EUR 3.5m in Q4 2024 compared to an outflow of EUR 0.1m in Q4 2023. For 2024 financing activities amounted to an outflow of EUR 9.7m compared to an inflow of EUR 107.7m in for 2023. The outflow for 2024 was mainly related to the initiation of amortisation on the first lien bond loan. The inflow for 2023 was mainly net proceeds from the refinancing completed 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 25.5m at the end of 2024 compared to EUR 26.3m at the end of 2023.

Consolidated financial statements for ZITON A/S

INCOME STATEMENT

<i>EUR'000</i>	Note	Q4 2024	Q4 2023	YTD 2024	YTD 2023
Revenue	1	22,660	14,783	104,526	70,113
Other operating income		8	205	15	205
Project-related expenses		-1,634	-728	-4,149	-3,255
Operational expenses		-9,259	-5,646	-32,985	-22,192
Gross profit		11,775	8,614	67,406	44,871
Administrative expenses		-1,388	-529	-3,014	-2,204
Staff costs, office staff		-1,822	-1,906	-7,261	-6,792
EBITDA		8,566	6,180	57,132	35,875
Depreciation, amortisation & impairment		-4,726	-3,103	-18,203	-11,821
EBIT		3,840	3,077	38,929	24,054
Financial income		198	428	773	875
Financial expenses		-9,722	-7,851	-39,815	-27,729
Income before tax		-5,684	-4,346	-112	-2,801
Tax on profit (loss)		-65	-16	-68	-18
Income for the year		-5,749	-4,363	-180	-2,819
<i>Attributable to:</i>					
Owners of ZITON A/S		-5,674	-4,298	-87	-2,738
Non-controlling interest - Profit/loss		-75	-65	-93	-80
Income for the year		-5,749	-4,363	-180	-2,819

STATEMENT OF COMPREHENSIVE INCOME

<i>EUR'000</i>	Note	Q4 2024	Q4 2023	YTD 2024	YTD 2023
Income for the year		-5,749	-4,363	-180	-2,819
<i>Items that will be reclassified subsequently to the</i>					
Exchange adjustments of foreign entities, net of tax		-12	12	-8	-28
Total comprehensive income for the year, after tax		-5,761	-4,351	-188	-2,847
<i>Attributable to:</i>					
Owners of ZITON A/S		-5,686	-4,286	-95	-2,766
Non-controlling interest - Profit/loss		-75	-65	-93	-80
Total comprehensive income for the year, after tax		-5,761	-4,351	-188	-2,847

<i>EUR'000</i>	Note	Q4 2024	Q4 2023
Assets			
Non-current assets			
Vessel, including fixtures & equipment	2	264,035	255,463
Intangible assets		128	192
Financial assets		-	-
Deferred tax asset		-	39
Non-current assets		264,163	255,694
Current assets			
Inventories		228	310
Contract assets		793	1,717
Trade and other receivables		15,784	10,635
Cash and cash equivalents		21,947	37,121
Current assets		38,751	49,783
Total assets		302,914	305,477
Equity and Liabilities			
Equity			
Share capital		54	54
Reserves		-160	-152
Retained earnings		19,014	19,101
Total equity attributable to owners of ZITON A/S		18,907	19,002
Non-controlling interest		-23	70
Total equity		18,884	19,072
Liabilities			
Non-current liabilities			
ESG loan		92,905	96,098
Bond loans, second lien		38,927	32,890
Bond loans, first lien		120,740	136,815
Lease obligations		201	276
Deferred income tax liabilities		17	-
Total non-current liabilities		252,790	266,079
Current liabilities			
ESG loan		4,003	-
Bond loans, first lien		16,191	7,687
Lease obligations		284	232
Working capital facility		-	-
Tax payable		11	6
Trade and other payables		7,215	9,284
Provision for other liabilities		3,537	3,116
Total current liabilities		31,240	20,325
Total liabilities		284,030	286,404
Total equity and liabilities		302,914	305,477

STATEMENT OF CASH FLOWS

<i>EUR'000</i>	Note	Q4 2024	Q4 2023	YTD 2024	YTD 2023
Income before tax		-5,684	-4,346	-112	-2,801
<i>Operating activities</i>					
<i>Adjustments for non-cash items</i>					
Reversal financial expenses, net		9,525	7,424	39,041	26,855
Depreciation and writedowns of the period		4,726	3,103	18,203	11,821
Other adjustments		-68	37	-86	-78
<i>Working capital adjustments</i>					
Change in inventories		22	-72	82	110
Change in trade receivables		-914	1,147	-4,225	-2,275
Change in trade payables		1,367	2,471	-1,648	6,426
<i>Income tax expense</i>					
Income tax expense		-	-2	-7	-2
Net cash flows from operating activities		8,974	9,762	51,247	40,057
<i>Financial payments</i>					
Financial receipts		172	350	747	867
Financial payments		-7,407	-5,366	-30,463	-24,129
Net cash flows before investing activities		1,739	4,746	21,531	16,796
<i>Investing activities</i>					
Purchase of Tangible Fixed Assets		-3,995	-16,947	-27,111	-92,293
Disposal of Tangible Fixed Assets		106	94	137	457
Purchase of Intangible Fixed Assets		-	-5	-	-148
Net cash used in investing activities		-3,889	-16,858	-26,974	-91,984
<i>Financing activities</i>					
Repayments of loans		-3,600	-	-9,600	-172,365
Loan costs		-	-	-89	-9,377
Proceeds from borrowings		-	-	-	281,339
Draw on working capital facility		-	-	-	-6,248
Capital injection from parent		-	-	-	15,000
Cost of capital increase		-	-51	-	-385
Lease payments		104	-61	-43	-260
Net cash used/received in financing activities		-3,496	-112	-9,732	107,703
Net (decrease)/increase in cash and cash equivalents		-5,646	-12,224	-15,175	32,515
Cash and cash equivalents at beginning of period		27,593	49,346	37,121	4,607
Net cash and cash equivalents at end of period		21,947	37,121	21,947	37,121

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	-	-8	-8	-87	-95	-93	-188
Balance at YTD	54	-160	-160	19,014	18,907	-23	18,884

Share capital

At the end of 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	-	-28	-28	-2,738	-2,766	-80	-2,847
Capital increase in parent	-	-	-	15,000	15,000	-	15,000
Cost of capital increase	-	-	-	-385	-385	-	-385
Balance at YTD	54	-152	-152	19,101	19,003	70	19,072

Share capital

At the end of 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>	Q4 2024	Q4 2023	YTD 2024	YTD 2023
Non long-term time charter (revenue recognised point in time)				
United Kingdom	8,133	5,823	45,510	32,320
Denmark	4,330	4,531	18,971	16,894
Germany	-	-	1,516	882
Sweden	1,094	-	1,098	763
Belgium	-	-	-	738
Netherlands	-	-	-	351
Total non long-term time charter	13,558	10,354	67,095	51,949
Long-term time charter (revenue recognised over time)				
Denmark	9,103	4,429	37,431	18,164
Total long-term time charter	9,103	4,429	37,431	18,164
Total revenue	22,660	14,783	104,526	70,113

During Q4 2024, sales to the largest customers, accounting for more than 10% of revenue, made up 40%, 29%, 12% and 11% of total revenue (Q4 2023: 46%, 30%, and 24%).

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

Q4 2024 EUR'000	Property	Fixtures & equipment	Vessels	Total
Cost at 1 January 2024	885	5,490	340,681	347,056
Exchange rate adjustments	-1	-5	-301	-307
Additions	-	1,212	25,482	26,694
Additions to leased assets (Right-of-use assets)	-	406	-	406
Disposals of leased assets (Right-of-use assets)	-	-262	-	-262
Cost YTD	884	6,841	365,862	373,587
Depreciation at 1 January 2024	-597	-1,830	-88,858	-91,285
Exchange rate adjustments	1	2	64	67
Depreciation	-	-522	-17,240	-17,762
Depreciation on leased assets (Right-of-use assets)	-144	-129	-	-273
Disposals of leased assets (Right-of-use assets)	-	111	-	111
Depreciation YTD	-740	-2,367	-106,034	-109,142
Impairment losses at 1 January 2024	-	-309	-	-309
Impairment losses YTD	-	-101	-	-101
Carrying amount YTD	144	4,063	259,828	264,035

Q4 2023 EUR'000	Property	Fixtures & equipment	Vessels	Total
Cost at 1 January 2023	1,121	4,044	251,186	256,350
Exchange rate adjustments	-18	-9	-503	-530
Additions	-	1,657	90,477	92,134
Disposals	-	-65	-479	-545
Additions to leased assets (Right-of-use assets)	24	141	-	165
Disposals of leased assets (Right-of-use assets)	-242	-277	-	-519
Cost YTD	885	5,490	340,681	347,056
Depreciation at 1 January 2023	-1,017	-1,603	-78,090	-80,709
Exchange rate adjustments	13	5	223	241
Depreciation	-	-365	-10,996	-11,361
Disposals	-	48	5	53
Depreciation on leased assets (Right-of-use assets)	-177	-100	-	-277
Disposals of leased assets (Right-of-use assets)	584	184	-	769
Depreciation YTD	-597	-1,830	-88,858	-91,284
Impairment losses at 1 January 2023	-	-214	-	-214
Impairment losses YTD	-	-95	-	-95
Carrying amount YTD	289	3,351	251,823	255,463

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 2024, 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.

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 10.3% (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 264.0m. 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

On 7 January 2025 Macquarie Asset Management, through Macquarie European Infrastructure Fund 7, acquired all shares in Zappy TopCo ApS thereby becoming the ultimate parent of the ZITON Group effective 7 January 2025.

No other significant events have occurred between the reporting period and the publication of the interim report that have not been included and adequately disclosed in the interim report and that materially affect the income statement, balance sheet and disclosure requirements.

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 Q4 2024. The interim report has not been audited or reviewed by the company's independent auditors.

The interim report for Q4 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 31 December 2024, and of the results of the ZITON's operations and cash flow from 1 January 2024 to 31 December 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, 24 February 2025

Executive Management

Thorsten Jalk
CEO

Board of Directors

Blair Ainslie, Chairman

Jonathan Duffy

Anna Sofia Arhall Bergendorff

Thorsten Jalk

Jens Michael Haurum

Financial calendar 2025

Annual report 2024 – 28 April 2025

Interim report Q1 2025 – 29 May 2025

Interim report Q2 2025 – 28 August 2025

Interim report Q3 2025 – 24 November 2025

For further information, please contact

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