ANNUAL REPORT 2020

Consolidated Financial Statements

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edda wind

Contents

Director's Report 2020

Operation and location

Edda Wind AS (the Company) is a holding company owning companies, which in turn own and operate offshore wind vessels. The Company is the sole owner of the following companies: Edda Wind I AS, Edda Wind II AS, Edda Wind III AS, Edda Wind IV AS, West Energy AS and Edda Supply Ships UK Ltd. (together the Group).

The Group currently owns and operates two Service Operation Vessels (SOVs) employed on longterm charters, in addition to having a newbuilding program, including two Commissioning SOVs and two SOVs under construction in Spain. All newbuildings are equipped with technology ensuring reduced emissions, in addition to being prepared for zero emission Liquid Organic Hydrogen Carrier (LOHC) technology. Long-term charters have already been secured for the first three newbuildings.

Significant growth is expected in the offshore wind market going forward. The Company has an ambition of taking part in such growth and become a leading market player, offering high quality services and state of the art vessels based on zero emission technology.

The Company has its administration located in Haugesund in Norway, and the Group has entered into Ship Management Agreements for the vessels with Østensjø Rederi AS.

Comments related to the Financial Statements

In the opinion of the Board of Directors, the information in the financial statements, including the notes, gives a complete and comprehensive overview over the Company's and the Group's development and result during 2020, in addition to the financial position at year-end.

The Group's vessels are either under construction or employed on longer term contracts in the offshore wind market. The market for offshore wind is growing, and it is expected that the demand for vessels will further increase in the years to come. The Group currently has four vessels under construction in Spain and long-term contracts is entered into for three of the newbuilding's.

As for most companies in Norway and around the world, the Covid-19 virus will also affect the Group in 2021. The Covid-19 vaccine and various financial schemes recently established for the purpose of reducing the economic impact of the pandemic are also expected to reduce the impact the virus will have on the Group. The Group follows the development related to the outbreak closely and is continuously making assessments and measures to limit the effects the virus could have on the business. Through established routines and implemented measures, the Group has handled the consequences of the Covid-19 pandemic and ensured a stable operation of its vessels through 2020.

The result for 2020 shows a loss of EUR 916,778 for the Company and a profit of EUR 3,240,812 for the Group.

As per 31 December 2020, the Company's equity ratio was 98%, and the Group's consolidated equity ratio was 42%.

The Company's current assets per 31 December 2020 were EUR 8,552,286, and the Group's current assets were EUR 43,912,589. Current liabilities were EUR 1,166,515 and EUR 3,719,306, respectively.

The Board of Directors is not aware of any circumstances occurring after year-end with relevance to the assessment of the financial statements.

Going concern

In accordance with the Accounting Act §3-3, the Board of Directors affirms that the annual accounts have been prepared on the assumption that the company is a going concern.

Director's Report 2020

Financial risks

Credit risk: The credit risk of the Group is considered low, as the Group's customers are solid companies and the risk of the contract partner not having the financial ability to meet its obligations is considered low.

Market risk: The Group's presentation currency is EUR. The Group had its revenue in 2020 in GBP. Operating costs are mainly in GBP, but also in NOK and USD. The Group is therefore exposed to some fluctuations in the exchange rates between GBP and the other currencies.

The Group has bank debt in GBP recorded in its Spanish subsidiaries and Edda Wind III AS. The Company's assets in the form of ownership in subsidiaries have the same currency exposure.The currency exposure is, thus, considered acceptable.

Interest rates on the Group's long-term debt is a combination of floating and fixed interest rates. Despite the fixed portion and a partial interest rate hedging through an interest rate swap agreement, the Group is exposed to changes in interest rate.

The Group has secured long-term contracts for two of the four vessels under construction per year end. The remaining two newbuildings are, based on the Group's expectations of marked demand for this type of vessel, anticipated to be perform work on either longer- or shorter-term contracts or in the spot market.

Liquidity risk: The Board considers the Group's liquidity risk as satisfactory. Per 31 December 2020 the cash in hand and bank deposits of the Group was EUR 39,714,767, with a working capital of EUR 40,193,284.

In relation to the ongoing newbuilding program and further growth ambitions of the Group, the Company plans for further equity injections, which together with debt financing, will provide its subsidiaries with sufficient capital to take delivery of the newbuildings as well as ensuring capital for further growth.

The Group has secured debt financing for two of the four vessels under construction per year end, and it has initiated a process on debt financing for the remaining two vessels. The Group is comfortable on the likehood of securing debt financing for the remaining two vessel which together with equity injections will ensure sufficient capital to fully finance the vessels.

Working environment and gender equality

The Company has no employees. All board members are male.

External environment

The Group's vessels are engaged in offshore wind services. This operation includes risks of contamination. The vessels fulfil all requirements set by national regulations, and the Board is not aware of spills nor pollution to the external environment beyond normal operations.

Allocation of result

The Board of Directors has proposed the result of Edda Wind AS to be attributed to:

Transferred from share premium	916,778
Total	916,778

Director's Report 2020

Haugesund, 19 May 2021

Håvard Framnes
Chairman of the board

Johannes Østensjø
Board member

Geir Oppegård Flæsen
Board member

Jan Eyvin Wang
Board member

Kenneth Walland
CEO

Profit and Loss Statement

(EUR 1.000)

PARENT				GROUP	
2019	**2020**	**OPERATING REVENUE AND OPERATING EXPENSES**	**Notes**	**2020**	**2019**
0	0	Freight income	2	17 480	17 931
0	0	Other operating income	2	398	416
0	**0**	**Total operating income**		**17 878**	**18 347**
0	0	Payroll and related costs	3	6 524	6 441
0	955	Other operating expenses	3	3 505	2 473
0	**955**	**Total operating expenses**		**10 028**	**8 914**
0	**-955**	**Operating result before depreciation and impairment**		**7 849**	**9 432**
0	0	Ordinary depreciation	4	3 060	3 109
0	**-955**	**Operating result**		**4 789**	**6 323**
		FINANCIAL INCOME AND FINANCIAL EXPENSES			
0	75	Interest income from group companies	7	0	0
0	0	Other financial income		6	17
0	-31	Net currency differences		427	365
0	3	Interest paid to group companies	7	8	131
0	0	Other interest expenses		1 148	2 660
0	3	Other financial expenses		808	0
0	**38**	**Net financial result**		**-1 530**	**-2 409**
0	**-917**	**Earnings before taxes**		**3 259**	**3 915**
0	0	Income taxes	18	18	402
0	**-917**	**Profit for the year**		**3 241**	**3 513**

Balance Sheet

(EUR 1.000)

PARENT				GROUP	
2019	**2020**	**ASSETS**	**Notes**	**2020**	**2019**
		Intangible fixed assets			
0	0	Deferred tax assets	9	23	0
0	**0**	**Total intangible fixed assets**		**23**	**0**
		Tangible fixed assets			
0	0	Vessels	4	71 431	78 613
0	0	Vessels under construction	4	35 957	0
0	0	Machinery and equipment	4	3	4
0	**0**	**Total tangible fixed assets**		**107 392**	**78 617**
		Financial assets			
5	45 058	Investment in subsidiary companies	5	0	0
5	**45 058**	**Total financial assets**		**0**	**0**
5	**45 058**	**Total long-term assets**		**107 415**	**78 617**
		Current assets			
		Receivables			
0	0	Accounts receivable	7	3 023	3 243
0	6 034	Recivables from group companies	7	0	0
0	2 221	Dividend	7	0	0
0	59	Other short-term receivables		1 174	758
0	**8 313**	**Total receivables**		**4 198**	**4 001**
3	239	Cash and cash equivalents	11	39 715	6 483
3	**8 552**	**Total current assets**		**43 913**	**10 484**
8	**53 610**	**TOTAL ASSETS**		**151 327**	**89 101**

Balance Sheet
(EUR 1.000)

PARENT				GROUP	
2019	**2020**	**SHAREHOLDERS EQUITY AND LIABILITIES**	**Notes**	**2020**	**2019**
		Shareholders equity			
		Paid-in equity			
3	9	Share capital (1 000 shares at EUR 8.769)	6	9	3
0	52 435	Share premium	6	53 352	0
3	**52 444**	**Total paid-in equity**		**53 361**	**3**
		Retained earnings			
0	0	Other equity	6	10 419	34 837
0	**0**	**Total retained earnings**		**10 419**	**34 837**
3	**52 444**	**Total shareholders equity**	6	**63 780**	**34 840**
		Liabilities			
		Other long-term liabilities			
0	0	Debt to financial institutions	8	83 828	51 050
0	**0**	**Total long-term liabilities**		**83 828**	**51 662**
		Current liabilities			
0	782	Accounts payable	7	1 751	438
0	0	Taxes payable	9	48	0
0	0	Public duties payable		32	18
0	0	Group contribution		0	883
5	385	Other current liablities	7	1 889	1 248
5	**1 167**	**Total current liabilties**		**3 719**	**2 588**
5	**1 167**	**Total liablities**		**87 547**	**54 261**
8	**53 610**	**TOTAL SHAREHOLDERS EQUITY AND LIABILITIES**		**151 327**	**89 101**

Haugesund, 19 May 2021

Håvard Framnes
Chairman of the board

Johannes Østensjø
Board member

Geir Oppegård Flæsen
Board member

Jan Eyvin Wang
Board member

Kenneth Walland
CEO

Notes

NOTE 1

Edda Wind AS (the Parent) and its subsidiaries (collectively the Group) offer services to the offshore wind segment within the maritime sector. Edda Wind AS is a limited company registred in Norway and headquartered in Haugesund. The consolidated financial statements are presented in euro (EUR), and are rounded to nearest thousand unless clearly stated otherwise.

Accounting policies

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway.

Principles of consolidation

The Group's consolidated financial statements comprise of Edda Wind AS and companies in which Edda Wind AS has a controlling interest. A controlling interest is normally obtained when the Group owns more than 50% of the shares in the company and can exercise control over the company. The subsidiaries included in the consolidated financial statements are listed in note 5.

Transactions between group companies have been eliminated in the consolidated financial statements. The consolidated financial statements has been prepared in accordance with the same accounting principles for both parent and subsidiary.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. For the common control business combination in 2020 the financial statements are presented using the pooling of interest method with restatement of comparatives.

Investments in companies where the Group has significant influence (associate companies) are eliminated. In the consolidated financial statements, profit and loss accounts of both domestic and foreign subsidiaries, not using euro as functional currency, are translated using the average exchange rate for the accounting period. Balance sheet items are translated using the balance sheet date as exchange date.

Shares in subsidiaries

Subsidiaries and investments in associates are valued at cost in the company accounts. The investment is valued at cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognized if the impairment is not considered to be temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividend, group contributions and other distribution from subsidiaries are recognized in the same year as they are recognized in the financial statements of the provider. If dividends / group contributions exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

Valuation and classification of assets and liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same critera.

Current assets are valued at the lower of historical cost and fair value.

Fixed assets are carried at historical cost but are written down to their recoverable amount if this amount is lower than the carrying amount and the decline is expected to be permanent. Fixed assets with limited economic life are depreciated on a systematic basis in accordance with a reasonable depreciation schedule.

Other long-term liabliities, as well as short-term liablities, are valued at nominal value.

Notes

Foreign currency

The financial statements of the Company are presented in euro. Monetary items (assets, liabilities and bank deposits) in foreign currency are converted at the exchange rate as on the balance sheet date.

The functional currency in the Company was changed from NOK to EUR in 2020. The 2019 figures have been converted from NOK to EUR by using exchange rates on the balance sheet date for the balance sheet, and an average exchange rate for the year for the profit and loss statement.

The consolidated financial statements are presented in euro. The functional currency of the Group's entities are mainly EUR and GBP. The functional currency is based on the primary economic enviroment of which the Company operates in. Transactions in foreign currencies are recorded at the currency rate on the date of the transaction. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

The Group has used the following exchange rates:

	EUR/NOK	EUR/GBP
As per 31.12.2020	10,505	0,9005
Average 2020	10,7409	0,8890
As per 31.12.2019	9,8807	0,8528
Average 2019	9,8540	0,8767

Trade receivables

Trade receivables and other receivables are recognized at nominal value, less the accrual for expected losses of receivables. Provisions for doubtful accounts are made on the basis of individual assessment of each receivable. For the remaining receivables, a general provision is estimated based on expected loss.

Tangible assets

Tangible assets are recognized at cost less accumulated depreciation and accumulated impairment losses. Tangible assets aquired by the group companies are stated at historical cost. Historical cost comprises of the assets purchase price, borrowing costs and any direct attribute cost of bringing the asset to its operational condition. Significant fixed assets which consist of substantial components with dissimilar economic life have been unbundled and depreciation of each component is based on the economic life of the component.

Depreciation of assets is calculated on a straight-line basis over the economic life of the asset adjusted for residual value and impairment. Depreciation commences when the asset is ready for use.

For vessels, a share of the purchase price is decomposed to periodic maintenance and are depreciated until firs classification of said vessel. Based on the Group`s periodic maintenance program, the expected lifetime of the vessel is set to 30 years without residual value. The periodic maintenance is depreciated over 5 years.

Ordinary repairs and maintenance costs are charged to the income statement in the period which they are incurred, whereas costs for improving and upgrading of the asset are added to the acquisition cost and depreciated with the related asset.

All assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount of any asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized.

The recoverable amount is the higher of the net selling price and value in use. When assessing recoverable value, estimated future cash flow are discounted to their current value using pre-tax discount rates. Each vessel is treated as one cash generating unit.

Assets under construction

Assets under construction and newbuild contracts are capitalized as tangible assets during construction. Yard instalments and all costs related to on-site supervision, project monitoring, borrowing costs including interest and other building cost are capitalized per newbuild. The depreciation starts from when the newbuilding is delivered from the yard.

Notes

Provisions

Provisions are recognized when the Group faces an obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made on the amount of the obligation. The expense related to a provision is presented in the statement of profit and loss. All provisions are reviewed at end of each reporting period and adjusted to reflect best estimate.

Revenue recognition

The Group receives its revenue from freight operations on long-term chartering agreements. Under these charterings the Group delivers a vessel, including crew, to a client. The charterer determines, within the contractual limits, how the vessel is to be utilised. The Group is remunerated by the customer at an agreed daily rate for each day of use of the vessel, equipment, crew and other resources and service utilised in the contract.

Payment received under the chartering contract is recognised as revenue on a straight line basis over the contract period.

Tax

The consolidated entities in the Group operates in different tax regimes. The two vessel-owning companies in Spain is included in the Spanish tonnage tax regime, while the Norwegian entities operates under the ordinary Norwegian tax regime, and lastly the two UK-based companies are under the ordinary tax regime in UK.

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax assets are recorded on the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

For those companies that operates in the tonnage tax regime, there is no taxation on profits from operation of the vessel or from dividend for companies within the scheme. Financial income and expenses are subject to taxation under the tonnage tax regime, including taxation of the vessel's net weight. The tonnage tax is presented as an operating expense in the financial statements.

Hedge accounting

The Group uses derivative financial instruments such as interest rate swap to hedge its interest rate risk. If the hedge is considered effective, any gains or losses arising from changes in fair value of the derivate are considered as an off-balance item. If considered hedge, accounting payments/expenses under the interest rate swap agreement are classified as financial income or expense.

Use of estimates

The management has used estimates and assumptions that have affected the income statement and the valuation of assets and liabilities, as well as uncertain assets and liabilities on the balance sheet date during preparation of the financial statements in accordance with generally accepted accounting principles in Norway.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks. Restricted deposits are classified separately from unrestricted bank deposits under cash and cash equivalents.

Consolidated statement of cash flow

The statement of cash flow is prepared in accordance with the indirect model.

Notes

NOTE 2

Operating income

The Group`s revenue mainly derivates from offering vessels and maritime personnel to the offshore wind sector. Customer contracts are based on day rates including victualling. Victualling is meals and bedding provided to the customer personnel onboard the vessel.

Operating income	2020	2019
Freight income (day rates)	16 417	16 096
Victualling	1 063	1 834
Other revenue	398	416
Total operating income	**17 878**	**18 347**

	2020		2019	
Turnover	**EUR**	**Ratio %**	**EUR**	**Ratio %**
United Kingdom	17 695	99	18 176	99
Norway	183	1	170	1
Total	**17 878**	**100**	**18 347**	**100**

Geographical distribution of revenue is based on the location of clients.

Notes

NOTE 3

Payroll costs and remuneration

Parent

Edda Wind AS has no employees and is therefor not obliged to follow the Act on Mandatory Occupational Pensions. There has been no remuneration to board members in 2020. The audit fee for 2020 amounts to EUR 1 999 to statutory audit and EUR 12 072 for consulting services.

Group

The Group has 4 employees in Edda Supply Ships (UK) Limited (ESS). All employees are included in ESS`s defined contribution plan. The crew is hired from Østensjø Rederi AS and external suppliers.

Payroll costs	**2020**	**2019**
Salary and holiday pay	245	242
Employer`s national insurance contribution	31	36
Pension costs	15	15
Other personnel costs	10	9
Total payroll costs	**301**	**301**
Hired personnel	6 223	6 140
Total payroll cost and hired crew	**6 524**	**6441**

Remuneration to executives, Board of Directors and auditor	**2020**	**2019**
Board fees	5	16

Specification of auditor fee	**2020**	**2019**
Audit	31	18
Consulting services	27	1
Total fee to auditor	**58**	**19**
All amounts to auditor are excl. VAT		

Notes

NOTE 4

Tangible assets		Vessels	Period Maintenance	Equipment	New-buldings	Total
Acquisition cost as of	01/01/2020	77 050	**1 563**	**4**		**78 617**
Additions					35 957	35 957
Disposals						0
Reallocation						0
Currency translation differences		-4 045	-77			-4 122
Book value	**31/12/2020**	**73 005**	**1 486**	**4**	**35 957**	**110 452**
Depreciation as of	01/01/2020	4 337	750	0	0	5 087
Depreciation for the period		2 610	450	0	0	3 060
Book value tangible assets	**31/12/2020**	**70 395**	**1 036**	**3**	**35 957**	**107 392**
Remaining instalments newbuildings					**145 570**	**145 570**

The depreciation schedule for vessels is 30 years straight-line depreciation. For drydocking, the depreciation is set to 5 years.

On a annual basis the balances are assessed whether there is an indication that vessels and newbuilding contracts may be impaired. If indicators are concluded to be present, an impairment test is performed. If the recoverable amount is lower than the book value, an impairment charge is recorded. Impairment losses are recognised in the profit and loss statement. An impairment loss recognised in prior period for an asset is reversed if, and only if, there has been a change in estimates used to determine the asset's revocerable amount since the last impairment loss was recognised.

The Group's vessels operate on long term contracts in the offshore-wind market, and the the Group is profit-making. Broker value from two independent brokers have been obtained, and both shows excess value compared to book value. Based on the conditions mentioned, the Group has not indentified any indicators of impairment.

Notes

Spanish tax lease

In connection with the newbuild contracts, the Group have together with the Spanish shipyards Balenciaga S.A and Astilleros Gondan, a Spanish bank, Bankinter and Banko de Sabadell, and a Spanish participant company "AIE" (with external investors) set up as a structure that qualifies for a Spanish tax regime for financial leasing of newbuild contracts and vessels (Spanish Tax Lease). SpanishTax Lease is a structure containing certain tax benefits in Spain that also results in a lower construction cost for the Group's vessels.

The newbuild contracts are agreements between the Group`s Norwegian ship owning companies (the Group subsidiaries) and shipyards. The structure is set up so that the Norwegian ship owning companies transfer the newbuild contract to the Spanish Tax Lease structure. Further the Norwegian ship owning company will lease the vessels from the Spanish structure. This lease contract will normally have a contract length of 12 to 36 months from delivery of the vessel. At this point of time, the Norwegian ship owning company has a right and obligation to buy the shares of the Spanish AIE which at that time owns the vessel.

There are no opportunities for the external investors of the AIE to make any decisions for the AIE that has not been regulated in the contracts following the newbuilding contract and the tax lease contracts, and they are at the end of the contract period obliged to sell the shares to the Norwegian ship owning company. Also, all financing is made from the Norwegian ship owning companies to the shipyards, and the payments follows a fixed plan in accordance with the newbuild contract. There are no cash considerations paid between the Spanish structure and the Norwegian ship owning companies other than the payments to the yard and the purchase price of euro 1 for the shares in the AIE company. The external financing of the vessel will remain in the Norwegian ship owning company during the tax lease period. Hence the Norwegian ship owning companies have control of the ship over the entire tax lease contract period, first through the bareboat agreement and then at the end of the tax lease when they have a right and an obligation to buy the shares in the Spanish AIE which owns the ship at that time.

Based on all facts and circumstances the Group has evaluated that they have control over the Spanish lease company (AIE), and in fact owns a vessel / vessel under construction. Thus for group accounting purposes the vessels will be accounted for at building cost during the tax lease period.

Notes

NOTE 5

Investments in subsidiaries and associated companies

Subsidiaries	Date of acquisition	Registered office	Ownership/ voting rights	Acquisition cost / book value	Equity 2020	Result 2020
Edda Wind I AS	09/12/2019	Haugesund	100%	8 200	7 804	-395
Edda Wind II AS	24/01/2020	Haugesund	100%	3 569	3 296	-272
Edda Wind III AS	24/01/2020	Haugesund	100%	6 798	5 677	-1 183
Edda Wind IV AS	24/01/2020	Haugesund	100%	3 180	3 026	-153
West Energy AS	27/03/2020	Haugesund	100%	23 267	28 413	154
Edda Supply Ships UK Ltd	25/03/2020	Scotland	100%	43	102	-1
Total				**45 058**	**48 318**	**-1 850**

A dividend of EUR 2 221 from West Energy AS is included in the financial statements of the Company in 2020.

Tier-subsidiaries of parent West Energy AS						
Puerto de Calella SL	20/12/2018	Spain	100%	0	15 734	-136
Puerto de Llafranc SL	18/12/2019	Spain	100%	0	14 520	-11
Tier-subsidiaries of parent Edda Supply Ships (UK) Ltd.						
Edda Supply Ships III Ltd	03/07/2020	Scotland	100%	0	0	0
Total					**30 254**	**-147**

Notes

NOTE 6

Equity

Parent

The share capital in Edda Wind AS as of 31.12 consists of:

	Total	Face value	Book value
Ordinary shares	1 000	0.009	9

Shareholder	Number	Owner's share	Voting rights
Johannes Østensjø dy AS	750	75%	75%
Wilh. Wilhelmsen Holding Invest AS	250	25%	25%

Chairman of the board controls 3 % and board member Johannes Østensjø controls 72 % of the shares. Wilh.Wilhelmsen Holding Invest AS has exercised its option in 2021 and has by this increased its ownership from 25% to 50% with a corresponding sale in Johannes Østensjø dy AS

Changes in equity

Parent	Share capital	Share premium reserve	Total equity
Balance at 01.01.2020	**3**	**0**	**3**
Capital decrease 27.03.20	-3	0	-3
Capital increase 27.03.20	9	38 952	38 961
Capital increase 11.09.20	0	14 400	14 400
Profit (loss) for the year	0	-917	-917
Balance at 31.12.2020	**9**	**52 435**	**52 444**

Notes

Changes in equity

Group	Share capital	Share premium reserve	Other equity	Total equity
Balance at 01.01.2020	**3**	**0**	**34 837**	**34 840**
Capital decrease	-3	0	**0**	-3
Capital increase	9	53 352	**0**	53 361
Adjusted equity due to purchase of shares	0	0	**-25 744**	-25 744
Profit (loss) for the year	0		3 241	3 241
Translation adjustments	0	0	**-1 915**	-1 915
Balance at 31.12.2020	**9**	**53 352**	**10 419**	**63 780**

The capital increase in 2020 included the shares of the sister-entities West Energy AS and Edda Supply Ships (UK) Ltd, infused by Johannes Østensjø dy AS. The transaction has been recorded as a common control business combination using the pooling of interest method and restatement of comparatives.

	Share capital	Share premium reserve	Other equity	Total equity
Balance at 01.01.2019				**0**
Group cosolidation 01.01.2019	3	0	**29 543**	29 546
Profit (loss) for the year	0	0	**3 513**	3 513
Translation adjustments	0	0	**1 782**	1 782
Balance at 31.12.2020	**3**	**0**	**34 837**	**34 840**

Notes

NOTE 7

Transactions with related parties - Parent

The profit and loss statement includes the following amounts resulting from transactions with related parties.

Dividend	2020	2019
West Energy AS	2 221	0
Total	**2 221**	**0**

Interest income	2020	2019
Edda Wind I AS	36	0
Edda Wind III AS	39	0
Total	**75**	**0**

Interest expenses	2020	2019
Johannes Østensjø dy AS	3	0
Total	**3**	**0**

The balance sheet includes the following amounts resulting from transactions with related parties.

Short term receivables	2020	2019
Edda Wind I AS	6 033	0
Total	**6 033**	**0**

Accounts payable	2020	2019
Østensjø Rederi AS	22	0
Johannes Østensjø dy AS	5	0
Total	**27**	**0**

Short term debt	2020	2019
Østensjø Rederi AS	1	0
Johannes Østensjø dy AS	121	0
Edda Wind III AS	124	0
Total	**247**	**0**

The shareholders of Edda Wind AS, has each made available a loan of EUR 7 000 to the Company in 2021.
The total loan amounts to EUR 14 000.

Notes

Transactions with related parties - Group

The Group has transactions with related parties in terms of management services for operation and supervision of the vessels, crew hire and corporate management services for the Group companies. The transactions are based on market terms. Material related parties are:

- Johannes Østensjø dy AS, which owns 75% of Edda Wind AS.
- Østensjø Rederi AS, a company 100% owned by Johannes Østensjø dy AS
- Solent Towage Ltd, a company 85% owned by Johannes Østensjø dy AS

	2020	2019
Purchase of management services from Østensjø Rederi AS	1 103	997
Hired crew from Østensjø Rederi AS	5 524	3 936
Interest expenses to Johannes Østensjø dy AS	8	131

The balance sheet includes the following amounts resulting from transactions with related parties.

Accounts receivable	**2020**	**2019**
Østensjø Rederi AS	48	50
Total	**48**	**50**

Accounts payable	**2020**	**2019**
Østensjø Rederi AS	589	115
Johannes Østensjø dy AS	285	0
Total	**874**	**115**

Short term debt	**2020**	**2019**
Østensjø Rederi AS	42	0
Johannes Østensjø dy AS	189	5
Solent Towage Ltd	74	108
Total	**304**	**112**

Notes

NOTE 8

Mortgage, guarantee and warranties - Group

	2020	2019
Pledged debt	83 828	51 050
Liabilities due more than 5 years after year end	33 568	0

The Group has financed one of the construction contracts with a private placement loan facility of EUR 39 978. The loan will be amortized on an annuity style profile with a balloon payment upon maturity in April 2037. The loan carries a fixed interest and the the main security established for the loan includes i.a. a pledge of the shares in Edda Wind III AS, an assignment of the construction contract and a vessel mortgage upon delivery from the yard.

The Groups outstanding GBP-debt in Puerto de Calella SL and Puerto de Llafranc SL is secured through long-term interest rate swaps. The interest swap is included in the interest expenses and the liabilities is recorded off-balance.

The notional amount under agreement one is EUR 10 286 with maturity date 27.02.2023.
The market value of agreement one is EUR -245 excluding accrued interest as per 31.12.2020.

The notional amount under agreement two is EUR 10 286 with maturity date 27.02.2023.
The market value of agreement two is EUR -266 excluding accrued interest as per 31.12.2020.

The Group has secured the long-term financing of the newbuilding vessel C489 with a private placement loan facility in the first quarter of 2021.

Notes

NOTE 9

Taxes - Parent

Income tax for the year	2020	2019
Tax payable	0	0
Change in deferred tax	0	0
Tax on ordinary result	0	0

Basis for tax payable	2020	2019
Profit before tax	-917	0
Other permanent differences	0	0
Change in temporary differences	0	0
Basis tax payable	-917	0

Temporary differences and deferred tax	2020	2019
Fixed assets	0	0
Total temporary differences	0	0
Tax loss carried forward	-917	0
Basis deferred tax	-917	0
Deferred tax/ deferred tax asset	-202	0
Not recorded deffered tax asset	202	0
Deffered tax (+)/ tax asset (-)	0	0

Notes

Taxes - Group

The Group`s Spanish subsidiaries, Puerto de Calella SL and Puerto de Llafranc SL, are taxed in accordance with the Spanish Tonnage Tax regime. All other companies in the Group are taxed within the ordinary corporate tax regime in recpective countries.

Income tax for the year	2020	2019
Tax payable	-5	-170
Change in deferred tax	23	574
Tonnage tax Spain	1	0
Tax on ordinary result	**18**	**404**

Basis for tax payable	2020	2019
Profit before tax	3 259	3 915
Non taxable income/loss from tonnage tax regime	-5 528	-3 198
Other permanent differences	2 231	404
Change in temporary differences	13	-52
Tax loss carried forward	0	-957
Group contribution	0	-883
Basis tax payable	-25	-771

Temporary differences and deferred tax	2020	2019
Fixed assets	39	52
Total temporary differences	39	52
Tax loss carried forward	-1 072	-957
Limitation of interest expense carry forward	-2 587	-2 785
Basis deferred tax	-3 620	-3 690

	2020	2019	Change
Deferred tax/ deferred tax asset	-202	0	-15
Not recorded deffered tax asset	202	0	39
Deffered tax (+)/ tax asset (-)	0	0	23

Notes

NOTE 10

Other circumstances

The impact on the company subsequent to the balance sheet date as a result of the steps taken by the Government to control the Covid-19 pandemic is uncertain. This is the case for the majority of businesses in Norway and around the World.

The Company is closely monitoring the developments related to the Covid-19 outbreak and makes ongoing assesments and measures to minimize the impact on the Company`s operations and financial result.

Currently the Group has several newbuilding projects in Spain with progress running according to plan. If the Covid-19 pandemic imposes a major impact on the situation over a longer period, this could affect the progress of the newbuildings, as well as an effect on both future revenues and costs, and also increase the credit risk related to accounts receivable.

The Directors do not consider that the Covid-19 pandemic has had a material impact on the Company`s financial position at the balance sheet date and thus no adjustments have been made to the carrying values of the Company's asses and liabilities as at 31 December 2020.

NOTE 11

Cash and cash equivalents

	2020	2019
Restricted cash	33 000	0
Bank deposits	6 715	0
Cash and cash equivalents 31.12.	39 715	0

Restricted cash consists of cash in Edda Wind III AS only available for construction cost for newbuilding.

NOTE 12

Subsequent events

In 2021, the Company has established a wholly owned management company Edda Wind Management AS, where strategic, financial and commercial management are employed in the positions of CEO, CFO and CCO. Other management services are still provided by Østensjø Rederi AS.

Furthermore, the Group has acquired two new wholly-owned subsidiaries in 2021, Edda Wind V AS and Edda Wind VI AS for the purpose of ordering additional two newbuildings.

Cash Flow Statement
(EUR 1.000)

PARENT			GROUP	
2019	**2020**	**CASH FLOW FROM OPERATIONS**	**2020**	**2019**
0	-917	Profit/(loss) before taxation	3 259	3 915
0	0	Depreciation and amortisation	3 060	3 109
0	0	Net currency effects	-6 354	0
0	0	Change in trade receivables	219	0
0	782	Change in trade payables	1 312	0
0	321	Changes in other current assets and other liabilities	238	0
0	**60**	**Net cash flow from operations**	**1 735**	**7 024**
		CASH FLOW FROM INVESTMENT ACTIVITIES		
0	-13	Inflows due to investment in subsidiaries	0	0
0	-13	Net cash flow from investment activities	0	0
		CASH FLOW FROM FINANCING ACTIVITIES		
0	0	Inflow due to new non-current liabilities	39 978	0
0	0	Outflow due to downpayment of non-current liabilities	-7 786	-4 595
3	188	Capital increase	188	0
0	0	Payments out due to group contribution	-883	0
3	**188**	**Net cash flow from financing activities**	**31 496**	**-4 595**
		Effects of currency rate changes on bank deposits, cash and equivalents		
3	235	Net change in bank deposits, cash and equivalents	33 232	2 429
0	3	Bank deposits, cash equivalents at 1 January	6 483	4 054
3	**238**	**Bank deposits, cash and equivalents at 31 December**	**39 714**	**6 483**

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Edda Wind AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Edda Wind AS, which comprise the financial statements for the parent company and the Group. The financial statements for the parent company and the Group comprise the balance sheets as at 31 December 2020, the income statement and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and General Manager (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

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

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

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Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Bergen, 19 May 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Øyvind Nore
State Authorised Public Accountant (Norway)

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Øyvind Nore
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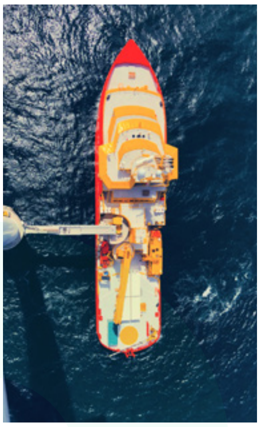

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