

EDDA WIND 2021

# Remuneration report

**Statement from the board**

Supporting increased transparency related to senior executive remuneration, the board has today considered and endorsed the remuneration report for Edda Wind ASA (“the Group” or “Edda Wind”) for the fiscal year 2021.

Prepared in accordance with the Norwegian Public Limited Liability Companies Act (“Companies Act”) §6-16 building on the requirements in the EU Shareholder Rights Directive (2017/828), the report gives to the best of our knowledge, a fair and true presentation of remuneration awarded to senior executives in the Group in 2021.

The report has been reviewed by the Group’s auditor EY and will be presented to the Annual General Meeting on 6 May 2022 for an advisory vote.

Our objective in providing this report is to give a transparent and comprehensive overview of the remuneration of senior executives and to:

- provide clarity of the remuneration arrangements,
- confirm a strong link between performance and remuneration, and
- ensure shareholders’ interests and expectations are aligned with company development, including strategic ambitions and business performance.

This remuneration reports describes the practice of the Group for 2021 and the Annual General Meeting in May 2022 will adopt remuneration guidelines for the Group going forward.

Haugesund, 7 April 2022

On behalf of the board

Håvard Framnes  
Chair

## About the remuneration report for 2021

### Key highlights

- Following IPO in November 2021 Remuneration guideline will be presented to and adopted by the Annual General Meeting on 6 May 2022
- In accordance with the practice of the Group the remuneration of the CEO is determined by the board of directors while the remuneration of the senior executives is determined by the CEO.
- In connection with the IPO the senior executives, as well as others, were offered to invest in shares of Edda at a rebate with lock-up period of three years.
- A Management incentive scheme is established whereby senior executives may become eligible for bonus payments on criteria and terms described below
- Total remuneration to senior executives amounted to NOK 3 680 736 in 2021

### Senior executives

Senior executives in this report refers to members of the Group management team. With a new organisational structure for the Group established in April 2021, including the establishment and ramp-up of Edda Wind Management AS, the Group has taken responsibility for management functions that were previously outsourced. The new structure is perceived to better cater for realising the Group's long-term strategic ambitions. As of 31 December 2021, the Group management team included:

- Kenneth Walland, CEO
- Håkon L Vevang, CCO
- Tom Johan Austrheim., CFO

Remuneration of board members and members of the company's nomination committee are also included in this report.

### Compliance with the remuneration guideline

Since the first Remuneration guidelines of the Group will be presented and adopted in the forthcoming Annual General Meeting on 6 May 2022 this report describes the previous practice of the Group.

The practice has been designed to ensure that the Group retains and attracts employees with the right skills and experiences, personalities, and attitudes to deliver on the Group's short-term targets and long-term strategic ambitions. Remuneration should further reflect responsibility, risk, competence, and local market, be motivational and competitive, but not market leading. Last, but not least remuneration should be designed to contribute to advancing the group's business strategy, securing shareholders' long-term value creation, and ensure the Group is financially sustainable.

### Key business events in 2021

During 2021 the Group ordered further 2 newbuildings and further 3 newbuildings in January 2022. By this Edda Wind is clearly taking the leading role in the growing market for Commissioning-/ Service Operating Vessels with a fleet of 11 vessels.

Edda Wind was awarded a 2+1 year contract with SSE Renewables at Doggerbank windfarm, as well as a 5-year charter contract with Siemens Gamesa Renewable Energy, adding more industry majors as a long-term

clients and bringing the firm contract backlog up to EUR 467 mill incl. EUR 144 mill in options at the end of the year

In November Edda Wind completed a successful IPO with a capital increase of about EUR 90 million, securing equity for further investments

During 2021 the Group concluded a Private Placement of EUR 38 mill with a fixed term of 10-years financing the newbuilding vessel C-489 and entered into a 5-year EUR 110 million senior secured ECA-supported green credit facility, securing financing for two existing vessels and two newbuilds.

The Group delivered a total income of EUR 24,416 thousand in 2021, up EUR 6,538 thousand compared with 2020. The increase was mainly related to a third vessel coming into operation from April 2021.

The Group EBITDA came in at EUR 6,182 thousand, down EUR 1,667 thousand compared with the previous year. The reduction is mainly due to non-recurring cost related to the IPO process as well as increased payroll expense.

Edda Wind aims to provide shareholders with a return over time through a combination of rising value for the Group's shares and payment of dividend.

Edda Wind was listed in November 2021 and up to 31 December 2021 the share price increased by 10,2 % to NOK 33,90

### **Remuneration of senior executives in 2021**

Total remuneration to senior executives amounted to NOK 3 680 736 in 2021, of which 90 % was base salary and other benefits, and 6,3 % pension.

Other benefits included work-related non-monetary employment benefits such as company car, insurance, digital media.

There were no changes in pension schemes for senior executives in 2021.

A full breakdown of remuneration, including development in remuneration over the past five years compared to company results, can be found in tables below.

There were no bonuses, variable pay or incentive scheme earned or paid during 2021.

### **Management incentive scheme**

The Group has approved a one year rolling incentive scheme for its management. The maximum bonus pursuant to the incentive scheme equals the annual base salary, and the bonus is accrued based on changes in the trading price for the shares:

- Below 10 % increase does not entitle bonus
- An increase of 30 % or more entitles maximum bonus
- An increase between 10 % and 30 % entitles pro rata share of the maximum bonus.

Any dividends distributed on the shares within the relevant incentive periods will be added to the share price. The bonus will be paid two years after accrual if the employee is still employed at the payment date. The incentive scheme may be terminated by the Board of Directors. If it is terminated, the accrued bonus (if any) will be paid to the employees.

As of 31.12.2021, the Group has not recognised any accrued bonus.

### Pension and insurance schemes

The Group offers insurance benefits for senior executives aligned with local markets. The scheme includes coverage for old age, disability, spouse and children, and supplement payments from the Norwegian National Insurance system.

### Severance package schemes

As a rule, senior executives who resign voluntarily or are being guilty of gross misconduct, gross negligence, disloyalty, or other material breach of his/her duties are not entitled to severance.

The CEO has a non-compete restriction in his employment contract. There are no agreements between the Group and the members of management providing for benefits upon termination of employment, except for the CEO who has a contractual right to 12 months' severance pay following the notice period.

There are no loans, prepayments or other guarantees provided to management at year end.

### Senior executives' shareholdings in Edda Wind ASA

An overview of senior executives' private shareholdings in the company, not awarded as remuneration, can be found in note 3 in the Annual report for 2021 available on eddawind.com.

The Company approved a share purchase program available for the Company's board of directors and management (either personally or through a private holding company). The eligible persons were invited to participate in the Offering in November 2021 by subscribing for Offer Shares at a price 25 % lower than the Offer Price, subject to a three year lock-up period on such shares. The price reduction has been assessed as proportional to the shares being subject to a three year lock-up period, and as such considered to be at market terms.

### Senior executives on internal and external boards

The Group consists of a portfolio of companies. In order to ensure the Group's interests are taken care of and that there is a good governance of the investments, the Group will appoint employees or representatives to serve on internal and external boards. The senior executives represent the Group on several boards.

### Remuneration of board and nomination committee members including the audit committee

Remuneration to board and nomination committee members are awarded one year in arrears. No remuneration has been paid to board and nomination committee members during 2021, but the following remuneration has been accrued:

Board members	Position	Start date	Yearly remuneration (NOK)	Accrued remuneration 2021 (NOK)
Håvard Framnes	Chairperson	04.11.2021	400 000	62 466
Jan Eyvin Wang	Board member	04.11.2021	250 000	39 041
Martha Kold Bakkevig	Board member	04.11.2021	250 000	39 041
Toril Eidesvik	Board member	04.11.2021	250 000	39 041
Duncan Bullock	Board member	26.11.2021	250 000	23 973
Adrian Geelmuyden	Board member	26.11.2021	250 000	23 973
Cecilie Serck-Hanssen	Board member	26.11.2021	250 000	23 973
<b>Sum NOK</b>			<b>1 900 000</b>	<b>251 507</b>

Audit committee members	Start date	Yearly remuneration (NOK)	Accrued remuneration 2021 (NOK)
Håvard Framnes	04.11.2021	40 000	6 247
Martha Kold Bakkevig	04.11.2021	40 000	6 247
<b>Sum NOK</b>		<b>80 000</b>	<b>12 493</b>

<b>Remuneration committee members</b>	<b>Start date</b>	<b>Yearly remuneration (NOK)</b>	<b>Accrued remuneration 2021 (NOK)</b>
Håvard Framnes	04.11.2021	20 000	3 123
Jan Eyvin Wang	04.11.2021	20 000	3 123
Sum NOK		<b>40 000</b>	<b>6 247</b>

### **Remuneration tables**

The table below shows the remuneration to senior executives in NOK in 2021, broken down by base wages, bonus and other benefits, pension and variable remuneration.

<b>Management</b>	<b>Position</b>	<b>Start date</b>	<b>Wages</b>	<b>Bonus</b>	<b>Other benefits</b>	<b>Pension costs</b>
Kenneth Walland	CEO	01.04.2021	1 650 049	0	101 909	82 468
Håkon Vevang	CCO	01.04.2021	830 615	0	11 189	78 938
Tom Johan Austrheim	CFO	18.05.2021	846 158	0	9 947	69 463
Sum NOK			3 326 822	0	123 045	230 869

### **Independent auditor's statement on the Remuneration report**

## INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REMUNERATION REPORT

To the General Meeting of Edda Wind ASA

### Opinion

---

We have performed an assurance engagement to obtain reasonable assurance that Edda Wind ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2021 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

### Board of directors' responsibilities

---

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

### Our independence and quality control

---

We are independent of the company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Auditor's responsibilities

---

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".



We obtained an understanding of the remuneration practice of the Group for 2021. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design 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. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Bergen, 11 April 2022  
ERNST & YOUNG AS

*The auditor's assurance report is signed electronically*

Øyvind Nore  
State Authorised Public Accountant (Norway)

# PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur".  
De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

**Øyvind Nore**

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: 9578-5994-4-485745

IP: 165.225.xxx.xxx

2022-04-11 07:59:56 UTC



Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig).

#### Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service** <penneo@penneo.com>. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validate>