

# 1st Quarter Report 2022

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edda wind 

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Prepared in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the European Union.

Frontpage photo by Håvard Melvær

## Letter from the CEO



### Further fleet growth and stable operation in first quarter 2022

The rate at which coastal nations are developing offshore wind is accelerating, and Edda Wind supports the requirement to service tomorrow's offshore wind parks. It is not only about wind and sea. It is about ensuring affordable renewable energy to support continued economic growth without destroying the environment, it is about power to people and what we pass on to the next generations.

In first quarter 2022 Edda Wind delivered on the strategy of growth by placing further three orders bringing the fleet to a total of eleven purpose built offshore wind vessels - the largest fleet in the world.

The three vessels in operation have had no unscheduled downtime and no injuries to personnel during the quarter. As two newbuilds will be delivered in Q3 2022 the organization is strengthened within the areas of operations and finance.

The world-wide offshore wind fleet is projected to require almost 200 vessels by 2030. This presents a tremendous growth opportunity for Edda Wind, as a leading operator with a portfolio of both long- and short/medium term contracts, balancing stable cash flows with flexibility to capitalize on favorable market dynamics.

We are grateful to all stakeholders who have, and continues to, show confidence in Edda Wind and our business model.

A handwritten signature in black ink, reading "Kenneth Walland". The signature is fluid and cursive, with the first name "Kenneth" and the last name "Walland" clearly distinguishable.

**Kenneth Walland**

CEO

## Highlights Q1 2022



### Market

- ✓ Strong demand growth, estimated 200 vessels required by 2030, excluding China. Far exceeding existing tonnage and order book of totally 44 vessels
- ✓ Increasing rates as oil & gas tonnage exit offshore wind
- ✓ Increased focus and accelerated pace for the renewable energy transition

### Edda Wind

- ✓ Nine vessels under construction, ordered at low prices with attractive delivery schedule
- ✓ 55 % increase in revenue versus Q1 2021
- ✓ 100 % utilization with no unscheduled downtime in Q1 2022



# Management Report Q1 2022

## Operations

Edda Wind ASA and subsidiaries ("The Group") owns and operates two purpose-built SOVs and operates one chartered-in frontrunner vessel. Edda Passat and Edda Mistral operates in the North Sea on long-term charters for Ørsted on Hornsea 1 and Race Bank windfarms, while Edda Fjord is chartered in as a frontrunner for a long-term contract with Ocean Breeze at the Bard Offshore 1 windfarm. All three vessels had full utilization throughout the quarter with zero injuries.



The Group has a new building program for two SOVs and seven CSOVs at yards in Spain and Sri Lanka with site personnel from Østensjø Rederi, as technical manager.

## Group Consolidated results Q1 2022

Operating income for Q1 2022 was EUR 6.8 million, which is similar to Q4 2021 (EUR 6.8 million) and significantly higher than EUR 4.4 million in the same quarter in 2021. The increase in operating income is related to one additional chartered-in vessel in operation.

Operating expenses in Q1 2022 was EUR 4.9 million. In Q1 2021, the operating expenses was EUR 2.2 million, and the increase in cost is primarily due to chartering-in of a frontrunner for long-term employment contract for one of the newbuildings.

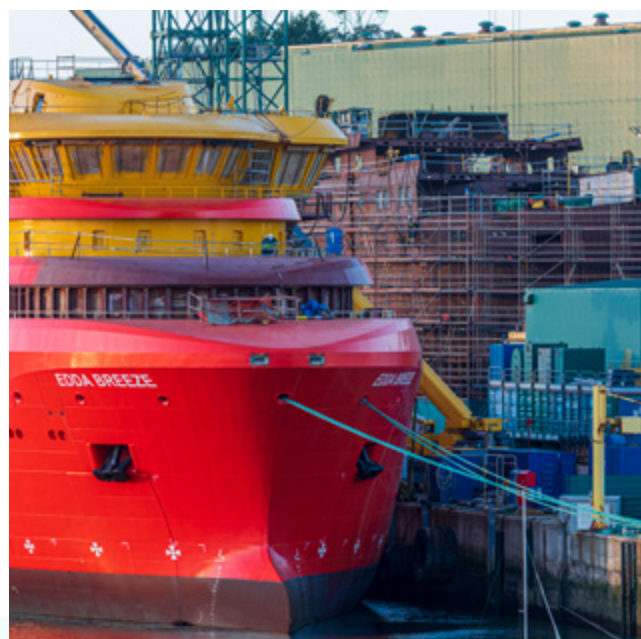
Operating profit before depreciation in Q1 2022 was EUR 1.1 million, versus EUR 1.4 million in Q1 2021. Net financial result in Q1 2022 was EUR -0.4 million, compared to EUR -0.2 million in the same quarter last year, the increase in finance cost is mainly due to interest cost.

Profit before tax was EUR 0.8 million, versus EUR 1.2 million in Q1 2021.

## Capital structure and financing

Cash and cash equivalents ended at EUR 69.3 million, down from EUR 89.5 million at the end of Q4 2021.

Investment in vessels and newbuildings was EUR 230.2 million, up from EUR 204.7 million at the end of Q4 2021 due to payments in relation to the nine newbuildings on order.



Total interest-bearing debt was EUR 123.7 million, up from EUR 117.5 million in Q4 2021. During Q1 2022 the company has drawn on the pre-delivery financing related to the credit facility of about EUR 110 million, whereof EUR 51.6 million was drawn at the end of Q1 2022. Following this, six vessels in the fleet have secured long-term financing.

Total equity was EUR 184.3 million by the end of Q1 2022, which is similar to Q4 2021.

## Events after the balance sheet date

There have been no events after the balance sheet date which has a significant effect on the Group.

# Management Report Q1 2022

## Outlook

Offshore wind is an established industry benefiting from a mature value chain, and producing renewable electricity at competitive prices worldwide.

Facing a situation with a need for immediate action in order to limit global warming to around 1.5C, global greenhouse gas emissions would have to peak before 2025 at the latest and be reduced by 43 per cent by 2030, according to the report from Intergovernmental Panel on Climate Change - IPCC/UN.

According to IAE, total offshore wind capacity is forecast to more than triple by 2026 representing one-fifth of the global wind market. Global capacity additions of offshore wind are set to reach 21 GW by 2026, with rapid expansion in new markets beyond Europe and China. This includes large-scale projects that are expected to be commissioned in the United States, Taiwan, Korea, Vietnam, and Japan. The expected growth is supported by a sharp increase in projects which are already secured by Final Investment Decision, as well as acceleration by many coastal nations of their ambitions for increasing the volume and pace of their offshore wind industry even further.

The Russian invasion of Ukraine, with its consequence also for the European energy security, has further emphasized the need for alternative sources of energy.



Increasing energy prices has attracted the fleet of traditional offshore vessels to the oil and gas sector where the rates have increased during the past months. This has reduced the capacity of high-end swing-tonnage, that otherwise might be converted for use in offshore wind, leading to a tighter market for C/SOVs. Dayrates are already seen to increase, and this trend is expected to continue as demand is growing faster than supply.

The requirement for a future zero-emission operation of C-/SOVs, during the entire operating cycle, and without interference with client's operation, is becoming stronger and stronger. Edda Wind pro-actively monitor solutions for reducing emissions from operation and expects to offer zero-emission operations from 2025.

## The newbuilding program

The Group has nine vessels under construction, two SOVs and seven CSOVs. Two vessels will be delivered during Q3 2022, and will commence their long-term contracts after delivery. The SOVs and CSOVs, respectively, are sister-vessels with the same main components and technology, which will offer benefits in relation to operation, crew training and spares.

Inflation and supply-chain bottlenecks are becoming more and more evident. The Group considers that its current fleet of eleven vessels under construction are ordered at attractive prices. All the newbuilding contracts are based on firm yard prices.



Inflation and shortages in supply chains has also been impacted by the war in Ukraine – further increasing uncertainty and cost relating to supply of materials, components, and crew. Although the Group is not directly exposed to Russian or Ukrainian suppliers there is still a risk that the disruptions, delays, and increased cost may indirectly affect the Group, its suppliers, or its clients.

The Group expects hull no 489/ MV Edda Breeze to be delivered to the client in the beginning of August and hull no 415 to be delivered to the client mid-September.

## Key Figures Q1 2022



KEY FIGURES EUR mill	Q1 2022	Q4 2021	Q1 2021	FY 2021
Revenue	6,768	6,821	4,366	24,416
Profit(loss)/for the period	0,782	0,274	1,182	2,242
Total assets	310,944	305,602	166,066	305,602
Equity	184,262	184,332	66,222	184,332
<b>APM</b>				
EBITDA	1,904	0,380	2,167	6,182
EBIT	1,088	-0,422	1,390	3,013
NIBD	48,043	20,940	54,296	20,940
Equity ratio	59,3 %	60,3 %	39,9 %	60,3 %

### Definitions APMs

- EBITDA is defined as Operating Income and gain/(loss) on sale of assets less Operating expenses
- EBIT is defined as Total Income (Operating Income and gain/(loss) on sale of assets) less Operating expenses, other gains/(losses) and depreciation and amortization
- Net interest-bearing debt (NIBD) is defined as total interest-bearing debt (non-current interest-bearing debt and current interest-bearing debt) less Cash and cash equivalents, restricted cash and Current financial investments.
- Equity ratio is defined as Total equity as a percentage of Total assets

## Statement from the board

We confirm that the consolidated accounts for the period 01.01.2022 to 31.03.2022 are to the best of our knowledge, prepared in accordance with IAS 34.

The interim condensed consolidated financial statements give a fair and true value of the enterprise and groups assets, debt, financial position, and result which, in its entirety, gives a true overview of the information in accordance with the §5-6 fourth paragraph of the securities trading act.

**Haugesund, 02 May 2022**

*(signed electronically)*

**Håvard Framnes**

Chairman of the board

**Martha Kold Bakkevig**

Board member

**Toril Eidesvik**

Board member

**Jan Eyvin Wang**

Board member

**Adrian Geelmuyden**

Board member

**Duncan J. Bullock**

Board member

**Cecilie Wammer Serck-Hanssen**

Board member



# Income Statement (Unaudited)

(EUR 1.000)

OPERATING REVENUE AND OPERATING EXPENSES	Notes	Q1 2022	Q1 2021	Full Year 2021
Freight income	2	6 644	4 253	23 933
Other operating income	2, 9	125	113	484
<b>Total operating income</b>		<b>6 768</b>	<b>4 366</b>	<b>24 416</b>
Payroll and remuneration		(1 914)	(1 505)	(7 320)
Other operating expenses	2	(2 951)	(694)	(10 914)
<b>Total operating expenses</b>		<b>(4 864)</b>	<b>(2 199)</b>	<b>(18 234)</b>
<b>Operating profit before depreciation</b>		<b>1 904</b>	<b>2 167</b>	<b>6 182</b>
Depreciation	3	(816)	(778)	(3 169)
<b>Operating profit</b>		<b>1 088</b>	<b>1 390</b>	<b>3 013</b>
<b>FINANCIAL INCOME AND EXPENSES</b>				
Other financial income		-	-	8
Net currency differences		97	37	946
Unrealised gain/(loss) financial derivatives	5	84	179	208
Realised gain/(loss) financial derivatives	5	-	-	299
Interest expenses		(440)	(248)	(1 282)
Other interest expenses to related parties	9	-	-	(18)
Other financial expenses		(47)	(176)	(932)
<b>Financial income/(expense)</b>		<b>(306)</b>	<b>(208)</b>	<b>(772)</b>
<b>Profit/(loss) before tax</b>		<b>782</b>	<b>1 182</b>	<b>2 242</b>
Tax (income)/expense	8	-	-	-
<b>Profit/(loss) for the year</b>		<b>782</b>	<b>1 182</b>	<b>2 242</b>
Basic / diluted earnings per share in EUR	7	0.01	0.04	0.06

Note 1 to 10 on the next pages are an integral part of these interim condensed consolidated financial statements

## Comprehensive income (Unaudited)

(EUR 1.000)

	Notes	Q1 2022	Q1 2021	Full Year 2021
Profit/(loss) for the year		782	1 182	2 242
<b>ITEMS THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT</b>				
Currency translation differences		(852)	1 857	2 145
<b>Other comprehensive income, net of tax</b>		<b>(852)</b>	<b>1 857</b>	<b>2 145</b>
<b>Total comprehensive income for the year</b>		<b>(69)</b>	<b>3 039</b>	<b>4 386</b>

Note 1 to 10 on the next pages are an integral part of these interim condensed consolidated financial statements

# Balance Sheet (Unaudited)

(EUR 1.000)

ASSETS	Notes	31/03/22	31/03/21	31/12/21
<b>Non current assets</b>				
Deferred tax asset	8	23	41	23
Vessels	3	71 645	74 630	73 611
Newbuildings	3	158 542	53 870	131 077
Machinery and equipment	3	-	3	3
<b>Total non current assets</b>		<b>230 210</b>	<b>128 544</b>	<b>204 715</b>
<b>Current assets</b>				
Account receivables		4 675	4 781	3 575
Other current receivables		353	893	-
Other current assets		6 426	27 810	7 791
Cash and cash equivalents		69 279	4 037	89 520
<b>Total current assets</b>		<b>80 733</b>	<b>37 521</b>	<b>100 886</b>
<b>Total assets</b>		<b>310 944</b>	<b>166 066</b>	<b>305 602</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	6, 7	644	9	644
Other paid in capital		-		-
Share premium		116 128	-	116 128
Other equity		67 490	66 213	67 560
<b>Total equity</b>		<b>184 262</b>	<b>66 222</b>	<b>184 332</b>
<b>Non current liabilities</b>				
Non current interest-bearing debt	4	115 222	81 394	110 545
<b>Total non current liabilities</b>		<b>115 222</b>	<b>81 394</b>	<b>110 545</b>
<b>CURRENT LIABILITIES</b>				
Account payables		1 559	12 086	1 555
Financial derivatives	5	7	419	91
Taxes payable		24	51	-
Public duties payable		101	-	96
Current interest-bearing debt	4	8 527	4 749	6 951
Other current liabilities		1 241	1 145	2 031
<b>Total current liabilities</b>		<b>11 459</b>	<b>18 450</b>	<b>10 724</b>
<b>Total equity and liabilities</b>		<b>310 944</b>	<b>166 066</b>	<b>305 602</b>

Note 1 to 10 on the next pages are an integral part of these interim condensed consolidated financial statements

## Cash flow statement (Unaudited)

(EUR 1.000)

	Notes	Q1 2022	Q1 2021	Full Year 2021
<b>CASH FLOW FROM OPERATIONS</b>				
Profit/(loss) before tax		782	1 182	2 242
Financial (income)/expenses		306	208	772
Depreciation and amortisation	3	816	778	3 169
Change in working capital		(348)	(2 046)	583
<b>Net cash flow from operations</b>		<b>1 557</b>	<b>122</b>	<b>6 765</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Investments in fixed assets	3	(27 464)	(5 465)	(93 476)
Interest received		-	-	-
Changes in restricted cash - investment commitment		(610)	5 465	25 964
<b>Net cash flow from investment activities</b>		<b>(28 075)</b>	<b>-</b>	<b>(67 512)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of interest-bearing debt	4	9 506	-	32 190
Repayment of interest-bearing debt	4	(2 790)	(2 375)	(4 497)
Proceeds from other interest-bearing debt		-	-	43 500
Repayment of other debt		-	-	(16 500)
Interest paid including interest derivatives		(440)	(248)	(1 101)
Paid other financial expenses		(47)	(176)	(1 187)
Proceeds from issuance of new shares		-	-	90 131
Increase capital cash effect		-	-	-
Dividend / group contribution		-	-	-
<b>Net cash flow from financing activities</b>		<b>6 228</b>	<b>(2 799)</b>	<b>142 536</b>
<b>EFFECTS OF CURRENCY RATE CHANGES ON BANK DEPOSITS, CASH AND EQUIVALENTS</b>				
Net change in bank deposits, cash and equivalents		(20 289)	(2 677)	81 789
Translation difference		48	-	1 016
Cash and cash equivalents at period start		89 520	6 715	6 715
<b>Cash and cash equivalents at period end</b>		<b>69 279</b>	<b>4 037</b>	<b>89 520</b>

Note 1 to 10 on the next pages are an integral part of these interim condensed consolidated financial statements



## Statement of changes in equity (Unaudited)

(EUR 1.000)

	Share capital	Share premium	Other paid-in capital	Retained earnings	Foreign currency translation reserve	Other equity	Total equity
<b>Balance at 01.01.2022</b>	<b>644</b>	<b>116 128</b>	<b>27 608</b>	<b>36 522</b>	<b>3 431</b>	<b>67 560</b>	<b>184 332</b>
Profit for the period				782		782	782
Other comprehensive income					-852	-852	-852
<b>Balance at 31.03.2022</b>	<b>644</b>	<b>116 128</b>	<b>27 608</b>	<b>37 304</b>	<b>2 579</b>	<b>67 490</b>	<b>184 262</b>
<b>Balance at 01.01.2021</b>	<b>9</b>	<b>-</b>	<b>27 608</b>	<b>34 280</b>	<b>1 286</b>	<b>63 174</b>	<b>63 183</b>
Share capital increase by conversion of debt						-	-
Share capital increase by issuance of new shares						-	-
Share capital increase by issuance of new shares						-	-
Profit for the period				1 182		1 182	1 182
Other comprehensive income					1 857	1 857	1 857
<b>Balance at 31.03.2021</b>	<b>9</b>	<b>-</b>	<b>27 608</b>	<b>35 462</b>	<b>3 143</b>	<b>66 213</b>	<b>66 222</b>
<b>Balance at 01.01.2021</b>	<b>9</b>	<b>-</b>	<b>27 608</b>	<b>34 280</b>	<b>1 286</b>	<b>63 174</b>	<b>63 183</b>
Share capital increase by conversion of debt	327	26 673	-	-	-	-	27 000
Share capital increase by issuance of new shares	281	81 102	-	-	-	-	81 383
Share capital increase by issuance of new shares	27	8 353	-	-	-	-	8 380
Profit for the period	-	-	-	2 242	-	2 242	2 242
Other comprehensive income	-	-	-	-	2 145	2 145	2 145
<b>Balance at 31.12.2021</b>	<b>644</b>	<b>116 128</b>	<b>27 608</b>	<b>36 522</b>	<b>3 431</b>	<b>67 560</b>	<b>184 332</b>

Note 1 to 10 on the next pages are an integral part of these interim condensed consolidated financial statements

# Notes

(EUR 1.000)

## NOTE 1

### General accounting principles

#### Basis of preparation

This interim condensed consolidated financial statement has been prepared in accordance with International Accounting Standards (IAS 34), "interim financial reporting". The interim condensed consolidated financial report is unaudited and should be read in conjunction with the consolidated Annual Financial Statements for the year ended 31 December 2021 for Edda Wind ASA (Group), which were prepared in accordance with IFRS as endorsed by the EU. Consolidated interim- and yearly financial statements are available on the news services from Oslo Stock Exchange, [www.newsweb.no](http://www.newsweb.no) and the Company's webpage, [www.eddawind.com](http://www.eddawind.com)

The Group's interim condensed consolidated financial statement are presented in Euros, which is also the parent company's functional currency. For each entity within the Group, the Group has determined the functional currency based on the primary economic environment of which the entity operates. Items included in the financial statements are measured using that functional currency. The functional currency for the Group's entities are EUR, GBP and NOK.

The interim financial report is prepared on the assumption of a going concern.

#### Basic policies

The accounting policies applied are consistent with those applied in the Annual Financial Statements for Edda Wind ASA for the year ended 31 December 2021. No new standards have been applied in 2022.

# Notes

(EUR 1.000)

## NOTE 2

### Revenue from contracts with customers

#### Operating income

The Groups revenue mainly derives from offering vessels and maritime personnel to the offshore wind sector under long-term chartering agreements. Under these agreements the Group delivers a vessel, including crew, to the customer. The customer determines, within the contractual limits, how the vessel is to be utilised. The Group is remunerated at an agreed daily rate for use of vessel, equipment, crew and other resources or services utilised under the contract. The Group's contracts also include victualling covering meals and bedding provided to customer personnel onboard the vessel. The Group's revenue is split into a service element and lease element. The revenue is mainly recognised over time as the performance obligation is satisfied over time.

The Group also provides management services to companies outside of the Group. Remuneration for management services is classified as other revenue and recognised over time as performance obligation is satisfied over time.

The Group has one reportable segment being the Offshore Wind segment.

Offshore Wind operating revenue	Q1 2022	Q1 2021	Full Year 2021
<i>Revenue from contracts with customers:</i>			
Service element from contracts with day rate, including victualling	4 165	2 589	14 900
Other revenue	125	113	484
<i>Lease revenue:</i>			
Lease element from contracts with day rate	2 479	1 665	9 033
<b>Total operating income</b>	<b>6 768</b>	<b>4 366</b>	<b>24 417</b>

#### Leasing

In April 2021 the group entered into a 12 month lease for the OSV vessel Edda Fjord from related party West Supply VIII AS. This contract is a lease in scope of IFRS 16, however the Group have elected to apply the recognition exemption for short-term leases and the Group has recognised the lease payments as an expense over the lease period. The vessel is operating as a frontrunner for Edda Wind newbuilding vessel expected to be delivered in Q3 2022. During the first quarter 2022 the Group recognised a lease expense of EUR 1,957 thousand (EUR 0 in Q1 2021).

# Notes

(EUR 1.000)

## NOTE 3

### Tangible assets

The tables below show the groups tangible assets as of 31.03.2022, 31.03.2021 and 31.12.2021.

31/03/2022	Vessels	Period Maintenance	Equipment	New- buildings	Total
<b>Cost 01.01.2022</b>	<b>83 128</b>	<b>2 390</b>	<b>69</b>	<b>131 077</b>	<b>216 664</b>
Additions	-	-	-	27 907	27 907
Currency translation differences	(1 318)	(38)	(0)	(443)	(1 798)
<b>Cost 31.03.2022</b>	<b>81 810</b>	<b>2 352</b>	<b>69</b>	<b>158 541</b>	<b>242 772</b>
<b>Accumulated depreciation and impairment losses 01.01.2022</b>	<b>(10 153)</b>	<b>(1 753)</b>	<b>(66)</b>	<b>-</b>	<b>(11 972)</b>
Depreciation	(694)	(120)	(3)	-	(816)
Currency translation differences	172	30	0	-	202
<b>Accumulated depreciation and impairment losses 31.03.2022</b>	<b>(10 675)</b>	<b>(1 843)</b>	<b>(69)</b>	<b>-</b>	<b>(12 587)</b>
<b>Carrying amounts</b>	<b>71 136</b>	<b>509</b>	<b>0</b>	<b>158 541</b>	<b>230 187</b>
<b>Remaining instalments newbuildings 31.03.2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>274 393</b>	<b>274 393</b>

31/03/2021	Vessels	Period Maintenance	Equipment	New- buildings	Total
<b>Cost 01.01.2021</b>	<b>77 254</b>	<b>2 221</b>	<b>69</b>	<b>35 957</b>	<b>115 501</b>
Additions	-	-	-	17 133	17 133
Currency translation differences	4 322	124	-	780	5 226
<b>Cost 31.03.2021</b>	<b>81 576</b>	<b>2 345</b>	<b>69</b>	<b>53 870</b>	<b>137 860</b>
<b>Accumulated depreciation and impairment losses 01.01.2021</b>	<b>(6 859)</b>	<b>(1 185)</b>	<b>(66)</b>	<b>-</b>	<b>(8 110)</b>
Depreciation	(663)	(114)	-	-	(778)
Currency translation differences	(401)	(69)	-	-	(470)
<b>Accumulated depreciation and impairment losses 31.03.2021</b>	<b>(7 923)</b>	<b>(1 369)</b>	<b>(66)</b>	<b>-</b>	<b>(9 357)</b>
<b>Carrying amounts</b>	<b>73 653</b>	<b>977</b>	<b>3</b>	<b>53 870</b>	<b>128 503</b>
<b>Remaining instalments newbuildings 31.03.2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>224 334</b>	<b>224 334</b>



# Notes

(EUR 1.000)

## NOTE 3

### Tangible assets cont.

31/12/2021	Vessels	Period Maintenance	Equipment	New- buildings	Total
<b>Cost 01.01.2021</b>	<b>77 254</b>	<b>2 221</b>	<b>69</b>	<b>35 957</b>	<b>115 501</b>
Additions	-	-	-	93 476	93 476
Currency translation differences	5 874	169	-	1 644	7 687
<b>Cost 31.12.2021</b>	<b>83 128</b>	<b>2 390</b>	<b>69</b>	<b>131 077</b>	<b>216 664</b>
<b>Accumulated depreciation and impairment losses 01.01.2021</b>	<b>(6 859)</b>	<b>(1 185)</b>	<b>(66)</b>	<b>-</b>	<b>(8 110)</b>
Depreciation	(2 704)	(465)	(0)	-	(3 169)
Currency translation differences	(591)	(103)	0	-	(694)
<b>Accumulated depreciation and impairment losses 31.12.2021</b>	<b>(10 153)</b>	<b>(1 753)</b>	<b>(66)</b>	<b>-</b>	<b>(11 972)</b>
<b>Carrying amounts</b>	<b>72 975</b>	<b>637</b>	<b>3</b>	<b>131 077</b>	<b>204 692</b>
<b>Remaining instalments newbuildings 31.12.2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149 382</b>	<b>149 382</b>

The depreciation schedule for vessels is 30 years straight-line depreciation.

For periodic maintenance, the depreciation is set to 5 years based on time expected until next maintenance.

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# Notes

(EUR 1.000)

## NOTE 3

### Newbuilding vessels

In January 2022 the Group ordered three CSOVs for delivery in January and July 2024. One vessel will be built at Astilleros Gondan, Spain and two vessels are being built at Colombo Dockyard PLC, Sri Lanka.

### Impairment assessment

The Group has performed an assessment of impairment indicators in accordance with IAS 36. Identification of impairment indicators is based on an assessment of development in market rates, earnings for the fleet, vessel operating expenses, operating profit, technological development, change in regulations, interest rates, discount rates and inherent climate risk. The impairment assessment covers both operational vessels, as well as vessels under construction at year end. Each vessel is considered as a separate CGU.

Edda Wind's two operational SOVs, Edda Passat and Edda Mistral, are both on long-term charter party contracts until Q1 2023 og Q3 2023 respectively. Further, Edda Wind has secured contracts for four of its vessels under construction, see contract status below.

Following strong activity in the offshore wind market and several offshore wind farms coming closer to installation, the tendering activity has been strong, with several live tenders during 2021. A strengthened demand for subsea vessels has also contributed to an increase in dayrates, as several subsea vessels have left the offshore market and thereby reducing potential supply. The market has seen some ordering of newbuilds since the end of 2020, on par with expectations given the expected demand development. In the last half of 2021 and first quarter of 2022, a steady increase in newbuild prices from yard has been identified. These trends are expected to continue into the next financial year. The market expectations are further supported by a positive price/book ratio at year end.

Management reporting show that both operational vessels have been profit making during 2022. The Group has not observed any decline in the asset's value during the year that is significantly more than could be expected from passing of time.

Exposure to climate-related matters could also be an indicator that an asset is impaired, and the Group has assessed its exposure to climate risk. Climate risk refers to the impact climate change may have on the Group's business, such as physical changes in operating environment, changes in demand for the Group's services or regulatory changes. Effects of climate change, such as rapid weather changes may result in challenging working conditions and affect vessel utilisation. For the Edda Wind fleet, management has assessed this risk as low, as all vessels are equipped with technology to handle harsh weather conditions, such as motion compensated gangway systems and cranes. The Group also faces risk of changes in regulatory requirements. Such risks may be penalties or taxation on CO2 emissions or other cost increasing measures adversely affecting the Group. The risk may also be changes in the growth of the offshore wind market due to change in regulatory requirements or technological advances in other renewable energy segments. Given the accelerating transition from fossil-based to zero-carbon energy sources, with considerable investments within the offshore wind segment, the Group does not expect that regulators will impose adverse requirements to participants within the segment to slow growth. Although the vessels main source of emission is CO2, the vessels are built for zero-emission technology and the Group therefore expects that it will be able to reduce its emissions going forward.

Based on the above, management has concluded that there are no indicators of impairment at 31 March 2022.

# Notes

(EUR 1.000)

## NOTE 3

### Contract status and coverage

Vessel	Contract duration
Edda Passat	Q1 2023 + extension options
Edda Mistral	Q3 2023 + extension options
Edda Breeze (Delivery Q3 2022)	Delivery to Q2 2032 + extension options
NB490 (Delivery Q1 2023)	Q2 2023 to Q2 2025 + extension options
NB415 (Delivery Q3 2022)	Delivery to Q2 2037 + extension options
NB416 (Delivery Q1 2023)	Q3 2023 to Q3 2028 + extension options
NB491 (Delivery Q3 2023)	Uncommitted
NB492 (Delivery Q2 2024)	Uncommitted
NB257 (Delivery Q1 2024)	Uncommitted
NB258 (Delivery Q3 2024)	Uncommitted
NB503 (Delivery Q3 2024)	Uncommitted

# Notes

(EUR 1.000)

## NOTE 4

### Interest-bearing debt

The table below show the Group's interest-bearing debt.

	31/03/2022	31/03/2021	31/12/2021
Non-current interest-bearing debt	115 222	81 394	110 545
Current interest-bearing debt	8 527	4 749	6 951
<b>Total interest-bearing-debt</b>	<b>123 749</b>	<b>86 143</b>	<b>117 496</b>

Loan agreements entered into by the Group contain financial covenants related to liquidity, working capital, book equity ratio, and market value. The Group was in compliance with these covenants at March 31 2022 (analogous for March 31 2021).

The table below shows specifications of the group's interest-bearing debt

	31/03/2022	31/03/2021	31/12/2021
Pledged debt to financial institutions	48 492	43 929	42 021
Bonds	75 257	42 214	75 476
<b>Total interest bearing debt</b>	<b>123 749</b>	<b>86 143</b>	<b>117 496</b>



# Notes

(EUR 1.000)

## NOTE 4

### Interest-bearing debt

The tables below show the repayment schedule of the group's interest-bearing debt.

Repayment schedule for debt to financial institutions	31/03/2022	31/03/2021	31/12/2021
Due in year 1	4 763	4 749	4 839
Due in year 2	7 188	4 749	4 839
Due in year 3	7 188	18 674	4 839
Due in year 4	7 188	2 521	4 839
Due in year 5 and later	22 148	13 236	22 663
<b>Total repayment schedule for debt to financial institutions</b>	<b>48 474</b>	<b>43 929</b>	<b>42 021</b>

Repayment schedule for bond			
Due in year 1	3 764	-	2 111
Due in year 2	4 018	1 372	4 161
Due in year 3	4 196	1 898	4 159
Due in year 4	4 386	1 964	4 342
Due in year 5 and later	58 893	36 979	60 702
<b>Total repayment schedule for bond</b>	<b>75 257</b>	<b>42 214</b>	<b>75 476</b>

# Notes

(EUR 1.000)

## NOTE 5

### Fair value financial liabilities

The table below shows the Group's financial derivatives measured at fair value.

Financial liabilities at fair value	31/03/2022	31/03/2021	31/12/2021
Financial liabilities measured at fair value at 01.01	91	598	598
Changes in fair value through the income statement (+loss/-profit)	(84)	(179)	(208)
Derecognition of interest swap due to termination	-	-	(299)
<b>Total Financial liabilities measured at fair value</b>	<b>7</b>	<b>419</b>	<b>91</b>

The Group's financial liabilities measured at fair value consists of an interest rate swap for a portion of the Group's interest bearing debt to financial institutions in order to mitigate risk related to interest rate, as well as an outright foreign exchange contract. The Group terminated one of its interest rate swaps in December 2021.

The fair value of financial instrument nominated in other currencies than EUR is determined based on the currency exchange rate at the balance sheet date. The financial instruments are not traded in an active market (over-the-counter contracts) and is based on level 2 input, consisting of third party quotes. These quotes use observable market rates for price discovery. Specific valuation techniques used by financial counterparties (banks) to value financial derivatives include quoted market prices for similar derivatives, and calculations of the net present value of the estimated future cash flows based on observable yield curves.

The Group does not hold fair value financial assets or liabilities measured using significant unobservable inputs (level 3).

All other financial assets and liabilities held by the Group is measured at amortised cost.

# Notes

(Amount in EUR)

## NOTE 6

### Share capital

Edda Wind's share capital amounts to NOK 6,431,449 divided into 64,314,488 shares, each with a nominal value of NOK 0.1.

### 20 Largest shareholders at 31.03.2022

Shareholder	Country	Number of shares	Ownership share
ØSTENSJØ WIND AS	Norway	16 500 000	25.7 %
WILHELMSEN NEW ENERGY AS	Norway	16 500 000	25.7 %
CREDIT SUISSE (SWITZERLAND) LTD	Ireland	6 504 665	10.1 %
GEVERAN TRADING CO LTD	Cyprus	6 504 065	10.1 %
J.P. MORGAN SE	Luxembourg	1 177 122	1.8 %
J.P. MORGAN SE	Luxembourg	1 002 016	1.6 %
VJ INVEST AS	Norway	769 296	1.2 %
THE NORTHERN TRUST COMP, LONDON BR	United Kingdom	752 420	1.2 %
VERDIPAPIRFONDET DNB SMB	Norway	678 303	1.1 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	Sweden	598 971	0.9 %
FORENEDE INDUSTRIER SHIPPING AS	Norway	585 716	0.9 %
PORTIA AS	Norway	500 000	0.8 %
LUDVIG LORENTZEN AS	Norway	500 000	0.8 %
VARNER EQUITIES AS	Norway	463 951	0.7 %
VERDIPAPIRFONDET NORDEA NORGE VERD	Norway	455 285	0.7 %
VERDIPAPIRFONDET NORDEA AVKASTNING	Norway	357 724	0.6 %
VERDIPAPIRFONDET NORDEA KAPITAL	Norway	323 855	0.5 %
CITIBANK, N.A.	Ireland	318 768	0.5 %
MORGAN STANLEY & CO. INT. PLC.	United Kingdom	307 017	0.5 %
VERDIPAPIRFONDET ALFRED BERG AKTIV	Sweden	306 795	0.5 %
<b>20 largest shareholders</b>		<b>55 105 969</b>	<b>85.7 %</b>
Others		9 208 519	14.3 %
<b>Total</b>		<b>64 314 488</b>	<b>100.0 %</b>

# Notes

(Amount in EUR)

## NOTE 7

### Share capital

The table below shows the earnings per share.

Earnings per share	Q1 2022	Q1 2021	Full Year 2021
Net profit attributable to ordinary shareholders of Edda Wind ASA	782 395	1 182 000	2 241 853
Weighted average number of outstanding shares to calculate EPS	62 916 347	33 000 000	35 843 280
<b>Earnings per share</b>	<b>0.01</b>	<b>0.04</b>	<b>0.06</b>

Earnings per share is calculated based on the average number of outstanding shares during the period. Basic earnings per share is calculated by dividing profit for the period by average number of total outstanding shares. The Group does not have any dilutive instruments.

The Group performed a share split during 2021 and increased its number of shares to 33 million. The EPS calculation has been adjusted for this in all periods presented.

## NOTE 8

### Tax

The effective tax rate for the Group will, from period to period, change dependent on the group gains and losses from investments inside the exemption method and tax exempt revenues from tonnage tax regimes.

The Group's Spanish subsidiaries, Puerto de Calella SL and Puerto de Llafranc SL, are taxed in accordance with the Spanish Tonnage Tax regime. Tonnage tax is recognised as an operating expense in the income statement.

The Group recorded a tax expense of EUR nil during the first quarter of 2022 (EUR 0 during first quarter 2021), and recognised a deferred tax asset of EUR 23 thousand as of 31.03.2022 (deferred tax asset of EUR 41 thousand as of 31.03.2021).

# Notes

(EUR 1.000)

## NOTE 9

### Related party transactions

Related party transactions include shared services and other services provided and purchased from entities outside of the Edda Wind Group that are under control directly or indirectly, joint control or significant influence by the owners of Edda Wind ASA. This includes operation and supervision of vessels, crew hire, and corporate management services.

Services are priced on commercial market terms and in accordance with the principles set out in the OECD Transfer Pricing Guidelines and are delivered according to agreements that are renewed annually.

Transactions with related parties	Q1 2022	Q1 2021	Full Year 2021
Leasing of Edda Fjord from West Supply VIII AS	1 957	-	5 836
Purchase of management services, operation and supervision of vessels from Østensjø Rederi AS	199	196	758
Sale of services to Østensjø Rederi	-56	-103	-395
Hired crew from Østensjø Rederi AS	1 437	1 261	5 138
Guarantee commission to Johannes Østensjø d.y. AS	-	57	529
Interest on shareholder loan	-	-	581
Insurance cost to Wilhelmsen Insurance Services AS	62	-	61
Interest expenses to Johannes Østensjø d.y. AS on other short term debt	-	3	9
<b>Total transactions with related parties</b>	<b>3 600</b>	<b>1 414</b>	<b>12 517</b>

## NOTE 10

### Subsequent events

There have been no events after the balance sheet date which has a significant effect on the Group.

Inflation and shortages in supply chains is further impacted by the war in Ukraine, increasing uncertainty and cost relating to supply of materials, components, and crew. Although the Group is not directly exposed to Russian or Ukrainian suppliers there is still a risk that the disruptions, delays, and increased cost may indirectly affect the Group, its suppliers, or its clients.





# Access the future

