

4th Quarter Report 2022



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Photo: Bård Gudim

Letter from the CEO

Edda Wind gearing up for more activity, more vessels and more contracts.

The offshore wind industry is continuing its growth and the upward trend is set to continue. This is backed up by huge optimism from the industry itself, markets analysts and investors. This optimism is welcomed and shared by Edda Wind.

Market reports indicate a demand for more than 250 service vessels in the offshore wind industry by the end of this decade. The supply of existing C/SOVs plus newbuilds amounts to around 60 vessels, of which 50% are engaged on firm contracts. It is expected that the demand/supply gap will result in favourable day rates, particularly in the shorter commissioning segment. The fact that the subsea tonnage is exiting from offshore wind back to oil & gas, suggests an expected increase in this trend. This demand represents a significant growth opportunity for Edda Wind, being a leading operator with a portfolio of both long- and short-/medium-term contracts, able to balance stable cash flows with flexibility to capitalise on favourable market dynamics.

Edda Wind is increasing its capacity and another CSOV was ordered in October. The ongoing newbuilding programme will bring the fleet to a total of ten purpose-built offshore wind vessels by mid 2025. Four of the newbuilds are presently uncommitted, which is considered to be a great opportunity based on market outlook. The company has previously reported delays on the gangway systems for the first newbuilds. Therefore, I am happy to report that the installation and commissioning of the systems onboard Edda Breeze and Edda Brint is about to be completed allowing the vessels to start generating cash. Both vessels are expected to commence operations in March.

The three vessels in operation have performed very well, with a utilisation of 99.7% and no injuries to personnel during the quarter. The chartered-in frontrunner vessel, Edda Fjord, has provided very good service to Ocean Breeze since April 2021. The vessel will be redelivered to Østensjø once it is replaced by Edda Breeze. I am delighted to see that Ørsted has declared an optional period for Edda Passat and Edda Mistral, which is firm proof of the quality of service Edda Wind has provided during a five-year period.

It is already a year since Edda Wind's successful IPO, and the first full year of operation is over. It has been a very exciting and hectic period with its challenges and I am happy to have received such positive feedback on the company, as a trusted and recognised service provider to the offshore wind industry. We have much excitement ahead of us, including five newbuilds that will commence operations during 2023. The Edda Wind organisation will be geared up in line with these newbuilds coming into operations to ensure that the company has the capacity and scale to deal with an increased workload, and the ability to operate smoothly as we gradually grow larger fleet.

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

Kenneth Walland
CEO

Highlights Q4 2022

Market

250

Strong demand growth, estimated to be more than 250 vessels by 2030, excluding China; far exceeding existing tonnage and order book of approximately 60 vessels



Increasing rates as oil & gas tonnage exit offshore wind



Increased focus and accelerated pace for the renewable energy transition



Edda Wind

8

Eight vessels under construction, ordered at low prices with attractive delivery schedule

Newbuilding programme

Edda Breeze and Edda Brint expected to be ready for operation in March 2023. Edda Boreas and C-416 expected to be ready for operation during Q2 2023 and Q4 2023

99.7%

Close to 100% utilisation in Q4 2022 and zero incidents to personnel



Management report Q4 2022



Operating income

EUR 7.3m

Operating expenses

EUR 5.9m

Operating profit before depreciation

EUR 1.4m

Profit before tax

EUR 0.2m

Investment in vessels and newbuildings

EUR 289.8m

Operations

Edda Wind ASA and subsidiaries ("The Group") is a pure-play offshore wind service company.

Currently, the Group owns and operates two purpose-built SOVs and operates one chartered-in frontrunner vessel.

Edda Passat and Edda Mistral operate in the North Sea on charters for Ørsted on Race Bank and Hornsea 1 wind farms, while Edda Fjord is chartered in as a frontrunner for a long-term contract with Ocean Breeze at the BARD Offshore 1 wind farm. All three vessels had near full utilisation throughout the quarter and zero injuries.

The Group has a newbuilding programme for further SOVs and CSOVs at yards in Spain which will bring the fleet up to ten vessels.

Group consolidated results Q4 2022

Operating income for Q4 2022 was EUR 7.3 million, 7.5% up from EUR 6.8 million in the same quarter in 2021. The increase in operating income is primarily related to increases in day rates in firm contracts as well as compensation received from Colombo Dockyard Plc.

Operating expenses in Q4 2022 were EUR 5.9 million. In Q4 2021, the operating expenses were EUR 6.4 million, the reduction in cost is primarily related to the IPO-process in Q4 2021.

Operating profit before depreciation in Q4 2022 was EUR 1.4 million, versus EUR 0.4 million in Q4 2021.

Net financial result in Q4 2022 was EUR -0.4 million, compared to EUR 0.7 million in the same quarter last year, mainly due to currency effect and realised gains on financial derivatives.

Profit before tax was EUR 0.2 million, versus EUR 0.3 in Q4 2021.

Capital structure and financing

Cash and cash equivalents ended at EUR 45.0 million, down from EUR 89.5 million at the end of Q4 2022 mainly due to investments in newbuildings.

Investment in newbuildings was EUR 223.1 million, up from EUR 131.1 million at the end of Q4 2022 due to payments in relation to the eight newbuildings on order.

Total interest-bearing debt was EUR 156.9 million, up from EUR 117.5 million in Q4 2022.

Total equity was EUR 183.7 million by the end of Q4 2022, down from EUR 184.3 at the end of Q4 2022.

Outlook

The ongoing restructuring of the world's energy systems in a greener direction has continued and strengthened throughout the quarter. This is a megatrend that will contribute to shaping the world for decades to come.

The leading analytical environments within offshore wind estimate a continued significant growth in energy generation capacity from offshore wind turbines until at least the end of this decade. This will naturally be accompanied by a sharp growth in the number of wind turbines installed and in operation. As a consequence, it is estimated that in excess of 250 C/SOVs will be needed to assist with commissioning and operation of these; a number that compares favourably with the existing fleet size of less than 60 vessels, including vessels under construction.

Management report Q4 2022

continued



Outlook continued

Subsea tonnage, which has been filling the gap between supply and demand until now, is continuing to migrate back to oil & gas markets, as demand and day rates achieved in these markets have strengthened significantly over the last year. For Edda Wind, as the leading shipowner and operation within the C/SOV market, this continues to be an opportunity for growth in what is expected to be a market with increasing day rates.

The newbuilding programme

The Group has eight vessels under construction, two SOVs and six CSOVs – including three vessels that are delivered from shipyard but in the process of installing gangway systems. The SOV and CSOV newbuilds are sister-vessels with the same main components and technology, which will offer benefits in relation to operation, crew training and spares. Quoted prices for similar vessels have increased significantly during the last year meaning that the current fleet has been ordered at an opportune time and at attractive prices. All the newbuilding contracts are based on firm yard prices.

Inflation and shortages in supply chains continue to be impacted by the war in Ukraine, however there are signs that suppliers are now able to mitigate this impact going forward.

Edda Breeze and Edda Brint are expected to be delivered to clients in March 2023 and Edda Boreas (C-490) and C-416 are expected to be ready for operation in Q2 and Q4 2023 respectively.

Management report Q4 2022

continued



Gangway deliveries

As previously reported, the company has suffered delays on the gangway systems which again has resulted in delayed commissioning and onhire for Edda Breeze and Edda Brint.

Edda Wind has, together with the supplier, worked hard to mitigate the consequences of the delays to ensure delivery of the gangway systems as early as possible (see note 11). This has involved taking delivery of the vessels from the shipyard with the gangway system only partly completed. The final commissioning of the systems commenced in Denmark in November and has since been progressing well. The vessels are expected to be onhire in March 2023.

Events after the balance sheet date

As reported in December 2022, hull no C416 is under construction at Balenciaga shipyard in Spain. The construction is behind schedule, and it is estimated that the vessel will be ready for operation in Q4 2023. Management, together with the yard, suppliers, and the client are working to minimize the risk of further delays, as well as associated cost increase.

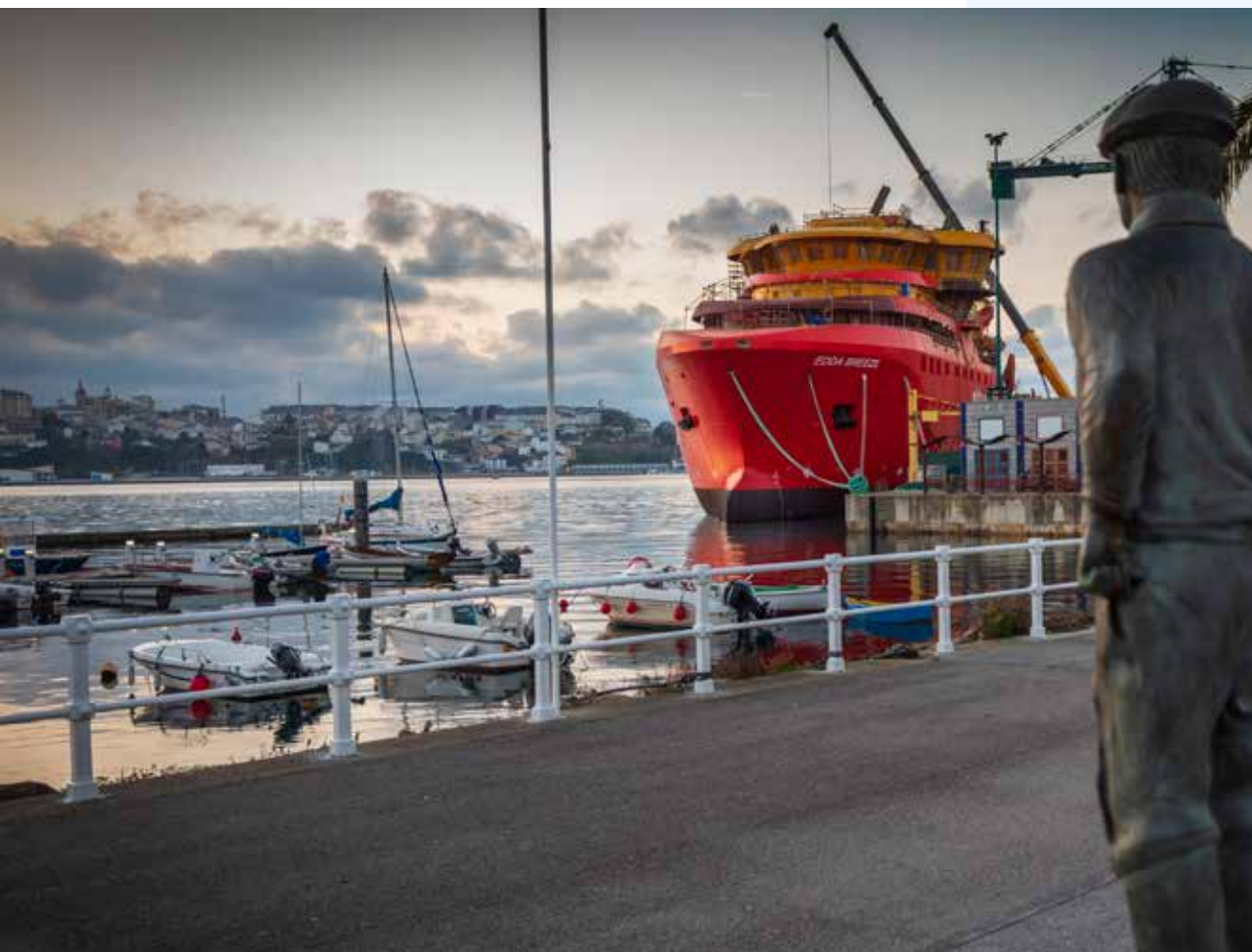
On February 9th 2023 Edda Wind took delivery of *Edda Boreas*, the second of a series of six CSOVs contracted at Gondan shipyard in Spain. The vessel will be completed with gangway system in Denmark and thereafter, it will commence a 2+1 year charter with SSE in Q2 2023 – working on commissioning of Dogger Bank Wind Farm in the North Sea.

On February 13th, Edda Wind entered into a green loan facility agreement for the pre- and post-delivery financing of three vessels under construction at Gondan shipyard in Spain. The facility, which is with Crédit Agricole, Eksfin and Sparebanken Vest, is between EUR 100 – EUR 120 million with a term of 6 years from delivery and a blended profile of 12 years and 15 years at attractive terms. Following this, the first nine vessels in the fleet have secured long-term financing.

Edda Breeze is about to complete installation of the gangway system and is expected to commence the charter early March 2023. As the first of eight newbuilds on hire, this represents a milestone for Edda Wind.

Key figures Q4 2022

(EUR 1,000)



Key figures	Q4 2022	Q3 2022	Q4 2021	FY 2021
Revenue	7,333	7,432	6,821	24,416
Profit/(loss) for the period	187	398	274	2,242
Total assets	351,138	337,762	305,602	305,602
Equity	183,680	183,594	184,332	184,332
APM				
EBITDA	1,408	1,424	380	6,182
EBIT	626	630	-422	3,013
NIBD	107,758	77,134	20,940	20,940
Equity ratio	52.3%	54.4%	60.3%	60.3%

Definitions of 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 amortisation.
- 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 1 January 2022 to 31 December 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 Group's assets, debt, financial position and result which, in its entirety, gives a true overview of the information in accordance with the securities trading act.



Håvard Framnes
Chairman of the Board

Toril Eidesvik
Board member

Adrian Geelmuyden
Board member

Cecilie Wammer Serck-Hanssen
Board member

Haugesund, 23 February 2023
(signed electronically)

Martha Kold Bakkevig
Board member

Jan Eyvin Wang
Board member

Duncan J. Bullock
Board member

Income statement

(unaudited)

(EUR 1,000)

	Notes	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Freight income	2	6,704	6,690	26,930	23,933
Other operating income	2, 9	630	131	1,496	484
Total operating income		7,333	6,821	28,425	24,416
Payroll and remuneration		(2,202)	(2,077)	(8,609)	(7,320)
Other operating expenses	2	(3,724)	(4,364)	(13,248)	(10,914)
Total operating expenses		(5,925)	(6,441)	(21,856)	(18,234)
Operating profit before depreciation		1,408	380	6,569	6,182
Depreciation	3	(782)	(802)	(3,195)	(3,169)
Operating profit		626	(422)	3,374	3,013
Financial income and expenses					
Financial income	10	220	1,255	450	1,461
Financial expense	10	(659)	(559)	(1,890)	(2,233)
Financial income/(expense)		(439)	696	(1,440)	(773)
Profit/(loss) before tax		187	274	1,935	2,241
Tax (income)/expense	8	–	–	–	–
Profit/(loss) for the period		187	274	1,935	2,241
Basic/diluted earnings per share in EUR	7	0.00	0.01	0.03	0.06

Comprehensive income

(unaudited)

(EUR 1,000)

	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Profit/(loss) for the period	187	274	1,935	2,241
Items that may be reclassified to the income statement				
Currency translation differences	(101)	1,129	(2,587)	2,145
Other comprehensive income, net of tax	(101)	1,129	(2,587)	2,145
Total comprehensive income for the period	86	1,403	(652)	4,385

Balance sheet

(unaudited)

(EUR 1,000)

	Notes	31.12.2022	31.12.2021
ASSETS			
Non-current assets			
Deferred tax asset	8	–	23
Vessels	3	66,714	73,611
Newbuildings	3	223,082	131,077
Other non-current assets	11	7,050	–
Machinery and equipment	3	7	3
Total non-current assets		296,853	204,715
Current assets			
Account receivables		3,926	3,575
Other current receivables		1,153	–
Other current assets		4,114	7,791
Financial derivatives	5	71	–
Cash and cash equivalents		45,021	89,520
Total current assets		54,285	100,886
Total assets		351,138	305,602
EQUITY AND LIABILITIES			
Equity			
Share capital	6, 7	644	644
Share premium		116,128	116,128
Other equity		66,908	67,560
Total equity		183,680	184,332
Non-current liabilities			
Non-current interest-bearing debt	4	146,013	110,545
Total non-current liabilities		146,013	110,545
Current liabilities			
Account payables		3,017	1,555
Financial derivatives	5	–	91
Public duties payable		85	96
Current interest-bearing debt	4	10,951	6,951
Other current liabilities	11	7,392	2,031
Total current liabilities		21,446	10,724
Total equity and liabilities		351,138	305,602

Cash flow statement

(unaudited)

(EUR 1,000)

	Notes	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Cash flow from operations					
Profit/(loss) before tax		187	274	1,935	2,242
Financial (income)/expenses		438	(696)	1,440	772
Depreciation and amortisation	3	782	802	3,195	3,169
Change in working capital		1,417	(719)	2,656	583
Net cash flow from operations		2,824	(339)	9,225	6,765
Cash flow from investment activities					
Investments in fixed assets	3	(27,974)	(34,226)	(92,012)	(93,476)
Changes in restricted cash – investment commitment		(2,565)	7,200	(2,922)	25,964
Net cash flow from investment activities		(30,539)	(27,026)	(94,934)	(67,512)
Cash flow from financing activities					
Proceeds from issue of interest-bearing debt	4	13,478	7,305	49,856	32,190
Repayment of interest-bearing debt	4	(447)	–	(6,859)	(4,497)
Proceeds from other interest-bearing debt		–	16,500	–	43,500
Repayment of other debt		–	(16,500)	–	(16,500)
Interest paid including interest derivatives		(458)	(349)	(1,776)	(1,101)
Paid other financial expenses		0	(99)	(114)	(1,187)
Proceeds from issuance of new shares		–	90,131	–	90,131
Net cash flow from financing activities		12,574	96,988	41,107	142,536
Effects of currency rate changes on bank deposits, cash and equivalents					
Net change in bank deposits, cash and equivalents		(15,141)	69,624	(44,603)	81,789
Translation difference		(57)	982	104	1,016
Cash and cash equivalents at period start		60,217	18,913	89,520	6,715
Cash and cash equivalents at period end		45,021	89,520	45,021	89,520

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
Balance at 01.01.2022	644	116,128	27,608	36,522	3,431	67,560	184,332
Profit for the period	–	–	–	1,935	–	1,935	1,935
Other comprehensive income	–	–	–	–	(2,587)	(2,587)	(2,587)
Balance at 31.12.2022	644	116,128	27,608	38,457	844	66,908	183,680

	Share capital	Share premium	Other paid-in capital	Retained earnings	Foreign currency translation reserve	Other equity	Total equity
Balance at 01.01.2021	9	–	27,608	34,280	1,286	63,174	63,183
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
Balance at 31.12.2021	644	116,128	27,608	36,522	3,431	67,560	184,332

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, and the Company’s webpage, 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

continued

(EUR 1,000)

Note 2

Revenue from contracts with customers

Operating income

The Group's 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.

	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Offshore Wind operating revenue				
<i>Revenue from contracts with customers:</i>				
Service element from contracts with day rate, including victualling	3,929	4,181	16,489	14,900
Other revenue	630	131	1,496	484
<i>Lease revenue:</i>				
Lease element from contracts with day rate	2,775	2,508	10,441	9,033
Total operating income	7,333	6,821	28,425	24,416

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 Breeze, which is expected to be delivered to the client in March 2023. As such, the lease was extended until year end, with optional period until 31 March 2023. During the fourth quarter 2022, the Group recognised a lease expense of EUR 2,529 thousand (EUR 1,835 thousand in Q3 2021).

On 28 July 2022 Edda Wind entered into an agreement with Colombo Dockyard PLC for the cancellation of two newbuilding contracts signed 31 January 2022. Under this agreement, Edda Wind will receive compensation in excess of incurred project costs. EUR 1,000 thousand has been recognised YTD 2022, EUR 500 thousand of which in Q4. The remaining agreed compensation is recognised as revenue when payment is received.

Notes

continued

(EUR 1,000)

Note 3 Tangible assets

The tables below show the Group's tangible assets as of 31 December 2022 and 31 December 2021.

31.12.2022	Vessels	Periodical maintenance	Equipment	Newbuildings	Total
Cost 01.01.2022	83,128	2,390	69	131,077	216,664
Additions	–	–	7	94,110	94,117
Currency translation differences	(4,308)	(117)	–	(2,105)	(6,531)
Cost 31.12.2022	78,820	2,273	76	223,082	304,251
Accumulated depreciation and impairment losses 01.01.2022	(10,153)	(1,753)	(66)	–	(11,972)
Depreciation	(2,153)	(444)	(3)	–	(3,195)
Currency translation differences	645	74	0	–	720
Accumulated depreciation and impairment losses 31.12.2022	(12,256)	(2,122)	(69)	–	(14,448)
Carrying amounts	66,563	151	7	223,082	289,803
Remaining instalments newbuildings 31.12.2022	–	–	–	180,225	180,225

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

Notes

continued

(EUR 1,000)

Note 3 continued Tangible assets continued

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.

Vessels under construction (“newbuildings”) are capitalised based on instalments paid to the shipyard and other costs directly attributable to the construction, including borrowing costs during the construction period. Capitalised cost for vessels under construction is reclassified to vessels when the vessel is delivered and ready for use. Vessels under construction are not subject to depreciation until the vessel is ready for use.

Impairment assessment

The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As of 31 December 2022, the market capitalisation of the Group was below the book value of its equity. As a result, the Group performed an impairment test at the end of the fourth quarter of 2022 for each of its operational SOVs and newbuilds expected to be delivered in 2023.

As part of the assessment of vessel value, the Group has obtained broker values. When comparing broker values to book values, a substantial headroom is identified. To further support the broker values, the Group has performed an impairment test through a value in use calculation. Cash flows are estimated throughout the useful time of the vessels. The estimates for 2022 reflect the current market conditions. The Group has used a discount rate in the interval of 8.5%-10.0% for cash flows denominated in EUR and GBP. This is also an assumption when performing the impairment assessment. The recoverable amount exceeded the carrying amount in the value-in-use calculation and thus the impairment test did not reveal any need for impairment.

Notes

continued

(EUR 1,000)

Note 4 Interest-bearing debt

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

	31.12.2022	31.12.2021
Non-current interest-bearing debt	146,013	110,545
Current interest-bearing debt	10,951	6,951
Total interest-bearing debt	156,964	117,496

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 31 December 2022 (analogous for 31 December 2021).

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

	31.12.2022	31.12.2021
Pledged debt to financial institutions	80,239	42,021
Bonds	76,725	75,476
Total interest-bearing debt	156,964	117,496

The table below shows the repayment schedule of the Group's interest-bearing debt.

	31.12.2022	31.12.2021
Repayment schedule for debt to financial institutions		
Due in year 1	6,889	4,839
Due in year 2	9,189	4,839
Due in year 3	9,189	4,839
Due in year 4	9,189	4,839
Due in year 5 and later	45,785	22,663
Total repayment schedule for debt to financial institutions	80,239	42,021
Repayment schedule for bond		
Due in year 1	4,062	2,111
Due in year 2	4,056	4,161
Due in year 3	4,235	4,159
Due in year 4	4,728	4,342
Due in year 5 and later	59,643	60,702
Total repayment schedule for bond	76,725	75,476

Notes

continued

(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	31.12.2022	31.12.2021
Financial liabilities/(financial assets) measured at fair value at 01.01	91	598
Changes in fair value through the income statement (+loss/-profit)	(162)	(208)
Derecognition of interest swap due to termination	-	(299)
Total financial liabilities/(financial assets) measured at fair value	(71)	91

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 are 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 are measured at amortised cost.

Notes

continued

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 31.12.2022

Shareholder	Country	Number of shares	Ownership share
ØSTENSJØ WIND AS	Norway	16,500,000	25.7%
WILHELMSSEN NEW ENERGY AS	Norway	16,500,000	25.7%
GEVERAN TRADING CO LTD	Cyprus	7,551,754	11.7%
Credit Suisse (Switzerland) Ltd.	Ireland	6,888,331	10.7%
J.P. Morgan SE	Luxembourg	1,126,184	1.8%
VJ INVEST AS	Norway	1,009,615	1.6%
Morgan Stanley & Co. Int. Plc.	United Kingdom	958,887	1.5%
FORENEDE INDUSTRIER SHIPPING AS	Norway	585,716	0.9%
VARNER EQUITIES AS	Norway	518,767	0.8%
KONTRARI AS	Norway	500,000	0.8%
PORTIA AS	Norway	500,000	0.8%
VERDIPAPIRFONDET NORDEA NORGE VERD	Norway	455,285	0.7%
VERDIPAPIRFONDET DNB SMB	Norway	435,679	0.7%
Oslo Venture Pte Ltd	Singapore	412,417	0.6%
LUDVIG LORENTZEN AS	Norway	404,101	0.6%
VERDIPAPIRFONDET NORDEA AVKASTNING	Norway	349,865	0.5%
Ultranav International II, S.A.	Panama	325,000	0.5%
LØREN HOLDING AS	Norway	300,000	0.5%
BERGEN KOMMUNALE PENSJONSKASSE	Norway	300,000	0.5%
VERDIPAPIRFONDET STOREBRAND NORGE	Norway	265,041	0.4%
20 largest shareholders		55,886,642	86.9%
Others		8,427,846	13.1%
Total		64,314,488	100.0%

Notes

continued

(EUR)

Note 7 Earnings per share

The table below shows the earnings per share.

	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Earnings per share				
Net profit attributable to ordinary shareholders of Edda Wind ASA	187,181	274,040	1,934,561	2,241,853
Weighted average number of outstanding shares to calculate EPS	64,314,488	33,000,000	64,314,488	35,843,280
Earnings per share	0.010	0.01	0.03	0.06

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 0 during the fourth quarter of 2022 (EUR 0 during fourth quarter 2021), and recognised a deferred tax asset of EUR 0 as of 31.12.2022 (deferred tax asset of EUR 23 thousand as of 31.12.2021).

Notes

continued

(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.

	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Transactions with related parties				
Leasing of Edda Fjord from West Supply VIII AS (incl. victualling)	2,658	2,051	9,147	5,836
Purchase of management services, operation and supervision of vessels from Østensjø Rederi AS	158	139	726	758
Sale of services to Østensjø Rederi	(101)	(79)	(407)	(395)
Hired crew from Østensjø Rederi AS	1,607	1,099	5,852	5,138
Guarantee commission to Johannes Østensjø d.y. AS	167	183	826	529
Interest on shareholder loan	–	172	–	581
Insurance cost to Wilhelmsen Insurance Services AS	139	48	261	61
Interest expenses to Johannes Østensjø d.y. AS on other short-term debt	–	3	–	9
Total transactions with related parties	4,628	3,579	16,405	12,517

Notes

continued

(EUR 1,000)

Note 10 Financial items

	Notes	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Financial income					
Other financial income		220	8	224	8
Currency differences		–	948	64	946
Unrealised gain on financial derivatives	5	–	–	162	208
Realised gain on financial derivatives	5	–	299	–	299
Total financial income		220	1,255	450	1,461
Financial expense					
Interest expenses		458	346	1,776	1,282
Other interest expenses to related parties		–	9	–	18
Unrealised loss on financial derivatives	5	27	167	–	–
Other financial expenses		–	36	114	932
Currency differences		174	–	–	–
Total financial expenses		659	559	1,890	2,233

Notes

continued

(EUR 1,000)

Note 11 Other circumstances

The delivery of Edda Breeze and Edda Brint to clients has been postponed due to delayed delivery of gangway systems. Following the delay, Edda Wind will incur liquidated damages for both vessels until delivery.

As per 31.12.2022, Edda Wind has incurred a total of EUR 4.6 million in liquidated damages. The amount has been capitalised as other non-current assets and will be recognised in the P&L on a straight-line basis over the contract period from the date the vessels are delivered to the clients.

The Group has also incurred an additional ready for sea cost due to a prolonged construction period. During Q4, the Group has capitalised EUR 3.1 million in ready for use cost on Edda Breeze and Edda Brint, excluding yard instalments and ENOVA contributions.

In relation to one of the newbuildings, the Group has accepted payment obligations in the net amount of EUR 2.4 million as at the balance sheet date in order to avoid delays in delivery of certain equipment. The Group will be repaid through a loan agreement in the net amount of EUR 2.4 million paid over two years.

Note 12 Subsequent events

Edda Boreas was delivered from Gondan Shipyard on February 9th, 2023.

A green credit facility of EUR 100-120 million was entered into on February 13th, 2023 for the pre- and post-delivery financing of hull no 491, 492 and 503.

In relation to the two green loan facilities signed November 2021 and February 2023 the following long term interest hedging arrangements have been agreed:

- For an amount up to max EUR 55.2 million in aggregate, the interest has been fixed at 0.52% + margin for 12 years from 1Q23 at an amortizing profile.
- For an amount up to max EUR 54.8 million in aggregate, Edda Wind has an option to fix the interest at 0.76% + margin for 12 years from 3Q23 at an amortizing profile.
- For an amount up to max EUR 11.6 million in aggregate, Edda Wind has an option to fix the interest at 0.35% + margin for between 3 and 5 years from 3Q23 at an amortizing profile.



edda wind 

**Smedasundet 97
Haugesund, Norway
post@eddawind.com
+47 52 70 45 45**

eddawind.com

Designed and produced by **emperor** 
Visit us at [emperor.works](https://www.emperor.works)