

# 2nd Quarter Report 2023

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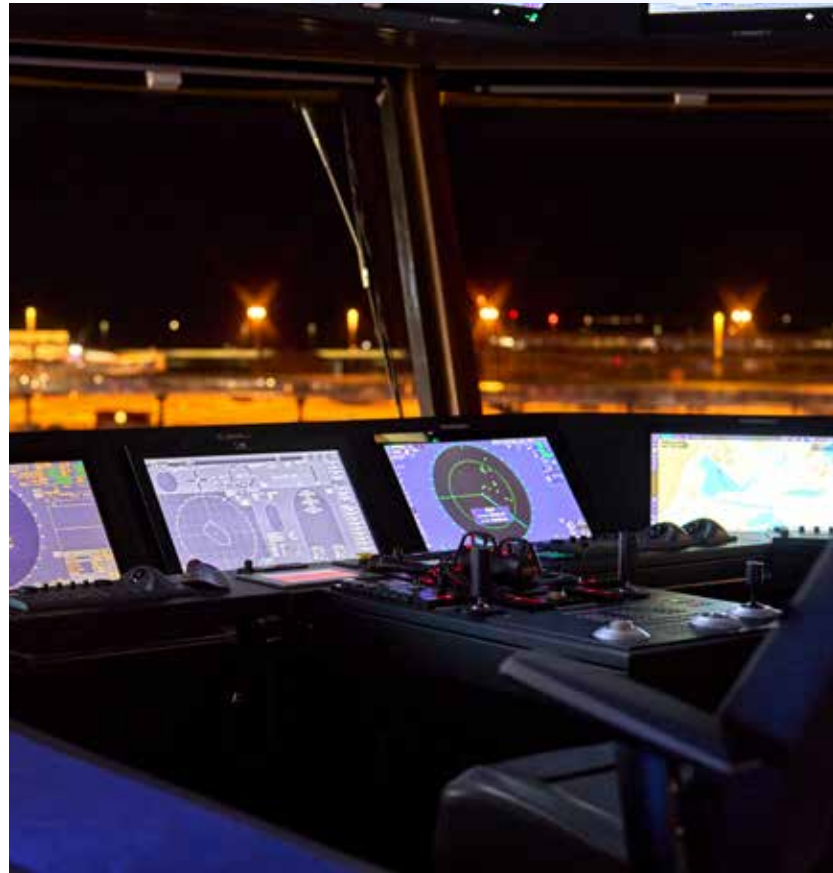


Photo: Eivind Røhne

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Photo: Eivind Røhne



Photo: Eivind Røhne



# Letter from the CEO



Photo: Bård Gudim

## Newbuildings commencing operation

Edda Breeze and Edda Brint were delivered to Charterers end of Q1-23, resulting in Edda Wind doubling the number of own vessels in operation during Q2. Further, Edda Boreas was delivered to Charterers in the beginning of July, resulting in five vessels in operation through Q3. The performance of our newbuildings makes me confident they will be very attractive vessels for our Charterers, both in the Operation & Maintenance segment as well as in Commissioning & Installation projects. I am also pleased to observe that the Edda Wind fleet is performing well on safety, operations and utilisation.

Edda Wind's next vessel, C491, is scheduled to be delivered by Gondan at the end of Q3-23 and to be fully operational in Q4-23. The vessel will start a short-term contract for Vestas from Q1-24 and we are working on engagement for her for Q4-23 and Q1-24.

C416 being built at Balenciaga, Spain, is unfortunately further delayed due to the earlier reported financial difficulties at the yard. To secure the delivery, Edda Wind will take a more active role in the completion of the vessel, including participation in the financing of remaining work, taking legal title as well as planning and project management related to the progress of work onboard. We aim to take delivery of the vessel in Q1-24.

With a total fleet of 14 vessels, Edda Wind has taken a position as the leading C/SOV-operator in the market in line with what we have communicated since the Company was established.

I am proud to observe the good reputation and relations Edda Wind has developed towards the key operators in the market and that we are always invited to participate in the actual tenders and vessel requirements being issued. The backlog of orders is EUR 410 million, combined with several newbuilds uncommitted and able to secure work in a market with great demand for this type of vessel. Despite some delays and challenges in the offshore wind market generally, we are observing positive trends for vessel day rates, indicating good revenue potential for the uncommitted Edda Wind fleet.

Edda Wind has decided to build a stand-alone fully integrated land-based organisation by 2025. In order to be prepared to gradually take over management of the Edda Wind fleet as well as corporate services, we have started the recruitment process and have employed seven new key personnel during the quarter, i.e. the staff will be more than doubled when our new colleagues start in Edda Wind's new office location in September/October. We are grateful to all stakeholders who have, and continue to, show confidence in Edda Wind and our business model.

**Kenneth Walland**  
CEO



# Highlights Q2 2023



## Market

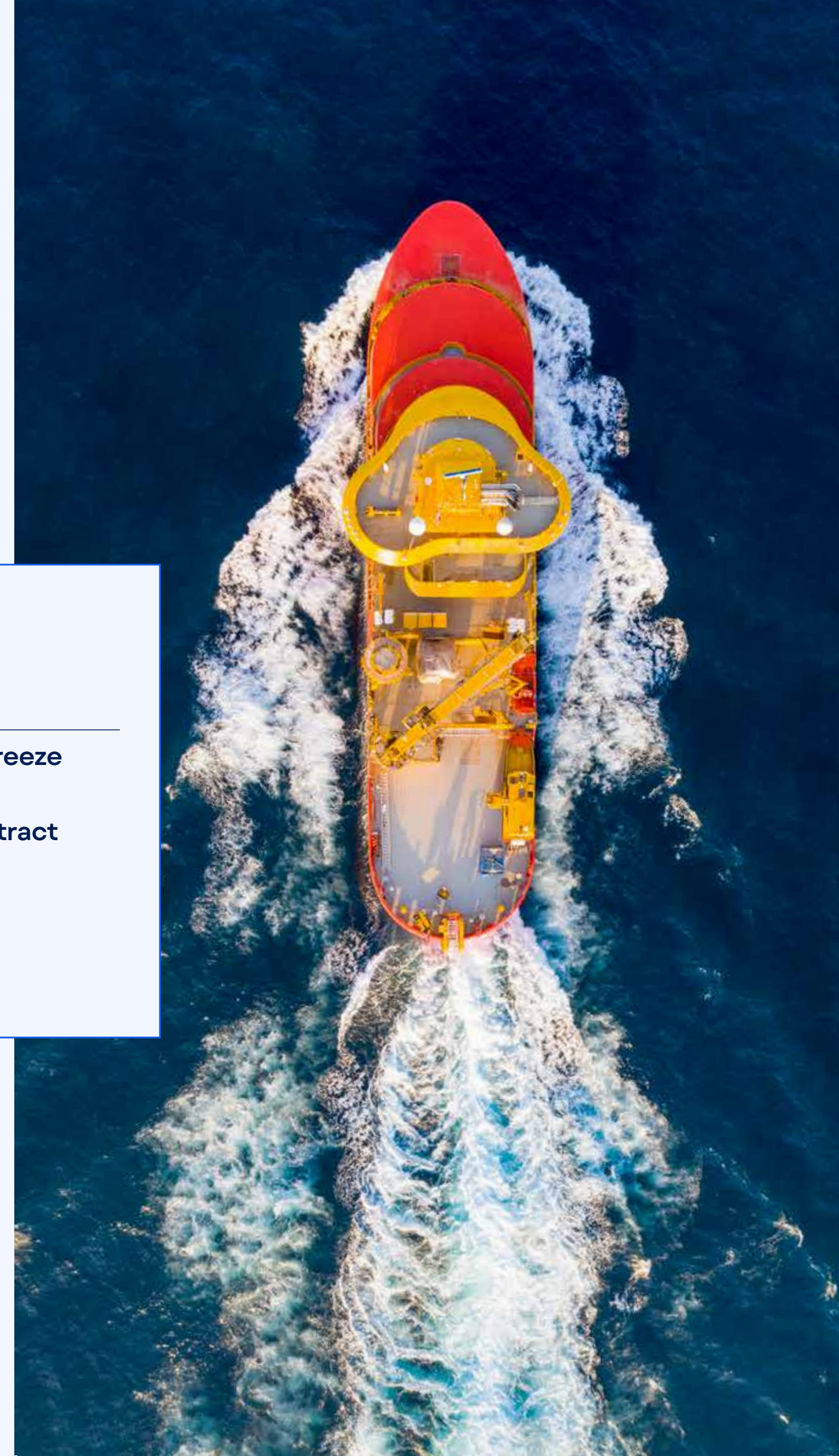
- Favourable demand outlook for C/SOV despite announced delays and setbacks within the supply chain.
- Oil & gas sector continues to extract tonnage, including purpose-built CSOVs.
- High seasonal dayrates observed for CSOV market.



## Edda Wind

- First quarter with Edda Brint and Edda Breeze on long-term contracts.
- Edda Boreas commenced a 2+1 year contract beginning of July.
- 33% growth in fleet days versus Q2-22.
- 34% growth in revenues versus Q2-22.
- 100% fleet onhire.

Photo: Balenciaga Shipyard





# Management report Q2 2023

Operating income

**EUR 9.2m**

Operating expenses

**EUR 6.5m**

Operating profit  
before depreciation

**EUR 2.7m**

Profit before tax

**EUR (0.2)m**

Investment in vessels  
and newbuildings

**EUR 394.0m**



Photo: Lukazs Bis

## Operations

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

Per 30 June, the Group operates three purpose-built SOVs and one CSOV, and has ten vessels under construction.

Edda Passat and Edda Mistral operates in the North Sea on charters for Ørsted on Race Bank and Hornsea 1 windfarms on contracts with firm period expiring October 2023 and September 2024 respectively.

On 28 March 2023 Edda Breeze commenced the contract with Ocean Breeze with a firm period up to April 2032. On 29 March 2023 Edda Brint commenced its long-term contract with Vestas with a firm period up to May 2037.

Subsequent to Q2-23, Edda Boreas commenced a 2+1 year contract for SSE Renewables on 2 July 2023.

All vessels had full utilisation throughout the quarter with zero injuries.

Edda Wind is establishing a stand-alone fully integrated land-based organisation to take over project and technical management, as well as corporate services from 2025.

## Group consolidated results Q2 2023

Total operating income for Q2 2023 was EUR 9,244 thousand compared to EUR 6,892 thousand in Q2 2022. The increase in operating income is primarily related to the commenced operation of Edda Breeze and Edda Brint at the end of first quarter this year, as well as compensation received from Colombo Dockyard Plc. Edda Brint has operated on reduced rate during the quarter due to commissioning of the gangway system.

Operating expenses before depreciation were EUR 6,526 thousand in Q2 2023 compared to EUR 5,059 thousand in Q2 2022. The increase is mainly due to the commenced operation of Edda Breeze and Edda Brint, offset by reduced time charter hire for the frontrunner vessel, which was redelivered to vessel owner in Q1 2023.

The Group had an EBITDA of EUR 2,718 thousand in Q2 2023 compared to EUR 1,833 during Q2 2022.

Net financial result in Q2 2023 was EUR 1,135 in net cost, compared to EUR 464 in net cost in the same quarter last year, mainly due to increased interest costs and currency losses. The increase in interest cost is partly due to increased interest rates and due to the interest cost of the financing of vessels Edda Breeze and Edda Brint, which during the construction period has been capitalised as newbuilding cost. Net currency loss of EUR 500 thousand is mainly due to unrealised currency losses related to EUR/NOK.

Profit before tax was EUR (199) thousand in Q2 2023, compared to EUR 567 thousand in Q2 2022.

## Capital structure and financing

Cash and cash equivalents ended at EUR 70,449 thousand at 30 June 2023, down from EUR 136,843 thousand at 31 March 2023. The decrease is mainly due to investments in fixed assets less drawdown of interest-bearing debt.

Investment in newbuildings was EUR 222,794 thousand at 30 June 2023, compared to EUR 145,441 thousand at 31 March 2023. The increase is mainly due to paid pre-delivery yard instalments. Vessel book value was EUR 171,204 thousand at 30 June 2023 compared to EUR 170,429 thousand at 31 March 2023. Part of the vessels book values is measured in GBP as functional currency and, thus, fluctuations will occur due to currency translation.

Total interest-bearing debt was EUR 185,834 thousand at 30 June 2023, up from EUR 170,736 thousand at 31 March 2023. The increase is due to drawdowns on the debt facilities to finance the newbuildings.

Total equity was EUR 288,720 thousand by the end of Q2 2023, up from EUR 288,199 thousand at the end of Q1 2023. The increase is primarily due to the total comprehensive income for the period.



# Management report Q2 2023

continued



## Outlook

Increasing interest rates, inflation and bottlenecks in supply chains have impacted several planned offshore wind projects in the US and Europe, and some have been postponed. Nevertheless, 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 by 2030 to assist with commissioning and operation of these; a number that compares favourably with the existing fleet size of less than 75 vessels, including vessels under construction. 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 operator 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

As per 30 June 2023, the Group had 10 vessels under construction, one SOV and nine CSOVs – including Edda Boreas, which was delivered to Charterers at the beginning of July.

The Group strives to use similar suppliers and equipment, even for vessels of different design. This will give 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.

C-491 is expected to be ready for operation in Q4-2023 and C-416 in Q1-2024.

## Subsequent events

Edda Boreas commenced the charter with SSE on Doggerbank Windfarm on 2 July 2023.

# Key figures

## Q2 2023

(EUR 1,000)



Key figures	Q2 2023	Q1 2023	Q2 2022	Q4 2022
Revenue	9,244	6,893	6,892	7,333
Profit/loss for the period	(199)	(433)	567	187
Total assets	480,430	467,798	332,286	351,138
Equity	288,720	288,199	184,320	183,680
EBITDA	2,718	673	1,833	1,408
EBIT	936	(100)	1,031	626
NIBD	115,385	33,893	62,330	107,758
Equity ratio	60.1%	61.6%	55.5%	52.3%

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 2023 until 30 June 2023 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.

**Jan Eyvin Wang**  
Chairman of the Board

**Toril Eidesvik**  
Board member

**Adrian Geelmuyden**  
Board member

**Cecilie Wammer Serck-Hanssen**  
Board member

**Haugesund, 16 August 2023**  
(signed electronically)

**Martha Kold Bakkevig**  
Board member

**Duncan J. Bullock**  
Board member

**Håvard Framnes**  
Board member



Photo: Nicki Pløtk



# Income statement

(unaudited)

(EUR 1,000)

# Comprehensive income

(unaudited)

(EUR 1,000)

	Notes	Q2 2023	Q2 2022	1H 2023	1H 2022	Full year 2022
Freight income	2	8,678	6,772	14,913	13,416	26,930
Other operating income	2, 9	566	120	1,224	245	1,496
<b>Total operating income</b>		<b>9,244</b>	<b>6,892</b>	<b>16,137</b>	<b>13,660</b>	<b>28,425</b>
Payroll and remuneration		(4,279)	(1,975)	(6,242)	(3,889)	(8,609)
Other operating expenses	2	(2,247)	(3,084)	(6,504)	(6,034)	(13,248)
<b>Total operating expenses</b>		<b>(6,526)</b>	<b>(5,059)</b>	<b>(12,746)</b>	<b>(9,923)</b>	<b>(21,856)</b>
<b>Operating profit before depreciation</b>		<b>2,718</b>	<b>1,833</b>	<b>3,391</b>	<b>3,737</b>	<b>6,569</b>
Depreciation	3	(1,782)	(802)	(2,555)	(1,618)	(3,195)
<b>Operating profit</b>		<b>936</b>	<b>1,031</b>	<b>836</b>	<b>2,119</b>	<b>3,374</b>
<b>Financial income and expenses</b>						
Financial income	10	587	61	829	145	386
Financial expense	10	(1,222)	(483)	(1,961)	(971)	(1,890)
Net currency gains/(losses)		(500)	(42)	(335)	56	64
<b>Financial income/(expense)</b>		<b>(1,135)</b>	<b>(464)</b>	<b>(1,467)</b>	<b>(769)</b>	<b>(1,440)</b>
<b>Profit/(loss) before tax</b>		<b>(199)</b>	<b>567</b>	<b>(631)</b>	<b>1,350</b>	<b>1,935</b>
Tax (income)/expense	8	–	–	–	–	–
<b>Profit/(loss) for the period</b>		<b>(199)</b>	<b>567</b>	<b>(631)</b>	<b>1,350</b>	<b>1,935</b>
Basic/diluted earnings per share in EUR	7	(0.00)	0.01	(0.01)	0.02	0.03

	Q2 2023	Q2 2022	1H 2023	1H 2022	Full year 2022
Profit/(loss) for the period	(199)	567	(631)	1,350	1,935
<b>Items that may be reclassified to the income statement</b>					
Currency translation differences	833	(510)	754	(1,361)	(852)
<b>Other comprehensive income, net of tax</b>	<b>833</b>	<b>(510)</b>	<b>754</b>	<b>(1,361)</b>	<b>(852)</b>
<b>Total comprehensive income for the period</b>	<b>634</b>	<b>58</b>	<b>123</b>	<b>(12)</b>	<b>1,084</b>



# Balance sheet

(unaudited)

(EUR 1,000)

	Notes	30.06.2023	30.06.2022	31.12.2022
<b>ASSETS</b>				
<b>Non-current assets</b>				
Vessels	3	171,204	70,126	66,714
Newbuildings	3	222,794	176,167	223,082
Other non-current assets	11	8,937	–	7,050
Machinery and equipment	3	–	–	7
<b>Total non-current assets</b>		<b>402,935</b>	<b>246,293</b>	<b>296,853</b>
<b>Current assets</b>				
Account receivables		5,343	3,975	3,926
Other current receivables		1,703	799	1,153
Other current assets		–	6,466	4,114
Financial derivatives	5	–	50	71
Cash and cash equivalents		70,449	74,702	45,021
<b>Total current assets</b>		<b>77,495</b>	<b>85,992</b>	<b>54,285</b>
<b>Total assets</b>		<b>480,430</b>	<b>332,286</b>	<b>351,138</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	6, 7	1,071	644	644
Share premium		220,732	116,128	116,128
Other equity		66,917	67,548	66,908
<b>Total equity</b>		<b>288,720</b>	<b>184,320</b>	<b>183,680</b>
<b>Non-current liabilities</b>				
Non-current interest-bearing debt	4	171,311	134,629	146,013
<b>Total non-current liabilities</b>		<b>171,311</b>	<b>134,629</b>	<b>146,013</b>
<b>Current liabilities</b>				
Account payables		2,734	2,740	3,017
Taxes payable		–	23	–
Public duties payable		239	100	85
Current interest-bearing debt	4	14,523	8,919	10,951
Other current liabilities	11	2,901	1,553	7,392
<b>Total current liabilities</b>		<b>20,397</b>	<b>13,335</b>	<b>21,446</b>
<b>Total equity and liabilities</b>		<b>480,430</b>	<b>332,286</b>	<b>351,138</b>



# Cash flow statement

(unaudited)

(EUR 1,000)

	Notes	Q2 2023	Q2 2022	1H 2023	1H 2022	Full year 2022
<b>Cash flow from operations</b>						
Profit/(loss) before tax		(199)	567	(631)	1,350	1,935
Financial (income)/expenses		1,134	464	1,467	769	1,440
Depreciation and amortisation	3	1,782	802	2,555	1,618	3,195
Change in working capital		(3,582)	1,758	(8,224)	1,411	2,656
<b>Net cash flow from operations</b>		<b>(865)</b>	<b>3,591</b>	<b>(4,833)</b>	<b>5,148</b>	<b>9,225</b>
<b>Cash flow from investment activities</b>						
Investments in fixed assets	3	(78,342)	(17,625)	(104,991)	(45,089)	(92,012)
Changes in restricted cash – investment commitment		–	(426)	–	(1,036)	(2,922)
Reclassification of restricted cash to cash		–	–	4,510	–	–
<b>Net cash flow from investment activities</b>		<b>(78,341)</b>	<b>(18,050)</b>	<b>(100,481)</b>	<b>(46,125)</b>	<b>(94,934)</b>
<b>Cash flow from financing activities</b>						
Proceeds from issue of interest-bearing debt	4	13,516	20,523	32,368	30,029	49,856
Repayment of interest-bearing debt	4	–	–	(3,947)	(2,790)	(6,859)
Payment of debt issuance costs		–	–	(1,320)	–	–
Interest received		516	–	829	–	–
Interest paid		–	(417)	(1,021)	(857)	(1,776)
Paid other financial expenses		31	(66)	(47)	(114)	(114)
Proceeds from issuance of new shares		–	–	105,032	–	–
<b>Net cash flow from financing activities</b>		<b>14,063</b>	<b>20,040</b>	<b>131,894</b>	<b>26,268</b>	<b>41,107</b>
<b>Effects of currency rate changes on bank deposits, cash and equivalents</b>						
Net change in bank deposits, cash and equivalents		(65,143)	5,581	26,579	(14,709)	(44,603)
Translation difference		(1,251)	(158)	(1,151)	(110)	104
Cash and cash equivalents at period start		136,843	69,279	45,021	89,520	89,520
<b>Cash and cash equivalents at period end</b>		<b>70,449</b>	<b>74,702</b>	<b>70,449</b>	<b>74,702</b>	<b>45,021</b>



# 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 01.01.2023	644	116,128	27,608	38,457	844	66,908	183,680
Share capital increase by issuance of new shares	427	104,494	–	–	–	–	104,921
Loss for the period	–	–	–	(631)	–	(631)	(631)
Other comprehensive income	–	–	–	–	754	754	754
Balance at 30.06.2023	1,071	220,622	27,608	37,826	1,598	67,031	288,720
Balance at 01.01.2022	644	116,128	27,608	36,522	3,431	67,560	184,332
Profit for the period	–	–	–	1,350	–	1,350	1,350
Other comprehensive income	–	–	–	–	(1,361)	(1,361)	(1,361)
Balance at 30.06.2022	644	116,128	27,608	37,872	2,070	67,547	184,320
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



# 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 2022 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 2022. No new standards have been applied in 2023.



# Notes

continued

(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. Long-term contracts are subject to annual rate escalations. 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.

	Q2 2023	Q2 2022	1H 2023	1H 2022	Full year 2022
<b>Offshore Wind operating revenue</b>					
<i>Revenue from contracts with customers:</i>					
Service element from contracts with day rate, including victualling	5,448	4,278	9,018	8,443	16,489
Other operating income	566	120	1,224	245	1,496
<i>Lease revenue:</i>					
Lease element from contracts with day rate	3,230	2,494	5,895	4,973	10,441
<b>Total operating income</b>	<b>9,244</b>	<b>6,892</b>	<b>16,137</b>	<b>13,660</b>	<b>28,425</b>

### Leasing

In April 2021, the Group entered into a 12-month lease for the OSV vessel Edda Fjord from the related party West Supply VIII AS. The lease is in scope for IFRS 16, however the Group elected to apply the recognition exemption for short-term leases and as such recognised the lease payments as an expense over the lease period. The vessel has been operating as frontrunner for Edda Breeze, and the lease was extended several times until Edda Breeze was delivered to client on 28 March 2023. The lease of Edda Fjord was terminated on 30 March 2023. The Group has recognised a lease expense of EUR 3,056 during 2023, compared to EUR 3,832 thousand for the first half of 2022.

On 28 July 2022, Edda Wind entered into an agreement with Colombo Dockyard Plc for the cancellation of two newbuilding contracts signed on 31 January 2022. Under this agreement, Edda Wind will receive a compensation in excess of incurred project cost. EUR 500 thousand has been recognised during Q2 2023. 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 30.06.23, 30.06.22 and 31.12.2022.

30.06.2023	Vessels	Periodic maintenance	Equipment	Newbuildings	Total
Cost 01.01.2023	78,820	2,273	76	223,082	304,250
Additions	–	1,477	–	103,514	104,991
Reclassification	101,103	2,700	(7)	(103,803)	(7)
Currency translation differences	1,937	210	–	–	2,147
Cost 30.06.2023	181,860	6,660	69	222,794	411,382
Accumulated depreciation and impairment losses 01.01.2023	(12,256)	(2,122)	(69)	–	(14,447)
Depreciation	(2,166)	(389)	–	–	(2,555)
Currency translation differences	(300)	(82)	–	–	(382)
Accumulated depreciation and impairment losses 30.06.2023	(14,722)	(2,593)	(69)	–	(17,384)
Carrying amounts	167,138	4,066	–	222,794	393,998
Remaining instalments newbuildings 30.06.2023	–	–	–	337,373	337,373

30.06.2022	Vessels	Periodic maintenance	Equipment	Newbuildings	Total
Cost 01.01.2022	83,128	2,390	69	131,077	216,664
Additions	–	–	–	45,976	45,976
Currency translation differences	(2,132)	(58)	–	(887)	(3,077)
Cost 30.06.2022	80,996	2,332	69	176,166	259,562
Accumulated depreciation and impairment losses 01.01.2022	(10,153)	(1,753)	(66)	–	(11,972)
Depreciation	(1,378)	(237)	(3)	–	(1,618)
Currency translation differences	273	47	–	–	320
Accumulated depreciation and impairment losses 30.06.2022	(11,258)	(1,943)	(69)	–	(13,270)
Carrying amounts	69,738	389	–	176,166	246,293
Remaining instalments newbuildings 30.06.2022	–	–	–	259,006	259,006
Remaining instalments newbuildings 30.06.2022 excluding two newbuilding contracts at Colombo Dockyard	–	–	–	160,406	160,406



# Notes

continued

(EUR 1,000)

## Note 3 continued Tangible assets continued

31.12.2022	Vessels	Periodic maintenance	Equipment	Newbuildings	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	–	–	7	94,110	94,117
Currency translation differences	(4,308)	(117)	–	(2,105)	(6,531)
<b>Cost 31.12.2022</b>	<b>78,820</b>	<b>2,273</b>	<b>76</b>	<b>223,082</b>	<b>304,250</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	(2,748)	(444)	(3)	–	(3,195)
Currency translation differences	645	74	–	–	720
<b>Accumulated depreciation and impairment losses 31.12.2022</b>	<b>(12,256)</b>	<b>(2,122)</b>	<b>(69)</b>	<b>–</b>	<b>(14,447)</b>
<b>Carrying amounts</b>	<b>66,563</b>	<b>151</b>	<b>7</b>	<b>223,082</b>	<b>289,803</b>
<b>Remaining instalments newbuildings 31.12.2022</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>186,142</b>	<b>186,142</b>

The depreciation schedule for vessels is 30 years straight-line depreciation. For periodic maintenance, the depreciation is set to five 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 is 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 June 30 2023, 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 second quarter of 2023 for each of its operational SOVs and newbuilds expected to be delivered during the next year.

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 2023 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.

	30.06.2023	30.06.2022	31.12.2022
Non-current interest-bearing debt	171,311	134,629	146,013
Current interest-bearing debt	14,523	8,919	10,951
<b>Total interest-bearing debt</b>	<b>185,834</b>	<b>143,549</b>	<b>156,964</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 as if 30 June 2023 (analogous for 30 June 2022).

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

	30.06.2023	30.06.2022	31.12.2022
Pledged debt to financial institutions	109,790	63,678	80,239
Bonds	76,043	79,871	76,725
<b>Total interest-bearing debt</b>	<b>185,834</b>	<b>143,549</b>	<b>156,964</b>

The tables below show the repayment schedule of the Group’s interest-bearing debt.

	30.06.2023	30.06.2022	31.12.2022
<b>Repayment schedule for debt to financial institutions</b>			
Due in year 1	10,052	4,710	6,889
Due in year 2	14,203	9,310	9,189
Due in year 3	14,203	9,310	9,189
Due in year 4	21,371	9,310	9,189
Due in year 5 and later	49,962	31,036	45,785
<b>Total repayment schedule for debt to financial institutions</b>	<b>109,790</b>	<b>63,678</b>	<b>80,239</b>
<b>Repayment schedule for bond</b>			
Due in year 1	4,012	4,209	4,062
Due in year 2	4,189	4,016	4,056
Due in year 3	4,379	4,193	4,235
Due in year 4	5,102	4,383	4,728
Due in year 5 and later	58,362	63,071	59,643
<b>Total repayment schedule for bond</b>	<b>76,043</b>	<b>79,871</b>	<b>76,725</b>



# 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	30.06.2023	30.06.2022	31.12.2022
Financial liabilities/(financial assets) measured at fair value at 01.01	(71)	91	91
Changes in fair value through the income statement (+loss/-profit)	–	(141)	(162)
Derecognition of interest swap due to expiration	71	–	–
<b>Total financial liabilities/(financial assets) measured at fair value</b>	<b>(0)</b>	<b>(50)</b>	<b>(71)</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 interest swap expired in February 2023.

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

continued

(EUR 1,000)

## Note 6 Share capital

Edda Wind's share capital amounts to NOK 11,231,449 divided into 112,314,488 shares, each with a nominal value of NOK 0.1.

### Largest shareholders at 30 June 2023

Shareholder	Country	Number of shares	Ownership share
Wilhelmsen New Energy AS	Norway	28,500,000	25.4%
Østensjø Wind AS	Norway	21,300,000	19.0%
Geveran Trading Co Ltd.	Cyprus	19,300,025	17.2%
Credit Suisse (Switzerland) Ltd.	Ireland	17,888,331	15.9%
Morgan Stanley & Co. Int. Plc.	United Kingdom	2,614,468	2.3%
VJ Invest AS	Norway	1,613,235	1.4%
J.P. Morgan SE	Luxembourg	1,126,184	1.0%
Varner Equities AS	Norway	790,630	0.7%
State Street Bank and Trust Comp	United States	665,780	0.6%
Wahl Eiendom AS	Norway	650,000	0.6%
<b>Largest shareholders</b>		<b>94,448,653</b>	<b>84.1%</b>
Others		17,865,835	15.9%
<b>Total</b>		<b>112,314,488</b>	<b>100.0%</b>

## Note 7 Earnings per share

The table below shows the earnings per share.

Earnings per share	Q2 2023	Q2 2022	1H 2023	1H 2022	Full year 2022
Net profit attributable to ordinary shareholders of Edda Wind ASA	(199,000)	567,413	630,732	1,349,808	1,934,902
Weighted average number of outstanding shares to calculate EPS	112,314,488	64,314,488	91,208,223	64,314,488	64,314,488
<b>Earnings per share</b>	<b>(0.00)</b>	<b>0.01</b>	<b>(0.01)</b>	<b>0.02</b>	<b>0.03</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.



# Notes

continued

(EUR 1,000)

## 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 second quarter of 2023 (EUR 0 during second quarter 2022), and recognised a deferred tax asset of EUR 0 as of 30.06.2023 (deferred tax asset of EUR 0 thousand as of 31.12.2022).

## 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.

	Q2 2023	Q2 2022	1H 2023	1H 2022	Full year 2022
Transactions with related parties					
Leasing of Edda Fjord from West Supply VIII AS (incl. victualling)	83	2,036	3,013	3,993	9,147
Purchase of management services, operation and supervision of vessels from Østensjø Rederi AS	320	174	540	373	726
Sale of services to Østensjø Rederi AS	(110)	(153)	(217)	(209)	(407)
Hired crew from Østensjø Rederi AS	3,046	1,366	4,480	2,803	5,852
Guarantee commission to Johannes Østensjø dy AS	–	395	–	395	826
Insurance cost to Wilhelmsen Insurance Services AS	133	61	310	123	261
Total transactions with related parties	3,472	3,878	8,126	7,478	16,405

# Notes

continued

(EUR 1,000)

## Note 10 Financial items

Currency differences	Q2 2023	Q2 2022	1H 2023	1H 2022	Full year 2022
<b>Financial income</b>					
Other financial income	587	4	829	4	224
Unrealised gain financial derivatives	–	57	–	141	162
<b>Total financial income</b>	<b>587</b>	<b>61</b>	<b>829</b>	<b>145</b>	<b>386</b>
<b>Financial expense</b>					
Interest expenses	(1,252)	(424)	(1,843)	(861)	(1,776)
Realised loss financial derivatives	–	–	(71)	–	–
Other interest expenses to related parties	–	–	–	–	–
Other financial expenses	31	(59)	(47)	(110)	(114)
<b>Total financial expense</b>	<b>(1,222)</b>	<b>(483)</b>	<b>(1,961)</b>	<b>(971)</b>	<b>(1,890)</b>

## Note 11 Other circumstances

The delivery of Edda Breeze and Edda Brint to clients were postponed until the end of March due to delayed delivery of gangway systems. Following the delay, Edda Wind incurred liquidated damages for both vessels until delivery. As of 30 June 2023, Edda Wind has incurred a total of EUR 7,0 million in liquidated damages. The amount is capitalised as other non-current assets and is recognised in the P&L on a straight-line basis over to contract period from the date the vessels were delivered to the clients. During Q2 2023, a total of EUR 138,5 thousand has been recognised in the P&L.

In relation to one of the newbuildings, the Group has assumed payment obligations and purchased certain equipment directly in order to avoid delays in delivery. During the second quarter of 2023, the obligation was reduced from EUR 0,6 million to EUR 0,2 million. The Group will be compensated for the assumed obligations through a loan agreement in the net amount of EUR 2,4 million paid over two years. As of 30 June 2023, the loan amount was EUR 1,8 million.

## Note 12 Subsequent events

Edda Boreas commenced the charter with SSE on Doggerbank Windfarm on 2 July 2023.





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