

3rd Quarter Report 2023

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edda wind 

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Photo: Jamie F. Pola



Letter from the CEO



Photo: Bård Gudim

Edda Wind – another quarter with growth

Edda Wind's activities are gradually increasing with four vessels in operation during Q2 and Edda Boreas starting her operations at Dogger Wind farm from July. In addition, Edda Nordri was delivered from the yard in September and will be ready for operations in Q4.

Three of our newbuilds are now in operation and the experiences gained during the initial phase are of great value to the Group. We also see the benefits of operating more vessels of similar design.

As previously reported, the completion of C-416, being built at Astilleros Balenciaga, is delayed until Q1 2024. However, in October, Edda Wind signed an addendum to the shipbuilding contract to ensure completion of the vessel. This includes taking legal title to the vessel and a more active role in the financing of remaining works as well as planning and project management related to the progress of work on board.

With a fleet of 14 vessels (including vessels under construction), Edda Wind is the leading C/SOV-operator in the market. The Company provides vessels to both the Operation & Maintenance and the Installation & Commissioning segments. Despite some delays and challenges in the offshore wind market generally, we are observing tender activity and positive trends for vessel day rates indicating good revenue potential for the uncommitted Edda Wind fleet.

The Company has built strong relations with the key operators in the market and is always invited to participate in the actual tenders and vessel requirements being issued. The backlog of orders is EUR 415 million, combined with several newbuilds uncommitted and able to secure work in a market with great demand for this type of vessel.

Edda Wind is well underway with the recruitment process for the future onshore organisation and the preparation to take over management of the Edda Wind fleet. The Company moved into new headquarters in September and the staff has increased to 12 people, with more colleagues to come during the next year. Existing ship management agreements with Østensjø Rederi will be in force until the end of 2024. However, parts of the fleet will be taken under Edda Wind management during 2H 2024. Nine vessels will be in operation by the end of 2024, with five more to come in 2026.

We are grateful to all stakeholders for their support of Edda Wind.

Kenneth Walland
CEO

Highlights

Q3 2023



Edda Wind

- Revenue of 11.8m (+59% growth vs. Q3 2022)
- EBITDA of EUR 4.8m (+241% growth vs. Q3 2022)
- Edda Boreas commenced 2+1 years contract with SSE.
- Edda Nordri delivered from yard in September and is expected to commence operation in Q4 2023.



Market

- Favourable demand outlook for C/SOVs despite announced delays and setbacks within the supply chain.
- Delays and unscheduled work at the wind farms result in additional work for CSOVs.
- Oil & gas sector continues to extract tonnage, including purpose built CSOVs.
- High seasonal day rates observed for the CSOV market.



Management report Q3 2023

Operating income

EUR 11.8m

Operating expenses

EUR 7.0m

Operating profit
before depreciation

EUR 4.9m

Profit before tax

EUR 1.8m

Investment in vessels
and newbuildings

EUR 450.7m



Photo: Jamie F. Pola

Operations

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

As at 30 September 2023, the Group operates three purpose-built SOVs and two CSOVs, and has nine vessels under construction.

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

On 30 March 2023 Edda Breeze commenced the contract with Ocean Breeze, and on 29 March 2023 Edda Brint commenced its long-term contract with Vestas with a firm period up to May 2037. Edda Boreas commenced a 2+1 year contract for SSE Renewables on 2 July 2023.

Subsequent to Q3 2023, the Siemens Gamesa contract commenced with a third-party frontrunner vessel.

The utilisation for the quarter was 93%, mainly due to a planned five-yearly docking of Edda Mistral. We had one LTI in August which incurred offhire. Total downtime related to unscheduled incidents were 2.7% during the quarter.

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

Group consolidated results Q3 2023

Total operating income for Q3 2023 was EUR 11,831 thousand compared to EUR 7,432 thousand in Q3 2022. The increase in operating income is primarily related to commenced operation of Edda Brint and Edda Boreas during 2023.

Operating expenses before depreciation were EUR 6,978 thousand in Q3 2023 compared to EUR 6,008 thousand in Q3 2022. The increase is mainly due to three more vessels in operation, offset by reduced time charter hire for the frontrunner vessel, which

was redelivered to the vessel owner in Q1 2023. The Group had an EBITDA of EUR 4,853 thousand in Q3 2023, compared to EUR 1,424 thousand in Q3 2022.

Depreciation expenses were EUR 2,306 thousand in Q3 2023, compared to EUR 794 thousand in Q3 2022. The increase is due to the start of depreciation of three more vessels in operation.

Net financial result in Q3 2023 was EUR 702 thousand in net cost, compared to EUR 232 thousand in net cost in the same quarter last year. Increased financial cost is mainly due to increased interest cost, offset by increased interest income and currency gains. The increase in interest cost is partly due to increased interest rates and the interest cost of the financing of the three new vessels under operation, which during the construction period was capitalised as newbuilding expenses.

Profit before tax was EUR 1,845 thousand, compared to EUR 398 thousand in Q3 2022.

Capital structure and financing

Cash and cash equivalents ended at EUR 34,674 thousand at 30 September 2023, down from EUR 70,449 thousand at 30 June 2023. The decrease is mainly due to investments in fixed assets.

Total investment in newbuildings and vessels was EUR 450,681 thousand at 30 September, up from EUR 393,998 thousand at 30 June 2023. The increase is mainly due to paid pre-delivery instalments on newbuildings. Part of vessel book value is measured in GBP as functional currency and, thus, fluctuations will occur due to currency translation.

Total interest-bearing debt was EUR 209,978 thousand at 30 September 2023, up from EUR 185,834 thousand at 30 June 2023. The increase is due to drawdowns on the debt facilities to finance newbuildings, less amortisation payments for the post-delivery debt facilities.

Management report Q3 2023

continued



Photo: Jamie F. Pola

Total equity was EUR 290,132 thousand at 30 September 2023, up from EUR 288,720 thousand at 30 June 2023. The increase is due to the total comprehensive income for the period.

Outlook

Increasing interest rates, inflation and delays in the supply chain have impacted several planned offshore wind projects. This is particularly apparent in the US, where Edda Wind currently has no exposure. However, delays and unscheduled work at the wind farms increase the demand for CSOVs.

The ongoing restructuring of the world's energy systems in a greener direction has continued and strengthened. 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. 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 at 30 September 2023, the Group had nine vessels under construction one (SOV and eight CSOVs). 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. Despite price increase due to delays, the prices are still favourable. All the newbuilding contracts are based on firm yard prices.

Edda Nordri is expected to be ready for operation in December 2023. Thereafter the vessel will replace the external frontrunner vessel in the Siemens Gamesa contract.

Subsequent events

The Siemens Gamesa five-year contract commenced in the beginning of October 2023. A third-party frontrunner has been hired on a short-term contract to cover this requirement until delivery of Edda Nordri and subsequently, C-416.

Edda Passat was redelivered from the long-term contract with Ørsted on 6 October 2023 and commenced a new contract with Vestas on 30 October 2023 for 30 days plus options.

On 27 October 2023, Edda Wind entered into an addendum to the shipbuilding contract to ensure completion of C-416. This includes taking legal title to C-416 and a more active role in the financing of remaining work, as well as planning and project management related to the progress of work on board. The yard price is expected to increase by 10-15%.

Key figures

Q3 2023

(EUR 1,000)



Key figures	Q3 2023	Q2 2023	Q3 2022	Full year 2022
Revenue	11,831	9,244	7,432	28,425
Profit/loss for the period	1,845	(199)	398	1,935
Total assets	505,049	480,430	337,762	351,138
Equity	290,132	288,720	183,594	183,680
EBITDA	4,853	2,718	1,424	6,569
EBIT	2,547	936	630	3,374
NIBD	175,304	115,385	77,134	107,758
Equity ratio	57.4%	60.1%	54.4%	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 September 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, 13 November 2023
(signed electronically)

Martha Kold Bakkevig
Board member

Duncan J. Bullock
Board member

Håvard Framnes
Board member



Income statement

(unaudited)

(EUR 1,000)

Comprehensive income

(unaudited)

(EUR 1,000)

	Notes	Q3 2023	Q3 2022	9M 2023	9M 2022	Full year 2022
Freight income	2	11,198	6,810	26,111	20,226	26,930
Other operating income	2, 9	633	622	1,857	866	1,496
Total operating income		11,831	7,432	27,968	21,092	28,425
Payroll and remuneration		(4,864)	(2,518)	(11,106)	(6,407)	(8,609)
Other operating expenses	2	(2,114)	(3,490)	(8,618)	(9,524)	(13,248)
Total operating expenses		(6,978)	(6,008)	(19,724)	(15,931)	(21,856)
Operating profit before depreciation		4,853	1,424	8,244	5,162	6,569
Depreciation	3	(2,306)	(794)	(4,861)	(2,413)	(3,195)
Operating profit		2,547	630	3,383	2,749	3,374
Financial income and expenses						
Financial income	10	456	47	1,285	193	386
Financial expense	10	(1,666)	(461)	(3,627)	(1,432)	(1,890)
Net currency gains/(losses)		508	182	173	238	64
Financial income/(expense)		(702)	(232)	(2,169)	(1,001)	(1,440)
Profit/(loss) before tax		1,845	398	1,214	1,748	1,935
Tax (income)/expense	8	–	–	–	–	–
Profit/(loss) for the period		1,845	398	1,214	1,748	1,935
Basic/diluted earnings per share in EUR	7	0.02	0.01	0.01	0.03	0.03

	Q3 2023	Q3 2022	9M 2023	9M 2022	Full year 2022
Profit/(loss) for the period	1,845	398	1,214	1,748	1,935
Items that may be reclassified to the income statement					
Currency translation differences	(547)	(1,124)	207	(2,486)	(852)
Other comprehensive income, net of tax	(547)	(1,124)	207	(2,486)	(852)
Total comprehensive income for the period	1,298	(727)	1,421	(738)	1,084

Balance sheet

(unaudited)

(EUR 1,000)

	Notes	30.09.2023	30.09.2022	31.12.2022
ASSETS				
Non-current assets				
Vessels	3	223,756	67,694	66,714
Newbuildings	3	226,925	195,115	223,082
Other non-current assets	3, 11	8,794	2,418	7,050
Machinery and equipment	3	143	–	7
Total non-current assets		459,618	265,227	296,853
Current assets				
Account receivables		10,034	4,440	3,926
Other current receivables		723	1,078	1,153
Other current assets		–	6,702	4,114
Financial derivatives	5	–	97	71
Cash and cash equivalents		34,674	60,217	45,021
Total current assets		45,431	72,534	54,285
Total assets		505,049	337,762	351,138
EQUITY AND LIABILITIES				
Equity				
Share capital	6, 7	1,071	644	644
Share premium		220,732	116,128	116,128
Other equity		68,329	66,822	66,908
Total equity		290,132	183,594	183,680
Non-current liabilities				
Non-current interest-bearing debt	4	194,647	133,197	146,013
Total non-current liabilities		194,647	133,197	146,013
Current liabilities				
Account payables		2,727	8,140	3,017
Public duties payable		75	91	85
Current interest-bearing debt	4	15,331	10,953	10,951
Other current liabilities	11	2,137	1,786	7,392
Total current liabilities		20,270	20,970	21,446
Total equity and liabilities		505,049	337,762	351,138

Cash flow statement

(unaudited)

(EUR 1,000)

	Notes	Q3 2023	Q3 2022	9M 2023	9M 2022	Full year 2022
Cash flow from operations						
Profit/(loss) before tax		1,845	398	1,214	1,748	1,935
Financial (income)/expenses		702	232	2,169	1,001	1,440
Depreciation and amortisation	3	2,306	794	4,861	2,413	3,195
Change in working capital		(4,128)	(172)	(12,352)	1,239	2,656
Net cash flow from operations		725	1,252	(4,108)	6,400	9,225
Cash flow from investment activities						
Investments in fixed assets	3	(59,560)	(18,949)	(164,551)	(64,038)	(92,012)
Changes in restricted cash – investment commitment		–	679	–	(357)	(2,922)
Reclassification of restricted cash to cash		–	–	4,510	–	–
Net cash flow from investment activities		(59,560)	(18,270)	(160,041)	(64,395)	(94,934)
Cash flow from financing activities						
Proceeds from issue of interest-bearing debt	4	30,024	6,349	62,392	36,378	49,856
Repayment of interest-bearing debt	4	(5,527)	(3,622)	(9,474)	(6,412)	(6,859)
Payment of debt issuance costs		(37)	–	(1,357)	–	–
Interest received		456	–	1,285	–	–
Interest paid		(2,530)	(461)	(3,551)	(1,318)	(1,776)
Paid other financial expenses		(186)	–	(233)	(114)	(114)
Proceeds from issuance of new shares		–	–	105,032	–	–
Net cash flow from financing activities		22,200	2,265	154,094	28,533	41,107
Effects of currency rate changes on bank deposits, cash and equivalents						
Net change in bank deposits, cash and equivalents		(36,634)	(14,753)	(10,055)	(29,461)	(44,603)
Translation difference		860	265	(291)	156	104
Cash and cash equivalents at period start		70,449	74,702	45,021	89,520	89,520
Cash and cash equivalents at period end		34,674	60,214	34,674	60,214	45,021

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	104,604	–	–	–	–	105,031
Loss for the period	–	–	–	1,214	–	1,214	1,214
Other comprehensive income	–	–	–	–	207	207	207
Balance at 30.09.2023	1,071	220,732	27,608	39,670	1,050	68,329	290,132
Balance at 01.01.2022	644	116,128	27,608	36,522	3,431	67,560	184,332
Profit for the period	–	–	–	1,748	–	1,748	1,748
Other comprehensive income	–	–	–	–	(2,486)	(2,486)	(2,486)
Balance at 30.09.2022	644	116,128	27,608	38,270	945	66,820	183,594
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, 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 2022. No new standards have been applied in 2023.

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 on board 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.

	Q3 2023	Q3 2022	9M 2023	9M 2022	Full year 2022
Offshore Wind operating revenue					
<i>Revenue from contracts with customers:</i>					
Service element from contracts with day rate, including victualling	6,845	4,117	16,080	12,560	16,489
Other revenue	633	622	1,857	866	1,496
<i>Lease revenue:</i>					
Lease element from contracts with day rate	4,353	2,693	10,031	7,666	10,441
Total operating income	11,831	7,432	27,968	21,092	28,425

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 the client on 28 March 2023. The lease of Edda Fjord was terminated on 30 March 2023. The Group has not recognised any lease expense in Q3 2023 compared to a lease expense of EUR 2,311 thousand in Q3 2022.

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 a compensation in excess of incurred project cost. EUR 500 thousand has been recognised during Q3 2023. The remaining agreed compensation is recognised as revenue when payment is received.

The delivery of Edda Breeze and Edda Brint to clients were postponed until end of March due to delayed delivery of gangway systems. Following the delay, Edda Wind incurred liquidated damages for both vessels until delivery. As at 30 September 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 profit and loss on a straight-line basis over to contract period from the date the vessels were delivered to the clients. As at 30 September 2023, a total of EUR 278 thousand has been recognised in the profit and loss.

Notes

continued

(EUR 1,000)

Note 3 Tangible assets

The tables below show the Group’s tangible assets as of 30 September 2023, 30 September 2022 and 31 December 2022.

30.09.2023	Vessels	Periodic maintenance	Equipment	Newbuildings	Total
Cost 01.01.2023	78,820	2,273	76	223,082	304,250
Additions	0	3,199	147	161,205	164,551
Reclassification	153,312	4,050	–	(157,362)	–
Currency translation differences	1,570	38	–	–	1,608
Cost 30.09.2023	233,702	9,560	223	226,925	470,409
Accumulated depreciation and impairment losses 01.01.2023	(12,256)	(2,122)	(69)	–	(14,447)
Depreciation	(4,107)	(742)	(11)	–	(4,861)
Currency translation differences	(243)	(35)	–	–	(278)
Accumulated depreciation and impairment losses 30.09.2023	(16,606)	(2,900)	(80)	–	(19,586)
Carrying amounts	217,096	6,660	143	226,925	450,823
Remaining instalments newbuildings 30.09.2023	–	–	–	284,068	284,068

30.09.2022	Vessels	Periodic maintenance	Equipment	Newbuildings	Total
Cost 01.01.2022	83,128	2,390	69	131,077	216,664
Additions	–	–	–	65,748	65,748
Currency translation differences	(4,064)	(117)	–	(1,710)	(5,891)
Cost 30.09.2022	79,064	2,273	69	195,115	276,521
Accumulated depreciation and impairment losses 01.01.2022	(10,153)	(1,753)	(66)	–	(11,972)
Depreciation	(2,068)	(356)	(3)	–	(2,427)
Currency translation differences	586	101	–	–	687
Accumulated depreciation and impairment losses 30.09.2022	(11,635)	(2,008)	(69)	–	(13,712)
Carrying amounts	67,429	265	–	195,115	262,809
Remaining instalments newbuildings 30.09.2022	–	–	–	145,182	145,182

Notes

continued

(EUR 1,000)

Note 3 continued Tangible assets continued

31.12.2022	Vessels	Periodic 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	304,250
Accumulated depreciation and impairment losses 01.01.2022	(10,153)	(1,753)	(66)	–	(11,972)
Depreciation	(2,748)	(444)	(3)	–	(3,195)
Currency translation differences	645	74	–	–	720
Accumulated depreciation and impairment losses 31.12.2022	(12,256)	(2,122)	(69)	–	(14,447)
Carrying amounts	66,563	151	7	223,082	289,803
Remaining instalments newbuildings 31.12.2022	–	–	–	186,142	186,142

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 at 30 September 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 third 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.

	30.09.2023	30.09.2022	31.12.2022
Non-current interest-bearing debt	194,647	133,197	146,013
Current interest-bearing debt	15,331	10,953	10,951
Total interest-bearing debt	209,978	144,150	156,964

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 at 30 September 2023 (analogous for 30 September 2022).

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

	30.09.2023	30.09.2022	31.12.2022
Pledged debt to financial institutions	136,084	66,854	80,239
Bonds	73,894	77,296	76,725
Total interest-bearing debt	209,978	144,150	156,964

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

	30.09.2023	30.09.2022	31.12.2022
Repayment schedule for debt to financial institutions			
Due in year 1	11,256	6,903	6,889
Due in year 2	16,860	9,203	9,189
Due in year 3	16,860	9,203	9,189
Due in year 4	22,221	9,203	9,189
Due in year 5 and later	68,886	32,343	45,785
Total repayment schedule for debt to financial institutions	136,084	66,854	80,239

The repayment schedule for debt to financial institutions is based on renewal of a bank guarantee expiring in 2027. If the bank guarantee is not renewed, EUR 39.8 million EUR of the debt to financial institutions will fall due in 2027.

	30.09.2023	30.09.2022	31.12.2022
Repayment schedule for bond			
Due in year 1	4,075	4,050	4,062
Due in year 2	4,255	4,044	4,056
Due in year 3	4,748	4,222	4,235
Due in year 4	5,070	4,712	4,728
Due in year 5 and later	55,746	60,268	59,643
Total repayment schedule for bond	73,894	77,296	76,725

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	30.09.2023	30.09.2022	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)	–	(189)	(162)
Derecognition of interest swap due to expiration	71	–	–
Total financial liabilities/(financial assets) measured at fair value	(0)	(97)	(71)

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 instruments 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 inputs, 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 11,231,449 divided into 112,314,488 shares, each with a nominal value of NOK 0.1.

Largest shareholders at 30 September 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	21,196,894	18.9%
Credit Suisse (Switzerland) Ltd.	Ireland	17,888,331	15.9%
VJ Invest AS	Norway	1,613,235	1.4%
Morgan Stanley & Co. Int. Plc.	United Kingdom	1,278,324	1.1%
J.P. Morgan SE	Luxembourg	1,126,184	1.0%
Varner Equities AS	Norway	826,973	0.7%
State Street Bank and Trust Comp	United States	665,780	0.6%
Wahl Eiendom AS	Norway	650,000	0.6%
Largest shareholders		95,045,721	84.6%
Others		17,268,767	15.4%
Total		112,314,488	100.0%

Note 7 Earnings per share

The table below shows the earnings per share.

Earnings per share	Q3 2023	Q3 2022	9M 2023	9M 2022	Full year 2022
Net profit attributable to ordinary shareholders of Edda Wind ASA	1,845,000	397,868	1,214,268	1,747,676	1,934,902
Weighted average number of outstanding shares to calculate EPS	112,314,488	64,314,488	98,320,957	64,314,488	64,314,488
Earnings per share	0.02	0.01	0.01	0.03	0.03

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, Puerto de Llafranc SL, Mar de Grado SL, Mar de Berrobi SL and Puerto de Gandesa 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 third quarter of 2023 (EUR 0 during third quarter 2022), and recognised a deferred tax asset of EUR 0 as at 30 September 2023 (deferred tax asset of EUR 0 as at 31 December 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 or joint control of, directly or indirectly, or significantly influenced 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.

	Q3 2023	Q3 2022	9M 2023	9M 2022	Full year 2022
Transactions with related parties					
Leasing of Edda Fjord from West Supply VIII AS (incl. victualling)	–	2,496	3,013	6,489	9,147
Purchase of management services, operation and supervision of vessels from Østensjø Rederi AS	360	196	900	569	726
Sale of services to Østensjø Rederi AS	(60)	(97)	(277)	(306)	(407)
Hired crew from Østensjø Rederi AS	3,662	1,441	8,142	4,245	5,852
Guarantee commission to Johannes Østensjø d.y. AS	–	265	–	659	826
Insurance cost to Wilhelmsen Insurance Services AS	140	(2)	450	121	261
Total transactions with related parties	4,102	4,299	12,228	11,777	16,405

Notes

continued

(EUR 1,000)

Note 10 Financial items

	Q3 2023	Q3 2022	9M 2023	9M 2022	Full year 2022
Financial income					
Other financial income	456	–	1,285	4	224
Unrealised gain financial derivatives	–	47	–	189	162
Total financial income	456	47	1,285	193	386
Financial expense					
Interest expenses	1,480	(461)	(3,323)	(1,318)	(1,776)
Realised loss financial derivatives	–	–	(71)	–	–
Other interest expenses to related parties	–	–	–	–	–
Other financial expenses	(186)	–	(233)	(114)	(114)
Total financial expense	(1,666)	(461)	(3,627)	(1,432)	(1,890)

Note 11 Other circumstances

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. As at 30 September 2023 the obligation was 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 at 30 September 2023, the loan amount was EUR 1.8 million.

Edda Wind has received a claim in relation to one of its vessels in operation. The Group has not accrued for this claim, as it is considered unlikely that it will result in a material cash outflow for the Group.

Note 12 Subsequent events

The Siemens Gamesa five-year contract commenced at the beginning of October 2023. A third-party frontrunner has been hired on a short-term contract to cover this requirement until delivery of Edda Nordri and subsequently, C-416.

Edda Passat was redelivered from the long-term contract with Ørsted on 6 October 2023 and commenced a new short-term contract with Vestas on 30 October 2023.

On 27 October 2023, Edda Wind entered into an addendum to the shipbuilding contract to ensure completion of C-416. This includes taking legal title to C-416 and a more active role in the financing of remaining work as well as planning and project management related to the progress of work on board.



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