

Edda Wind ASA

Quarterly presentation, Q4 2023

eddawind.com



edda wind 

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Agenda

- 1 Edda Wind in brief
- 2 Q4 2023 highlights
- 3 Market
- 4 Financials
- 5 Summary
- 6 Q&A



Edda Wind

In brief

Market leader in offshore wind (C/SOV)

Established strong customer relationships

6 vessels in operation and 8 newbuilds¹

Attractive yard prices and delivery schedule

Newbuilds prepared for **zero emission**

Balanced contract portfolio

Low technology risk as fleet can serve all types of turbines

~50 years

Offshore service experience

~10 years

Offshore wind experience

EUR 416m

Total backlog per Q4 2023

13 vessels²

By 2026

Flexible fleet strategy

Vessels on short term contract



Vessels on long term contract

1) Vessels in operation include Edda Passat. SPA entered into in February 2024 2) excl. Passat

Q4 2023 highlights



Q4 2023 key events

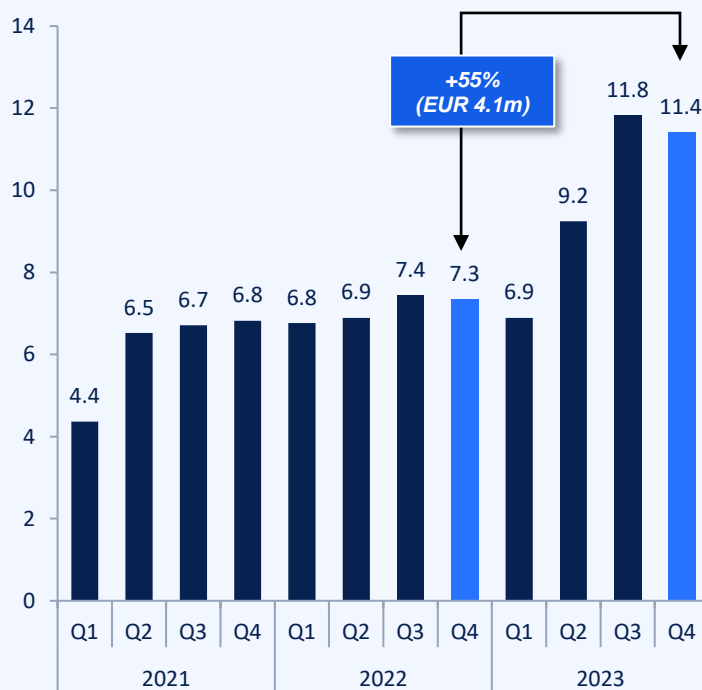
Revenue growth continued

- Revenue of EUR 11.4m (+55% growth vs. Q4-22)
- Full year 2023 revenue of EUR 39.4m (+38% growth vs 2022)
- EBITDA of EUR –1.1m, negatively impacted by frontrunner cost and offhire
- Edda Nordri commenced operation in December
- Attractive EUR 161m green term loan facility secured in December
- Subsequent events:
 - Sales and Purchase Agreement (SPA) entered into for the sale of Edda Passat
 - Seatrials commenced for Edda Goelo
 - System upgrades on gangways causing offhire

Q4 2023: Solid y-o-y revenue growth, but profitability affected by unscheduled offhire and frontrunner costs

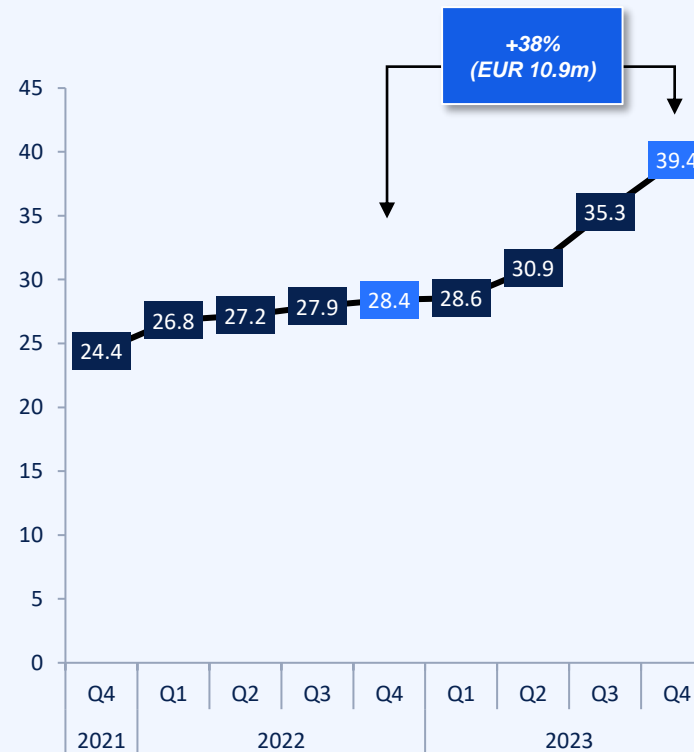
Revenue

EURm



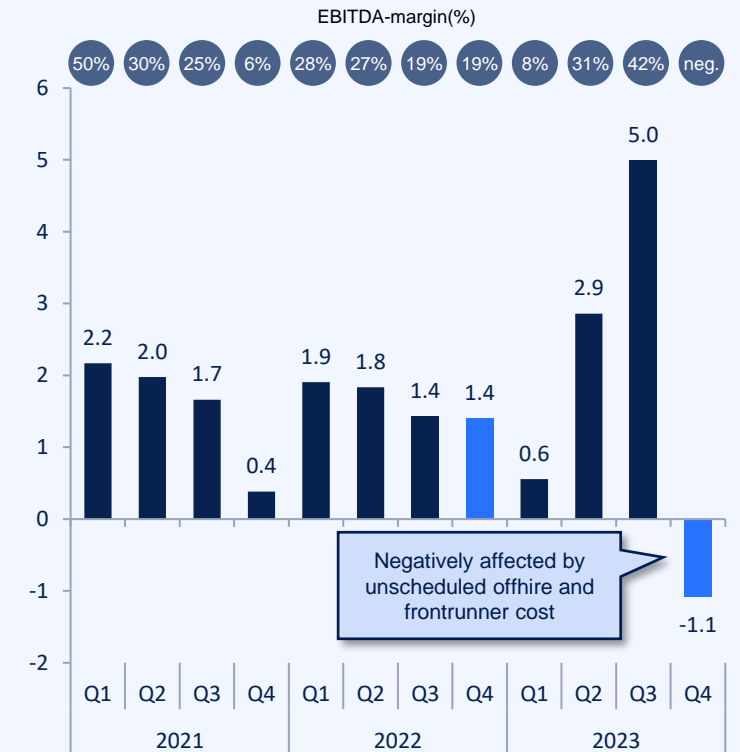
LTM revenue

EURm



EBITDA¹

EURm



1) EBITDA (earnings before interest, tax, depreciation and amortisation) is defined as operating revenue and gain/loss on sale of assets less operating expenses. Operating revenue is adjusted for amortisation of late delivery penalties.

Edda Nordri commenced operation in December 2023

- Edda Nordri delivered under the Siemens Gamesa contract¹ in December 2023 and will start operation for Vestas in March 2024
- Number three of six sister vessels to be delivered by Gondan (following Edda Breeze and Edda Boreas)²
- Accommodation capacity for up to 120 persons in total
- Prepared for emission-free operations with a hydrogen-based propulsion system



1) Operating as a frontrunner for Edda Goelo

2) Sister vessels under construction: C492, C503 and C504

New EUR 161m green term loan facility agreement entered into in December 2023

During 2023, Edda Wind secured financing in excess of EUR 400m in total capital

- In December 2023, Edda Wind entered into an attractive green term loan facility agreement for the pre- and postdelivery financing of the four vessels under construction at Vard
- EUR 161m green loan facility corresponding to a leverage ratio of 60% of the total ready for sea cost of the vessels
- All but one (C504) vessels in operation and under construction have now secured long term debt financing
- Including the EUR 161m green term loan facility, Edda Wind raised in excess of EUR 400m in capital during 2023 for its newbuilding programme



Sale of Edda Passat – transaction expected to be concluded in March

- SPA entered into for the sale of Edda Passat on 9 February 2024¹
- The transaction is expected to take place in March 2024
- The rationale for the sale of the vessel is to optimise Edda Wind's fleet strategy, including alignment of vessel design
- Edda Wind has eight dedicated offshore wind vessels under construction – one SOV and seven CSOVs, all with modern design and with large flexibility built in
 - All newbuild vessels are prepared for zero-emission utilising liquid organic hydrogen carrier and/or methanol as an energy source
- Edda Wind remains firm on its strategy to be a leading player within offshore wind and is currently the largest player in the space including all vessels under construction



1) Edda Wind has, through its subsidiary West Energy AS, entered into a sale and purchase agreement regarding the sale of all outstanding shares in Puerto de Calella S.L., the registered owner of the vessel Edda Passat

Seatrials initiated for Edda Goelo

- Edda Goelo departed Balenciaga shipyard 15 February for yard seatrials
- Vessel delivery expected March/April 2024
- Following final testing, including sea acceptance test of gangway- and crane system, Edda Goelo is expected to commence the SiemensGamesa Saint Briec contract early Q2

*Zero emission compatible
and designed to set a
new industry standard for
operations and efficiency*

SIEMENS Gamesa
RENEWABLE ENERGY

*Five year contract until
Q3 2028*



Saint-Brieuc, wind farm, France



- 62 Siemens Gamesa turbines
- 8 MW each
- 207 meters high each
- 75km² in size
- 496 MW in total capacity

Vessel system upgrades to implement robust solutions for Edda Wind's gangway systems

- Edda Breeze, Edda Brint taken out of operation in February and until beginning of March to implement robust solutions to various issues related to its gangway systems
- Similar system enhancements are also expected to be carried out on other vessels in the Edda Wind fleet throughout 2024 – to be strategically scheduled to minimise impact on operation / offhire
 - Edda Boreas system upgrades currently ongoing
- Following these system upgrades, the vessels are expected to demonstrate improved reliability and utilization



Market

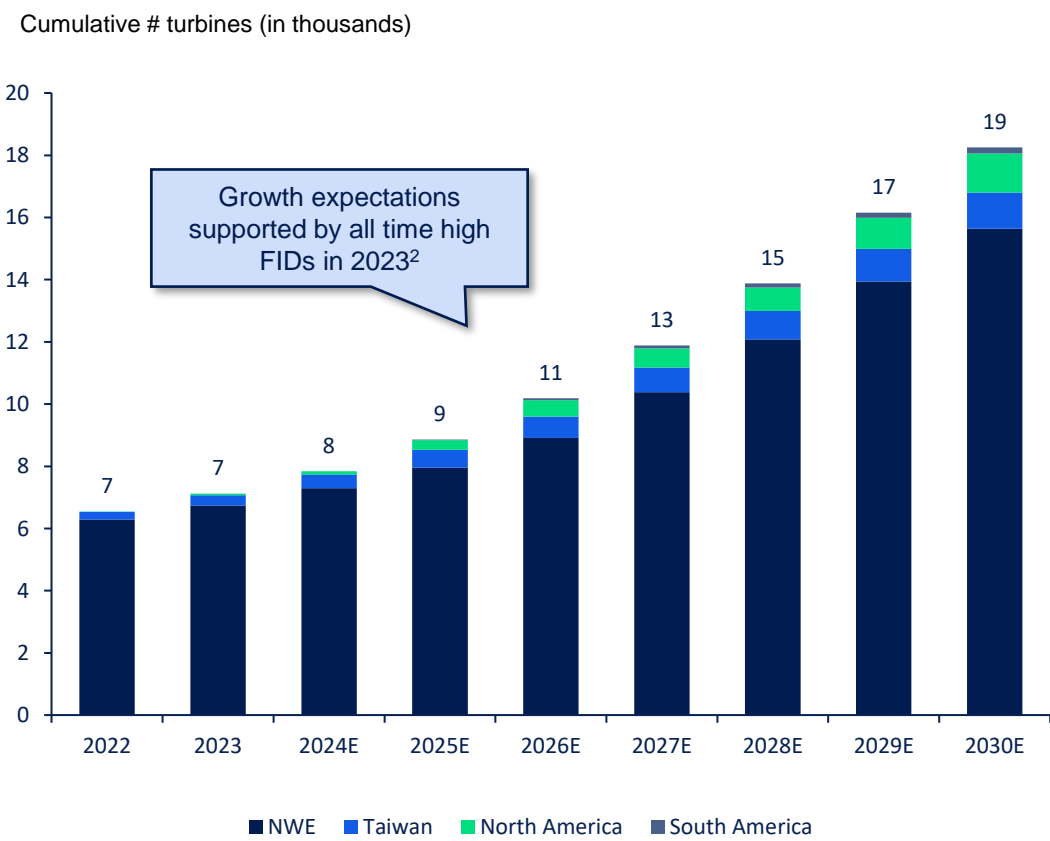


Favorable demand outlook for C/SOV

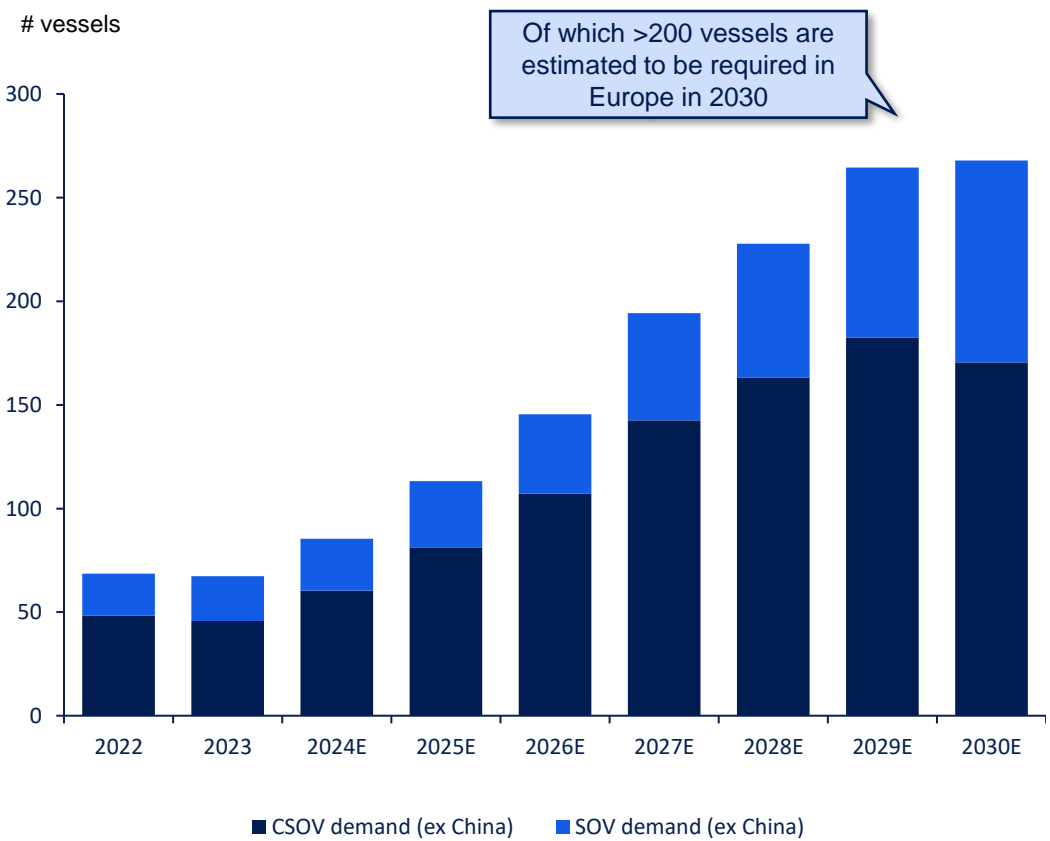
- Favorable demand outlook for C/SOV despite announced delays and setbacks within the supply chain
- Delays and unscheduled work at the wind farms result in additional work for CSOVs
- Despite recent newbuilding orders, C/SOV demand is estimated to significantly outgrow supply
- At present, conventional oil & gas vessels (Tier 2/3) are bridging the demand gap in the market. However, with the shift towards Tier 1 preference and the return of Tier 2/3 vessels to the oil & gas sector, it's anticipated that C/SOVs will be required to fill this gap
- High seasonal dayrates observed for the CSOV market

Market fundamentals continue to improve with forecasted strong demand for C/SOVs

Strong growth expected in # turbines¹...



...resulting in high demand for C/SOVs¹



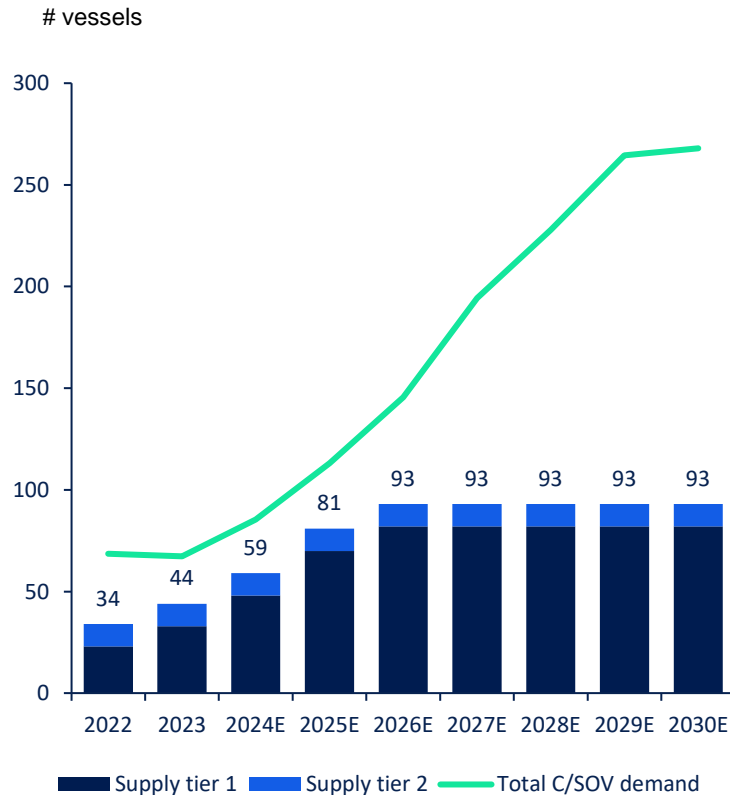
Source: Clarksons Offshore & Renewables

1) Figures excluding China

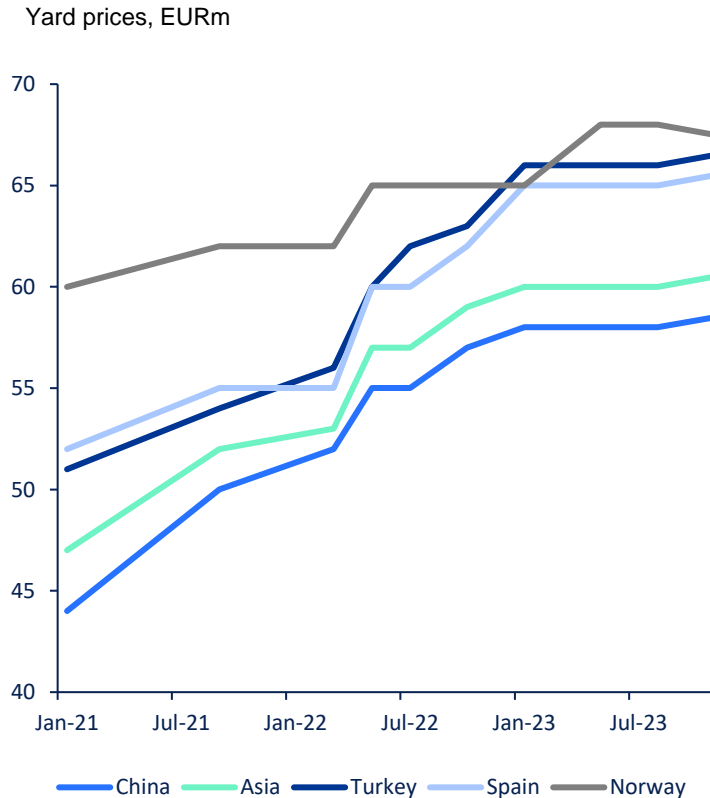
2) Measured in GW

Disciplined supply and steadily increasing newbuilding prices support high C/SOV economics

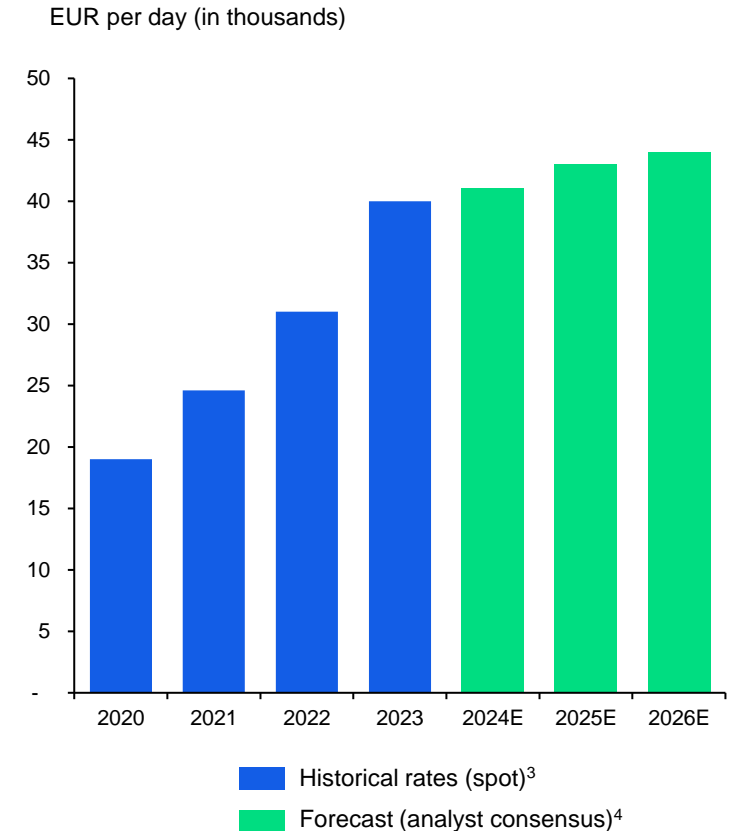
The supply side remains disciplined¹...



...and yard newbuilding prices are increasing²...



...leading to strong outlook for C/SOV economics



Source: Clarksons Offshore & Renewables






















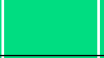
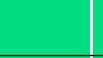



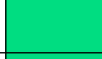









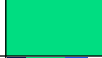





















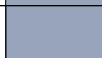


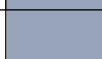





1) Excluding China 2) CSOV class (LOA 85-90m / DP2 / POB 90-120 / Integrated MCG with height adjustability / MCC 5t 3D), APAC: India/Vietnam/Sri Lanka. Spain prices including Spanish Tax Lease 3) Average annual dayrate (minimum) used as proxy for annual rate 4) Analyst consensus: ABGSC, Carnegie, Clarksons, Fearnleys, Pareto





Edda Wind is the market leader in offshore wind (C/SOV)

Overview of C/SOV vessels by owner (top 15)



Seven vessels currently contracted – increased option to “play the market right”

Vessel	Type	Client	Start ¹	End	Option	Location	'24	'25	'26	'27	'28	'29	'30	'31	'32
Edda Passat		SOV													
Edda Mistral		SOV		Sep-18	Sept-24	4x1 year	Hornsea One wind farm, UK								
Edda Brint		SOV		Mar-23	May-37	Up to 1,6 years	Seagreen wind farm, UK								
C416		SOV		Q4-23	Q3-28		Saint-Brieuc, wind farm, France								
Edda Breeze		CSOV		Apr-21	Apr-32	Up to 2,6 years	BARD Offshore 1 wind farm, Germany								
Edda Boreas		CSOV		Q3-23	Q2-25	1 year	Dogger Bank wind farms, UK								
Edda Nordri		CSOV		Q1-24	Q1-26	< 1 year	Northern Europe								
C492		CSOV		Q2-25 ²	Q4-25	< 1 year	Northern Europe								
C503		CSOV		Q4-24											
C504		CSOV		Q2-25											
NB965		CSOV		Q1-25											
NB966		CSOV		Q1-25											
NB967		CSOV		Q2-25											
NB968		CSOV		Q1-26											

 Under construction
  Firm contract
  Option period
  Frontrunner

Source: Company information

1) Planned delivery for uncontracted vessels under construction

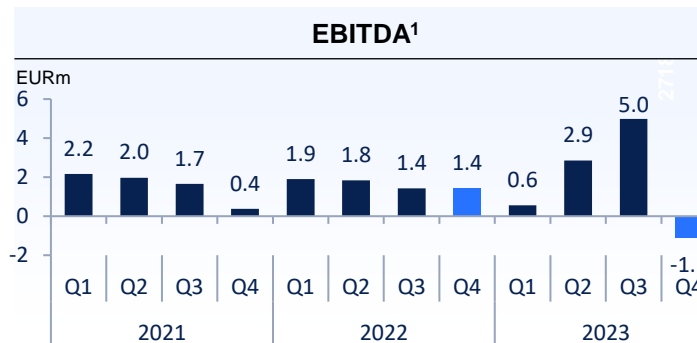
2) C492 to be delivered Q2 2024 and ready for operation in Q3 2024

Financials



Key financials – income statement

EUR thousand (unaudited)	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Freight income	10,844	6,704	36,955	26,930
Other operating income	556	630	2,413	1,496
Total operating income	11,400	7,333	39,368	28,425
Payroll and remuneration	(5,219)	(2,202)	(16,325)	(8,609)
Other operating expenses	(7,405)	(3,724)	(16,023)	(13,248)
Total operating expenses	(12,624)	(5,925)	(32,348)	(21,856)
Operating profit before depreciation	(1,224)	1,408	7,020	6,569
Depreciation	(2,349)	(782)	(7,210)	(3,195)
Operating profit	(3,573)	626	(190)	3,374
Financial income and expenses				
Financial income	258	220	1,543	386
Financial expense	(1,726)	(485)	(5,353)	(1,890)
Net currency gains/(losses)	(41)	(174)	132	64
Financial income/(expense)	(1,509)	(439)	(3,678)	(1,440)
Profit/(loss) before tax	(5,082)	187	(3,868)	1,935
Tax (income)/expense	-	-	-	-
Profit/(loss) for the period	(5,082)	187	(3,868)	1,935



1) EBITDA (earnings before interest, tax, depreciation and amortisation) is defined as operating revenue and gain/loss on sale of assets less operating expenses. Operating revenue is adjusted for amortisation of late delivery penalties.

Comments Q4 2023

- Revenue up 55% y-o-y
- EUR 39m full year 2023 revenue, up from EUR 28m in 2022 (+38%)
- EBITDA significantly impacted by offhire for vessels (approx. EUR 3m) and frontrunner cost related to the SiemensGamesa contract (approx. EUR 3.5m)
- Additional costs related to administration and organisational ramp-up

Key financials – balance sheet

ASSETS (EUR thousand)	31.12.2023	31.12.2022
Non-current assets		
Vessels	271,222	66,714
Newbuildings	244,294	223,082
Other non-current assets	8,840	7,050
Machinery and equipment	136	7
Total non current assets	524,492	296,853
Current assets		
Account receivables	10,650	3,926
Other current receivables	14,198	1,153
Other current assets	0	4,114
Financial derivatives	0	71
Cash and cash equivalents	32,918	45,021
Total current assets	57,766	54,285
Total assets	582,258	351,138

EQUITY AND LIABILITIES (EUR thousand)	31.12.2023	31.12.2022
Equity		
Share capital	1,071	644
Share premium	220,732	116,128
Other equity	63,079	66,908
Total equity	284,882	183,680
Non-current liabilities		
Non current interest-bearing debt	257,101	146,013
Total non current liabilities	257,101	146,013
Current liabilities		
Account payables	5,488	3,017
Public duties payable	183	85
Current interest-bearing debt	27,729	10,951
Other current liabilities	6,875	7,392
Total current liabilities	40,275	21,446
Total equity and liabilities	582,258	351,138

Comments Q4 2023

- Equity ratio of 49%¹
- Cash position of EUR 33m
- NIBD of EUR 241m²
- Value of vessels, including newbuildings up EUR 226m – in line with newbuilding programme

1) Total equity / total equity and liabilities

2) Excluding EUR 11m in pre-financing of the tax lease benefit under the Spanish tax lease structure

Highly attractive backlog and financial profile

Total backlog of **EUR 416m** in place (firm backlog of **EUR 301m**)¹



6

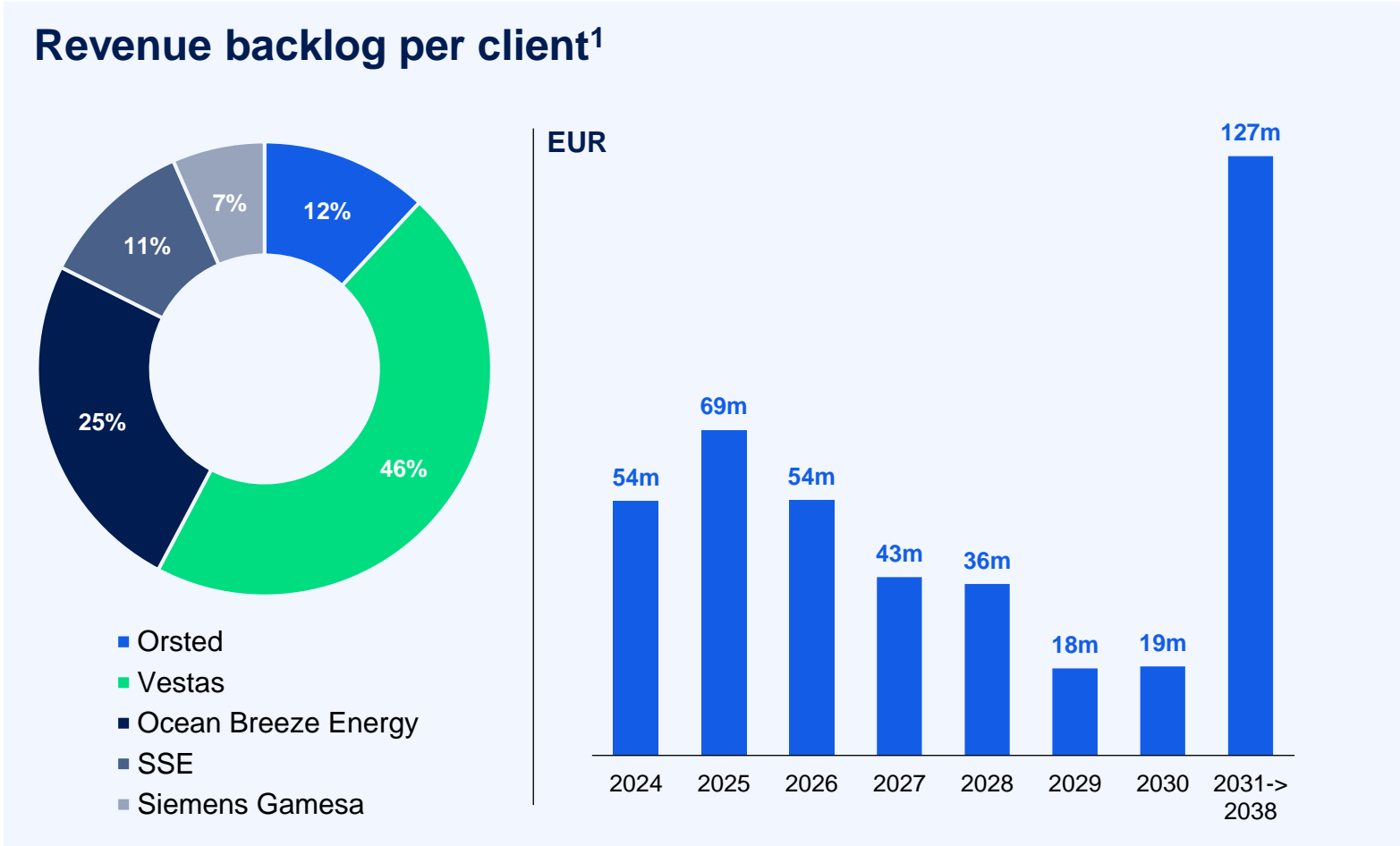
vessels
operating in
Q4 2023

8

vessels
expected on
water
by end 2024

13

vessels in
total fleet
incl. under
construction²



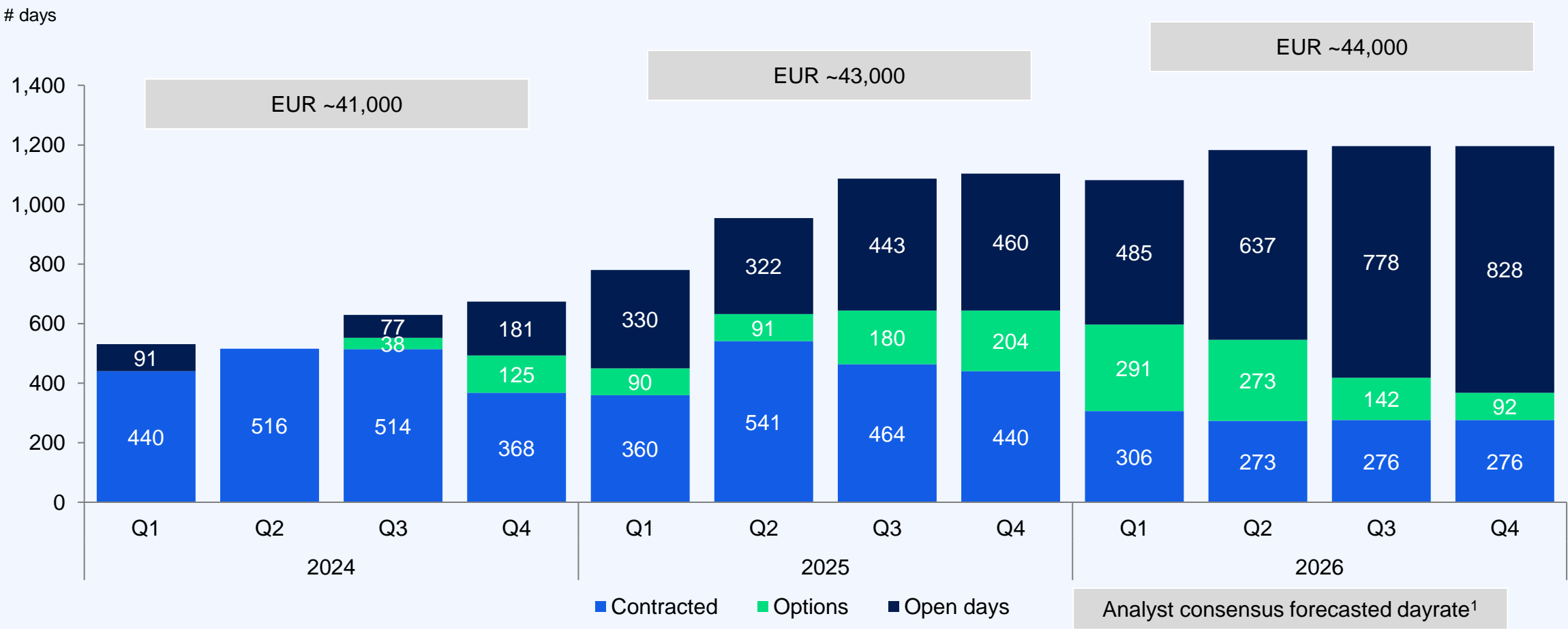
1) The total revenue backlog comprises firm contracts as well as contractual options. The «firm» backlog are contracts which have been entered into with customers, and these contracts can be cancelled by customers under given circumstances and are in general subject to certain terms and conditions. "Options" are options to extend firms contracts, and such options can be extended at the discretion of the respective customer. As such, the "option" backlog is subject to such extensions. The backlog includes the contribution from vessel day rates as well as victualling revenue for certain additional services onboard. This definition applies to all references to backlog in this presentation. Numbers as of Q4 2023

2) Excluding Passat which is to be sold in March 2024

22

Edda Wind – vessel availability

Vessel availability well matched to CSOV demand and supply curves



Source: Company information
1) Analyst consensus: ABGSC, Carnegie, Clarksons, Fearnleys, Pareto

Attractive vessel financing in place for all but one vessel with large portion of fixed interest

Key debt financing information

EUR 110m Senior Secured Term Loan Facility

- Semi-annual amortisation 12-year profile
- GBP for Passat/Mistral
- EUR pre- and postdelivery financing Goelo (C416) / Boreas
- Contract tranche up to EUR 14m
- Revolving credit facility of up to EUR 20m

EUR 38m Private Placement

- Semi-annual amortization based on annuity style profile with balloon payment at maturity in Sep '31

GBP 36m Private Placement

- Quarterly amortization based on annuity style profile with balloon payment at maturity in Apr '37

EUR 120m green loan facility

- Pre-and post delivery financing of Edda Nordri, C492 and C503
- ECA facility of EUR 55m
- Commercial facility EUR 45m
- Contract tranche of up to EUR 20m

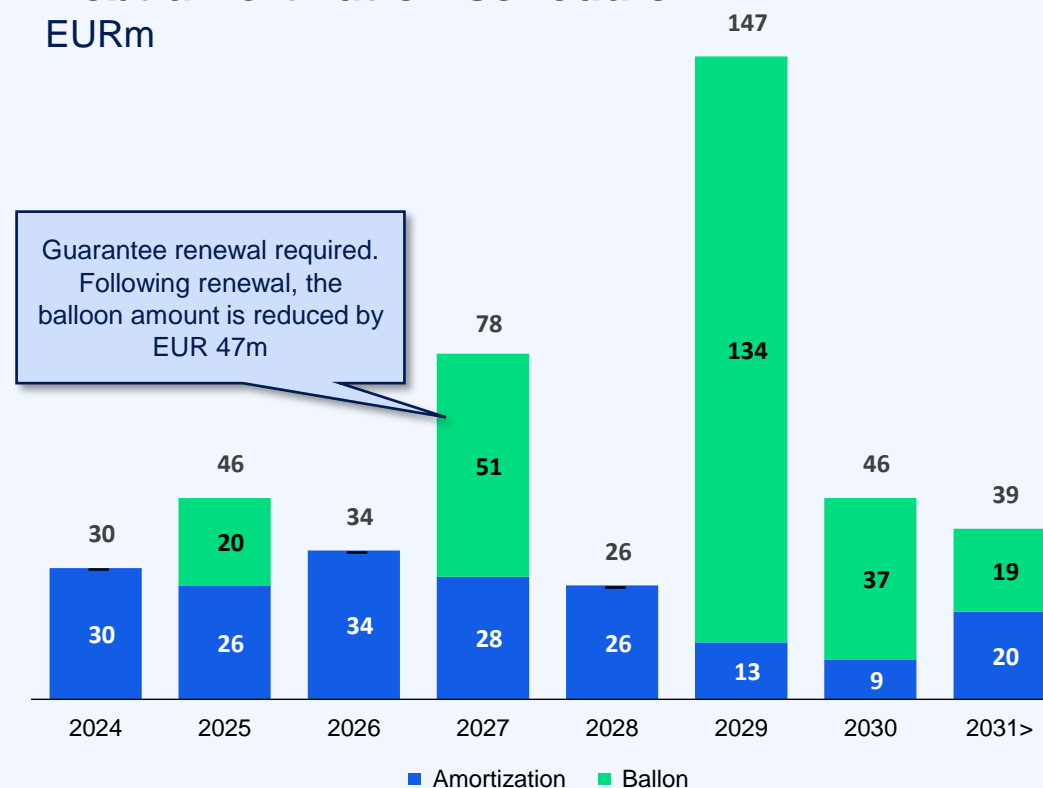
EUR 161m green term loan facility

- Pre-and post delivery financing of NB965, NB966, NB967 and NB968

Interest

- Blend of fixed and floating interest rate
- Average all-in fixed interest cost incl. CIRR of ~3.3%¹

Debt amortization schedule EURm



1) Edda Wind has fixed interest on ~60% of its interest-bearing debt

Summary



Edda Wind's fleet growth is continuing in 2024

Deliveries in 2023

Edda Brint (SOV)



- Delivered in March 2023
- On contract with Vestas at Seagreen Offshore Windfarm

Edda Breeze (CSOV)



- Delivered in March 2023
- On contract with Ocean Breeze at Bard Offshore 1 Windfarm

Edda Boreas (CSOV)



- Delivered in July 2023
- On contract with SSE at Doggerbank Wind farm

Edda Nordri (CSOV)



- Naming ceremony in September 2023
- Commenced operations for SiemensGamesa in 2023 – operating for Vestas in 2024

Deliveries in 2024

C416 (SOV)



- Expected delivery in March/April 2024
- To commence operation for SiemensGamesa in early Q2 2024

C492 (CSOV)



- Expected delivery Astilleros Gondán in Q2 2024

C503 (CSOV)



- Expected delivery Astilleros Gondán in Q4 2024

Summary

Ongoing system upgrades to improve operational performance and reduce offhire

Strong backlog of EUR 416m supporting cash flow visibility and dividend capacity

Edda Goelo (C416) expected to commence operation in Q2 2024

Increasing demand for top tier C/SOVs and high seasonal dayrates observed

2024 financials expected to be impacted by offhire, frontrunner costs and organisational ramp up

State-of-the-art fleet at fixed and attractive yard prices





Thank you

edda wind 



Q&A

edda wind 

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