

# 4th Quarter Report 2023

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edda wind 





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Photo: Stephan Giesen





# Letter from the CEO



Photo: Bård Gudim

## A challenging period, but optimistic outlook

Edda Wind's operations have been progressively expanding, with six vessels operational by the end of Q4 2023.

During Q4 2023 and Q1 2024 we have experienced substantial technical challenges related to our gangway systems, resulting in unscheduled offhire and loss of revenue. To overcome this situation and ensure that the systems are achieving the expected reliability and performance, Edda Wind decided to take three vessels out of operation in Q1 2024 to implement robust solutions to the various issues. The gangway systems represent new technology and will when fully functioning increase operability and flexibility.

Edda Wind still expects some fluctuations in its financial performance during the ramp-up phase as new vessels are entering operations with associated additional costs, but our long-term view remains firm and highly positive.

As previously disclosed, Edda Wind acquired legal title to C-416 in October 2023 to ensure the vessel's completion. Progress is being made and the vessel is currently undergoing sea trials. The vessel is expected to be delivered in March/April 2024 and commence operations for SiemensGamesa in early Q2 2024.

In February 2024, Edda Wind announced the sale of the vessel Edda Passat, made to optimise the Company's fleet strategy, including alignment of vessel design. The transaction is expected to be completed in March.

With a fleet of 13 vessels (excluding Passat, but including those under construction), Edda Wind is the market's leading C/SOV operator. Despite some delays and challenges in the offshore wind market generally, we are observing high tender activity and positive trends for vessel day rates, indicating good revenue potential for the uncommitted Edda Wind fleet.

The Company has established strong relationships with the key operators in the market and is consistently invited to participate in the actual tenders and vessel requirements being issued. The backlog of orders stands at EUR 416 million, combined with several uncommitted newbuilds capable of securing work in a market with high demand for this type of vessel.

Edda Wind is making progress in the recruitment process for the future onshore organisation and the preparation to assume management of the Edda Wind fleet. Existing ship management agreements with Østensjø Rederi will remain in effect until the end of 2024. However, parts of the fleet will transition to Edda Wind management during 2H 2024. As such, we will incur overlapping and additional costs during 2024 as we are optimising our long-term operational platform. Eight vessels will be operational by the end of 2024, with an additional five expected within 2026.

We express our gratitude to all stakeholders for their support of Edda Wind.

**Kenneth Walland**  
CEO



# Highlights Q4 2023



## Edda Wind

- Revenue of EUR 11.4 million (+55% growth vs. Q4 2022).
- EBITDA of EUR -1.1 million, negatively impacted by frontrunner cost and offhire.
- SiemensGamesa contract commenced in October 2023.
- Edda Nordri commenced operation end of December 2023.
- Attractive EUR 161 million green term loan facility agreement secured in December 2023.



## Market

- Favourable 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.
- Oil & gas sector continues to extract tonnage, including purpose built CSOVs.
- High seasonal day rates observed for the CSOV market.





# Management report Q4 2023

Operating income

**EUR 11.4m**

Operating expenses

**EUR 12.6m**

Operating profit  
before depreciation

**EUR (1.2)m**

Profit before tax

**EUR (5.0)m**

Investment in vessels  
and new buildings

**EUR 515.5m**



Photo: Eivind Røhne

## Operations

Edda Wind ASA and subsidiaries ("the Group") is an offshore wind service provider.

As at 31 December 2023, the Group operates three purpose-built SOVs and three CSOVs, and has eight vessels under construction.

Edda Mistral operates in the North Sea on charter for Ørsted on Hornsea 1 windfarm with firm period expiring September 2024.

Edda Passat charter party with Ørsted on Race Bank ended on 6 October 2023. Edda Passat thereafter worked on a short-term charter party with Vestas in November.

On 28 March 2023 Edda Breeze commenced the long-term 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 2 July 2023.

On 1 October 2023, the SiemensGamesa contract commenced with a frontrunner vessel for Edda Goelo. The frontrunner vessel was replaced by Edda Nordri on 28 December. Edda Nordri will operate as frontrunner until she starts the Vestas Baltic Eagle contract.

The utilisation for the quarter was 80%, mainly affected by commercial downtime for Edda Passat and technical challenges on Edda Breeze and Edda Brint.

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



# Management report Q4 2023

continued



Photo: Eivind Rohne

## Group consolidated results Q4 2023

Total operating income for Q4 2023 was EUR 11,400 thousand compared to EUR 7,333 thousand in Q4 2022. The increase in operating income is primarily related to commenced operation of four more vessels during 2023, less offhire related to commercial downtime of Edda Passat and technical challenges on Edda Breeze and Edda Brint.

Operating expenses before depreciation were EUR 12,624 thousand in Q4 2023 compared to EUR 5,925 thousand in Q4 2022. The increase is mainly due to four more vessels in operation, including charter hire for the SiemensGamesa frontrunner.

The Group had a negative EBITDA of EUR 1,084 thousand in Q4 2023, compared to positive EUR 1,408 thousand in Q4 2022. The EBITDA is negatively effected by the frontrunner cost (approx. 3.5 million) and offhire (approx. 3.0 million) incurred during the quarter. In addition, the Group incurred additional costs related to administration, organisational ramp-up and the transition from Østensjø Rederi.

Depreciation was EUR 2,349 thousand in Q4 2023, compared to EUR 782 thousand in Q4 2022. The increase is due to depreciation of new vessels during 2023.

Net financial result in Q4 2023 was EUR 1,509 thousand in net cost, compared to EUR 439 thousand in net cost in the same quarter last year. The increase in interest cost is partly due to

increased interest rates and due to the interest cost of the financing of the new vessels in operation.

The Group had a loss before tax of EUR 5,082 thousand in Q4 2023, compared to a profit before tax of EUR 187 thousand in Q4 2022.

## Capital structure and financing

Cash and cash equivalents ended at EUR 32,918 thousand at 31 December 2023, down from EUR 34,674 thousand at 30 September 2023. The decrease is mainly due to investments in fixed assets less drawdown of interest-bearing debt.

Total investment in newbuildings and vessels were EUR 515,516 thousand at 31 December 2023, up from EUR 450,681 thousand at 30 September 2023. The increase is mainly due to paid pre-delivery yard instalments, less depreciation of vessels. Part of the vessel book value is measured in GBP as functional currency and, thus, fluctuations will occur due to currency translation.

As previously disclosed, Edda Wind acquired legal title to C-416 in October 2023 to ensure the vessel's completion. Subsequent to this, Edda Wind has entered into a loan agreement of EUR 11 million as pre-financing of the tax lease benefit under the Spanish tax lease structure. The pre-financing will be used to cover expenses on behalf of the yard until the vessel is completed. Upon completion, the total tax lease benefit of EUR 14 million will be paid to Edda Wind and partly used to repay the pre-financing loan. As at 31 December 2023, Edda Wind had paid EUR 11 million on behalf of the yard, included in the balance sheet as short-term receivables. The vessel is expected to be delivered in March/April 2024.

Total interest-bearing debt was EUR 284,830 thousand at 31 December 2023, up from EUR 209,978 thousand at 30 September 2023. The increase is due to drawdowns on the debt facilities to finance newbuildings, less amortisation payments for the post-delivery debt facilities.

Photo: Stephan Giesen





# Management report Q4 2023

continued



Photo: Nicki Pløk

Total equity was EUR 284,882 thousand at 31 December 2023, down from EUR 290,132 thousand at 30 September 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 C/SOVs.

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 approximately 80 Tier 1 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 31 December 2023, the Group had eight vessels under construction one (SOV and seven 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 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.

## Subsequent events

As previously reported, Edda Wind has experienced technical challenges with the gangway systems. The challenges have previously been dealt with during regular operation. To ensure that the systems are achieving the expected reliability and performance, Edda Wind has taken two of its vessels, Edda Breeze and Edda Brint, out of operation to implement robust solutions to the various issues. The vessels are expected to be in operation again in the beginning of March 2024. For similar reasons, Edda Wind has decided to take Edda Boreas out of operation in February 2024 to perform similar upgrades to the gangway system.

In February 2024, Edda Wind, 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 Edda Passat. The transaction is expected to take place during March 2024. The rationale for the sale of the vessel is to optimise the Company's fleet strategy, including alignment of vessel design. The proceeds from the sale will be used for general corporate purposes, including the repayment of outstanding debt related to Edda Passat.



# Key figures

## Q4 2023

(EUR 1,000)



Key figures	Q4 2023	Q3 2023	Q4 2022	Full year 2023
Revenue	11,400	11,831	7,333	39,368
Profit/loss for the period	(5,082)	1,845	187	(3,868)
Total assets	582,258	505,049	351,138	582,258
Equity	284,882	290,132	183,680	284,882
EBITDA	(1,084)	4,853	1,408	7,436
EBIT	(3,573)	2,547	626	(190)
NIBD	251,912	175,304	107,758	251,912
Equity ratio	48.9%	57.4%	52.3%	48.9%

Definitions of APMs

- EBITDA (earnings before interest, tax, depreciation and amortisation) is defined as operating revenue and gain/loss on sale of assets less operating expenses, adjusted for amortisation of late delivery penalties.
- EBIT (earnings before interest and tax) is defined as total income (operating revenue and gain/loss on sale of assets) less operating expenses, other gain/loss and depreciation and amortisation.
- NIBD (net interest-bearing debt) 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 31 December 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.



Photo: Balenciaga

**Jan Eyvin Wang**  
Chairman of the Board

**Toril Eidesvik**  
Board member

**Adrian Geelmuyden**  
Board member

**Cecilie Wammer Serck-Hanssen**  
Board member

**Oslo, 28 February 2024**  
(signed electronically)

**Martha Kold Monclair**  
Board member

**Duncan J. Bullock**  
Board member

**Håvard Framnes**  
Board member



# Income statement

(unaudited)

(EUR 1,000)

# Comprehensive income

(unaudited)

(EUR 1,000)

	Notes	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Freight income	2	10,844	6,704	36,955	26,930
Other operating income	2, 9	556	630	2,413	1,496
<b>Total operating income</b>		<b>11,400</b>	<b>7,333</b>	<b>39,368</b>	<b>28,425</b>
Payroll and remuneration		(5,219)	(2,202)	(16,325)	(8,609)
Other operating expenses	2	(7,405)	(3,724)	(16,023)	(13,248)
<b>Total operating expenses</b>		<b>(12,624)</b>	<b>(5,925)</b>	<b>(32,348)</b>	<b>(21,856)</b>
<b>Operating profit before depreciation</b>		<b>(1,224)</b>	<b>1,408</b>	<b>7,020</b>	<b>6,569</b>
Depreciation	3	(2,349)	(782)	(7,210)	(3,195)
<b>Operating profit</b>		<b>(3,573)</b>	<b>626</b>	<b>(190)</b>	<b>3,374</b>
<b>Financial income and expenses</b>					
Financial income	10	258	220	1,543	386
Financial expense	10	(1,726)	(485)	(5,353)	(1,890)
Net currency gains/(losses)		(41)	(174)	132	64
<b>Financial income/(expense)</b>		<b>(1,509)</b>	<b>(439)</b>	<b>(3,678)</b>	<b>(1,440)</b>
<b>Profit/(loss) before tax</b>		<b>(5,082)</b>	<b>187</b>	<b>(3,868)</b>	<b>1,935</b>
Tax (income)/expense	8	–	–	–	–
<b>Profit/(loss) for the period</b>		<b>(5,082)</b>	<b>187</b>	<b>(3,868)</b>	<b>1,935</b>
Basic/diluted earnings per share in EUR	7	(0.05)	0.00	(0.04)	0.03

	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Profit/(loss) for the period	(5,082)	187	(3,868)	1,935
<b>Items that may be reclassified to the income statement</b>				
Currency translation differences	(168)	(101)	39	(2,587)
<b>Other comprehensive income, net of tax</b>	<b>(168)</b>	<b>(101)</b>	<b>39</b>	<b>(2,587)</b>
<b>Total comprehensive income for the period</b>	<b>(5,250)</b>	<b>86</b>	<b>(3,829)</b>	<b>(652)</b>



# Balance sheet

(unaudited)

(EUR 1,000)

	Notes	31.12.2023	31.12.2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Vessels	3	271,222	66,714
Newbuildings	3	244,294	223,082
Other non-current assets	3, 11	8,840	7,050
Machinery and equipment	3	136	7
<b>Total non-current assets</b>		<b>524,492</b>	<b>296,853</b>
<b>Current assets</b>			
Account receivables		10,650	3,926
Other current receivables	11	14,198	1,153
Other current assets		–	4,114
Financial derivatives	5	–	71
Cash and cash equivalents		32,918	45,021
<b>Total current assets</b>		<b>57,766</b>	<b>54,285</b>
<b>Total assets</b>		<b>582,258</b>	<b>351,138</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	6, 7	1,071	644
Share premium		220,732	116,128
Other equity		63,079	66,908
<b>Total equity</b>		<b>284,882</b>	<b>183,680</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing debt	4	257,101	146,013
<b>Total non-current liabilities</b>		<b>257,101</b>	<b>146,013</b>
<b>Current liabilities</b>			
Account payables		5,488	3,017
Public duties payable		183	85
Current interest-bearing debt	4	27,729	10,951
Other current liabilities	11	6,875	7,392
<b>Total current liabilities</b>		<b>40,275</b>	<b>21,446</b>
<b>Total equity and liabilities</b>		<b>582,258</b>	<b>351,138</b>



# Cash flow statement

(unaudited)

(EUR 1,000)

Notes	Q4 2023	Q4 2022	Full year 2023	Full year 2022
<b>Cash flow from operations</b>				
Profit/(loss) before tax	5,082	187	(3,868)	1,935
Financial (income)/expenses	1,509	438	3,678	1,440
Depreciation and amortisation	32,349	782	7,210	3,195
Change in working capital	(7,768)	1,417	(20,120)	2,656
<b>Net cash flow from operations</b>	<b>(8,992)</b>	<b>2,824</b>	<b>(13,100)</b>	<b>9,225</b>
<b>Cash flow from investment activities</b>				
Investments in fixed assets	3(67,374)	(27,974)	(231,925)	(92,012)
Changes in restricted cash – investment commitment	–	(2,565)	–	(2,922)
Reclassification of restricted cash to cash	–	–	4,510	–
<b>Net cash flow from investment activities</b>	<b>(67,373)</b>	<b>(30,539)</b>	<b>(227,415)</b>	<b>(94,934)</b>
<b>Cash flow from financing activities</b>				
Proceeds from issue of interest-bearing debt	4(78,454)	13,478	140,846	49,856
Repayment of interest-bearing debt	4(1,090)	(447)	(10,564)	(6,859)
Payment of debt issuance costs	(2,351)	–	(3,708)	–
Interest received	258	–	1,543	–
Interest paid	(329)	(458)	(3,880)	(1,776)
Paid other financial expenses	(193)	–	(426)	(114)
Proceeds from issuance of new shares	–	–	105,032	–
<b>Net cash flow from financing activities</b>	<b>74,750</b>	<b>12,572</b>	<b>228,843</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	(1,615)	(15,141)	(11,671)	(44,603)
Translation difference	(141)	(57)	(432)	104
Cash and cash equivalents at period start	34,674	60,217	45,021	89,520
<b>Cash and cash equivalents at period end</b>	<b>32,918</b>	<b>45,021</b>	<b>32,918</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	104,604	–	–	–	–	105,031
Loss for the period	–	–	–	(3,868)	–	(3,868)	(3,868)
Other comprehensive income	–	–	–	–	39	39	39
Balance at 31.12.2023	1,071	220,732	27,608	34,588	882	63,079	284,882
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 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.

	Q4 2023	Q4 2022	Full year 2023	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	6,556	3,929	23,271	16,489
Other revenue	556	630	2,413	1,496
<i>Lease revenue:</i>				
Lease element from contracts with day rate	4,288	2,775	13,684	10,441
<b>Total operating income</b>	<b>11,400</b>	<b>7,333</b>	<b>39,368</b>	<b>28,425</b>

### Leasing

During the year the Group has leased two vessels on short-term leases. The leases are in scope for IFRS 16, however, the Group has elected to apply the recognition exemption for short-term leases and as such has recognised the lease payments as expense over the lease period. One of the leased vessels has operated as frontrunner for Edda Breeze from April 2021 to March 2023. The other leased vessel has operated as frontrunner for C-416 from October 2023 to December 2023. The Group has recognised a lease expense of EUR 3.1 million during Q4 2023, compared to EUR 2.5 million in Q4 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 Q4 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 31 December 2023, Edda Wind had 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 profit and loss on a straight-line basis over the contract period from the date the vessels were delivered to the clients. As at 31 December 2023, a total of EUR 416 thousand had 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 at 31 December 2023 and 31 December 2022.

31.12.23	Vessels	Periodic maintenance	Equipment	Newbuildings	Total
Cost 01.01.2023	78,820	2,273	76	223,082	304,250
Additions	–	3,536	136	228,252	231,925
Reclassification	201,644	5,396	–	(207,040)	–
Currency translation differences	1,311	31	–	–	1,342
Cost 31.12.23	281,775	11,235	212	244,294	537,516
Accumulated depreciation and impairment losses 01.01.2023	(12,256)	(2,122)	(69)	–	(14,447)
Depreciation	(6,075)	(1,129)	(7)	–	(7,210)
Currency translation differences	(182)	(25)	–	–	(207)
Accumulated depreciation and impairment losses 31.12.2023	(18,513)	(3,276)	(76)	–	(21,865)
Carrying amounts	263,262	7,959	136	244,294	515,651
Remaining instalments newbuildings 31.12.2023	–	–	–	224,510	224,510

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



# 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 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 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 at December, 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 2024 reflect the current market conditions. The Group has used a discount rate in the interval of 8.3-9.8% 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.

	31.12.2023	31.12.2022
Non-current interest-bearing debt	257,101	146,013
Current interest-bearing debt	27,729	10,951
<b>Total interest-bearing debt</b>	<b>284,830</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 at 31 December 2023 (analogous for 31 December 2022).

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

	31.12.2023	31.12.2022
Pledged debt to financial institutions	211,534	80,239
Bonds	73,296	76,725
<b>Total interest-bearing debt</b>	<b>284,830</b>	<b>156,964</b>

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

	31.12.2023	31.12.2022
<b>Repayment schedule for debt to financial institutions</b>		
Due in year 1	23,642	6,889
Due in year 2	43,537	9,189
Due in year 3	29,895	9,189
Due in year 4	31,567	9,189
Due in year 5 and later	82,894	45,785
<b>Total repayment schedule for debt to financial institutions</b>	<b>211,534</b>	<b>80,239</b>

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 39.7 million of the debt to financial institutions will fall due in 2027.

	31.12.2023	31.12.2022
<b>Repayment schedule for bond</b>		
Due in year 1	4,088	4,062
Due in year 2	4,268	4,056
Due in year 3	4,763	4,235
Due in year 4	5,081	4,728
Due in year 5 and later	55,096	59,643
<b>Total repayment schedule for bond</b>	<b>73,296</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	31.12.2023	31.12.2022
Financial liabilities/(financial assets) measured at fair value at 01.01	(71)	91
Changes in fair value through the income statement (+loss/-profit)	–	(162)
Derecognition of interest swap due to expiration	71	–
<b>Total financial liabilities/(financial assets) measured at fair value</b>	<b>(0)</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 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 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 11,231,449 divided into 112,314,488 shares, each with a nominal value of NOK 0.1.

### Largest shareholders at 31 December 2023

Shareholder	Country	Number of shares	Ownership share
Wilhelmsen New Energy AS	Norway	28,500,000	25.4%
Geveran Trading Co Ltd	Cyprus	24,306,313	21.6%
Østensjø Wind AS	Norway	21,300,000	19.0%
Credit Suisse (Switzerland) Ltd.	Ireland	17,888,331	15.9%
VJ Invest AS	Norway	1,313,235	1.2%
J.P. Morgan SE	Luxembourg	1,129,603	1.0%
Varner Equities AS	Norway	776,973	0.7%
State Street Bank and Trust Comp	United States	665,780	0.6%
Wahl Eiendom AS	Norway	656,000	0.6%
Clearstream Banking S.A.	Luxembourg	637,118	0.6%
<b>Largest shareholders</b>		<b>97,173,353</b>	<b>86.5%</b>
Others		15,141,135	13.5%
<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	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Net profit attributable to ordinary shareholders of Edda Wind ASA	(5,082,000)	187,181	(3,867,732)	1,934,902
Weighted average number of outstanding shares to calculate EPS	112,314,488	64,314,488	101,819,340	64,314,488
<b>Earnings per share</b>	<b>(0.05)</b>	<b>0.00</b>	<b>(0.04)</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, 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.

The Group recorded a tax expense of EUR 0 during the fourth quarter of 2023 (EUR 0 during fourth quarter 2022), and recognised a deferred tax asset of EUR 0 at 31 December 2023 (deferred tax asset of EUR 0 thousand 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 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 2023	Q4 2022	Full year 2023	Full year 2022
<b>Transactions with related parties</b>				
Leasing of Edda Fjord from West Supply VIII AS (incl. victualling)	–	2,658	3,270	9,147
Purchase of management services, operation and supervision of vessels from Østensjø Rederi AS	381	158	1,281	726
Sale of services to Østensjø Rederi AS	(98)	(101)	(375)	(407)
Hired crew from Østensjø Rederi AS	3,717	1,607	11,859	5,852
Guarantee commission to Johannes Østensjø d.y. AS	–	167	–	826
Board fee to Johannes Østensjø dy AS	43	–	43	–
Purchase of goods from Wilhelmsen Ships Service	104	–	104	–
Insurance cost to Wilhelmsen Insurance Services AS	249	139	699	261
<b>Total transactions with related parties</b>	<b>4,396</b>	<b>4,628</b>	<b>16,881</b>	<b>16,405</b>

# Notes

continued

(EUR 1,000)

## Note 10 Financial items

	Q4 2023	Q4 2022	Full year 2023	Full year 2022
<b>Financial income</b>				
Other financial income	258	220	1,543	224
Unrealised gain financial derivatives	–	–	–	162
<b>Total financial income</b>	<b>258</b>	<b>220</b>	<b>1,543</b>	<b>386</b>
<b>Financial expense</b>				
Interest expenses	(1,532)	(458)	(4,855)	(1,776)
Unrealised loss financial derivatives	–	(27)	–	–
Realised loss financial derivatives	–	–	(71)	–
Other interest expenses to related parties	–	–	–	–
Other financial expenses	(193)	–	(426)	(114)
<b>Total financial expense</b>	<b>(1,726)</b>	<b>(485)</b>	<b>(5,353)</b>	<b>(1,890)</b>

## 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 31 December 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 31 December 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.

As previously disclosed, Edda Wind acquired legal title to C-416 in October 2023 to ensure the vessels completion. Subsequent to this, Edda Wind has entered into a loan agreement of EUR 11 million as pre-financing of the tax lease benefit under the Spanish tax lease structure. The pre-financing will be used to cover expenses on behalf of the yard until the vessel is completed. Upon completion, the total tax lease benefit of EUR 14 million will be paid to Edda Wind and partly used to repay the pre-financing loan. As at 31 December 2023, Edda Wind had paid EUR 11 million on behalf of the yard, included in the balance sheet as short-term receivables. The vessel is expected to be completed end of Q1 2024.

## Note 12 Subsequent events

Edda Wind has experienced technical challenges with the gangway systems. The challenges have previously been dealt with during regular operation. To ensure that the systems are achieving the expected reliability and performance, Edda Wind has taken two of its vessels, Edda Breeze and Edda Brint, out of operation to implement robust solutions to the various issues. For similar reasons, Edda Wind has decided to take Edda Boreas out of operation in February 2024 to perform similiar upgrades to the gangway system. The vessels are expected to be in operation again in the beginning of March 2024. In February 2024, Edda Wind, 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 Edda Passat.





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