

Fred. Olsen Seawind ASA

Annual report

2023

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Fred. Olsen Seawind ASA –
Director's Report 2023

Board of Directors' Report for 2023 for Fred. Olsen Seawind Group

The Nature of the Business

Fred. Olsen Seawind ASA with its subsidiaries ("the Group") was formed as a separate group in December 2021. The primary objective of the Group is to develop, construct and operate offshore wind farms, mainly through its subsidiaries and joint ventures. Fred. Olsen Seawind ASA is the parent company of the Fred. Olsen Seawind Group, currently holding ownership interests in various offshore wind development projects. The company is headquartered in Oslo.

The Group is progressing the development of the Codling Wind Park project in the Irish Sea together with the 50/50 joint venture partner EDF. Codling Wind Park represents one of the largest energy infrastructure investments in Ireland this decade and will be Ireland's largest offshore wind farm in addition to one of the largest wind farms in Europe. In May 2023, Codling Wind Park won the first round of offshore CfD auctions in Ireland (ORESS 1), securing a government guaranteed fixed price on a capacity of up to 1,300 MW.

In addition, the Group is developing the Muir Mhòr floating offshore wind project in Scotland with the 50/50 joint venture partner Vattenfall. Having been awarded seabed rights in the January 2022 Scotwind auction, the project is in development with a total expected capacity of up to 798 MW.

FOS is also a partner in the Blåvinge JV with Hafslund for the development of offshore wind in Norway. The partnership is committed to develop the Utsira Nord project as its first floating offshore wind project in Norway. The Norwegian government has high ambitions to develop offshore wind and related industries, however the Utsira Nord application process is postponed from the government until at least early 2025.

In addition, Fred. Olsen Seawind is exploring several other initiatives and possibilities and is developing a portfolio of early phase development projects in different geographies.

Research and Development

In addition to the efforts spent on identifying and developing new sites, the Group works closely with turbine suppliers, technology providers and other key partners to ensure optimal design of the turbines and foundations, and to develop solutions adapted to the specific challenges to the Group's projects. The Group cooperates with its sister company Fred. Olsen 1848 in the development of floating wind solutions such as the Brunel foundations.

The Company is also participating in several research projects in relation to offshore wind and sustainable development of the sector, such as Grønn Plattform, Northwind and The Carbon Trust.

Working Environment

The Board of Fred. Olsen Seawind ASA Company comprises three directors. Fred. Olsen Seawind ASA has support for identifying and holding liability insurance for its directors and officers.

At year-end 2023, Fred. Olsen Seawind ASA with its subsidiaries have employed 31 people, whereof 11 are women and 20 are men. Together with the employees in its project organisations, the Group has an experienced workforce with the required competencies to carry out offshore wind projects. Working conditions and the working environment is good, and accordingly no special measures were taken in 2023. Absence due to sickness amounted to 1.53 per cent. There were no work-related accidents or injuries.

Men and women are offered equal opportunities within the Group to seek further professional development and new positions. Ability, experience, and suitability are emphasized when personnel are hired. The Group works to promote the objectives of the Anti-Discrimination Act within our business. These activities include recruitment, pay and conditions of employment, promotion, development opportunities and protection against harassment.



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External environment

The development, construction, operation and future removal of offshore wind power projects can have an impact on the external environment. All development projects are subject to strict licensing regulations, under which the Group must perform thorough analyses of potential environmental consequences such as potential damages to bird life, sea mammals and fish. The Group strives to minimize any potential harmful impacts of its activities, and actively looks for alternatives that will reduce the potential for environmental damage.

Please see the Fred. Olsen Seawind ASA Sustainability Summary and the Transparency Report, available at www.fredolenseawind.com for further information on environmental, social and governance matters.

Key risks and uncertainty factors

Political and Regulatory risk

All investments are offshore wind projects in different stages of the development phase, and they have risks relating to obtaining various consents, permits and licenses from relevant authorities and stakeholders to secure rights for construction and operation activities. Failure to obtain, delay in obtaining or losing such necessary consents could result in termination or delay of the projects, and a possible impairment of the Group's investments.

Construction Risk

The construction of offshore wind projects presents challenges of seabed conditions, extensive reliance on support vessels, sub-sea cabling, extraordinarily large components, floating platforms, and extreme weather. If these risks are not managed correctly, construction projects could face significant cost overruns and delays which again will impact the profitability of the project.

Examples of specific supply chain risks

Supply Chain Localization: Offshore wind projects often require specialized components such as turbine towers, blades, nacelles, cables, and foundations. Dependency on a limited number of suppliers or regions for these components can lead to supply chain bottlenecks, transportation delays, and geopolitical risks, especially if these components are sourced from distant or politically unstable locations.

Technical Complexity: Offshore wind projects involve complex engineering, installation, and maintenance processes, which are vulnerable to technical failures, design flaws, and performance issues. Any disruptions in the supply chain related to the availability of skilled labour, specialized equipment, or technical expertise can lead to project delays and cost overruns.

Supply Chain Scalability: As the offshore wind industry expands and new projects are developed, there is a growing demand for wind turbine components, installation vessels, and related infrastructure. Ensuring the scalability and resilience of the supply chain to meet this increasing demand while maintaining cost efficiency and quality standards is a significant challenge.

A successful and economic viable construction of offshore wind-farms is dependent on the prices of raw materials such as steel. These prices have been volatile over the last years, and given the current geopolitical situation, they are hard to predict for the coming periods. The projects are continuously monitoring these risks and assessing different mitigation efforts and strategies. An example of a strategy for the Blåvinge project is early involvement of the supply chain and cooperation with potential suppliers in order to find mutual solutions to the challenges facing the industry.



Director's Report 2023

Financial Risk

As offshore wind is very capital intensive, failing to secure long term financing for the Group and the various projects could impact the future growth of the Group. Lack of funding through financial support schemes and regulatory incentives may also prevent the Group from developing projects and could adversely impact its business case, and this may in turn have a material adverse effect on the Group's future projects, operations, and its financial position.

There is also exchange rate risk. The Group's financial statements are reported in NOK, while expenses are to a large extent in other currencies, mainly EUR and GBP. The business and the accounts are therefore exposed to fluctuations on the foreign exchange markets. Because bank deposits and interest-bearing debt carry variable rates of interest, the Group is exposed to interest rate fluctuations. The Group has a limited exposure to credit risk. The only significant financial assets are intra group receivables and investments in and loans to our joint ventures. The credit risk related to the joint ventures is dependent on the project's success, and as per today, there are no indications that there is elevated risk on the projects.

Financial Performance

Consolidated Financial results

The Group's net result is a loss of NOK 130 562 thousand, compared to a loss of NOK 71 918 thousand in the preceding year. The increase in cost is due to an increased activity level with regards to offshore wind projects, with activities both relating to site identification and market studies. Salaries and other personnel expenses amount to NOK 60 519 thousand, an increase from NOK 30 348 thousand in 2022 due to an increase in the number of employees. Other operating expenses, including both development expenses and overhead expenses, amount to NOK 100 461 thousand, compared to NOK 61 585 thousand in 2022. This increase is also related to the increase in activity level and in employees. Net financial items are a loss of NOK 20 519 thousand in 2023, compared to an income in 2022 of NOK 1 306 thousand.

Non-currents assets at year-end 2023 mainly consist of the investment in the joint venture Muir Mhòr Offshore Wind Farm and an interest-bearing loan to the joint venture Codling Wind Park, in total amounting to NOK 848 543 thousand. In 2022 non-current assets amount to NOK 520 747 thousand. Both projects are on track and planning on submitting consent applications in 2024.

Current assets amount to NOK 98 683 thousand at year-end 2023 compared to NOK 100 011 thousand in 2022. Of the total cash amount of NOK 81 286 thousand (NOK 69 540 thousand in 2022), NOK 1 068 thousand relates to withholding tax and is restricted. The cash amount related to withholding tax in 2022 was NOK 846.

Non-current liabilities have increased from NOK 160 thousand at year-end 2022 to NOK 13 238 thousand at year-end 2023 because of a new guarantee liability relating to the Codling project. Current liabilities amount to NOK 443 651 thousand at year-end 2023 compared to NOK 525 103 thousand at year-end 2022. The decrease is related to a debt conversion of part of the credit facility provided by the parent company Bonheur ASA.

The share capital amounts to NOK 40 000 thousand, compared to NOK 30 000 thousand at year-end 2022. Total equity amounts to NOK 491 049 thousand at year-end 2023 and have increased due to the debt conversion in 2023. The equity amounts to NOK 95 496 thousand at year-end 2022. This represents an equity ratio of 52% compared to 15% in 2022.

In 2023, the Group recorded a negative cash flow from operating activities of total NOK 57 890 thousand. The difference between pre-tax result and cash flow from operations is largely attributable to accruals and other timing differences. The Group has a net negative cashflow from investments of NOK 273 366 thousand, mainly related to investments in the Muir Mhòr project and loans to the Codling project. Net cashflow from financing activities amount to NOK 343 597 thousand, whereof NOK 343 683 thousand is the net cash increase from loan from group companies provided to Fred. Olsen Seawind to finance the offshore wind operating activities.

According to section 3-3 of the Norwegian Accounting Act, the Board of Directors confirms that the financial statements have been prepared on the assumption of a going concern and that the consolidated financial statements provide a true picture of the position of the Group at year-end.

Director's Report 2023

Parent Company Financial results

Fred. Olsen Seawind ASA had a net loss of NOK 82 174 thousand in 2023 compared to a loss of NOK 58 643 thousand in 2022. The costs in the company mainly consist of personnel expenses, corporate costs, and interest expenses to group companies, and the increase in cost is mainly due to an increase in activity level and in the number of employees. At year end 2023, the Company had 15 employees compared to 11 at year end 2022. During 2023, a Danish branch was established as part of the Company, and at year end 2023 the branch employs two Danish employees whereof one is the CEO. The risks in the Company mirror the risks described for the Group.

The Board of Directors proposes the following allocation of net loss

Dividends: NOK 0 thousand

To retained earnings: NOK 82 174 thousand

Total allocated: NOK 82 174 thousand

Outlook

Overall, the future outlook for offshore wind energy is characterized by continued expansion, cost competitiveness, technological innovation, and environmental sustainability, making it a key contributor to the global energy transition towards a low-carbon future.

The industry is expected to grow significantly in the coming years, especially in the Group's home markets, and the Group expects a significant growth in activity levels. With the CfD award in 2023 on the Codling project the project will progress towards construction start. The development work for Muir Mhòr will continue with an expected consent application submission in 2024.

In the light of recent developments regarding Utsira Nord and the postponement of bid application, the Blåvinge partnership remains committed to develop the project. Subject to a successful bid, we will likely see an increased activity level in the project in 2025.

The Group is also working on several other early phase development projects.

The Board emphasizes that there will always be significant uncertainties in predicting future developments, including forming a view on macroeconomic developments.

Oslo, 28 June 2024

The Board of Directors and CEO of Fred. Olsen Seawind ASA



Anette S. Olsen
Chairman



Fred. Olsen
Director



Richard Olav Aa
Director



Lars Bender
CEO





Fred. Olsen Seawind ASA – Consolidated Accounts

Fred. Olsen Seawind ASA Consolidated accounts

Consolidated statement of profit or loss and other comprehensive income

For the financial years ended 31 December

(Amounts in NOK thousand)	Note	2023	2022
Revenue	3, 10	69,758	25,272
Salary and other personnel expenses	4, 10	(60,519)	(30,348)
Development expenses	5, 10	(27,360)	(13,246)
Share of profit or loss of equity accounted investees	9, 16	(20,069)	(12,079)
Other operating expenses	5, 10	(73,101)	(48,339)
Operating loss		(111,290)	(78,740)
Net financial income (expenses)	9, 10, 11	(20,519)	1,306
Loss before tax		(131,809)	(77,434)
Tax income (expense)	6	1,248	5,515
Net result		(130,562)	(71,918)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Translation differences		41,553	(6,556)
Other comprehensive income/(loss)		41,553	(6,556)
Total comprehensive loss		(89,009)	(78,474)
Earnings per share (NOK)	7	(13.06)	(7.19)

Fred. Olsen Seawind ASA Consolidated accounts

Consolidated statement of financial position

As of 31 December

(Amounts in NOK thousand)	Note	2023	2022
Assets			
Non-current assets			
Property, plant and equipment	8	599	733
Investment in equity accounted investees	9, 10	285,122	169,932
Loan to equity accounted investees	9, 10	563,421	350,082
Other receivables		113	-
Total non-current assets		849,255	520,747
Current assets			
Trade and other receivables	6, 10	17,397	30,471
Cash	4, 16	81,286	69,540
Total current assets		98,683	100,011
Total assets		947,938	620,758

Fred. Olsen Seawind ASA Consolidated accounts

Consolidated statement of financial position

As of 31 December

(Amounts in NOK thousand)	Note	2023	2022
Equity and liabilities			
Equity			
Share capital		40,000	30,000
Share premium		465,683	-
Additional paid in capital		15,241	15,241
Total paid in capital		520,924	45,241
Retained earnings		(69,934)	51,748
Currency translation reserve		40,059	(1,494)
Total equity		491,049	95,496
Non-current liabilities			
Non-current lease liabilities		83	160
Other non-current liabilities	9, 16	13,155	-
Total non-current liabilities		13,238	160
Current liabilities			
Recognized losses exceeding investment in equity accounted investees	9, 10	28,671	29,329
Current lease liabilities		81	77
Interest bearing loans from Group companies	11	382,554	475,682
Trade and other payables	10	25,488	20,015
Other current liabilities	9, 16	6,858	-
Total current liabilities		443,651	525,103
Total equity and liabilities		947,938	620,758

Oslo, 28 June 2024

The Board of Directors and CEO of Fred. Olsen Seawind ASA

 Anette S. Olsen Chairman	 Fred. Olsen Director	 Richard Olav Aa Director	 Lars Bender CEO
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Fred. Olsen Seawind ASA Consolidated accounts

Consolidated statement of changes in equity

For the years ended 31 December

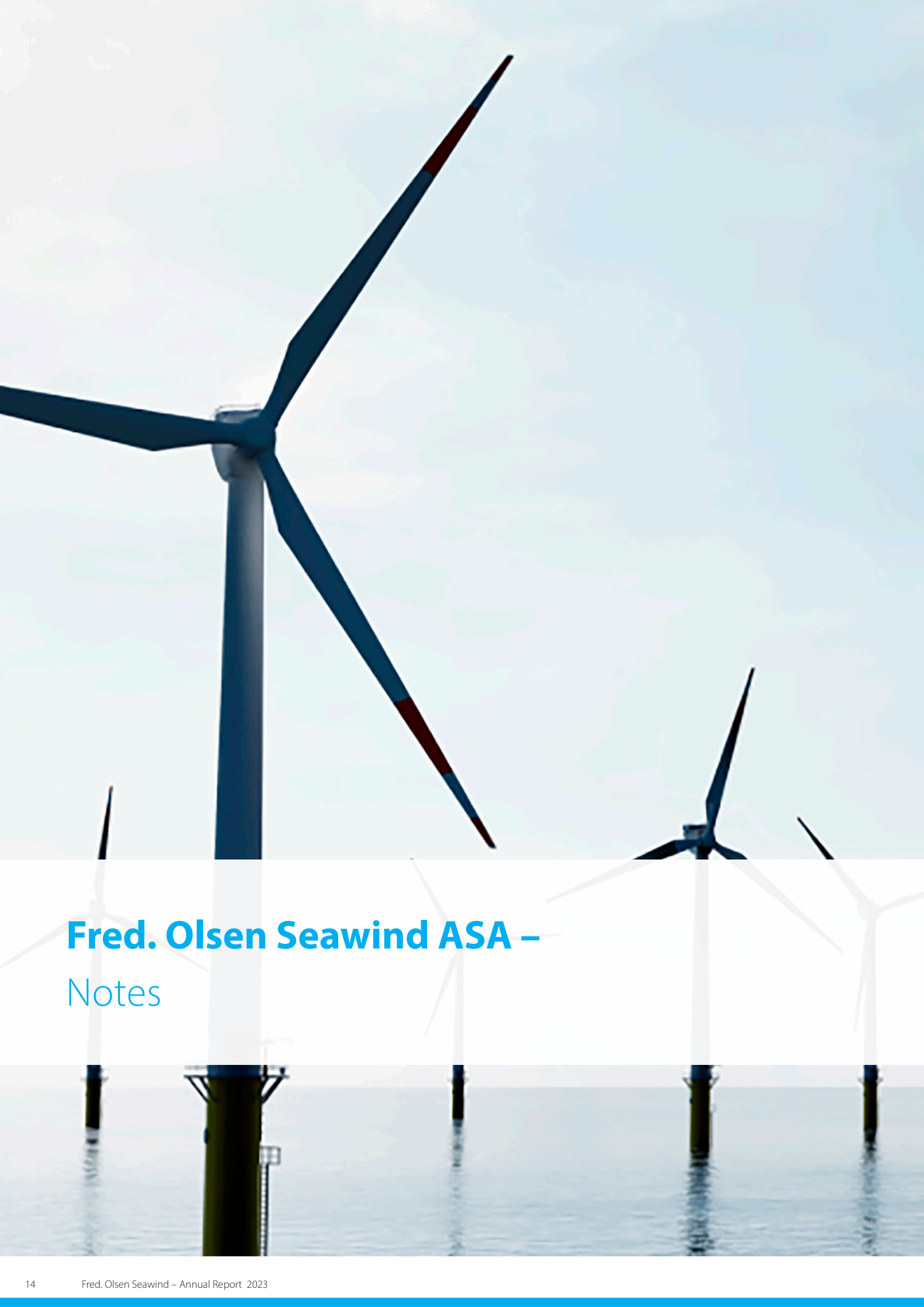
(Amounts in NOK thousand)	Share Capital	Share premium	Additional paid in capital	Other equity and retained earnings	Currency translation reserve	Total equity
2022						
Equity as of 1 January 2022	30,000	-	15,241	125,283	5,062	175,586
Loss for the period	-	-	-	(71,918)	-	(71,918)
Translation effect for the period	-	-	-	(1,617)	(6,556)	(8,173)
Equity as of 31 December 2022	30,000	-	15,241	51,748	(1,494)	95,495
2023						
Opening balance adjustment	-	-	-	137	-	137
Loss for the period	-	-	-	(130,562)	-	(130,562)
Debt conversion	10,000	465,683	-	-	-	475,683
Translation effect for the period	-	-	-	8,742	41,553	50,295
Equity as of 31 December 2023	40,000	465,683	15,241	(69,935)	40,059	491,049

Fred. Olsen Seawind ASA Consolidated accounts

Consolidated statement of cash flows

For the years ended 31 December

(Amounts in NOK thousand)	Note	2023	2022
Loss after tax from continuing operations		(130,562)	(71,918)
Adjustment for:			
Share of loss from equity accounted investees	9	20,069	12,079
Depreciation of PPE	8	341	109
Interest income	9, 10	(15,048)	(6,059)
Interest expense group companies	10, 11	39,046	23,448
Interest expense leases		6	8
Interest expense other		838	-
Unrealized foreign exchange loss (+) / gain (-)	11	6,729	(27,895)
Tax income (-) / tax expense (+)	6	(1,248)	(5,515)
Changes in other current assets and liabilities		18,727	(8,210)
Interest group companies paid		-	(3,177)
Unpaid guarantee fees	9, 10	3,211	0
Cash flow from operating activities		(57,890)	(87,133)
Acquisitions of PPE	8	(134)	(840)
Loans provided to equity accounted investees	9	(177,383)	(96,470)
Acquisitions of shares in equity accounted investees	9	(98,710)	(170,019)
Other interest received		2,861	-
Cash flow from investing activities		(273,366)	(267,328)
Interest bearing loans from Group companies	11	520,266	660,304
Repayment of borrowings, Group companies	11	(176,583)	(254,267)
Principal lease payments		(85)	(83)
Cash flow from financing activities		343,597	405,954
Net cash flow		12,341	51,493
Cash and cash equivalents at the beginning of the period		69,540	18,067
Effect of exchange rate fluctuations on cash held		(595)	(20)
Cash and cash equivalents at the end of the period	4, 16	81,286	69,540



Fred. Olsen Seawind ASA – Notes

Fred. Olsen Seawind ASA Consolidated accounts

Notes to the consolidated financial statements

Note 1

- Reporting entity

Fred. Olsen Seawind ASA ("the Company") is the parent company of the Fred. Olsen Seawind Group of companies ("The Group") and is wholly owned by Bonheur ASA. The Company is consolidated as a subsidiary of Bonheur ASA, a company listed at Oslo Stock Exchange under the ticker BON. Bonheur ASA's annual report is published at www.bonheur.no. The registered office of the Company is Fred. Olsens gate 2, Oslo, Norway.

The Company was incorporated in 2001 under the name Fred. Olsen Renewables AS ("FORAS"). The primary objective of FORAS

was to develop, invest in, own and operate windfarms. As a result of a demerger in 2021, all of FORAS' onshore activities, mainly onshore windfarms, have been demerged and distributed to Bonheur ASA. The Company has from this point owned and developed interests in offshore wind activities.

These consolidated financial statements were authorized by the Board of Directors on 28 June 2024, and will be authorized by the Annual General Meeting on 28 June 2024.

Note 2

- Basis of accounting

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards adopted by the European Union (IFRS) for the periods presented, their interpretations adopted by the International Accounting Standards Board (IASB) and the additional requirements of the Norwegian Accounting Act as of 31 December 2023.

Accounting principles

Basis of preparation

The financial statements have been prepared as at and for the year ended 31 December 2023 with the year ended 31 December 2022 as comparative figures.

The consolidated financial statement have been prepared on the assumption that the Group is a going concern. Please see note 15 for further descriptions.

The consolidated financial statements are presented in Norwegian Kroner (NOK) unless otherwise stated. Transactions in foreign currencies are translated into the functional currency at the exchange rates on the dates of the transactions. Balance sheet items in foreign currencies are translated into the functional currency at the reporting date. Foreign currency translation differences are recognized in OCI and accumulated in the currency translation reserve in equity.

Amounts are rounded to the nearest thousand, unless otherwise stated. As a result of rounding adjustments, amounts and percentages may not add up to the total.

Cash flow statement

The statement of cash flow is prepared according to the indirect method. Cash and cash equivalents include cash and bank deposits.

Standards issued but not yet effective

A number of new or amended IFRS standards are effective for annual periods beginning on or after 1 January 2023, and earlier application is permitted. However, the Group has not early adopted the new or amended standards in preparing these financial statements as they are not expected to have a significant impact.

Judgements and estimates

Preparing financial statements in accordance with IFRS requires the use of estimates.

Estimates made for the preparation of the consolidated financial statements are consistent with estimates made for the same dates in accordance with the preparation of the annual financial statements for the Bonheur ASA Group, of which the Group's business is a part.

The main areas where judgements and estimates have been made are described in each of the following note:

Note 9 Equity accounted investees

Fred. Olsen Seawind ASA Consolidated accounts

Notes to the consolidated financial statements

Note 3

- Operating segments

The Group owns and actively manages offshore wind development projects. The Group's CEO is considered the Chief Operating Decision Maker (CODM), and the Group's projects are considered as one operating and reporting segment.

Revenues by geography

Revenues are presented on the basis of geographical location of the customers. The revenue in the Group consists of recharge of staff provided to the projects and to other Bonheur entities, see note 10.

(Amounts in NOK thousand)	2023	2022
UK	44,389	15,730
Ireland	24,960	8,344
Other	410	1,197
Total revenues	69,758	25,272

Non-current assets by geography

The non-current assets in the Group consist of the interests in the equity accounted investees Codling Holdings Ltd with subsidiaries (together "the Codling Group") and Muir Mhor Offshore Wind Farm Ltd ("Muir Mhor"). All entities within the Codling Group are registered in Ireland, and the Codling Group develops a windfarm

off the coast of Ireland. Muir Mhor is registered in Scotland, and the joint venture is an offshore wind farm project located off the east coast of Scotland. The shares in and loans to the Codling Group and Muir Mhor are owned by the UK subsidiary Fred. Olsen Seawind Ltd.

(Amounts in NOK thousand)	2023	2022
UK	285,122	169,932
Ireland	563,421	350,082
Total non-current assets	848,543	520,014

Note 4

- Salary and other personnel expenses

Personnel expenses include wages, salaries, social security contributions, sick leave, parental leave and other employee benefits.

(Amounts in NOK thousand)	2023	2022
Salaries	(48,650)	(23,109)
Employer's national insurance contributions etc	(6,751)	(2,670)
Pensions	(4,559)	(2,853)
Other benefits	(559)	(1,717)
Total salary and other personnel expenses	(60,519)	(30,348)
Average number of FTE	30.6	15.2

Of the total cash balance of NOK 81 286 thousand, NOK 1 068 thousand is restricted cash related to payroll tax withholding.

Fred. Olsen Seawind ASA Consolidated accounts

Notes to the consolidated financial statements

Note 5

- Development expenses and other operating expenses

Expenses by nature

All development expenses and other operating expenses would be presented as other operating expenses according to the nature of expense method.

Development expenses

Development expenses represent the external expenses on development projects that are not organized as separate JV entities. In 2023, the majority of the expenses were related to the Blåvinge project, offshore wind in Italy and Ireland and general site search. Of the NOK 27 360 thousand expensed in 2023 (NOK 13 246

thousand in 2022), the majority of the expenses consist of consultancy fees and legal fees related to the bid and consent application processes as well as general market studies.

Other operating expenses

Other operating expenses mainly consist of office rent and other office costs, management fee to Fred. Olsen & Co. (FOCO) and Fred. Olsen Limited (FOL), and IT services, and management fee to Fred. Olsen Renewables (FORAS). Please see note 10 for further descriptions. In addition, other operating expenses also includes fees for tax and accounting services in US legal entities.

Professional fees to KPMG

(Amounts in NOK thousand)	2023	2022
Statutory audit	(1,548)	(602)
Other attestation services	(117)	(1,732)
Tax services	(173)	(80)
Other non-audit services	-	-
Total (VAT exclusive)	(1,838)	(2,414)

Note 6

- Tax

Financial Reporting Principles

Income tax in the statement of profit and loss consists of current tax, effect of change in deferred tax positions and withholding tax. Income tax is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using enacted tax rates or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured using the tax rates that are based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are only recognized to the extent it is considered probable that future taxable profits will be available to utilize the credits.

Judgements and Estimates

Judgements have been made with regards to recognition of the deferred tax asset. The deferred tax asset consists of tax losses carried forward and temporary differences relating to the impairment of the Icebreaker project. Due to the uncertainty in the future cash flows from the projects, it was determined that no deferred tax assets could be recognised.

Fred. Olsen Seawind ASA Consolidated accounts

Notes to the consolidated financial statements

Effective tax reconciliation

(Amounts in NOK thousand)	2023	2022
Profit (loss) before tax	(131,809)	(77,434)
Expected income tax ¹	28,998	17,035
Tax effects of permanent differences ²	(6,371)	(152)
Effect of different tax rates ³	504	202
Effect of different currency rates	819	(17)
Tax adjustment for prior years ⁴	1,408	5,515
No recognition of deferred tax asset	(24,111)	(17,068)
Total tax expense	1,248	5,515

1. Calculated with Norwegian corporate tax rate of 22%

2. Including share of profit or loss from equity accounted investees

3. For UK, 23.5% is used for 2023, representing an average tax rate over the financial year. 25% was used for 2022. For US, 21% is used for all periods presented as this is the federal US corporate tax rate and there is no state tax rate in the state of Ohio.

4. The tax adjustment of prior years consists of the tax effect of a group relief surrender of 2022 losses from Fred. Olsen Seawind Limited to another Bonheur entity. See note 10 for further information.

Deferred tax positions

(Amounts in NOK thousand)	2023	2022
Temporary differences from the impairment of capitalized development	106,815	103,507
Tax loss carry forwards	179,820	96,012
Temporary differences and tax losses carried forward	286,635	123,349
Calculated deferred tax asset using 22%	63,060	27,137
Deferred tax asset not recognised	(63,060)	(27,137)
Recognised deferred tax asset	-	-

Tax losses of USD 51 thousand (NOK 539 thousand as per 31.12.23) have been generated in the US before year end 2017 and may be carried forward 20 years. USD 6 thousand (NOK 63 thousand as per 31.12.23) is generated in 2016 and will expire in 2036, while USD 44 thousand (NOK 465 thousand as per 31.12.23) is generated in 2017 and will expire in 2037. The remaining tax losses carried forward have no expiry date.

Note 7

- Earnings per share

Basic Earnings Per Share (EPS)

	2023	2022
Loss after tax, NOK thousand	(130,562)	(71,918)
Total number of outstanding shares	10,000,000	10,000,000
Total basic EPS, NOK	(13.06)	(7.19)

Fred. Olsen Seawind ASA Consolidated accounts

Notes to the consolidated financial statements

Note 8

- Property, plant and equipment

Accounting principles

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Property, plant and equipment is capitalised and depreciated linearly over the estimated useful life. Components of property, plant and equipment with different useful lives are accounted for separately. Impairment triggers are assessed at the end of the reporting period.

Judgments and estimates

Judgment is involved when determining the depreciation period and when assessing impairment or reversal of impairment. Impairment is assessed for individual assets and for cash generating units. The impairment testing involves judgmental assumptions about the condition of the assets.

(Amounts in NOK thousand)	Other fixed assets	Total 2023	Total 2022
Aquisition cost at 01.01	840	840	-
Additions	134	134	840
Foreign exchange rate adjustments	77	77	-
Aquisition cost at 31.12	1,050	1,050	840
Accumulated depreciations and impairments at 01.01	(107)	(107)	-
Ordinary depreciations for the year	(341)	(341)	(109)
Foreign exchange rate adjustments	(4)	(4)	2
Book value at 31.12	599	599	733
Useful economic life	3 years		
Depreciation plan	Linearly		

Fred. Olsen Seawind ASA Consolidated accounts

Notes to the consolidated financial statements

Note 9

- Equity accounted investees

The Group's interests in equity accounted investees consist of the interest in the joint venture Codling Holdings Ltd. along with Codling Holdings Ltd.'s two wholly owned subsidiaries Codling Wind Park Ltd and Codling Wind Park III Ltd ("The Codling Group") and Muir Mhòr Offshore Wind Farm Ltd ("Muir Mhòr").

The joint venture Codling Holdings Ltd. is a 50/50 partnership with EDF Energy Renewables Limited, and the Codling Group (Ireland) owns and manages the Codling Project. The Codling Project is a project to develop Codling Wind Park, a bottom fixed wind farm off the coast of Ireland. The Codling Group has over time had exclusive rights to develop an area off the shore of Dublin. In 2023 Codling Wind Park Ltd. was awarded 1 300 MW in the offshore wind CfD auction in Ireland (ORESS 1), securing a government guaranteed fixed price on its future electricity production. The submission of the consent application for the Codling Wind Park project is scheduled in 3Q 2024.

The joint venture Muir Mhòr is a 50/50 partnership with Vattenfall. The Muir Mhòr project is an offshore floating wind site northeast of Aberdeen with a capacity of up to 798 MW. Fred. Olsen Seawind and Vattenfall was awarded seabed rights in early 2022 during the Scotwind leasing round, as such the project is at an early stage of development. The submission of the consent application for Muir Mhòr is scheduled by year-end 2024.

Financial reporting principles

A joint venture (JV) is an arrangement in which the Group has joint control, whereby the Group has right to the net assets of the arrangement, rather than to its assets and obligations for its liabilities. Joint control is established by contractual agreement requiring unanimous consent of the ventures for strategic, financial and operating decisions.

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost. Subsequent to initial recognition, the Group's share of profit and loss and other comprehensive income of the equity accounted investees is included. The Group's investment includes fair value adjustments for assets identified on acquisition, net of depreciation, amortization and any accumulated impairment losses.

A specific assessment was made regarding the Group's obligation to fund the Codling Group. According to the JV agreement, the Group has a commitment to finance the Codling Group based on budgets approved by the JV Board. Losses incurred in the JV above the net investment that the Group is committed to fund are recognised with a corresponding liability in the Consolidated Financial Statements.

The Group assesses at the end of each reporting period whether there is any indication that the investment may be impaired. If any such indication exists, the entity estimates the recoverable amount of the investment. An impairment is recorded if the recoverable amount is less than the carrying amount. The impairment is reversed if the conditions that led to the original impairment no longer exist, and the estimated recoverable amount indicates that the impairment loss no longer exists.

Loans to the JV where no interest is charged and where settlement is neither planned nor likely to occur in the foreseeable future is considered part of the net investment in the JV. When losses recognised under the equity method exceed the investor's investment in ordinary shares, the excess is applied to these loans. All other loans to the JV are accounted for under IFRS 9. Exchange differences arising on the net investment in the JV are recognised in OCI, while exchange differences on loans accounted for under IFRS 9 are recognised in profit or loss.

The summary tables below show financial information for the Codling Group and Muir Mhòr. The numbers are presented according to the judgements and accounting principles used in the Group as described in note 2 and in this note. The figures have been translated directly from EUR and GBP to NOK using yearly average currency rates for the statement of profit and loss and currency rates as per year end for the statement of financial position. As the investment in and loans to the JV are accounted for in GBP, the functional currency of Fred. Olsen Seawind Ltd, exchange rate differences might occur between the summarized financial information below and the recorded interests in the JV in the Consolidated Financial Statements.

Fred. Olsen Seawind ASA Consolidated accounts

Notes to the consolidated financial statements

Summary of financial information for equity accounted investees

Summarized statement of profit and loss and other comprehensive income

(Amounts in NOK thousand)	Codling 2023	2022	Muir Mhòr 2023	2022
Revenue	-	-	-	-
Depreciation/amortization	(1,598)	(700)	-	-
Interest income	-	-	4,770	219
Interest expense	(23,285)	(6,354)	-	-
Income tax expense	(3,369)	(1,642)	(621)	-
Other	(7,687)	(15,284)	(1,954)	(396)
Profit (Loss)	(35,940)	(23,980)	2,195	(177)
Total comprehensive profit (loss)	(35,940)	(23,980)	2,195	(177)
Group's share of profit (loss)	(17,970)	(11,990)	1,097	(89)

Summarized balance sheet information

(Amounts in NOK thousand)	Codling 2023	2022	Muir Mhòr 2023	2022
Current assets	56,588	16,401	46,417	45,003
Of which is cash and cash equivalents	52,155	14,771	37,188	44,352
Non-current assets	1,024,222	336,714	571,608	151,289
Current liabilities	(1,168,465)	(378,650)	(47,781)	(26,359)
Of which is current financial liabilities (excluding trade and other payables and provisions)	(1,079,964)	(338,822)	-	-
Non-current liabilities	(9,711)	(3,794)	-	-
Of which is non-current financial liabilities (excluding trade and other payables and provisions)	(9,711)	(3,794)	-	-
Net assets (100% of JV's)	(97,366)	(58,658)	570,244	339,869
Group's share of net assets	(48,683)	(29,329)	285,122	169,932

Reconciliation of carrying amount in equity-accounted investees

Codling (Amounts in NOK thousand)	Equity Investment	Shareholder's Loan	Total
2022			
Net interests in JV as of 1 January 2022	(16,164)	231,240	215,076
Share of loss current year	(11,990)	0	(11,990)
Exchange rate differences over P&L	-	17,042	17,042
Accrued interests	-	6,059	6,059
<i>Included in the P&L</i>	(11,990)	23,101	11,111
Additions	-	96,470	96,470
Exchange rate differences over OCI	(1,175)	(728)	(1,903)
Interests in JV as of 31 December 2022	(29,329)	350,082	320,754

Fred. Olsen Seawind ASA Consolidated accounts

Notes to the consolidated financial statements

2023			
Share of loss current year	(17,970)	-	(17,970)
Cost of excess value	(3,196)	-	(3,196)
Exchange rate differences over P&L	-	(7,705)	(7,705)
Accrued interests	-	11,603	11,603
<i>Included in the P&L</i>	<i>(21,166)</i>	<i>3,898</i>	<i>(17,268)</i>
Net additions	-	177,383	177,383
Excess value	23,209	-	23,209
Exchange rate differences over OCI	(1,384)	32,058	30,674
Interests in JV as of 31 December 2023	(28,671)	563,421	534,750

Muir Mhòr (Amounts in NOK thousand)	Equity Investment	Shareholder's Loan	Total
Cost of original investment	-	-	-
2022			
Share of loss current year	(89)	-	(89)
Exchange rate differences over P&L	-	-	-
Accrued interests	-	-	-
<i>Included in the P&L</i>	<i>(89)</i>	<i>-</i>	<i>(89)</i>
Additions	170,019	-	170,019
Exchange rate differences over OCI	1	-	1
Interests in JV as of 31 December 2022	169,932	-	169,932
2023			
Share of loss current year	1,097	-	1,097
Exchange rate differences over P&L	-	-	-
Accrued interests	-	-	-
<i>Included in the P&L</i>	<i>1,097</i>	<i>-</i>	<i>1,097</i>
Additions	98,599	-	98,599
Exchange rate differences over OCI	15,494	-	15,494
Interests in JV as of 31 December 2023	285,122	-	285,122

Accounting treatment of shareholder's loan

In December 2020, a loan agreement was signed between Codling Holdings Ltd and the JV partners. According to the loan agreement, annual interests of 2.09% is charged to the loan starting 1 May 2020. The loan is expected to be repaid or refinanced in connection with the planned Final Investment Decision (FID). The shareholder's loan is accounted for at amortized cost according to IFRS 9 and presented as a loan receivable. See note 10 for further information on the loan agreement.

Guarantees

The global credit insurance company Atradius has issued a guarantee of MEUR 102 to Irish authorities on behalf of Codling. Both of the partners have issued a guarantee to Atradius for 50% of this amount. The Company's sistercompany Fred. Olsen Renewables AS has issued this on behalf of Fred. Olsen Seawind ASA. Fred. Olsen Seawind ASA has then provided counter-guarantee to Fred. Olsen Renewables AS for the same amount. Fred. Olsen Renewables AS is compensated with a guarantee fee from Fred. Olsen Seawind ASA, and Fred. Olsen Seawind ASA is compensated with a guarantee fee from Codling.

Due to different guarantee fee compensation to Fred. Olsen Renewables and from Codling, the performance guarantee has been assessed in accordance with IFRS 9. The IFRS 9 treatment has led

Fred. Olsen Seawind ASA Consolidated accounts

Notes to the consolidated financial statements

to an increase in the book value of Fred. Olsen Seawind's investment in Codling. The difference in guarantee fee is recognized as an equity component, thereby increasing the book value of MNOK 23 for Codling. This excess value reduces over time along with the payments of the guarantee fees. Refer to note 16 for details on the guarantee.

Description of relevant risks

The loans to Codling JV are provided in EUR, so there is currency risk related to the loans. No expected credit losses (ECL) have been recognised. The loans are not credit impaired. A 12 month ECL is considered immaterial and as such no ECL is recognized. Please see note 11 for a description of the liquidity risk in the Group.

Note 10

- Related parties

Financial reporting principles

In the ordinary course of business, the Group recognizes certain business transactions with related parties. Related party relationships are those involving relevant elements of control (either direct or indirect), joint control or significant influence. This note addresses related party transactions within the definition of related parties in IAS 24 as applied by the Company.

Transactions with related parties in the consolidated financial statements

Transactions with Natural Power Consultants Ltd (NPC)

NPC, which was incorporated in 1995, provides business development and wind farm site investigations in the UK.

NPC is a provider of services both to companies within the FOSASA Group as well as other, unrelated companies as a third-party renewable energy consultancy and service provider. NPC are owned by Fred. Olsen Ltd. (FOL) which is owned by the private Fred. Olsen-related companies AS Quatro and Invento AS; both major shareholders in the Company, as such NPC is considered a related party of the Group.

In the consolidated financial statements, the transactions with NPC amount to:

(Amounts in NOK thousand)	2023	2022
Statement of profit or loss:		
Development expenses	-	(81)

NPC has delivered development services to Codling and to Fred. Olsen Seawind Ltd in 2022. There is a possible liability in the consolidated financial statements for success fee on Codling that is regulated in the framework service agreement between Fred. Olsen Seawind Ltd and NPC. According to this agreement, a fixed development fee of £150,000 shall be deemed payable in the events of reaching certain milestones. The majority of the payments are expected to be made in 2030 and 2031, but there is uncertainty related to this timing. There is also a currency risk related to this as the fee is set out in GBP. The success fee is treated as a contingent liability, and it is not accounted for in the consolidated financial statements.

Transactions with FOCO and Bonheur Group entities

Fred. Olsen & CO (FOCO) and Fred. Olsen Limited (FOL) are both considered to be a related party to Fred. Olsen Seawind ASA. In addition to being in charge of the day-to-day operations of Bonheur ASA, FOCO also provides a variety of support services to other Fred. Olsen related companies and thereunder to the Company. The services mainly relate to legal assistance, HR, financial services and IT services. FOL provides a variety of support services to Fred. Olsen Seawind Limited (FOSL).

Management fees and fees for other services provided have been invoiced from other Bonheur Group entities to the Group. These fees include accounting- and financial services, insurance management services as well as project management included as development expenses. Project management services have been invoiced from the Group to other Bonheur Group entities.

Fred. Olsen Seawind ASA Consolidated accounts

Notes to the consolidated financial statements

In the consolidated financial statements, the transactions with FOCO and FOL and Bonheur Group entities amount to:

(Amounts in NOK thousand)	2023	2022
Statement of profit or loss:		
Services invoiced from FOCO and FOL	(18,948)	(8,262)
Services invoiced from Bonheur Group entities	(7,910)	(13,085)
Interests and guarantee fee from Bonheur Group entities	(44,879)	(23,613)
Services invoiced to Bonheur Group entities	410	1,197
Statement of financial position:		
Non interest bearing receivables, Bonheur Group entities	1,369	6,733
Loan from Bonheur Group entities including accrued interests	382,554	475,682
Non interest bearing liabilities, Bonheur Group entities	4,477	984

See note 11 and 15 for a description of the financing provided by Bonheur ASA.

Transactions with New Power Partners ApS (NPP)

In 2022 Bonheur ASA acquired 25.5% of the Danish consultancy company New Power Partners (NPP). 25.5% are also owned by Natural Power, a related party to the Group. The Group has bought consultancy services from NPP in 2023.

(Amounts in NOK thousand)	2023	2022
Statement of profit or loss:		
Services invoiced	(35,173)	(16,294)
Statement of financial position:		
Other current receivables	-	751
Trade and other current payables	(1,934)	-

Transactions with joint ventures

The initial investment in Codling of GBP 839 thousand was financed by equity, and all subsequent financing has been by way of a shareholder's loan. The loan was originally provided as an interest-free loan with no collateral and no repayment date. The loan has been provided from Fred Olsen Seawind Ltd. According to the JV agreement, the Company guarantees for Fred Olsen Seawind Ltd's commitments under the JV agreement.

In December 2020, a new loan agreement was signed between the two JV partners and Codling Holdings Limited, the parent of the Codling Group. According to this agreement, an interest rate of 2.09% is to be charged both to the existing loans starting 1 May 2020 and to all subsequent loans. The interest rate is based on loans with similar characteristics in the same industry and is assessed to be according to normal commercial terms. Interests are repayable on the same terms and conditions as the principal.

The loan is expected to be repaid or refinanced in connection with FID. According to the JV agreement, Fred. Olsen Windcarrier ASA (a sister company of the Company) with subsidiaries, is an agreed preferred supplier for the required vessel or vessels for future wind turbine generator transportation and installation contracts for the Codling Project.

In December 2020, a management services agreement was entered into between Codling Holdings Limited and Fred. Olsen Seawind Ltd. for the provision of management services and project personnel. Management services and project personnel have been invoiced from Fred. Olsen Seawind Ltd to Codling Holdings Limited starting January 2021. Similarly, project personnel have been invoiced from Fred. Olsen Seawind Ltd to Muir Mhòr since Q1 2022.

Fred. Olsen Seawind ASA Consolidated accounts

Notes to the consolidated financial statements

(Amounts in NOK thousand)	2023	2022
Statement of profit or loss:		
Interests and guarantee fee income	13,981	6,058
Project personnel recharge	69,349	24,075
Statement of financial position:		
Accrued interests	23,439	11,260
Trade and other receivables	14,120	17,766

Note 11

- Interest bearing loans and borrowings

FOSASA's funding is facilitated through a credit facility provided by Bonheur ASA offering a maximum credit line of NOK 534 million until 30 June 2024.

The credit facility is subject to interests of three-months NIBOR + 3.3%. Refer to note 15 for details on the renewal of this credit facility, which occurred after the reporting date.

(Amounts in NOK thousand)	2023	2022
Interest bearing loans from Bonheur ASA	343,507	455,390
Accrued interests	39,046	20,293
Total interest bearing loans	382,554	475,682

Note 12

- Interests in other entities

The consolidated financial statements include the parent company Fred. Olsen Seawind ASA and its subsidiaries.

Group entities as at 31 December 2023

Company	Directly owned by	Location	Country	Ownership interest held By the Group
Fred. Olsen Seawind Ltd.	Fred. Olsen Seawind ASA	London	UK	100%
Fred. Olsen Seawind Norge AS	Fred. Olsen Seawind ASA	Oslo	Norge	100%
Fred. Olsen Seawind USA Inc	Fred. Olsen Seawind Ltd.	Cleveland, Ohio	USA	100%
Icebreaker Windpower Inc	Fred. Olsen Seawind USA Inc	Cleveland, Ohio	USA	100%

Fred. Olsen Seawind ASA Consolidated accounts

Notes to the consolidated financial statements

Note 13

- Management remuneration

Remuneration to the Board of Directors

The Board of Directors did not receive any fees in 2023 or 2022.

Remuneration to the Executive Management Team

The total remuneration to the executive management team consists of a fixed base salary, bonus, employee benefits and pensions.

(Amounts in DKK thousand)

2022

CEO	Salary	Bonus	Other benefits	Pension
Lars Bender ¹	2,775	267	8	222

2023

CEO	Salary	Bonus	Other benefits	Pension
Lars Bender ¹	3,078	842	9	246

¹ Lars Bender lives in Denmark and receives his salary in Danish Kroner (DKK). Translated to NOK the annual salary amounts to NOK 4 717 thousand and the bonus amounts to NOK 1 290 thousand for 2023.

The management team is part of a bonus scheme set up for senior employees. The bonus is intended to reflect the commercial development of the Company and of the group of which the Company is part. An annual review is conducted of the development of and results achieved by the Company and the parent company Bonheur. In addition, an individual review is conducted of the performance of each bonus-entitled employee. The bonus determined for the individual bonus-entitled employee is paid into a bonus bank from which 1/3 is paid out in the first year following the bonus year, the remainder being distributed equally over the next two years. No loans or loan guarantees have been granted in respect of senior personnel of shareholders, nor have directors' fee been paid out.

Note 14

- Government grants

Fred. Olsen Seawind have initiated a development project for offshore wind farms in the Philippines, and receives support from NORAD representing 50% of the costs incurred. The refund in 2023 is accounted for as a reduction of salary expenses and development expenses, and the refund is NOK 531 thousand in 2023 (NOK 111 thousand in 2022).

Fred. Olsen Seawind ASA Consolidated accounts

Notes to the consolidated financial statements

Note 15

- Going concern and subsequent events

Bonheur ASA has extended the current credit facility until 30 June 2025. The interest rate is three months NIBOR + 3.3%, and the maximum credit line has been increased to cover the expected capital requirement until the expiration date.

Management has a reasonable expectation that the Group has and will have adequate resources to continue in operational existence for the foreseeable future.

Note 16

- Guarantee fee liability

Financial reporting principles

The global credit insurance company Atradius has issued a guarantee of MEUR 102 to Irish authorities on behalf of Codling. The expected duration of the guarantee is to first half of 2027. Both of the partners have issued a guarantee to Atradius for 50% of this amount, however this has been issued by FORAS on

behalf of FOSASA. FOSASA has then provided counter-guarantee to FORAS for the same amount. FORAS is compensated with a guarantee fee from FOSASA and FOSASA is compensated with a guarantee fee from Codling. In accordance with IFRS 9 the performance guarantee has been recognised in the balance sheet.

(Amounts in NOK thousand)

Guarantee fee liability 2023

Guarantee fee liability

Long term	16,068
Guarantee fee and interests	(2,913)
Short term	7,141
Guarantee fee and interests	(283)
Book value of guarantee fee liability at 31.12	20,012
Excess value at recognition	23,209
Cost of excess value included in share of profit or loss of equity accounted investees	(3,196)
Book value of excess value at 31.12.	20,012



Fred. Olsen Seawind ASA – Annual Accounts

Fred. Olsen Seawind ASA Organisation number 983 462 014

Income statement

(Amounts in NOK thousand)	Note	2023	2022
Other operating income	2, 11	20,742	13,222
Operating expense			
Salaries and other personnel expenses	3, 5, 11	(33,242)	(16,734)
Other operating expenses	4, 11	(50,140)	(36,859)
Total operating expenses		(83,382)	(53,594)
Operating result		(62,640)	(40,371)
Financial income			
Interest income, group companies	11	6,321	-
Other financial income		18,756	1,567
Guarantee fee	10, 11	2,983	1,525
Total financial income		28,060	3,092
Financial expenses			
Interest expenses, group companies	11	(39,047)	(20,628)
Other financial expenses		(3,891)	(735)
Guarantee fee	11	(4,495)	-
Total financial expenses		(47,433)	(21,363)
Net financial items		(19,373)	(18,271)
Result before taxes		(82,013)	(58,643)
Tax income / (expense)	8	(160)	-
Net result		(82,174)	(58,643)
Profit/(loss) for the year		(82,174)	(58,643)

Fred. Olsen Seawind ASA Organisation number 983 462 014

Balance sheet 31.12

Assets

(Amounts in NOK thousand)	Note	2023	2022
Financial fixed assets			
Investments in subsidiaries	6	768,396	470,888
Other receivables		113	-
Total financial fixed assets		768,509	470,888
Total non-current assets		768,509	470,888
Current assets			
Receivables			
Group contribution and other group receivables	11	986	150
Accounts receivables	10	1,234	763
Accounts receivables group companies	11	1,015	10,952
Other receivables		795	645
Total receivables		4,030	12,510
Cash and cash equivalents			
Cash and cash equivalents	7	30,037	10,401
Total cash and cash equivalents		30,037	10,401
Total current assets		34,067	22,911
Total assets		802,576	493,799

Fred. Olsen Seawind ASA Organisation number 983 462 014

Balance sheet 31.12

Equity and liabilities

(Amounts in NOK thousand)

	Note	2023	2022
Equity			
Paid in capital			
Share capital	9	40,000	30,000
Share premium	9	465,683	-
Additional paid in capital	9	15,241	15,241
Total paid in capital		520,924	45,241
Retained earnings			
Retained earnings	9	(116,191)	(34,135)
Total retained earnings		(116,191)	(34,135)
Total equity		404,733	11,106
Liabilities			
Current liabilities			
Interest-bearing short term debt, group companies	11	343,507	455,390
Non interest-bearing short term debt, group companies	11	4,477	225
Accrued interests, group companies	11	39,046	20,293
Accounts payable, group companies	11	82	244
Accounts payable		1,246	658
Other current liabilities		9,484	5,883
Total current liabilities		397,843	482,693
Total liabilities		397,843	482,693
Total equity and liabilities		802,576	493,799

Oslo, 28 June 2024

The Board of Directors and CEO of Fred. Olsen Seawind ASA



Anette S. Olsen
Chairman



Fred. Olsen
Director



Richard Olav Aa
Director



Lars Bender
CEO

Fred. Olsen Seawind ASA Organisation number 983 462 014

Statement of cash flows

(Amounts in NOK thousand)	Note	2023	2022
Cash flows			
Profit/(loss) before tax		(82,013)	(58,643)
<i>Adjustments for:</i>			
Impairment of loan to subsidiary		308	-
Interest (income)/expense, group companies	11	32,725	20,628
Interest (income)/expense, external		(1,210)	-
Unpaid guarantee fees		3,211	-
Unrealised foreign exchange (gains)/losses		(175)	349
Cash generated from operations		(47,154)	(37,666)
Net change in operating assets		13,460	(16,304)
Net cash from operating activities	A	(33,694)	(53,970)
Cash flow from investing activities			
Investment in subsidiary	6	(297,508)	(389,570)
Interests received from subsidiary	11	6,321	-
Other interests received		1,210	-
Loan to subsidiary		(308)	-
Other investments		(112)	-
Net cash from investing activities	B	(290,397)	(389,570)
Cash flow from financing activities			
Net increase in borrowings, group companies	11	343,683	443,412
Net cash from financing activities	C	343,683	443,412
Net change in cash and cash equivalents	A+B+C	19,591	(128)
Effect of exchange rate differences		45	-
Cash and cash equivalents 1 January		10,401	10,529
Cash and cash equivalents 31 December	7	30,037	10,401



Fred. Olsen Seawind ASA –

Notes

Fred. Olsen Seawind ASA

Notes

Note 1

- Reporting entity

Fred. Olsen Seawind ASA ("the Company") is the parent company of the Fred. Olsen Seawind Group of companies ("The Group") and is wholly owned by Bonheur ASA. The Company is consolidated as a subsidiary of Bonheur ASA, a company listed at Oslo Stock Exchange under the ticker BON. Bonheur ASA's annual report is published at www.bonheur.no. The registered office of the Company is Fred. Olsens gate 2, Oslo, Norway.

The Company was incorporated in 2001 under the name Fred. Olsen Renewables AS ("FORAS"). The primary objective of FORAS was to develop, invest in, own and operate windfarms. As a result of a demerger in 2021, all of FORAS' onshore activities, mainly onshore windfarms, have been demerged and distributed to Bonheur ASA. The Company has from this point owned and developed interests in offshore wind activities.

In November 2023 the Company established a branch in Denmark. Numbers from the Danish branch are included in the financial statements.

The annual financial statements of the Company have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The financial statements are presented in Norwegian Kroner (NOK) unless otherwise stated. The Danish branch's functional currency is Danish Kroner (DKK) and is translated to NOK for the purpose of the financial statements. Transactions between the entities are eliminated. The Financial Statements have been prepared by the Board and management of the Company, and must be considered in the context of the Board of Directors Report and the Auditors Report.

Note 2

- Accounting Principles

Investments in subsidiaries

The cost method is applied with respect to investments in subsidiaries. The investments are valued at cost less any impairment losses. Investments in subsidiaries are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount exceed the fair value of the investment. An impairment loss is recognised if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss is no longer present.

The use of estimates

Management has used estimates and assumptions that may have affected assets, liabilities, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

Future events may cause the estimates to change. Estimates and the underlying assumptions are assessed on an ongoing basis, and are based on judgment and historical experience. Changes in accounting estimates are recognised in the period in which the changes occur. If the changes also apply to future periods, the effect is distributed over the current and future periods.

Foreign currency

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as they occur during the accounting period.

Tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all temporary differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized.

Classification and valuation of Balance Sheet items

Current assets and current liabilities consist of receivables and payables due within one year. Other balance sheet items are classified as non-current assets / non-current liabilities. Current assets are valued at the lower of cost and fair value. Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts.

Fred. Olsen Seawind ASA

Notes

Current liabilities are recognised at nominal value. Non-current assets are valued at cost, less depreciation and impairment losses. Non-current liabilities are recognized at nominal value.

Impairment

If there exists indication of impairment related to an asset on balance sheet date, an evaluation is performed of whether the recoverable amount is lower than book value. The recoverable amount is the greater of the net realisable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are used. A discount rate is applied that will depend on estimates concerning the assets, contract conditions, exchange rates, lifetime and market conditions. If the book value exceeds the recoverable amount, the item is written down to the recoverable amount. Write downs are expensed in the income statement.

An impairment loss is reversed if there has been a positive change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net depreciation or amortization, if no impairment loss had been recognized.

Dividends, group contributions and other distributions

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends/ group contribution exceeds withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

Other operating income

Other operating income is administrative- and management fees provided to other Bonheur companies and cost reimbursements. Revenue is recognised at the time of delivery.

Other operating expenses

Other operating expenses include both overhead expenses and development expenses. Costs related to development projects are expensed until they qualify for capitalisation. Generally, key criteria to the assessments are whether or not the necessary consents have been obtained and if the necessary seabed lease agreements have been signed. However, individual assessments are performed for each project, and various inputs and criteria may be emphasized.

Related party transactions

Purchase and sale transactions with related parties in Norway, in line with the Norwegian Companies Act § 3-9, are carried out to the general business terms and principles. The same applies to the purchase from and sale to foreign related parties. Recognition, classification etc follow the Act's general principles. There are written agreements for significant transactions. Transactions with related parties are specified in note 11.

Statement of cash flow

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

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Notes

Note 3

- Salaries, number of employees, fees and benefits to senior executives

Personnel expenses include wages, salaries, social security contributions, sick leave, parental leave and other employee benefits. Personnel expenses have been included based on recorded personnel expenses in the Company.

(Amounts in NOK thousand)	2023	2022
Salaries	(27,735)	(14,108)
Employers national insurance contributions etc.	(3,059)	(1,380)
Pensions	(2,138)	(1,358)
Other benefits	(380)	-
NORAD Refund	70	111
Total salaries etc.	(33,242)	(16,735)
Average FTE	14.6	7.9
Number of employees per YE	15	11

(Amounts in DKK thousand)

CEO	Salary	Bonus	Other benefits	Pension
Lars Bender ¹	3,078	842	9	246

¹ Lars Bender lives in Denmark and receives his salary in Danish Kroner (DKK). Translated to NOK the annual salary amounts to NOK 4 717 thousand and the bonus amounts to NOK 1 290 thousand for 2023.

The Company receives support from NORAD for time spent on the development project in the Philippines. The refund is accounted for as a reduction of the relevant costs.

The management team is part of a bonus scheme set up for senior employees. The bonus is intended to reflect the commercial development of the Company and of the group of which the Company is part. An annual review is conducted of the development of and results achieved by the Company and the parent company Bonheur. In addition, an individual review is conducted of the performance of each bonus-entitled employee. The bonus determined for the individual bonus-entitled employee is paid into a bonus bank from which 1/3 is paid out in the first year following the bonus year, the remainder being distributed equally over the next two years. No loans or loan guarantees have been granted in respect of senior personnel of shareholders, nor have directors' fee been paid out.

Fred. Olsen Seawind ASA

Notes

Note 4

- Other operating expenses

Overhead expenses

Overhead expenses mainly consist of management fee to FOCO, IT, office costs, travel, audit and legal fees. Please see note 11 for further descriptions of the services provided by FOCO and Bonheur Group entities.

(Amounts in NOK thousand)	2023	2022
Fee to the auditors, statutory audit	(1,155)	(243)
Fee to the auditors, tax advice	-	(11)
Fee to the auditors, other attestation services	(117)	(1,484)
Total fees paid to the auditors	(1,272)	(1,738)

Development expenses

NOK 23 944 thousand was expensed on development projects in 2023 (2022: NOK 10 171 thousand). Of this, NOK 13 648 thousand was related to development of the Blåvinge projects (2022: NOK 6 454 thousand). The development expenses are primarily consultancy fees and legal fees related to bid preparations, evaluations of new markets and site investigations. See note 11 for a description of transactions with related parties included in development expenses.

Note 5

- Pensions

All employees in the Company have defined contribution pension. The pension plan meets the requirements of the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

Note 6

- Investment in subsidiaries

Investment in subsidiaries are measured at cost, and the investments will be written down to fair value if an impairment is identified and not considered to be temporary. The subsidiaries have been funded by means of equity injections in 2023.

(Amounts in NOK thousand)			Book value	Book value
Company	Location	Share ownership	31.12.2023	31.12.2022
Investment in subsidiaries				
Fred. Olsen Seawind Ltd	London, UK	100%	768,366	470,888
Fred. Olsen Seawind Norge AS	Oslo, Norway	100%	30	-
Total investment in subsidiaries			768,396	470,888

Fred. Olsen Seawind ASA

Notes

Note 7

- Bank deposits, restricted funds

Of the total cash balance of NOK 30 037 thousand as at 31 December 2023, NOK 1 068 thousand relates to withholding tax and is restricted. At 31 December 2022, restricted funds relating to withholding tax was NOK 846 thousand.

Note 8

- Tax

Tax expenses in the income statement comprise of current tax and changes in deferred tax. Deferred tax is calculated as 22 percent of temporary differences between accounting and tax values as well as any tax losses carried forward at the year-end. Deferred tax assets are recognized only to the extent it is probable that they will be utilized against future taxable profits.

At the reporting date, deferred tax asset of NOK 30 811 thousand is not recognized.

(Amounts in NOK thousand)	2023	2022
Tax base calculation		
Profit/(loss) before income tax	(82,013)	(58,643)
Permanent differences	182	125
Temporary differences	308	-
Currency effects	147	-
Taxable profit/(loss)	(81 376)	(58,518)
Basis for tax payable	(81 376)	(58,518)
Group contribution ³	(160)	-
Tax payable	-	-
Tax rate applied	22%	22%
Income tax expense	2023	2022
Tax payable ³	(160)	-
Changes in deferred tax	-	-
Total tax (expense)/income³	(160)	-

Fred. Olsen Seawind ASA

Notes

Explanation as of why the current year's tax expense is not 22% of the profit before tax:

(Amounts in NOK thousand)	2023	2022
Profit before tax	(82,013)	(58,643)
Currency translation differences ²	118	-
Expected income tax ¹	18,043	12,901
Permanent differences	(40)	(27)
Temporary differences	(68)	-
Currency effects ²	29	-
Group contribution ³	160	-
Deferred tax asset not recognized	(17 938)	(12,878)
Tax expense³	(160)	-
Effective tax rate	0.20%	0.00%

1 Calculated with Norwegian corporate tax rate of 22%

2 Currency effects is generated by the translation from the functional currency DKK in the Danish branch. The translation differences are treated as taxable income

3 Group contribution of NOK 160 thousand is given to a Danish sistercompany and is due to taxable income generated by the Danish branch

Note 9

- Equity

The share capital consists of 10 000 000 shares each with a nominal value of NOK 4 per year-end 2023. The share capital consists of one class. Each share entitles one vote. Bonheur ASA owns 100% of the shares in the Company.

(Amounts in NOK thousand)	Share Capital	Share premium	Additional paid in capital	Retained earnings	Total equity
2022					
Equity at 1 January	30,000	-	15,241	24,508	69,749
Net profit	-	-	-	(58,643)	(58,643)
Equity at 31 December	30,000	-	15,241	(34,134)	11,107
2023					
Equity at 1 January	30,000	-	15,241	(34,134)	11,107
Debt conversion	10,000	465,683	-	-	475,683
Net profit	-	-	-	(82,174)	(82,174)
Currency translation effects related to Danish branch	-	-	-	118	118
Equity at 31 December	40,000	465,683	15,241	(116,191)	404,733

Fred. Olsen Seawind ASA

Notes

Note 10

- Collaterals / guarantees

Fred. Olsen Seawind Ltd (FOSL) has an obligation to fund the Codling joint venture based on budgets approved by the joint venture Board, and the Company has provided a guarantee to FOSL for this obligation. The guarantee has a maximum limit of 20 million EUR. A guarantee fee has been charged from the Company to FOSL. The total fee charged in 2023 is NOK 1 698 thousand (2022: NOK 1 525 thousand).

The global credit insurance company Atradius has issued a guarantee of MEUR 102.5 to Irish authorities on behalf of Codling. Both of the partners in the joint venture have issued a guarantee to Atradius for 50% of this amount. The Company's sistercompany Fred. Olsen Renewables AS has issued this on behalf of FOSASA. FOSASA has then provided counter-guarantee to Fred. Olsen Renewables AS for the same amount. The total fee charged from Fred. Olsen Renewables in 2023 is NOK 4 495 thousand. The total fee charged to Codling in 2023 is NOK 1 284 thousand.

After the demerger in 2021, certain minor agreements and guarantees related to the onshore business remain in the Company pending third party acceptance upon which they will be transferred to Fred. Olsen Renewables AS. According to the demerger plan, all potential liabilities and costs relating to these arrangements will be covered by Fred. Olsen Renewables AS.

Note 11

- Related parties

Fred. Olsen & CO (FOCO) is considered to be a related party to FOSASA. In addition to being in charge of the day-to-day operations of Bonheur ASA, FOCO also provides a variety of support services to other Fred. Olsen related companies and thereunder to the Company. The services mainly relate to legal assistance, HR, financial services and IT services.

Management fees and fees for other services provided have been invoiced from other Bonheur Group entities to the Company. These fees include accounting- and financial services, insurance management services as well as project management included as development expenses. Management fees and project management services have been invoiced from the Company to its subsidiary as well as to other Bonheur Group entities.

The CEO of the Company lives in Denmark, and Global Wind Service A/S (GWS), a Danish Bonheur Group company, was engaged to manage his payroll. This service was transferred to an external third party service provider in November 2023.

Bonheur ASA acquired 25.5% of the Danish consultancy company New Power Partners (NPP) in 2022. 25.5% are also owned by Natural Power, a related party to the Company. The Company has bought consultancy services from NPP in 2023.

A guarantee fee has been invoiced from the Company to FOSL for a guarantee provided relating to the funding of the Codling joint venture, see note 10 for further information.

A guarantee fee has been invoiced from Fred. Olsen Renewables to FOSASA for a guarantee provided relating to the funding of the Codling joint venture, and from FOSASA to the Codling Joint venture, see note 10 for further information.

FOSASA's funding is facilitated through a credit facility provided by Bonheur ASA offering a maximum credit line of NOK 534 million until 30 June 2024. The credit facility is subject to interests of three-months NIBOR + 3.3%. The credit facility has been renewed after the balance sheet date, see note 12 for further information.

Fred. Olsen Seawind ASA

Notes

The following transactions and balances with related parties are recorded in the Company:

(Amounts in NOK thousand)	2023	2022
Income statement:		
Management fees, interests and guarantee fees from Bonheur Group companies	28,761	-
Administrative fee, office rent and interest to Bonheur Group companies	(52,652)	(14,681)
Management fee to FOCO	(12,894)	(8,262)
Services provided from NPP	(1,812)	(3,302)
Balance sheet:		
Short term receivables, Bonheur Group companies	2,001	11,102
Short term receivables, NPP	-	751
Short term liabilities, Bonheur Group companies	348,066	455,859
Interest on short term liabilities, Bonheur Group companies	39,046	20,293

Note 12

- Subsequent events and going concern

Bonheur ASA has extended the current credit facility until 30 June 2025. The interest rate is three months NIBOR + 3.3%, and the maximum credit line has been increased to cover the expected capital requirement until the expiration date.

There have been no other significant events after the reporting period.



To the General Meeting of Fred. Olsen Seawind ASA

Independent Auditor's Report

Opinion

We have audited the financial statements of Fred. Olsen Seawind ASA, which comprise:

- the financial statements of the parent company Fred. Olsen Seawind ASA (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Fred. Olsen Seawind ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but

Offices in:



does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statement on Corporate Social Responsibility as included in Fred. Olsen Seawind Sustainability Summary 2023.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of



accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 28. June 2024

KPMG AS

A handwritten signature in blue ink, reading 'Cathrine Husebye Rein'.

Cathrine Husebye Rein
State Authorised Public Accountant