



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 988 598 976
Organisasjonsform: Allmennaksjeselskap
Foretaksnavn: FRED. OLSEN WINDCARRIER ASA
Forretningsadresse: Fred. Olsens gate 2
0152 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Hjalmar Krogseth Moe
Dato for fastsettelse av årsregnskapet: 30.06.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 02.08.2023



Resultatregnskap

Beløp i: EUR	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt	2, 10	14 747 000	14 608 000
Sum inntekter		14 747 000	14 608 000
Kostnader			
Lønnskostnad	3, 10	8 236 000	7 676 000
Driftskostnader		1 641 000	164 000
Administrasjonskostnader	3, 10	5 046 000	4 364 000
Sum kostnader		14 923 000	12 204 000
Driftsresultat		-176 000	2 404 000
Finansinntekter og finanskostnader			
Renteinntekt		2 000	4 000
Renteinntekt fra foretak i samme konsern		1 693 000	1 093 000
Gevinst ved salg av datterselskap		0	33 546 000
Net gain foreign exchange		0	50 000
Sum finansinntekter		1 695 000	34 693 000
Rentekostnad til foretak i samme konsern		119 000	0
Annen rentekostnad		2 125 000	1 272 000
Annen finanskostnad		231 000	96 000
Net loss foreign exchange		12 000	0
Impairment financial assets		15 039 000	0
Sum finanskostnader		17 526 000	1 368 000
Netto finans		-15 831 000	33 325 000
Ordinært resultat før skattekostnad		-16 007 000	35 729 000
Skattekostnad på ordinært resultat		1 121 000	-1 502 000
Ordinært resultat etter skattekostnad		-17 128 000	37 231 000
Årsresultat		-17 128 000	37 231 000
Overføringer og disponeringer			



Resultatregnskap

Beløp i: EUR	Note	2021	2020
Overføringer til/fra annen egenkapital		-17 128 000	37 231 000
Sum overføringer og disponeringer		-17 128 000	37 231 000



Balanse

Beløp i: EUR	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	6	1 111 000	2 204 000
Sum immaterielle eiendeler		1 111 000	2 204 000
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	5	1 736 000	1 279 000
Sum varige driftsmidler		1 736 000	1 279 000
Finansielle anleggsmidler			
Investering i datterselskap	4	310 266 000	310 352 000
Lån til foretak i samme konsern	10	47 783 000	52 000 000
Sum finansielle anleggsmidler		358 049 000	362 352 000
Sum anleggsmidler		360 896 000	365 835 000
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		149 000	62 000
Konsernfordringer		12 682 000	28 640 000
Sum fordringer		12 831 000	28 702 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		1 187 000	3 933 000
Sum bankinnskudd, kontanter og lignende		1 187 000	3 933 000
Sum omløpsmidler		14 018 000	32 635 000
SUM EIENDELER		374 914 000	398 470 000

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: EUR	Note	2021	2020
Egenkapital			
Innskutt egenkapital			
Selskapskapital		682 000	682 000
Annen innskutt egenkapital		175 919 000	175 919 000
Sum innskutt egenkapital		176 601 000	176 601 000
Opptjent egenkapital			
Annen egenkapital		20 305 000	37 450 000
Sum opptjent egenkapital		20 305 000	37 450 000
Sum egenkapital		196 906 000	214 051 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	11	1 557 000	1 129 000
Sum avsetninger for forpliktelser		1 557 000	1 129 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		48 518 000	57 826 000
Langsiktig konserngjeld		8 011 000	0
Sum annen langsiktig gjeld		56 529 000	57 826 000
Sum langsiktig gjeld		58 086 000	58 955 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		9 509 000	10 714 000
Leverandørgjeld		2 252 000	731 000
Trade and other payables, Group companies	10	106 931 000	112 701 000
Annen kortsiktig gjeld		1 229 000	1 317 000
Accrued salaries, vacation pay and other personnel			
Sum kortsiktig gjeld		119 921 000	125 463 000
Sum gjeld		178 007 000	184 418 000
SUM EGENKAPITAL OG GJELD		374 913 000	398 469 000



Konsernets resultatregnskap

Beløp i: EUR	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Revenue	2, 16	117 858 000	93 500 000
Sum inntekter		117 858 000	93 500 000
Kostnader			
Lønnskostnad	4	8 457 000	7 652 000
Depreciation	7	28 140 000	26 397 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	7	0	7 931 000
Other operating expenses		56 672 000	68 356 000
Sum kostnader		93 269 000	110 336 000
Driftsresultat		24 589 000	-16 836 000
Finansinntekter og finanskostnader			
Annen renteinntekt	6	43 000	39 000
Annen finansinntekt	6	0	2 831 000
Sum finansinntekter		43 000	2 870 000
Annen rentekostnad	6, 11	5 105 000	5 888 000
Annen finanskostnad	6	1 761 000	1 049 000
Sum finanskostnader		6 866 000	6 937 000
Netto finans		-6 823 000	-4 067 000
Ordinært resultat før skattekostnad		17 766 000	-20 903 000
Skattekostnad på ordinært resultat	12	1 276 000	-872 000
Ordinært resultat etter skattekostnad		16 490 000	-20 031 000
Profit/loss from discontinued operations	17	0	-22 033 000
Årsresultat		16 490 000	2 002 000
Overføringer og disponeringer			
Shareholders of the parent		17 316 000	7 959 000
Non-controlling interests		-825 000	-5 958 000
Sum overføringer og disponeringer		16 491 000	2 001 000



Konsernets resultatregnskap

Beløp i: EUR	Note	2021	2020
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Konsernets balanse

Beløp i: EUR	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	12	3 491 000	1 715 000
Sum immaterielle eiendeler		3 491 000	1 715 000
Varige driftsmidler			
Skip, rigger, fly og lignende	7, 15	347 917 000	342 368 000
Sum varige driftsmidler		347 917 000	342 368 000
Finansielle anleggsmidler			
Restricted cash	10	3 007 000	4 397 000
Sum finansielle anleggsmidler		3 007 000	4 397 000
Sum anleggsmidler		354 415 000	348 480 000
Omløpsmidler			
Varer			
Varer	8	2 648 000	2 529 000
Costs to fulfill contracts	2	1 603 000	3 920 000
Sum varer		4 251 000	6 449 000
Fordringer			
Kundefordringer	9, 16	30 510 000	25 820 000
Contract assets	2	318 000	1 376 000
Sum fordringer		30 828 000	27 196 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	10	36 408 000	31 387 000
Restricted cash	10	1 137 000	0
Sum bankinnskudd, kontanter og lignende		37 545 000	31 387 000
Sum omløpsmidler		72 624 000	65 032 000
SUM EIENDELER		427 039 000	413 512 000



Konsernets balanse

Beløp i: EUR	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		682 000	682 000
Annen innskutt egenkapital		61 551 000	61 551 000
Sum innskutt egenkapital		62 233 000	62 233 000
Opptjent egenkapital			
Annen egenkapital		151 238 000	133 979 000
Minoritetsinteresser		42 754 000	43 579 000
Sum opptjent egenkapital		193 992 000	177 558 000
Sum egenkapital		256 225 000	239 791 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt		850 000	0
Employee benefits	22	1 557 000	1 129 000
Sum avsetninger for forpliktelser		2 407 000	1 129 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	11, 13, 16	48 518 000	81 869 000
Langsiktig konserngjeld		31 765 000	29 713 000
Øvrig langsiktig gjeld			8 520 000
Sum annen langsiktig gjeld		80 283 000	120 102 000
Sum langsiktig gjeld		82 690 000	121 231 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		33 241 000	16 699 000
Contract liabilities		26 419 000	9 276 000
Lease liabilities		2 736 000	8 022 000
Leverandørgjeld		11 717 000	18 171 000
Betalbar skatt		311 000	322 000
Kortsiktig konserngjeld		13 700 000	
Sum kortsiktig gjeld		88 124 000	52 490 000



Konsernets balanse

Beløp i: EUR	Note	2021	2020
Sum gjeld		170 814 000	173 721 000
SUM EGENKAPITAL OG GJELD		427 039 000	413 512 000



Annual report 2021



Fred. Olsen Windcarrier

Annual Report 2021

DIRECTORS' REPORT 2021

Fred. Olsen Windcarrier ASA (FOWIC) was incorporated in 2005 and has its registered Office in Oslo, Norway.

FOWIC is 100% owned by Fred. Olsen Ocean Ltd. and is indirectly 100% owned by Bonheur ASA. FOWIC is the parent company in the Fred. Olsen Windcarrier Group of companies (Group) which as per 31 December 2021 comprised the main subsidiaries, Fred. Olsen Windcarrier Operations AS, Brave Tern AS, Bold Tern AS, Fred. Olsen Windcarrier International AS (Norway), Fred. Olsen Windcarrier A/S (Denmark), Fred. Olsen Windcarrier Ltd. (England), Fred. Olsen Windcarrier GmbH (Germany), Fred. Olsen Windcarrier International Ltd. (Malta) and Fred. Olsen Windcarrier Holding Ltd. (Malta). The main offices are located in Oslo (Norway) and Fredericia (Denmark).

FOWIC provides services for the installation and maintenance of offshore wind farms through its subsidiaries. The vessel activities take place in various countries according to wind farm location.

Summary Vessel Activities

Fred. Olsen Windcarrier Operations AS, and Blue Tern Operations AS both subsidiaries of the Company, have been engaged in several projects in Scottish and Taiwanese waters for Transportation and Installation (T&I) of offshore wind turbines, deploying the modern purpose-built jack-up vessels Brave-, Bold- and Blue Tern. In between T&I contracts both Blue and Bold Tern have delivered on shorter Operation & Maintenance (O&M) contracts in Denmark, Netherlands, Belgium and Germany. At the end of the year both, Blue - and Bold Tern have been at yard at Fayard (Denmark) and at Keppel FELS (Singapore) respectively.

The utilisation for the vessels in 2021 was 76%, compared to 74% in 2020.

Fred. Olsen Windcarrier International Ltd. had a charter party for the jack-up vessel (lift boat) Jill until October 2021. The unit has worked under a contract for a transformer exchange at Nord See Ost Windfarm and under another contract for the Codling project in 2021. She was redelivered to the owner during the third quarter after an early termination of the contract. There is a potential dispute regarding the early termination.



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Summary Sales Activities

During 2021 the company has secured several new projects and negotiated amendments to existing contracts securing additional work resulting in a backlog¹ of EUR 355 million by 31 December 2021. Refer to the table below for the bridge to order backlog according to IFRS 15.

(All figures in EUR 1.000)	Total as of 31 December 2021	Expect to recognize as revenue		
		2022	2023	2024
(A) Order backlog	354 721	151 718	125 566	77 437
(B) Options in firm contracts and reservations agreements	63 810	19 235	28 680	15 895
(C) Firm charter periods in reservation agreements	39 167	30 850	8 317	-
Order backlog IFRS 15 (A)-(B)-(C)	251 744	101 633	88 569	61 542

After year end FOWIC have secured an additional contract with contract revenue of approximately EUR 150 million and further reservation agreements have been converted into firm contracts.

Investments for the future

An upgrade program has been initiated for all three wind turbine installation vessels. The upgrades, which include new cranes, but also other significant other improvements to the vessels such as enhancement of the jacking systems, will bring the three vessels on par with announced newbuilds. The vessels will be capable of installing next generation; 13-15 MW turbines, but also bigger turbines when they come to market. Bold Tern is currently close to completion of her upgrade at Keppel FELS in Singapore and is estimated to be back in operation second quarter 2022. Brave Tern is scheduled for upgrade during winter season 2023/24, and a firm order is placed for a new crane with equal specification to Bold Tern. Blue Tern is scheduled for upgrade in 2025 after completion of current contracted work. As Blue Tern is a slightly larger vessel she can carry a slightly larger crane, and optimisation of concept is ongoing. Finally FOWIC aims to construct a fourth vessel to supplement existing fleet. The design leverages on FOWIC's unique industry experience and valuable input from our clients. The 4th vessel will reinforce the company's leading market position in a growing market.

ESG

For a comprehensive overview of environment, social and governance management and performance in FOWIC please refer to FOWIC ESG report at www.windcarrier.com

The Company has support for identifying and holding liability insurances also for directors and officers.

¹ Order backlog is defined as the aggregate value of work reflected in signed vessel charter contracts and signed reservation agreements including options.



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Basis for Presentation of the Financial Statements

The financial statements for 2021 have been prepared based on the going concern assumption. The Board of Directors is of the view that the annual accounts present a true and fair view of the Group's position at the end of the year as defined by International Financial Reporting Standard (IFRS) as adopted by EU.

Financial Performance

(2020 in brackets)

Operating income in 2021 for the Group was EUR 117.9 million (EUR 93.5 million) the operating result before depreciation (EBITDA) was EUR 52.7 million (EUR 17.5 million) and the net cash flow from operating activities was EUR 58.2 million (EUR 11.1 million).

The increase in revenue and operating result for 2021 is due to somewhat higher utilization of the vessels and the contract mix which include more Transport & Installation contracts, which typically obtains higher rates than O&M work.

The Group's net result after tax was EUR 16.5 million (EUR -20.0 million).

After non-controlling interests of EUR -0.8 million (EUR -6.0 million), majority interests' share of net result was EUR 17.3 million (EUR 8.0 million).

Capital and Financing

Total new investment in property, plant and equipment during the year amounted to EUR 33.7 million, primarily related to the investment in a new crane and conversion of Bold Tern and class renewal survey and upgrades for Blue Tern.

At the end of the year, the Group's total assets were EUR 427.0 million (EUR 413.5 million). Total cash and cash equivalent at year end 2021 was EUR 36.1 million (EUR 31.4 million) while the Group's total interest-bearing debt was EUR 127.2 million (EUR 136.8 million).

The Group has short-term interest-bearing debt of total EUR 46.9 million as at year end 2021.

The Group refinanced its external loans during 2020. The Group has two long-term non-recourse debt financing arrangements related to the three jack-up vessel Brave Tern, Bold Tern and Blue Tern. In conjunction with the financing, a green loan framework has been established with the support and stamp of approval from DNV, which enables new investments to be financed with green loans.

For Brave Tern and Bold Tern, the agreement was a EUR 75 million, 6 years facility with DNB ASA and SpareBank 1 (SR-Bank) ASA. The amount refinanced the existing debt facility and will further contribute to finance of the upgrade of Bold Tern. A tranche of approximately EUR 28 million of this facility will be covered by the green loan framework. As per 31 December 2021 a total of EUR 58.9 million is outstanding.

An additional EUR 35 million green revolving facility tranche (RCF) was added to existing loan agreement for Brave Tern and Bold Tern in January 2022.

For Blue Tern, (51% owned), the financing with the banks NIBC and Clifford was extended in 2020 by approximately 2.5 years and matures end 2022. As of 31 December 2021 approximately EUR 23.9 million is outstanding.

The Group's equity at the year-end was EUR 256.2 million (EUR 239.8 million) where non-controlling interests represented EUR 42.7 million (EUR 43.6 million). In the opinion of the Board of Directors, the financial situation and cash position is satisfactory and sufficient to meet the Group's current commitments.



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Financial Market Risk

See also Note 13 Financial Instruments. The Group is exposed to certain financial risks related to its activities. These are mainly currency risks and interest rate risks.

Currency risk

The Group's financial statements are presented in EUR. Revenues consist primarily of EUR. The expenses are primarily in EUR, GBP, USD, DKK and NOK. As such, earnings are exposed to fluctuations in the currency market.

Interest rate risk

The Group is exposed to interest rate fluctuations, as loans are based on floating interest rates.

Credit risk

The companies in the Group seek to minimize the credit risk and requires certain guarantees from its customers, when considered necessary. As such, the credit risk is considered moderate to low.

Parent Company Information

The Company's annual result before tax was EUR -16.0 million (EUR 35.7 million, including a gain of sale of subsidiary (Global Wind Services A/S) of 33.5 million). Net result was EUR -17.2 million which is proposed to be allocated to other equity.

In accordance with §3-3a of the Norwegian Accounting Act, the Board of Directors confirms that the going concern assumption, on which the financial statements have been prepared, is considered to be appropriate. The accounts are defined by International Financial Reporting Standards (IFRS) for the Group and NGAAP for the parent company. The Company's total equity as per 31 December 2021 was EUR 196.9 million. The Company's cash, cash equivalents and current receivables amounted to EUR 14.0 million.

The Board of Directors does not recommend any dividend payment for the year 2021.

Outlook

Offshore wind will see significant growth in the next decade. This development is driven by the following key changes:

Levelized Cost of Energy (LCOE) for offshore wind has been significantly reduced over the last decade. This have been achieved mainly by technology development on turbines, much increasing size and power curves, which have led to reduced cost per MW installed capacity. Higher utilization factors and overall industrialization and streamlining of the industry have also contributed. As a consequence offshore wind is today competitive with other sources of energy for production of electricity.

Offshore wind, together with onshore wind and solar, is a key solution and industry needed to support the green transition. Renewables must be an increasingly important part of the energy mix in order to reduce global warming.

With latest tragic events in Europe, energy security has become an additional argument for renewables and accelerated already ambitious targets in Europe.

In the decade behind us (2013-2021) 25,7GW capacity of Offshore wind have been installed outside China. In that period FOWIC has installed 5 GW and hence hold a 20% market share. For the decade in front of us current projections are that installed base will increase to approximately 200GW in 2030, hence a market increase by a factor of at least 6. It is worth noting that these numbers are a shortfall of what is deemed



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necessary in order to reach the 1.5 degree target in the Paris agreement. Thus it can be expected that these projections will increase as we have consistently seen to be the case historically.

Alongside overall growth in the market offshore wind is turning into a truly global industry. Europe is still the core market seeing significant growth in both existing and new countries such as Ireland and Poland, however both APAC and the US markets are gathering momentum and have solid pipelines. Across all markets wind farm developers are bidding aggressively to secure offshore wind projects and/or lease areas.

In terms of vessel demand FOWIC already see a shift in supply and demand favoring vessel owners as activity from year to year is much more consistent and increasing in the next couple of years. This is a change from the period 2017-2021, which has been rather volatile from year to year. For the coming three years FOWIC have secured a solid backlog showing improvement in both utilization and average day rates.

From 2025/2026 we see activity in terms of number of turbines installed per year will increase significantly.

FOWIC is very well positioned for the growth in offshore wind. Upgrade program for the fleet is well underway. The company have a solid track record, experienced organization and close client relationships. Finally, FOWIC have secured a strategic position in all current offshore wind markets.



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FRED. OLSEN WINDCARRIER GROUP

Consolidated Statement of Profit and Loss for the year ended 31 December

(Figures in EUR 1,000)	Note	2021	Restatements 2020
Continuing operations			
Revenue	2, 16	117 858	93 500
Other operating expenses	5	-56 672	-68 356
Salaries and other personnel expenses	4	-8 457	-7 652
Operating result before depreciation and impairment		52 730	17 492
Depreciation	7	-28 140	-26 397
Impairment of intangible assets and PPE	7	0	-7 931
Operating result		24 590	-16 836
Interest income	6	43	39
Other finance income	6	0	2 831
Finance income		43	2 870
Interest expenses	6, 11	-5 105	-5 888
Other finance expenses	6	-1 761	-1 049
Finance expenses		-6 866	-6 937
Net finance income / (expense-)		-6 823	-4 067
Profit / (loss-) before tax		17 767	-20 903
Income tax	12	-1 276	872
Profit / (loss-) from continuing operations		16 492	-20 031
Discontinued operations			
Profit / (loss-) from discontinued operations, net of tax	17	0	22 033
Profit / (loss-) for the year		16 492	2 002
Allocated to:			
Shareholders of the parent		17 316	7 959
Non-controlling interests		-825	-5 958
Earnings per share:			
Basic / Diluted earnings per share (EUR)		3,463	1,592
Basic / Diluted earnings / (loss-) per share (EUR) - Continuing operations		3,463	-2,829
Basic / Diluted earnings / (loss-) per share (EUR) - Discontinued operations		0,000	4,421

The non-controlling interests attributable to continuing operations consist of 49% of Blue Tern Group. Global Wind Services A/S was sold to Fred. Olsen Ocean Ltd. in June 2020.



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FRED. OLSEN WINDCARRIER GROUP

Consolidated Statement of Comprehensive Income for the year ended 31 December

	Note	2021	2020
(Figures in EUR 1,000)			
Profit / (loss-) for the year		16 492	2 002
Other comprehensive income			
Actuarial gain/losses benefit pension plans, net of tax	22	-16	-161
Exchange differences		-41	-57
Net other comprehensive income / (loss-)		-57	-218
Total comprehensive income / (loss-) for the year		16 434	1 784
Allocated to:			
Equity holders of the parent company		17 259	7 750
Non-controlling interests		-825	-5 966

As at 31 December 2021 non-controlling interests attributable to continuing operations consist of 49% of Blue Tern Group. Global Wind Services A/S was sold to Fred. Olsen Ocean Ltd. in June 2020 and is included as discontinued operations.



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FRED. OLSEN WINDCARRIER GROUP

Consolidated Statement of Financial Position as of 31 December

(Figures in EUR 1,000)	Note	2021	Restatements 2020
Deferred tax assets	12	3 491	1 715
Property, plant and equipment	7, 15	347 917	342 368
Restricted cash	10	3 007	4 397
Total Non-Current Assets		354 415	348 480
Inventory	8	2 648	2 529
Costs to fulfill contracts	2	1 603	3 920
Trade and other receivables	9, 16	30 510	25 820
Contract assets	2	318	1 376
Restricted cash	10	1 137	0
Cash and cash equivalents	10	36 408	31 387
Total Current Assets		72 624	65 032
Total Assets		427 039	413 512
Share capital		682	682
Share premium		61 551	61 551
Other equity		151 238	133 979
Non-controlling interest		42 754	43 579
Total Equity		256 225	239 791
Deferred tax liabilities		850	0
Employee benefits	22	1 557	1 129
Interest bearing loans and borrowings	11, 13, 16	80 283	120 102
Total Non-Current Liabilities		82 691	121 231
Current tax	12	311	322
Interest bearing loans and borrowings	11, 13, 16	46 941	16 699
Lease liabilities	21	2 736	8 022
Trade and other payables	16, 20	11 717	18 171
Contract liabilities	2	26 419	9 276
Total Current Liabilities		88 123	52 490
Total Equity and Liabilities		427 039	413 512

Oslo, 3 June 2022

Board of Directors
of
Fred. Olsen Windcarrier ASA

Anette S. Olsen
Chair of the Board

Richard Olav Aa
Board member

Ingelise Arnlsen
Board Member

Håkon Borgen
Board Member



 Fred. Olsen Windcarrier

FRED. OLSEN WINDCARRIER GROUP

Consolidated Statement of Cash Flows for the year ended 31 December

Total operations

	Note	2021	Restatements 2020
(Figures in EUR 1,000)			
Cash flow from / (used in) operating activities			
Profit / (loss-) for the year		16 492	2 002
<i>Adjustments for:</i>			
Depreciation, impairment of intangible assets and PPE	7	28 140	27 995
Impairment losses	7	0	7 931
Investment income (interest, dividends) other (-)		923	-1 278
Interest expenses		5 105	6 153
Increase (-) / decrease (+) in restricted cash	10	254	-4 397
Net gain (-) on sale of subsidiary	17	0	-22 316
Tax income (-) / tax expense (+)		1 276	564
Cash generated before changes in working capital and provisions		52 188	16 654
Increase (-) / decrease (+) in receivables, inventory, etc.		-4 204	-7 738
Increase (+) /decrease (-) in current liabilities		17 238	13 017
Cash generated from operations		65 222	21 934
Interest paid (-)	6	-4 966	-12 395
Taxes paid (-)		-1 971	-2 827
Net cash flow from / (used in) operating activities		58 284	6 712
Cash flows from / (used in) investing activities			
Purchase of property, plant and equipment	7	-33 723	-15 729
Interest received	6	0	41
Disposal of discontinued operation, net of cash disposed of	17	0	-4 142
Net cash flow from / (used in) investing activities		-33 723	-19 830
Cash flows from / (used in) financing activities			
Increase in borrowings	11	2 900	84 102
Repayment of borrowings	11	-16 787	-147 409
Payment of lease liabilities	7, 11, 21	-5 653	-9 466
Group contribution		0	71 952
Net cash flow from / (used in) financing activities		-19 540	-821
Net increase / (decrease-) in cash and cash equivalents		5 021	-13 939
Cash and cash equivalents at beginning of period		31 387	45 327
Cash and cash equivalents at end of period		36 408	31 387



 **Fred. Olsen Windcarrier**

FRED. OLSEN WINDCARRIER GROUP

Consolidated Statement of Changes in Equity

(All figures in EUR 1.000)

	Share capital	Share premium	Other equity	Non-controlling interest	2021
Total equity 1 January 2021	682	61 551	133 979	43 579	239 791
Profit / (loss-) for the year	0	0	17 316	-825	16 492
Actuarial gain/losses benefit pension plans, net of tax	0	0	-16	0	-16
Exchange differences	0	0	-35	-6	-41
Total equity 31 December 2021	682	61 551	151 244	42 748	256 225

	Share capital	Share premium	Other equity	Non-controlling interest	2020 Total Equity
Total equity 1 January 2020	682	61 551	54 277	53 977	170 487
Profit / (loss-) for the year	0	0	7 960	-5 958	2 002
Effects from transactions with non-controlling interests 1)	0	0	0	-4 432	-4 432
Group contribution received, net of tax 2)	0	0	71 952	0	71 952
Actuarial gain/losses benefit pension plans, net of tax	0	0	-161	0	-161
Exchange differences	0	0	-49	-8	-57
Total equity 31 December 2020	682	61 551	133 979	43 579	239 791

	2021	2020
Number of ordinary shares, nominal amount NOK 1,-	5 000 000	5 000 000
Total number of shares	5 000 000	5 000 000

All shares are owned by Fred. Olsen Ocean Ltd., Bermuda. The ultimate parent is Bonheur ASA, a public Norwegian company, owns 100% of Fred. Olsen Ocean Ltd.

None of the Directors have direct ownership of shares in Fred. Olsen Windcarrier ASA.

¹⁾ As at 31 December 2021 the non-controlling interests consist of 49% of Blue Tern Group, acquired in December 2018. Global Wind Services AS was sold to Fred. Olsen Ocean Ltd. in June 2020, there were 24,49 % non-controlling interests in GWS.

²⁾ Group Contribution: Norwegian companies within a Group that are owned 90% or more by the same Norwegian parent company can give and/or receive Group Contribution. For accounting purposes these are accounted for the same way as dividends for a subsidiary of the Norwegian parent that give Group Contribution. For a subsidiary that receives Group Contribution, this is accounted for as an equity contribution. According to the Norwegian Tax law, In some instances, the company that gives Group Contribution may elect to deduct this from taxable income, with corresponding taxable income for the receiving entity. Group Contributions are accounted for under IFRS in the year it is approved by the General Meeting, whereas for taxable income and NGAAP financial statements they are accounted for in the tax and accounting year.

Group Contributions within the Group are eliminated on consolidation. Group contributions received from the parent company Group in 2020 were primarily without effect on taxable income for the Group, and the tax effect is immaterial.



Fred. Olsen Windcarrier

Note 1 - Summary of significant accounting policies - IFRS

Fred. Olsen Windcarrier ASA (the "Company") is registered in Norway. The address of the Company's registered office is Fred. Olsens gate 2, Oslo.

The consolidated financial statements of the Company for the year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The Group is primarily involved in Shipping/Offshore wind.

The consolidated financial statements of Fred. Olsen Windcarrier ASA were approved in the board meeting on 3 June 2022.

1.1 Basis for preparation of the consolidated financial statements

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) which have been adopted by the EU and are mandatory for financial years beginning on or after 1 January 2021.

The consolidated financial statements have been prepared on the historical cost basis except for derivatives and employee benefits that are measured at fair value.

The consolidated financial statements have been prepared on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances. Details of accounting policies are provided below and in the respective notes.

Restatements

As the consolidated financial statements for 2020 included in the Company's Annual Report for 2020 did not reflect the Global Wind Service ("GWS") business which was sold in June 2020 as a discontinued operation, the figures for 2020 in the 2021 consolidated financial statements have been restated to reflect discontinued operations presentation. Please refer to note 17 Discontinued operations for further details.

In addition to the restatement of the 2020 numbers in the cash flow as a result of presenting GWS as discontinued operations, the 2020 numbers have also been restated to reflect that the transaction was settled by a seller's credit. Hence proceeds from the sale of shares in subsidiaries as originally presented in the 2020 cash flow of 36 469 Euro have been netted against payment of borrowings in the restated 2020 numbers.

The 2020 figures have also been restated to reflect an estimated liability of EUR 1.6 million regarding coverage of certain seafarers' loss of pension and other rights with the Norwegian social security system for the period between 2012 and 2020, the "NAV" case. Please refer to note 20 Trade and other payables for further details.

In addition to reflecting GWS as discontinued operations in compliance with IFRS 5 and to recognize the estimated NAV liability, the Company has also made some general improvements of the presentation and notes compared to the originally issued consolidated financial statements of the Company for 2020, to be more in line with IFRS consolidated financial statements expected of a listed company with a larger user group.

Fred. Olsen Windcarrier

(Note 1 continued)

1.2 Functional currency and presentation currency

Transactions in foreign currencies are translated to the respective functional currencies at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

The Group's presentation currency is EUR which is the functional currency of the parent company. The assets and liabilities of subsidiaries with other functional currency than EUR, are translated into EUR at the exchange rate at the statement of financial position date. Revenue and expenses are translated using average monthly foreign exchange rates, which approximates exchange rates on the dates of the transactions. Foreign exchange differences arising on translation are recognized directly in equity. When a foreign operation is disposed of, in part or in full, the relevant amount of the component in equity is transferred to profit or loss.

1.3 Consolidation principles

The Group's consolidated financial statements comprise the Company and companies in which the Company has a controlling interest. A controlling interest is normally obtained when the Group owns more than 50% of the shares in the company and can exercise control over the company. See note 3 for details of the subsidiaries.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any realised and unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Realised foreign currency differences from intra-group transactions which are recognised in profit or loss are not eliminated, because the Group of companies has a real exposure to a foreign currency. Unrealised foreign currency differences from intra-group transactions which are recognised in profit or loss are eliminated, but only to the extent that the currency difference is due to permanent financing.

1.4 The use of estimates and judgments when preparing the special purpose financial statements

Accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that Management considers reasonable and appropriate under the circumstances. The resulting accounting estimates may differ from the eventual outcome, but the Group regards this as the best estimate at the reporting date. Please refer to the specific notes for further information on the key accounting estimates and judgments, see the notes listed below.

- Note 7 Property, plant and equipment and intangible assets
- Note 12 Income tax expenses and deferred tax



Fred. Olsen Windcarrier

(Note 1 continued)

1.5 Contingent liabilities and assets

Contingent liabilities are not recognized in the statement of financial position. Significant contingent liabilities are disclosed, with the exception of contingent liabilities that are remote be incurred.

Contingent assets are not recognized in the statement of financial position but disclosed if inflow of economic benefits is probable.

1.6 Standards issued but not effective

The Company has not implemented any new accounting standards or otherwise made any changes to accounting policies during 2021. None of the issued, not yet effective accounting standards or amendments to such standards are expected to have significant effects for Fred. Olsen Windcarrier's financial reporting. Further, none of the recently issued IFRS Interpretation Committee agenda decisions are expected to significantly change the Company's accounting policies or practices.

 **Fred. Olsen Windcarrier****Note 2 – Revenue / Operating Segments**

(All figures in EUR 1.000)

Accounting policies

The Group's revenue from continuing operations derives from operation of three owned jack-up vessels and one leased jack-up vessel engaged in logistics and services within the offshore windfarm transportation, installation ("T&I"), and maintenance market ("O&M"). This is viewed as one operating segment and is the only operating segment after the sale of the subsidiary Global Wind Services A/S in June 2020. The leased jack-up vessel was redelivered in the third quarter 2021.

Revenue from Transport & Installation and Operation and Maintenance (services) and operating lease

Revenue from charter rate contracts is split into two elements, bareboat charterhire, which is an operational lease component that is regulated by IFRS 16, and service, which is a component accounted for in accordance with IFRS 15. Both components are included in revenues, please refer to the table below for the split.

Operating lease revenue

The lease component price is based on the bareboat price charged from the vessel owning companies to the operating companies. The price is based on arm's length principles. Operating lease revenue is recognized during the operational phase of the contract. Please refer to note 21 Leases for more details regarding leases.

Services

For services, the nature of the promise in the contract is to operate the vessel (with all the related services that entails) and transport the wind turbines making it possible for the charterers to have the wind turbines installed at the site, a single integrated service which meets the criteria to be a performance obligation. The customer simultaneously receives and consumes the benefits as the entity performs and therefore is the contract service revenue recognized during the operational phase of the contract (from the delivery of the vessel at the designated port and to the end of demobilization). When the operational phase of the contract has started, the invoicing is normally made monthly, at the beginning of the following month, and payment is generally due within 30-60 days.

During the mobilization phase no goods or services are transferred to the customer. Costs incurred to fulfil the contract during the mobilization phase is capitalized and amortized over the contract term if they meet the criteria in the standard (IFRS 15). Mobilization fees paid up front by the customers are recognized as a contract liability and recognized to revenue as service are delivered during the contract period.

Variable consideration that specifically relates to a distinct good or service in the series is allocated specifically to this good or service. Typical significant variable considerations are related to liquidated damages, laying up of vessel for convenience, bunkers, accommodation, other reimbursable items at cost mark-up. Other reimbursable items are ad hoc type of revenue based on what the client asks for. Variable consideration that does not relate specifically to a distinct good or service within the series is included within the transaction price and recognized in line with progress. Time elapsed, i.e. voyage days, is used to measure progress. Normally, operations during a month and the commercial result are agreed on a continuous basis and are agreed upon prior to the monthly invoicing i.e. revenue recognized for the period is in line with fulfilling its obligations and having an enforceable right for the period. This also reduces the risk quite significantly for any uncertainty tied to the variable consideration.

Fred. Olsen Windcarrier

(Note 2 continued)

(All figures in EUR 1.000)	2021	2020
Service revenue	64 286	69 930
Total revenue (IFRS 15)	64 286	69 930
Lease revenue	53 573	23 570
Revenues according to other standards	53 573	23 570
Total revenue	117 858	93 500

Service revenues arise mainly from Operation & Maintenance (O&M) services for the offshore wind industry and from Transport & Installation marine operation (T&I). Further revenues arise from supply of personnel to the global wind turbine industry.

Revenue from Wind services – discontinued operations

The subsidiary Global Wind Services A/S was sold to Fred. Olsen Ocean Ltd. in June 2020 and the revenue until the sale is presented in note 17 Discontinued operations.

Revenue derived from hourly service contracts is recognized in the period that the services are rendered at rates established in the relevant contracts. Global Wind Services installs and services wind farm projects around the world. The payment term varies from 30 days up to 120 days. Revenue derived from fixed price contracts is normally recognized over time. A cost based measure is used for measuring progress during the operational phase of the contract.

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

(All figures in EUR 1.000)	2021	2020
Trade receivables	30 510	24 457
Contract assets	318	1 376
Contract liabilities	26 419	9 276

Payments that were recognized as contract liabilities at 31 December are mainly recognized as revenue during the subsequent years.

Changes in contract assets and liabilities normally relates to the natural progression of the project portfolio, as well as the current project mix. The increased contract liabilities from 2020 to 2021 is caused by advanced payment related to new projects that will be executed in 2022 to 2024.

No impairment losses on contract assets have been recognized.

The table below shows the aggregate amount of the transaction prices allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of 31 December 2021, with estimate of when the Group expects to recognize these as revenue. The amounts are aggregate of service and lease revenues.



Fred. Olsen Windcarrier

(Note 2 continued)

Order backlog per year

The Group has an order backlog amounting to EUR 251.7 million as of 31 December 2021 according to IFRS 15 (2020: EUR 146.3 million). The order backlog consists of committed amounts related to unsatisfied performance obligation.

(All figures in EUR 1.000)	Total as of 31 December 2021	Expect to recognize as revenue		
		2022	2023	2024
Service revenue	157 073	63 413	55 262	38 399
Lease revenue	94 671	38 220	33 307	23 143
Total revenue	251 744	101 633	88 569	61 542

(All figures in EUR 1.000)	Total as of 31 December 2020	Expect to recognize as revenue		
		2021	2022	2023
Service revenue	91 258	32 463	26 498	32 297
Lease revenue	55 003	19 566	15 971	19 466
Total revenue	146 261	52 029	42 469	51 763

Capitalized costs to fulfill contracts

The following table shows costs directly attributable to the projects:

(All figures in EUR 1.000)	2021	2020
Costs to fulfill contracts	1 603	3 920

Capitalized costs to fulfill contracts at 31 December 2021 are related to the projects that are scheduled to be performed from 2022 to 2024. Capitalized project costs are amortized over the operational phase of the contract (from the delivery of the vessel at the designated port and to the end of demobilization) included as part of other operating expenses.

Geographical allocation of revenue from continuing operations

(All figures in EUR 1.000)	Europe		Asia		Total Revenue	
	2021	2020	2021	2020	2021	2020
Revenue	61 350	62 230	56 508	31 270	117 858	93 500

The distribution of the revenue reported above is based on the geographical location of the customers.

Geographical allocation of non-current assets from continuing operations

The non-current assets from continuing operations are in Europe at 31 December 2021 and 2020.

Major customer

Revenue from the top two major customers constituted 40% and 33% respectively of the total revenue (service and lease) from continuing operations in the Group (2020: top three major customers constituted 41%, 34% and 13% respectively).



Fred. Olsen Windcarrier

Note 3 - Group of companies

The following subsidiaries are included in the consolidated financial statements:

Company	Country of incorporation	Ownership interest	Ownership interest
		31.12.2021	31.12.2020
Global Wind Service A/S ¹⁾	Fredericia, Denmark	0,00 %	0,00 %
Fred. Olsen Windcarrier A/S	Fredericia, Denmark	100,00 %	100,00 %
Fred. Olsen Windcarrier Operations AS	Oslo, Norway	100,00 %	100,00 %
Fred. Olsen Windcarrier International AS ²⁾	Oslo, Norway	100,00 %	100,00 %
Blue Tern Holding AS	Oslo, Norway	51,00 %	51,00 %
Blue Tern AS	Oslo, Norway	51,00 %	51,00 %
Blue Tern Operations AS	Oslo, Norway	51,00 %	51,00 %
Blue Tern B.V	Duiven, The Netherlands	51,00 %	51,00 %
Blue Tern Holdings Ltd.	Isle Of Man	100,00 %	100,00 %
Blue Tern Ltd.	Isle Of Man	51,00 %	51,00 %
Brave Tern AS	Oslo, Norway	100,00 %	100,00 %
Bold Tern AS	Oslo, Norway	100,00 %	100,00 %
Fred. Olsen Windcarrier Holding Ltd.	Pieta, Malta	100,00 %	100,00 %
Fred. Olsen Windcarrier International Ltd.	Pieta, Malta	100,00 %	100,00 %
Fred. Olsen Windcarrier Ltd.	Lowestoft, UK	100,00 %	100,00 %
Fred. Olsen Windcarrier GmbH	Hamburg, Germany	100,00 %	100,00 %

¹⁾ Global Wind Service A/S was sold to Fred. Olsen Ocean Ltd. in June 2020.

²⁾ Fred. Olsen Windcarrier International AS has subsidiaries with non-controlling interest in Blue Tern Holding AS (49%).

Fred. Olsen Windcarrier Ltd. has taken advantage of the available exemption for audit. As a consequence, a statutory guarantee has been provided by Fred. Olsen Windcarrier AS as required by s479 of the Companies Act 2006 in UK.

Note 4 - Salaries and other personnel expenses

(All figures in EUR 1.000)	2021	2020
Salaries	6 501	6 025
Social security costs and employee taxes	835	774
Employee benefits (pension costs)	767	885
Other personnel costs	355	-32
Total salary and personnel cost	8 457	7 652
The number of employees at year end	67	58

Refer to note 22 pension obligations for details regarding employee benefits.

Payment to managing director:

(All figures in EUR 1.000)	2021	2020
Salary	231	184
Bonus	33	16
Pension expenses	10	9
Total	274	209

Note 5 - Other operating expenses

(All figures in EUR 1.000)	2021	2020
Cost hired crew ¹⁾	-14 625	-17 195
Insurance	-2 166	-2 196
Other ²⁾	-33 396	-44 677
Other administrative expenses ³⁾	-6 484	-6 577
Total other operating expenses	-56 672	-70 646

¹⁾ Crew hired from Fred. Olsen Marine Crewing and Consultancy Services Ltd and Fred. Olsen Marine Services AS, refer to note 16 - Related parties.

²⁾ Other are mainly expenses related to operation of the jack-up vessels, project specific costs and administrative expenses. The costs related to operation of jack-up vessels consist of expenses related to repair and maintenance of deck and engine, consumable stores and subscriptions of satcom, navigation systems and IT, while project specific costs includes engineer hours and steel related to grillage.

³⁾ Other administrative expenses contain administration fee to Fred. Olsen & Co, legal and other consultancy fees, office, travel and advertising costs etc.



Fred. Olsen Windcarrier

Note 6 - Finance income and expenses

(All figures in EUR 1.000)	2021	2020
Interest income	43	39
Interest expenses	-5 105	-5 889
Other net financial inc. / (exp.)	-433	-1 049
Foreign exchange gain/(loss)	-1 328	2 831
Net finance income / (expense-)	-6 823	-4 068

Note 7 - Property, plant and equipment and intangible assets

Accounting policies

Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the relevant plant and equipment and restoring the site on which they are located. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Costs for special periodic surveys/renewal surveys (SPS/RS) on ships and offshore units required by classification societies, are capitalised and depreciated over the anticipated period between surveys, generally five years. Extensive upgrading and repairs after termination of contracts, are depreciated either over the assumed period to next survey or over the same profile as the unit if the unit's remaining useful life is shorter. Other maintenance and repair costs are expensed as incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for separately.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in profit or loss.

(ii) Residual values

Residual values are assessed at the beginning of each accounting year and constitute the basis of the depreciation for the year. Residual values for vessels are estimated based on recoverable material reduced by other demobilisation costs related to the unit. Recoverable material for vessels is calculated as market steel price multiplied by the recoverable lightweight of the unit. Any changes in residual values are accounted for prospectively as a change in accounting estimate.

(iii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iv) Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Wind Installation vessels	20-25 years
Machinery and Equipment	3-10 years
IT Equipment	3-5 years
Furniture and fixtures	5-10 years

The estimated useful lives, residual values and decommissioning costs are reviewed on a yearly basis. Any changes are accounted for prospectively as a change in accounting estimate.

 **Fred. Olsen Windcarrier**

(Note 7 continued)

(v) Impairment

The carrying amounts of the Group's property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

When considering impairment indicators, the Group considers both internal (e.g. adverse changes in performance) and external sources (e.g. adverse changes in the business environment). For wind installation vessels these are analysed by reviewing day rates and broker valuations. If an indicator of impairment is identified, management estimates the amount, if any, of impairment. In order to measure potential impairment, the carrying amount is compared to the recoverable amount, which is the higher of its fair value less costs to sell and value in use. The value in use is calculated as the present value of the expected future cash flows for the individual units, requiring management estimates of assumptions including discount rates as well as the timing and amounts of cash flows.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. When calculating the recoverable amount, each vessel is treated as one cash-generating unit. Impairment losses are recognised in the statement of profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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 of depreciation or amortisation, if no impairment loss had been recognised.

(vi) Determination of fair values

The market value of items of vessels is based on broker valuations, for other items it is based on quoted market prices for similar items. Fair value may also be based on value in use for the purpose of impairment testing. Value in use is the present value of the future net cash flows from continuing use and ultimate disposal of the asset.

Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures. In respect of acquisitions goodwill is recognised initially at cost. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the net identifiable assets. When the excess is negative (bargain purchase), it is recognised immediately in profit or loss.

(ii) Subsequent measurement goodwill

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment. The carrying amount of goodwill for associates is included in the carrying amount of the investment in the associates.

(iii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses. The carrying amounts are reviewed at each reporting date to determine whether there is any indication of impairment.

Intangible assets with indefinite useful lives are measured at cost less any accumulated impairment losses, tested at least annually for impairment.

(iv) Determination of fair value

The fair value of other intangible assets, including goodwill, is based on the discounted net cash flows expected to be derived from the use and potential sale of the assets.



Fred. Olsen Windcarrier

(Note 7 continued)

(All figures in EUR 1.000)

	Vessels	Machinery and equipment	Real estate	2021 PPE	2021 Intangible assets
Accumulated cost 1 January	535 377	1 660	0	537 037	15 033
Additions	33 723	0	0	33 723	0
Disposals	-11 835	0	0	-11 835	-15 033
Reclassification	0	0	0	0	0
Accumulated cost 31 December	557 265	1 660	0	558 925	0
Accumulated depreciation 1 January	194 431	238	0	194 669	15 033
Disposals	-11 801	0	0	-11 801	-15 033
Depreciation continuing operations	27 970	170	0	28 140	0
Impairment	0	0	0	0	0
Accumulated depreciation 31 December	210 600	408	0	211 008	0
Carrying value 31 December	346 665	1 252	0	347 917	0
Economic life	15-25 years	3-5 years			
Depreciation method	linear	linear			

(All figures in EUR 1.000)

	Vessels	Machinery and equipment	Real estate	2020 PPE	2020 Intangible assets
Accumulated cost 1 January	520 360	19 024	4 506	543 890	18 693
Additions	15 279	2 062	194	17 535	0
Disposals	-262	-2 403	0	-2 665	-951
Disposals, Global Wind Service A/S ¹⁾	0	-16 869	-4 674	-21 543	-2 709
Exchange differences	0	-154	-26	-180	0
Accumulated cost 31 December	535 377	1 660	0	537 037	15 033
Accumulated depreciation 1 January	166 787	9 164	613	176 564	7 627
Disposals	0	-142	0	-142	0
Disposals, Global Wind Service A/S ¹⁾	0	-9 462	-727	-10 189	0
Depreciation continuing operations	26 239	158	0	26 397	0
Depreciation discontinued operations	0	1 472	126	1 598	0
Impairment	526	0	0	526	7 406
Reclassification	879	-879	0	0	0
Exchange differences	0	-73	-12	-85	0
Accumulated depreciation 31 December	194 431	238	0	194 669	15 033
Carrying value 31 December	340 946	1 422	0	342 368	0
Economic life	15-25 years	3-5 years	25-50 years		
Depreciation method	linear	linear	linear		

¹⁾ Global Wind Service A/S was sold in June 2020 to Fred. Olsen Ocean Ltd.

The net book value of the vessels pledged at 31 December 2021 are EUR 346.7 million as disclosed in note 11.

The Group identified impairment triggers for the right-of-use vessel and an impairment charge of EUR 526 thousand was recorded in 2020. No impairment triggers were identified for the vessels in 2021.

In 2020, an impairment of EUR 7.4 million was recorded related to the exclusivity agreements of certain assets in offshore wind projects in US.

(All figures in EUR 1.000)

Right-of-use assets included above:	Vessels	Machinery and equipment	Real estate	Right-of-use assets 2021
Balance at 1 January 2021	1 658	0	0	1 658
Depreciation charge for the year	-1 625			-1 625
Impairment charges for the year	0			0
Disposal	-33			-33
Exchange differences	0			0
Balance at 31 December 2021	0	0	0	0



 **Fred. Olsen Windcarrier**

(Note 7 continued)

Right-of-use assets included above:	Vessels	Machinery and equipment	Real estate	Right-of-use assets 2020
Balance at 1 January 2020	4 806	1 633	643	7 623
Depreciation charge for the year	-2 622	-266	-105	-2 993
Impairment charges for the year	-526	0	0	-526
Additions	0	437	177	614
Derecognition Global Wind Services A/S	0	-1 771	-699	-2 470
Exchange differences	0	-33	-16	-49
Balance at 31 December 2020	1 658	0	0	2 199

See note 21 for further information on leases.



Fred. Olsen Windcarrier

Note 8 - Inventory

Accounting policies

Inventories and bunkers are recorded at the lower of cost and net realisable value. The Group of companies categorizes spare parts into two groups, spare parts and spare assets. Spare parts are consumables that are not depreciated, but expensed when used against repair and maintenance cost. Consumables are measured at cost less a reserve for overstocked items. Spare assets are larger spare items that is recorded as a component in property, plant & equipment and depreciated.

(All figures in EUR 1.000)	2021	2020
Fuel on board vessels	985	568
Consumable spare parts	1 663	1 961
Total inventory	2 648	2 529

Note 9 - Trade and other receivables and contract assets

Accounting policies

Trade receivables that do not have a significant financing component are measured on initial recognition at their transaction price, which is the amount of consideration to which the entity expects to be entitled for transferring the promised goods or services to the customer.

Trade receivables with a significant financing component are measured on initial recognition at their transaction price if the entity has chosen not to adjust the promised amount of consideration for the effects of a significant financing component. In other cases, the receivables are measured at fair value on initial recognition. The fair value of trade and other receivables is estimated as the present value of expected future cash flows.

The impairment model applicable to financial assets, measured at amortized cost, is based on an "expected credit loss" (ECL) model, which require forward looking judgements of two classifications:

- 12-month ECLs resulting from possible default events within the 12 months after the reporting date.
- Lifetime ECLs resulting from possible default events over the expected life of a financial instrument.

(All figures in EUR 1.000)	2021	2020
Trade receivables	25 545	24 457
Prepaid costs	752	1 335
Contract assets	318	1 376
Other receivables	3 891	27
Other provisions	6	1
Fair value derivatives	317	0
Total trade and other receivables and contract assets	30 829	27 196

Contract assets relate to consideration for work completed, but not yet invoiced at the reporting date. The contract assets are transferred to customer receivables when the right to payment become unconditional, which usually occurs when invoices are issued to customers. No impairment losses on contract assets have been recognized during 2021 or 2020.

Refer to note 13 for loss allowance related to trade receivables.



Fred. Olsen Windcarrier

Note 10 - Cash and cash equivalents and restricted cash

Accounting policies

Cash and cash equivalents include cash, bank deposits and other short-term highly liquid assets that are readily convertible to known amounts of cash and which are subject to insignificant changes in value.

(All figures in EUR 1.000)	2021	2020
Bank balances	36 103	31 082
Payroll tax withholdings	305	305
Cash and cash equivalents	36 408	31 387

(All figures in EUR 1.000)	2021	2020
Advanced payment guarantees	4 143	4 397
Restricted bank balances	4 143	4 397

The restricted bank balances of EUR 4.1 million (2020: EUR 4.4 million) is related to advanced payment guarantees required by customers when signing a charter contract. The advance payments will be released from the restricted account, and the related contract liability recorded as revenue, during the operational phase of the respective project.

In addition, as per 31 December 2021, Fred. Olsen Ocean Ltd has performance guarantees amounting to EUR 12.1 million (EUR 12.6 million) issued through the Tryg Guarantee Facility covering the performance obligations of the Group under various commercial Vessel contracts.



Fred. Olsen Windcarrier

Note 11 - Interest bearing loans and borrowings

Accounting policies

Borrowing costs

Borrowing costs are recognized in the statement of comprehensive income when they arise. Borrowing costs are capitalized to the extent that they are directly related to the purchase, construction or production of a non-current asset. The interest costs accrued during the construction period until the non-current asset is capitalized. Borrowing costs are capitalized until the date when the non-current asset is ready for its intended use.

	Interest rate	Maturity date	Currency	Outstanding amount	
				31.12.2021	31.12.2020
(All figures in EUR 1.000)					
Secured					
Bank loan DNB/SpareBank 1 ²⁾	3 month Euribor + 3.2%	2026	EUR	31 072	55 177
Bank loan DNB/SpareBank 1 (green loan) ²⁾	3 month Euribor + 3.15%	2026	EUR	27 856	14 466
Bank loan NIBC/Clifford ³⁾	3 month Euribor + 3.25%	2022	EUR	11 500	14 500
Bank loan NIBC/Clifford ³⁾	3 month Libor + 3.25%	2022	USD	12 395	14 425
Total secured debt				82 824	98 568
Unsecured					
Intragroup loans (Fred. Olsen Ocean Ltd.) ⁴⁾	3 month Euribor + margin		EUR	31 765	29 713
Shareholders loan ⁴⁾	7.5%	2022	USD	11 620	9 947
Shareholders loan	7.5%	2022	EUR	2 080	0
Capitalized loan fee				-1 065	-1 427
Total unsecured debt				44 400	38 233
Total interest bearing loans and borrowings				127 224	136 801
Of which is current interest bearing loans and borrowings				-46 941	-16 699
Total non-current interest bearing loans and borrowings excl. the 1st year's principal repayments				80 283	120 102

¹⁾ The loans can be terminated by either party with 13 months notice, and therefor classified as long term in 2021.

Bank loans

Bank loans are secured by the Group's assets as described in Note 7.

Fred. Olsen Windcarrier has two long-term non-recourse debt financing arrangements related to the three offshore wind turbine transportation and installation jack-up vessel under its indirect ownership (Brave Tern, Bold Tern and Blue Tern). These agreements were entered into in June 2020 and in conjunction therewith, a green loan framework were established, which enables new investments to be financed with green loans. This Green Loan Framework is aligned with the LMA/APLMA Green Loan Principles (the "GLP") published in 2018 and has been prepared in cooperation with DNB, acting as Green Loan Advisor, with an eligibility assessment from DNV GL.

²⁾ For Brave Tern and Bold Tern, the arrangement was a new EUR 75 mill., 6 years facility with DNB Bank ASA and SpareBank 1 SR-Bank ASA. The amount refinanced the existing debt facility and will further contribute to the financing of the crane upgrade on Brave Tern. As per 31 December, approximately EUR 27.9 million of the outstanding EUR 58.9 million is converted to the green loan facility covered by the green loan framework. The debt is repaid according to the repayment schedule in the loan agreement, and can not be redrawn. On 24 January 2022, the Company entered into an agreement for an increase of the available amount under the Fleet Financing Facility Agreement by a EUR 35 million revolving facility tranche (RCF) with a margin of 3.20%.

³⁾ For Blue Tern, (51% owned), the financing with NIBC and Clifford, of which EUR 23.9 million is outstanding as at 31st December 2021, was extended by approximately 2.5 years and matures end 2022.

⁴⁾ Blue Tern Holding AS had per year end 2021 shareholder loans of USD 13.2 million (EUR 11.6 million) and EUR 2.078 from the 49 % owner of the company and KV Enterprises B.V., a wholly owned subsidiary of Keppel Offshore and Marine Ltd. The interest rate is fixed 7.5%.

Payments of principal and interest under the Blue Tern Shareholder loan are restricted until the liabilities under the Blue Tern Facilities Agreements with NIBC and Clifford have been fully discharged.

Financial covenants / Minimum value

According to covenants in the loan agreement with DNB Bank ASA and SpareBank 1 SR-Bank ASA, the Qualified Group (excluding Blue Tern Holding AS, Blue Tern Operations AS, and Blue Tern B.V. (together, the "Blue Tern Group")) shall comply with the following requirements:

- Equity Ratio: Minimum 0.35 to 1.0
- Minimum cash: Minimum EUR 8.5 million or 7.5% of net interest bearing debt (whichever is the higher).
- Minimum Value: "Bold Tern" and "Brave Tern" vessel's fair market value to be at least 160% of the outstanding loans.

Further, in line with the covenants in the loan agreement with NIBC and Clifford, Blue Tern Group has to maintain:

- Minimum cash on earnings account: Minimum EUR 2 million
- Minimum Value: "Blue Tern" vessel's fair market value to be at least 170 % of the outstanding loans.

As per 31.12.2021, the Company is not in breach with the covenants, and has not been in breach in the period covered by this annual report.



Fred. Olsen Windcarrier

(Note 11 continued)

Reconciliation of movements of interest bearing loans and borrowings to cash flows arising from financing activities:

(All figures in EUR 1.000)	Interest bearing loans and borrowings			Total
	Lease liabilities	Other interest bearing loans	Equity	
Balance as per 1 January 2021	8 022	136 801	239 791	384 614
<i>Changes from financing cash flows</i>				
Proceeds from borrowings	0	4 952	0	4 952
Repayment of borrowings	0	-16 787	0	-16 787
Repayment of lease liabilities	-5 619	0	0	-5 619
Total changes from financing cash flows	-5 619	-11 835	0	-17 454
Effect on liabilities of changes in foreign exchange rates	367	1 896	0	2 263
Comprehensive gain for the period	0	0	16 434	16 434
Other	-35	362	0	327
Balance as per 31 December 2021	2 735	127 224	256 225	386 184
Balance as per 1 January 2020	19 297	250 191	170 487	439 975
<i>Changes from financing cash flows</i>				
Group contribution	-	-	71 952	71 952
Proceeds from borrowings	-	84 102	-	84 102
Repayment of borrowings ¹⁾	-	-147 409	-	-147 409
Repayment of lease liabilities	-9 466	-	-	-9 466
Total changes from financing cash flows	-9 466	-63 307	71 952	-821
Effect on liabilities of changes in foreign exchange rates	-858	-	-	-858
Effect from sales of Global Wind Services ²⁾	-	-13 614	-4 432	-18 046
Comprehensive gain for the period	-	-	1 784	1 784
Proceeds from sale of shares in subsidiaries ⁴⁾	-	-36 469	-	-36 469
Reduced lease payment	-951	-	-	-951
Balance as per 31 December 2020	8 022	136 801	239 791	384 614
¹⁾ Repayment of borrowings	-183 878			
Proceeds from sale of shares in subsidiaries ²⁾	36 469			
Total	-147 409			

²⁾ The sales price for the Shares is EUR 36 469 thousand and the settlement is done with a seller credit which is set off against Fred. Olsen Windcarrier AS's debt to Fred. Olsen Ocean Ltd.



Fred. Olsen Windcarrier

Note 12 - Income tax and deferred tax

Accounting policies

Income tax

Income tax expense comprises current and changes to deferred tax. The Group of companies is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provisions for income taxes.

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/expense assets are calculated on all differences between the book value and tax value of assets and liabilities, with the exception of:

- (i) temporary differences linked to goodwill that are not tax deductible
- (ii) temporary differences related to investments in subsidiaries, associates or joint ventures when the Group controls when the temporary differences are to be reversed and this is not expected to take place in the foreseeable future.

Deferred tax assets and liabilities are recognized with the net amount if:

- i) there is legally enforceable right to offset current tax liabilities and assets,
- ii) they relate to income taxes levied by the same tax authority on the same taxable entity,
- iii) on different tax entities if they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax and deferred tax assets are measured on the basis of the expected future tax rates applicable to the companies in the Group where temporary differences have arisen.

Tax rates

Tax rates in Norway for the income year 2021 was 22 % (2020: 22 %).

Income tax expense:

(All figures in EUR 1,000)	2021	2020
Current tax:		
Tax payable	2 126	1 144
Deferred tax		
Changes in deferred tax	-850	-2 016
Changes in tax rate	0	0
Income tax expense / (income) continuing operations	1 276	-872

A reconciliation of the effective rate of tax:

(All figures in EUR 1,000)	2021	2020
Profit/(loss) before tax from continuing operations	17 767	-20 903
Income taxes calculated	22,0 %	3 909
Effect of other tax rates in subsidiaries	-20,5 %	-3 640
Permanent differences	18,6 %	3 309
Tax exempt income within tonnage tax regimes (Norway)	-17,7 %	-3 151
Changes in deferred tax asset not recognised	-2,7 %	-476
Recognition of tax effect of previously unrecognised tax losses	-3,9 %	-700
Changes in estimates related to prior years	-0,5 %	-90
Other differences	7,3 %	1 299
Effect of translation differences	4,6 %	815
Income tax income / (expense)	7,2 %	1 276

Brave Tern AS and Bold Tern AS are within the Norwegian tonnage tax regime. This implies that the companies pay a fixed tax amount per net tonne of vessel, rather than paying taxes based on shipping income.

Deferred tax assets and liabilities:

The tax effects of temporary differences and tax loss carryforwards giving rise to deferred tax assets and liabilities were as follows as of 31 December 2021 and 31 December 2020:

(All figures in EUR 1,000)	Assets		Liabilities		Net	
	2021	2020	2021	2020	2021	2020
Gain or loss accounts	69	85	-1 024	0	-955	85
Tax losses carried forward	5 344	2 054	-1 375	0	3 968	2 054
Shares and bonds	0	0	0	0	0	0
Loans and borrowings	0	0	0	0	0	0
Inventories	0	0	0	0	0	0
Other	0	0	-372	-424	-372	-424
Net tax assets / (liability)	5 412	2 139	-2 772	-424	2 641	1 715
Offset	-1 921	-424	1 921	424	0	0
Net tax assets / (liability)	3 491	1 715	-850	0	2 641	1 715

As at 31 December 2021, approximately EUR 3.5 million of the deferred tax assets are available to offset the taxable income in Norway. The Group has EUR 5.1 million in Norway, EUR 1.7 million in Malta and EUR 0.6 million in other countries as deferred tax asset not recorded in the Statement of Financial Position due to uncertainty of the level of the future suitable taxable profits in taxable jurisdictions. The tax losses carried forward have no expiry date.



Fred. Olsen Windcarrier

Note 13 - Financial Instruments

(All figures in EUR 1.000, unless stated otherwise)

Accounting policies

Classification of financial assets and liabilities

Non-derivative financial instruments comprise investments in debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. The Group of companies holds derivative financial instruments to hedge parts of its foreign currency and interest rate risk exposures. Since the profiles, maturities and other terms of the swaps do not match the underlying liabilities perfectly, the swaps are not accounted for using hedge accounting.

All financial debt instruments are classified based on the entity's business model for managing the asset and the asset's contractual cash flow characteristics, as follows:

- Amortised cost - a financial asset is measured at amortised cost if both of the following conditions are met:
 - the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
 - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment

The impairment model applicable to financial assets, measured at amortized cost, is a forward-looking "expected credit loss" (ECL) model. This requires forward looking judgements of two classifications:

- 12-month ECLs resulting from possible default events within the 12 months after the reporting date.
- Lifetime ECLs resulting from possible default events over the expected life of a financial instrument.

Accounting classification and fair values

Financial assets and liabilities in the Group of companies consist of investments in other companies, trade and other receivables, cash and cash equivalents, interest rate instruments, forward foreign exchange contracts, trade and other payables, right-of-use liabilities, and borrowings.

The following table below shows the carrying amounts of the financial assets and financial liabilities, including their levels in the fair value hierarchy. The carrying amounts of trade receivables, contract assets, cash equivalents and other payables is used as approximation to fair values because of the short maturities of those instruments.

For financial instruments measured at fair value, the levels in the fair value hierarchy are:

- Level 1: Fair values are based on prices quoted in an active market for identical assets and liabilities.
- Level 2: Fair values are based on price input other than quoted prices. Such prices are derived from observable market transactions in an active market for identical assets or liabilities. Level 2 includes currency or interest derivatives, typically when the Group of companies uses forward prices on foreign exchange rates or interest rates as inputs to valuation models.
- Level 3: Fair values are based on unobservable input, mainly based on internal assumptions used in absence of quoted prices from an active market or other observable price inputs.

Classification and measurement of financial assets and liabilities

Financial assets	Classification	Level	Carrying amount	Carrying amount
			31.12.2021	31.12.2020
Trade receivables	Amortised cost		25 545	24 457
Contract assets	Amortised cost		318	1 376
Cash and cash equivalents	Amortised cost		36 408	31 387
Total financial assets			62 271	57 220

Financial liabilities	Classification	Level	Carrying amount	Carrying amount
			31.12.2021	31.12.2020
Interest rate/currency swaps	Fair value - FVTPL	2	0	581
Secured loans	Other fin. liabilities		82 824	98 568
Lease liability	Other fin. liabilities		2 736	8 022
Unsecured loans	Other fin. liabilities		44 400	38 233
Other payables	Other fin. liabilities		9 097	10 139
Total financial liabilities			139 057	155 543

Impairment of financial assets

The Group's financial assets were considered to have low credit risk per 31 December 2021. Historically, losses on receivables have been insignificant in the Group. Based on the group's assessment, no significant loss allowance are deemed necessary per 31 December 2021 or 31 December 2020.



Fred. Olsen Windcarrier

(Note 13 continued)

General

The Group is exposed to various financial risk factors through its operating activities. The factors include market risks (currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The management seeks to minimise the risks and monitors the financial markets closely.

Fair values versus carrying amounts

Unless otherwise stated, the net book values are presumed to reflect the fair value of financial assets and liabilities.

Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the reporting date was:

	Note	2021	2020
Short term receivables	9	30 194	25 620
Contract assets	9	318	1 376
Derivatives	9	317	0
Cash and cash equivalents	10	36 408	31 387
Total		66 920	58 583

Impairment losses

The aging of trade receivables at the reporting date was:

	2021		2020			
	Gross	Loss allowance	Net balance	Gross	Loss allowance	Net balance
Not past due	25 376	0	25 376	23 407	0	23 407
Past due 0 – 30 days	162	0	162	0	0	0
Past due 31 – 180 days	1 088	0	1 088	947	0	947
Past due 181 – 365 days	23	0	23	1 646	-180	1 466
More than one year	3 861	0	3 861	0	0	0
Total	30 510	0	30 510	26 000	-180	25 820

No impairment losses on contract assets have been recognized during 2021 or 2020.

Based on historic default rates, the Group of companies believes that limited impairment allowance is necessary in respect of trade receivables not past due or past due by up to 30 days. Lifetime expected credit losses has been assessed for other receivables, but the Group has assessed the risk of losses to be insignificant that no provision for losses has been made on all receivables. The Group's customer base consists of few customers with high creditworthiness.

Liquidity risk

The Group is exposed to liquidity risk when payments of financial liabilities do not correspond to the cash flow from net profit. In order to effectively mitigate liquidity risk, the Group's risk management focuses on maintaining sufficient cash and committed credit facilities. Moreover, the liquidity risk management focuses on maximising the return on surplus cash as well as minimising the cost of short term borrowing and other transaction costs. In order to uncover future liquidity risk, the Group forecasts both short-term and long-term cash flows. Cash flow forecasts include cash flows stemming from operations, investments and financing activities.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	Carrying amount	Contractual cash	2022	2023	2024	2025	2026 and thereafter
Non-derivative financial liabilities - external	95 459	104 853	51 595	10 543	10 251	8 379	24 085
Non-derivative financial liabilities - Group companies	31 765	33 945	1 090	32 855	0	0	0
Lease obligations	2 736	2 757	2 757	0	0	0	0
Other payables	9 097	9 097	9 097	0	0	0	0
Non-derivative financial liabilities - total	139 057	150 651	64 539	43 398	10 251	8 379	24 085



Fred. Olsen Windcarrier

Currency Risk

The Group's financial statements are presented in EUR, and most of the subsidiaries uses EUR as their functional currencies. The revenues mainly consist of EUR. The operating expenses mainly consist of EUR, USD, GBP and NOK.

The Group is exposed to foreign currency risks related to its operations and debt instruments. As such, the earnings are exposed to fluctuations in the currency markets. The future foreign currency exposure depends on the currency denomination of future operating revenues and expenses. In the longer term, parts of the currency exposures are neutralised due to the majority of the Group's debt is denominated in the same currencies as the revenues.

The management monitors the currency markets closely. In order to reduce the impact of currency rate fluctuations on the net income and the statement of financial position, currency contracts are entered into when considered appropriate.

The Group's exposure to foreign currency risk was as follows based on notional amounts:

The figures are not directly comparable to the figures in the statement of financial position, as the statement of financial position shows the figures in EUR, net of intra group eliminations.

(Figures in 1.000, local currency)	31 December 2021			31 December 2020		
	NOK	USD	GBP	NOK	USD	GBP
Trade receivables	0	0	0	0	0	0
Loans and borrowings	0	-29 555	0	0	-29 907	0
Cash and bank	10 499	450	76	19 656	222	110
Trade and other payables	-3 313	-3 833	-17	-1 966	-12 733	0
Gross statement of financial position exposure	7 186	-32 938	59	17 690	-42 418	110

Currency sensitivity analysis

A 10 percent strengthening of the EUR against the following currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2020.

Effects in EUR 1.000

	31.12.2021	31.12.2020
NOK	-65	-154
USD	2 863	3 142
GBP	-6	-11

The following significant exchange rates applied during the year:

	Average		Reporting date Spot rate	
	2021	2020	2021	2020
EUR/USD	1,183	1,139	1,133	1,227
EUR/NOK	10,163	10,726	9,989	10,470
EUR/GBP	0,860	0,889	0,840	0,899



Fred. Olsen Windcarrier

(Note 13 continued)

Market risk

Interest rate risk

The Group is exposed to variations in interest rates since its debt is based on floating interest rates in EUR and USD.

A change of 100 basis points in interest rate at the reporting date would have increased (decreased) equity and profit or loss by the amounts indicated below. The analysis is on a pre-tax basis and assumes that all other variables, in particular foreign currency rate, remain constant. Change in the market value of interest rate swap agreements are not included. The analysis is performed on the same basis as for 2020.

	100 bp increase	100 bp decrease
31 December 2021		
Net interest cost	-965	965
31 December 2020		
Net interest cost	-966	966

Bunkers price risk

The Group is exposed to bunker price fluctuations.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

Note 14 - Directors, officers and employees

There are three Director of the Board at the end of the year 2021. No fee has been paid to the Board. This is consistent with year 2020.

At year end the Group employed a total of 60 persons (2020: 58). Further, the following parent/subsidiaries had employees;

- Fred. Olsen Windcarrier ASA, Oslo office with 51 employees (2020: 49 employees)
- Fred. Olsen Windcarrier A/S Denmark with 9 employees (2020: 9 employees)

Note 15 - Fleet

Vessel	Gross tonnage	Year built	Ship yard	Next class renewal	Technical Manager
Transport and installation vessels					
Brave Tern	15 328	2012	Lamprell Energy Ltd, Dubai	2022	Fred. Olsen Windcarrier AS
Bold Tern	15 328	2013	Lamprell Energy Ltd, Dubai	2023	Fred. Olsen Windcarrier AS
Blue Tern	19 697	2012	Keppel Fels, Singapore	2022	Fred. Olsen Windcarrier AS



Fred. Olsen Windcarrier

Note 16 - Related party information

In the ordinary course of business, the Group recognises revenues and expenses with related companies, which may have a significant impact on the Group's consolidated financial statements. Other related parties relate entirely to Bonheur ASA, which are the owners of the Group, and their subsidiaries. Transactions with such companies were made on terms equivalent to those that prevail in arm's length transactions. There are no transactions with key management personnel of the Company or its Group. Salaries to management is included in the management fee classified as other operating expenses.

(All figures in EUR 1.000)	2021	2020
Revenue		
Fred. Olsen Cruise Lines Ltd.	2 008	1 842
Universal Foundation A/S	274	0
Fred. Olsen Ocean AS	59	10
Fred. Olsen Crewing and Consultancy Services Ltd	0	64
Fred. Olsen Renewables AS	0	47
Operating expenses		
Fred. Olsen Ocean AS	2 800	2 604
Fred. Olsen Crewing and Consultancy Services Ltd	9 280	10 423
Fred. Olsen Marine Services AS	1 906	95
Bahia Shipping Services Inc.	70	59
Keppel Fels companies	137	213
Global Wind Services A/S	145	7 385
Interest expenses		
Fred. Olsen Ocean Ltd	785	592
Keppel Fels companies	929	782
Guarantee expenses		
Bonheur ASA	0	316
Fred. Olsen Ocean Ltd	0	140
Accounts receivables		
Fred. Olsen Crewing and Consultancy Services Ltd	26	90
Fred. Olsen Ocean Ltd.	3 861	3 861
Fred. Olsen Ocean AS	60	11
Universal Foundation A/S	60	0
Accounts payable		
Fred. Olsen Ocean Ltd	2 052	0
Fred. Olsen Ocean AS	0	116
Fred. Olsen Marine Services AS	79	26
Fred. Olsen Crewing and Consultancy Services Ltd	190	289
Short term interest bearing debt		
Keppel Fels companies	13 700	0
Long term interest bearing debt		
Fred. Olsen Ocean Ltd	29 713	29 713
Keppel Fels companies	0	9 947

Fred. Olsen Windcarrier

Note 17 - Discontinued operation

Accounting policies

A separate line of business, such as an operating segment, is classified as discontinued operations, if it is part of one single plan to dispose of the business. Classification as a discontinued operation occurs at the earlier of a disposal or when the operation meets the criteria to be reclassified as held for sale or by loss of control. Loss of control can also happen without a change in relative ownership levels or in the absence of a transaction. The comparative statement of profit or loss of a discontinued operation, is re-presented as if the operation had been discontinued from the start of the comparative year.

Description

Global Wind Services A/S was sold to Fred. Olsen Ocean Ltd. with effect from 12 June 2020.

The subsidiary was not previously classified as held-for-sale or as discontinued operation. The comparative consolidated statement of profit or loss and OCI has been re-presented to show the discontinued operation separately from continuing operations. All consolidation procedures are still applicable, and only external revenue and expenses are shown as discontinued operations. To achieve this presentation, management has eliminated from the results of the discontinued operation the intercompany sales to Fred. Olsen Windcarrier Group made before its disposal. External revenue and expenses, relating to the discontinued operation for the period to the date of disposal is set out below. In addition, intercompany sales to Fred. Olsen Windcarrier Group for the same periods were EUR 3.931 thousand in 2020.

The sales price for the Shares is EUR 36 469 thousand and the settlement is done with a seller credit which is set off against Fred. Olsen Windcarrier AS's debt to Fred. Olsen Ocean Ltd.

Financial performance and cash flow information

The financial performance and cash flow information presented are for the period ended 12 June 2020.

Results of discontinued operations

(Figures in EUR 1,000)	2020
External revenue	78 607
External expenses	-77 168
Result from operating activities	1 439
Interest income	1
Other finance income	39
Finance income	40
Interest expenses	-281
Other finance expenses	-46
Finance expenses	-327
Net finance income / (expense-)	-287
Income tax	-1 436
Result from operating activities, net of tax	-284
Gain on sale of discontinued operation	22 317
Profit / (loss-) from discontinued operations, net of tax	22 033

Allocated to shareholders of the parent:

Basic / Diluted earnings / (loss-) per share (EUR) 4,42

The profit from the discontinued operation of EUR 22.1 million is attributable to the owners of the Company, while a loss of EUR 70 thousand is attributable to the non-controlling interests.



 **Fred. Olsen Windcarrier**

(Note 17 continued)

Cash flows from (used in) discontinued operation

(Figures in EUR 1,000)	2020
Net cash from operating activities	6 604
Net cash from investing activities	18
Net cash from financing activities	531
Net cash flows from the year	7 153

Effect of disposal on the financial position of the Group

(Figures in EUR 1,000)	12.06.2020
Deferred tax assets	-1 923
Intangible assets	-2 709
Property, plant and equipment	-11 436
Other Non-Current assets	-3
Trade and other receivables	-40 036
Contract assets	-14 546
Cash and cash equivalents	-4 142
Deferred tax liabilities	167
Employee benefits	-
Non-current Interest bearing loans and borrowings	7 112
Other current liabilities	2 332
Current tax	974
Current Interest bearing loans and borrowings	16 622
Trade and other payables	27 209
Net assets and liabilities	-18 379
Cash and cash equivalents disposed of	-4 142
Net cash inflows	-4 142



Fred. Olsen Windcarrier

Note 18 - Earnings per share

Accounting policies

The Group presents basic and diluted earnings per share (EPS) data for its shares. Basic EPS is calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the period. Average number of outstanding shares during the period are based on number of outstanding shares per year end. Shares outstanding is total shares issued net of treasury shares (which have been zero).

Profit (loss-) attributable to ordinary shareholders

(Figures in EUR 1,000)	2021	2020
Profit / (loss-) for the year (shareholders of the parent)	17 316	7 959
Average number of outstanding shares during the year 1)	5 000	5 000
Basic earnings per share	3,463	1,592
Profit / (loss-) for the year - Continuing operations	17 316	-14 144
Average number from continuing operations outstanding during the year 1)	5 000	5 000
Basic earnings per share - Continuing operations	3,463	-2,829
Profit / (loss-) for the year - Discontinued operations	0	22 103
Average number from discontinued operations outstanding shares during the year 1)	0	5 000
Basic earnings per share - Discontinued operations	0,000	4,421

Within the Group there are no financial instruments with possible dilutive effects, and basic and dilutive EPS are the same.

Weighted average number of ordinary shares

	2021	2020
Issued ordinary shares at 1 January	5 000 000	5 000 000

1) Weighted average number of ordinary shares during 2021 and 2020 are based on number of outstanding shares per 31.12.2021 and 31.12.2020.

Note 19 - Capital commitments

(Figures in EUR 1,000)	Committed	Per year end 2021	
		Capitalised	Remaining
New crane and upgrades Bold Tern	61 300	34 941	26 359
New crane Brave Tern	36 600	3 605	32 995
Total	97 900	38 546	59 354

(Figures in EUR 1,000)	Committed	Per year end 2020	
		Capitalised	Remaining
New crane and upgrades Bold Tern	61 300	14 093	0
Total	61 300	14 093	0

Capitalised means paid and included in property, plant and equipment.

Note 20 - Trade and other payables

(Figures in EUR 1,000)	2021	2020
Trade payables due to group companies	0	3 581
Other trade payables	2 619	3 871
Total trade payables	2 619	7 452
Other payables	7 318	7 229
Provision regarding NAV case ¹⁾	1 641	1 641
Accrued interest	138	0
Other payables due to group companies	0	1 267
Fair value on derivatives	0	581
Total other payables	9 097	10 719
Total trade and other payables	11 717	18 171



 **Fred. Olsen Windcarrier**

(Note 20 continued)

¹⁾ Between 2012 and 2020, certain seafarers were hired by Fred. Olsen Crewing and Consulting Services Ltd. in Malta, a company which was registered with the Norwegian Register of Businesses as a Norwegian branch of a foreign company, wrongfully believed to be exempt from Maltese social security and eligible for membership in Norwegian social security. The Norwegian Labour and Welfare Administration ("NAV") was made aware of this misunderstanding in 2020 and has since rescinded the respective seafarers' memberships in Norwegian social security. The case is primarily centred around the seafarers' loss of pension and rights within the Norwegian social security system for the relevant time period. The Company is investigating alternative arrangements to correct the errors in registration in Malta and Norway, and to compensate the crew members. The Company's current estimate, when disregarding the amounts that potentially have to be paid to Malta (which is assumed to be a smaller amount) and assuming that around NOK 5.2 million of the amounts paid to NAV over the last three years is recovered, the net loss for the Company in this matter is estimated at NOK 17.2 million. A provision was made at 31 December 2020.



Fred. Olsen Windcarrier

Note 21 - Leases

Effects from implementation of IFRS 16

The Group has adopted IFRS 16 Lease contracts from 1 January 2019. The new standard has changed the definition of lease contracts and changed which contracts that will fall within the standard and how these should be accounted for. IFRS 16 has introduced a balance sheet lease accounting where a lessee will recognize a right of use asset and a corresponding lease liability in the consolidated Statement of Financial Position. For the Group the effects of implementing IFRS 16 was limited per 1 January 2019, using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17.

IAS 17 Accounting principles

At the inception of an arrangement, the Group determines whether the arrangement is or contains a lease and separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payment reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

The jack-up vessel Jill was chartered from May 2019 and before this, the continuing Group had no financial leases. Jill was redelivered to the owner during the third quarter 2021, refer to details under Lease obligations below.

Leases as lessee

Accounting policies

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

IFRS 16 introduces a balance sheet lease accounting where a lessee will recognize a right of use asset and a corresponding lease liability. At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. Right-of-use assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Group has some leases of low-value items which the Group has elected not to recognize as right-of-use assets and lease liabilities.

Right-of-use assets

The right-of-use assets relates to a lease contract for a vessel in the continuing operations, while land and buildings and other fixed assets relates to the discontinued operations.

(Figures in EUR 1,000)	Vessel	Land and buildings	Other fixed assets	2021 RoU assets
Balance at 1 January	1 658	0	0	1 658
Depreciation charge for the year	-1 625	0	0	-1 625
Impairment	0	0	0	0
Additions to right-of-use assets	0	0	0	0
Derecognition Global Wind Service A/S	0	0	0	0
Derecognition of right-of-use assets	-33	0	0	-33
Currency differences	0	0	0	0
Balance at 31 December	0	0	0	0

(Figures in EUR 1,000)	Vessel	Land and buildings	Other fixed assets	2020 RoU assets
Balance at 1 January	4 806	643	1 633	7 082
Depreciation charge for the year	-2 622	-105	-266	-2 993
Impairment	-526	0	0	-526
Derecognition Global Wind Service A/S	0	177	437	0
Additions to right-of-use assets	0	-699	-1 771	-2 470
Derecognition of right-of-use assets	0	0	0	0
Currency differences	0	-16	-33	-49
Balance at 31 December	1 658	0	0	1 658

Lease obligations

Jill was redelivered to the owner during the third quarter 2021 after an early termination of the contract. The amount of charter hire for the period from the early termination of the Jill Time Charter until its expiry has not been paid and is recognized as a lease obligation in the statement of financial position as of 31 December 2021. There is a potential dispute regarding the early termination.

Amounts recognized in profit or loss from continuing operations

(Figures in EUR 1,000)	2021	2020
Depreciation charge for the year	1 625	2 622
Interest on lease liabilities	196	784
Expenses related to short-term leases	232	268

Amounts recognized in statement of cash flow from continuing operations

(Figures in EUR 1,000)	2021	2020
Total cash outflow from leases continuing operations	5 978	10 418

Refer to note 13 for maturity table related to lessee accounting.



Fred. Olsen Windcarrier

(Note 21 continued)

For further details related to lessor accounting, see note 2.

Leases as lessor

Accounting policies

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on their relative stand-alone prices.

When the Group act as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, The Group consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15, Revenue from contracts with customers, to allocate the consideration in the contract. The Group applies the derecognition and impairment requirements in IFRS 9, Financial instruments, to the net investment in the lease.



Fred. Olsen Windcarrier

Note 22 - Pension obligations

Accounting policies

Defined benefit plans

The Company has pension plans for employees which provide for a defined pension benefit upon retirement (Defined benefit plans). These pension schemes are accounted for in accordance with IAS19.

The calculation of the liability is made on a linear basis, taking into account assumptions regarding the number of years of employment, discount rate, future return on plan assets, future changes in salaries and pensions, the size of defined national contributions and actuarial assumptions regarding mortality, voluntary retirement etc. Plan assets are stated at fair values. Net pension liability comprises the gross pension liability less the fair value of plan assets. Net pension liabilities from under-funded pension schemes are included in the balance sheet as long-term interest free debt, while over-funded schemes are included as long-term interest free receivables, if it is likely that the over-funding can be utilized. The effect of retroactive plan amendments without future benefits, are recognized in the income statement with immediate effect. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) are recognized immediately in other comprehensive income.

Net pension cost, which consists of gross pension cost, less estimated return on plan assets adjusted for the impact of changes in estimates and pension plans, are classified as an operating cost, and is included in the line item "operating expenses".

Pension schemes base the discount rate on the yield of long term covered bonds (OMF) at the statement of financial position date, adjusted to reflect the terms of the obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the calculation results in a benefit to the Company, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

When benefits of a plan are improved, the portion of the increased benefit relating to past service is recognised as an expense in the income statement on a straight-line basis until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised in the income statement.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group of companies has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Accounting estimate – pension obligation

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions will impact the calculated pension obligations. The Group of companies determines the appropriate discount rate at the end of each year. This rate is used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. The rate used for Norwegian subsidiaries is based on 10-year government bonds or OMF rate. Beyond 10 years the rate has been based on an extrapolation of the government bond rate and long-term swap rates for the relevant period. Other key assumptions for pension obligation are based on current market conditions.

Pension plans

Employees who were employed before 1 June 2012, are members of Fred Olsen & Co. Pension Fund. Members of the pension fund have the right to future pension benefits (defined benefit plans) based upon the number of contribution years and salary level at retirement. The pension scheme is administrated by Fred. Olsen & Co.'s Pension Fund, which is a separate legal entity, mainly investing its funds in interest bearing securities and shares in Norwegian listed companies.

It was decided to implement a transition from the current Defined Benefit Scheme to a Defined Contribution Scheme. All persons employed after 1 June 2012 will be offered a Defined Contribution Scheme. For all those who were employed before June 2012 there was an option to choose between these two alternatives. All employees as at June 2012 decided to keep their defined benefit plans. At the end of 2021, the numbers of members in the Defined Benefit Plans were 11 (2020: 13 members).

Plan contributions made by the Group of companies aggregated EUR 381 thousand and EUR 427 thousand for 2021 and 2020 respectively. The contributions is recognized as employee benefit expense when due.

The pension schemes are accounted for in accordance with IAS 19. The pension plans meet the Norwegian requirements for a Mandatory Service Pension (OTP).



Fred. Olsen Windcarrier

(Note 22 continued)

The status of the defined benefit obligation is as follows:

(Figures in EUR 1,000)	2021	2020
Present value of unfunded obligations	-799	-751
Present value of funded obligations	-11 180	-10 323
Total present value of obligations	-11 979	-11 074
Fair value of plan assets	10 422	9 945
Present value of net obligations (-) / assets	-1 557	-1 129
Recognised net overfunding/obligation (-) for defined benefit obligations	-1 557	-1 129
Hereof unfunded pension plans (net liability)	-799	-751
Hereof funded pension plans	-758	-378
Recognised net overfunding/obligation (-) for defined benefit obligations	-1 557	-1 129

At the balance sheet date plan assets are valued using market prices. This value is updated yearly in accordance with statements from the Pension Fund. There are no investments in the ultimate parent, Bonheur ASA or in property occupied by the Group of companies.



 **Fred. Olsen Windcarrier**

(Note 22 continued)

Movements in net defined benefit liabilities:

(Figures in EUR 1,000)	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	2021	2020	2021	2020	2021	2020
Balance at 1 January - Funded obligation	-10 323	-11 324	9 945	11 309	-378	-15
Pension contribution	-	-	-	351	-	351
Transfer of pension obligation	-	-	-	-	-	-
Settlement payments from plan assets	-	-	-	-	-	-
Benefits paid by the plan	342	271	-342	-271	-	-
	342	271	-342	80	-	351
Included in profit or loss:						
Interest on obligation/plan assets	-186	-263	179	263	-7	-
Current Service cost	-364	-501	-	-	-364	-501
Net pension cost	-550	-764	179	263	-371	-501
Included in other comprehensive income:						
Actuarial gain/(loss) arising from:						
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	-185	-698	-	-	-185	-698
Experience adjustments	34	1 536	-	-	34	1 536
Return on plan assets	-	-	160	-1 052	160	-1 052
	-151	838	160	-1 052	9	-214
Foreign currency translation	-498	656	480	-655	-18	1
Balance at 31 December	-11 180	-10 323	10 422	9 945	-758	-378

Major categories of plan assets:

	2021	2020
Equity instruments	39 %	38 %
Corporate bonds	36 %	42 %
Government bonds/certificates	21 %	12 %
Other	2 %	8 %
Total plan assets	100 %	100 %

Movements in the net liability for defined benefit obligations:

(Figures in EUR 1,000)	2021	2020
Balance at 1 January - Unfunded obligations	-751	-877
Benefits paid by the plan	28	88
Transfer of pension obligation	-	-
<i>Included in profit or loss:</i>		
Interest on pension liability	-14	-20
Current service costs	-	-
Foreign currency translation	-	-
Net pension cost	-14	-20
<i>Included in equity:</i>		
Actuarial gain/(loss) arising from:		
Financial assumptions	-12	-47
Experience adjustments	-14	54
	-26	7
Foreign currency translation	-36	51
Balance at 31 December	-799	-751

Total expenses recognised in the income statement:

(Figures in EUR 1,000)	2021	2020
Current service cost	-364	-501
Interest on obligations	-200	-283
Expected return on plan assets	179	263
Net pension cost for defined benefit plans	-385	-521

Principal actuarial assumptions at the balance sheet date expressed as weighted averages:

(Figures in EUR 1,000)	2021	2020
Discount rate at 31 December	2,00 %	1,75 %
Expected return on plan assets at 31 December	2,00 %	1,75 %
Future salary increase	2,25 %	1,75 %
Yearly regulation in official pension index (G)	2,25 %	1,75 %
Future pension increases	1,50 %	1,20 %
Social security cost	14,10 %	14,10 %
Mortality table	K2013	K2013



Fred. Olsen Windcarrier

Note 23 - Non-controlling interests

Accounting policies

NCI are measured initially at their proportionate share of the acquiree's net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

31 December 2021:

(All figures in EUR 1.000)	Blue Tern Group
NCI percentage	49 %
Non-current assets	133 233
Current assets	19 544
Non-current liabilities	14 283
Current liabilities	54 161
Net assets	84 333
Net assets attributable to NCI	41 323
Revenue	30 544
Profit	-4 591
OCI	0
Total comprehensive income	-4 591
Profit allocated to NCI	-2 250
OCI allocated to NCI	0
Cash flows from operating activities	17 685
Cashflows from investment activities	-8 825
Cash flows from financing activities	755
Net increase (decrease) in cash and cash equivalents	9 615

31 December 2020:

(All figures in EUR 1.000)	Blue Tern Group	GWS
NCI percentage	49 %	24,49 %
Non-current assets	134 698	
Current assets	9 564	
Non-current liabilities	42 917	
Current liabilities	12 409	
Net assets	88 936	
Net assets attributable to NCI	43 579	
Revenue	17 461	78 591
Profit	-13 982	3 646
OCI		-
Total comprehensive income	-13 982	3 646
Profit allocated to NCI	-6 851	893
OCI allocated to NCI	-	-
Cash flows from operating activities	-7 842	
Cashflows from investment activities	-824	
Cash flows from financing activities	-1 959	
Net increase (decrease) in cash and cash equivalents	-10 625	

Note 24 - Subsequent events

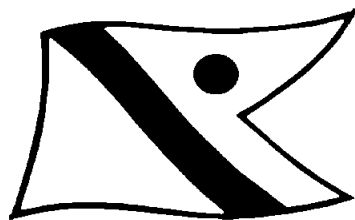
Accounting policies

Events after the reporting period date are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- (b) those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

On 3 February 2022, FOWIC announced the intention of an initial public offering ("IPO") on the Oslo Stock Exchange. During the book building the market conditions for IPOs have been severely impacted, not at least by geopolitical tensions. On 21 February 2022, FOWIC resolved to place the process on hold and will consider resuming an IPO process given i.a. improved conditions. FOWIC remains fully financed for its fleet upgrading program enabling its three vessels to efficiently install the next generation wind turbines, has a strong revenue backlog of EUR 355 million now, and will continue to pursue its long-term strategies with a view to reinforce its position in a growing market. Refer to note 2 for details regarding revenue backlog. FOWIC will continue its plan for constructing a fourth vessel to reinforce its market leading position.

The Vessels Brave Tern and the Bold Tern are financed under a fleet financing facility agreement with DNB Bank ASA and SpareBank 1 SR-Bank ASA as lenders. On 24 January 2022, the Company entered into an agreement for an increase of the available amount under the Fleet Financing Facility Agreement by a EUR 35 million revolving facility tranche (RCF) with a margin of 3.20%.



Fred. Olsen Windcarrier ASA

Parent company

Annual Report 2021



FRED. OLSEN WINDCARRIER ASA
Income statement (NGAAP)

	Note	2021	2020
(Figures in EUR 1,000)			
Other income	2, 10	14 747	14 608
Total income		14 747	14 608
Operating expenses		-1 641	-164
Salary and other personnel expenses	3, 10	-8 236	-7 676
Administration expenses	3, 10	-5 046	-4 364
Total operating expenses		-14 923	-12 204
Operating result		-176	2 404
Interest income		2	4
Interest income, Group companies		1 693	1 093
Gain sale of subsidiary	4	0	33 546
Net gain/(loss) foreign exchange		-12	50
Interest expenses		-2 125	-1 272
Interest expenses, Group companies		-119	0
Other financial income/(expenses)		-231	-96
Impairment financial assets	4, 10	-15 039	0
Net financial items		-15 831	33 325
RESULT BEFORE TAX		-16 007	35 728
Tax expense	6	-1 121	1 502
RESULT FOR THE YEAR		-17 128	37 230
Proposed allocations:			
Other equity		-17 128	37 231
Total allocations		-17 128	37 231
Received group contribution after tax		0	0
Received group contribution without tax effect		0	0
Given group contribution without tax effect		0	0



FRED. OLSEN WINDCARRIER ASA

Balance sheet (NGAAP)

	Note	31.12.2021	31.12.2020
(Figures in EUR 1,000)			
Deferred tax assets	6	1 111	2 204
Property, plant and equipment	5	1 736	1 279
Long term receivables interest bearing, Group companies	10	47 783	52 000
Investment in subsidiaries	4	310 266	310 352
Total non-current assets		360 896	365 834
Other receivables, Group companies	10	12 682	28 640
Other receivables		149	62
Cash, bank deposits	7	1 187	3 933
Total current assets		14 018	32 635
TOTAL ASSETS		374 914	398 469
EQUITY AND LIABILITIES			
Share capital		682	682
Other equity		196 225	213 370
Total equity	8	196 907	214 052
Pension liabilities	11	1 557	1 129
Long term interest bearing debt	9	48 518	57 826
Long term interest bearing debt, Group companies	9, 10	8 011	0
Total non-current liabilities		58 086	58 955
Accrued salaries, vacation pay and other personnel		1 229	1 317
Trade and other payables		2 252	731
Trade and other payables, Group companies	10	106 931	112 701
Short term interest bearing debt	9	9 509	10 714
Total current liabilities		119 921	125 462
TOTAL EQUITY AND LIABILITIES		374 914	398 469

Oslo, 3 June 2022

Board of Directors
of
Fred. Olsen Windcarrier ASA

Anette S. Olsen
Chair of the Board

Richard Olav Aa
Board member

Ingelise Amtsen
Board Member

Håkon Borgen
Board Member



FRED. OLSEN WINDCARRIER ASA

Cash Flow Statement (NGAAP)

	2021	2020
(Figures in EUR 1,000)		
Cash flow from / (used in) operating activities		
Result after tax	-17 128	37 230
Gain sale of subsidiary	0	-33 546
Impairment of investment and receivables	15 039	0
Unrealised exchange (gain)/loss	-45	-59
Tax income (-) / tax expense (+)	1 121	-1 502
Net changes in financial fixed assets	0	535
Net changes in group receivables and payables	3 264	-18 775
Changes in trade and other receivables	53	1 281
Changes in trade and other payables	1 904	-16
Cash flow from / (used in) operating activities	4 208	-14 852
Cash flows from / (used in) investing activities		
Acquisitions of property, plant and equipment	-457	-392
Cash flows from / (used in) investing activities	-457	-392
Cash flows from / (used in) financing activities		
Increase Group loans	4 217	-52 000
Increase in debt	0	73 798
Repayment of debt	-10 714	-5 357
Cash flows from / (used in) financing activities	-6 497	16 441
Net change in cash and bank deposits	-2 746	1 197
Cash and bank deposits 1 January	3 933	2 735
Cash and bank deposits 31 December	1 187	3 933



Fred. Olsen Windcarrier ASA

Note 1 - Summary of significant accounting policies - NGAAP

Fred. Olsen Windcarrier ASA (the "Company") is registered in Norway.

The accounts have been prepared in accordance with the Norwegian accounting act and generally accepted accounting principles in Norway. The annual accounts give a true and fair view of assets and liabilities, financial status and result.

1.1 Basis policies

The annual accounts are based on basic policies related to historical cost, comparability, going concern, congruence and prudence. Specific transactions are appraised equal to their compensation value.

1.2 Functional currency and presentation currency

The Company's presentation and functional currency is EUR.

1.3 Revenue recognition

Revenues are recognized in the income statement once delivery has taken place and the risk and return has been transferred. Revenues are presented net of value added tax and discounts.

Dividend income is recognized in the statement of income when the shareholders' right to receive dividend has been determined by the general meeting.

1.4 Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities.

Deferred tax assets are recognized when it is probable that the Company will have a sufficient profit for tax purposes in subsequent periods to utilize the tax asset. The companies recognize previously unrecognized deferred tax assets to the extent it has become probable that the Company can utilize the deferred tax asset. Similarly, the Company will reduce a deferred tax asset to the extent that the Company no longer regards it as probable that it can utilize the deferred tax asset.

Deferred tax and deferred tax assets are measured on the basis of the expected future tax rates applicable to the Company if temporary differences have arisen.

Deferred tax and deferred tax assets are recognized at their nominal value and classified as non-current asset investments (long-term liabilities) in the balance sheet.

Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

1.5 Classification of items in the financial statements

Assets related to receivables within one year are classified as current assets. Other assets are classified as non-current assets. An equivalent principle is applied to liabilities.

1.6 Foreign currency items

Short- and long-term monetary assets and liabilities are valued at currency rates prevailing at year end. Unrealized losses are expensed and unrealized gains are recognized as income. Transactions in foreign currencies are translated to the functional currency at exchange rates at the date of the transaction.

1.7 Valuation of receivables

Receivables are stated at face value less any expected loss.

1.8 Lease agreements

Leases in terms of which the Company transfers substantially all the risks and rewards of the ownership to the lessee are classified as financial leases. All other leases are classified as operational



Fred. Olsen Windcarrier ASA

leases. Classification is based on the substance of the contracts. The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement.

1.9 Shares and other securities

Long term investments in subsidiaries, associated companies and other shares and bonds, which are held to maturity date, are classified as financial fixed assets in the balance sheet and entered at the lower of cost and fair value. Average cost is used when gains/losses on sale of shares and bonds are calculated. Gains/losses on sale of securities are entered in the income statement as financial income/expense.

1.10 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the relevant plant and equipment and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for separately.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in profit or loss.

(ii) Residual values

Residual values are assessed at the beginning of each accounting year and constitute the basis of the depreciation for the year. Any changes in residual values are accounted for prospectively as a change in accounting estimate.

(iii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iv) Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Financially leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Machinery and Equipment	3 to 5 years
IT Equipment	5 years
Furniture and fixtures	5 years

The estimated useful lives, residual values and decommissioning costs are reviewed on a yearly basis. Any changes are accounted for prospectively as a change in accounting estimate.

(v) Impairment

The carrying amounts of the Company's property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.



Fred. Olsen Windcarrier ASA

When considering impairment indicators, the Company considers both internal (e.g. adverse changes in performance) and external sources (e.g. adverse changes in the business environment). For wind installation vessels these are analysed by reviewing day rates and broker valuations. If an indicator of impairment is identified, management estimates the amount, if any, of impairment. In order to measure potential impairment, the carrying amount is compared to the recoverable amount, which is the higher of its fair value less costs to sell and value in use. The value in use is calculated as the present value of the expected future cash flows for the individual units, requiring significant management estimates of assumptions including discount rates as well as the timing and amounts of cash flows.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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 of depreciation or amortisation, if no impairment loss had been recognised.

1.11 Cash and cash equivalents

Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of three months.

1.12 Employee benefits

Employees who were employed before 1 June 2012, are members of Fred Olsen & Co. Pension Fund. Members of the pension fund have the right to future pension benefits (defined benefit plans) based upon the number of contribution years and salary level at retirement. The pension scheme is administrated by Fred. Olsen & Co.'s Pension Fund, which is a separate legal entity, mainly investing its funds in interest bearing securities and shares in Norwegian listed companies.

The pension schemes are accounted for in accordance with NRS 6. The pension plans meet the Norwegian requirements for a Mandatory Service Pension (OTP).

1.13 Financial risk

The Company has a currency risk since the income is mainly in EUR, while the expenses are mainly in NOK.



Fred. Olsen Windcarrier ASA

Note 2 - Income

Figures in EUR 1.000

	2021	2020
Operating income	119	117
Administration income	14 628	14 491
Total income	14 747	14 608

Refer to note 10 - Related parties for overview of income from related companies.

Note 3 - Salary, personnel and administration expenses

Figures in EUR 1.000

	2021	2020
Salaries	6 499	6 040
Social security tax	835	774
Pension expenses	608	734
Other personnel expenses	294	128
Total Salary and personnel expenses	8 236	7 676
Payment to managing director:		
Salary	231	184
Bonus	33	16
Pension expenses	10	9
Total	274	209

No fees has been paid to the Board in 2021.

The Company employed 60 per 31.12.2021. The salaries also includes cost for 9 persons employed by subsidiary Fred. Olsen Windcarrier A/S Denmark working for the Company.

Average numbers of employees were 58 in 2021.

Administration expenses

The Company has paid EUR 44 462 for Statutory audit (NOK 450 050), exclusive VAT. These costs are included in the Administration expenses.



Fred. Olsen Windcarrier ASA

Note 4 - Investments in subsidiaries

Figures in Euro 1.000

	% owner- ship/voting rights	Equity	Net profit (loss)	Book value
Fred. Olsen Windcarrier A/S, Fredericia, Denmark	100%	330	-132	69
Fred. Olsen Windcarrier Holding Ltd., Malta	100%	131 671	-12	65 500
Fred. Olsen Windcarrier Ltd, UK	100%	-252	-3	0
Fred. Olsen Windcarrier GmbH, Germany ¹⁾	100%	50	39	0
Fred. Olsen Windcarrier International AS	100%	44 170	-1 087	45 488
Fred. Olsen Windcarrier Operations AS	100%	10 129	4 423	7 610
Brave Tern AS	100%	115 886	17 820	94 779
Bold Tern AS	100%	93 288	-3 494	96 820
Total investment in subsidiaries				310 266

¹⁾The investment in Fred. Olsen Windcarrier GmbH was impaired to nil in 2021.

Global Wind Services AS was sold to Fred. Olsen Ocean Ltd. in 2020.

Note 5 - Property, plant and equipment

Figures in 1.000

	Other assets	Work in progress	Machinery and equipment	2021 PPE
Accumulated cost 1 January	13	1 266	39	1 318
Reclassifications				0
Additions		456		456
Disposals				0
Accumulated cost 31 December	13	1 722	39	1 774
Accumulated depreciation 1 January	0	0	39	39
Reclassifications				0
Accumulated depreciation 31 December	0	0	39	39
Carrying value 31 December	13	1 723	0	1 736
Economic life			3 - 5 years	
Depreciation method			linear	
		Vessels	Machinery and equipment	2020 PPE
Accumulated cost 1 January	0	912	13	925
Reclassifications	13	-39	26	0
Additions	0	657	0	657
Disposals	0	-264	0	-264
Accumulated cost 31 December	13	1 266	39	1 318
Accumulated depreciation 1 January	0	39	0	39
Reclassifications	0	-39	39	0
Accumulated depreciation 31 December	0	0	39	39
Carrying value 31 December	13	1 266	0	1 279
Economic life		15 years	3 - 5 years	
Depreciation method		linear	linear	



Fred. Olsen Windcarrier ASA

Note 6 - Tax

Figures in EUR 1.000

Temporary differences between the book and tax basis of assets and liabilities, and related deferred taxes, are as follows:

Positive and (negative) temporary differences:	2021	2020
Property, plant and equipment	0	-3
Accrued income/expenses	-113	-238
Gain or loss account	-284	-338
Pension liability	-1 557	-1 129
Sum of temporary differences	-1 954	-1 708
Tax losses carryforward	-3 096	-8 310
Basis for deferred tax assets	-5 050	-10 018
Deferred tax asset	1 111	2 204
Tax payable:	2021	2020
Net result before tax	-16 007	35 729
Permanent differences	15 055	-33 545
Changes in temporary differences	-4 968	8 563
Tax losses forward not recognized previous year	0	-1 931
Estimate changes on pension directly on equity	-16	-162
Currency effect in tax filings	4 711	-8 447
Basis for tax payable	-1 225	207
Tax	-269	45
Tax payable/(income)	-269	45
Total tax expense calculated:	2021	2020
Tax payable/(income)	-269	45
Change in deferred tax	1 026	-2 008
Estimate changes on pension directly on equity	4	36
Effect of tax losses previous year	0	425
Total tax expense	760	-1 502
Tax payable in the balance sheet:		
Tax expense	0	0
Group contribution given	0	0
Total tax payable on balance sheet	0	0



Fred. Olsen Windcarrier ASA

Note 7 - Restricted funds

Of the total cash and bank deposit EUR 304 527 (NOK 3 041 846) are restricted as payroll tax.

Note 8 - Capital and reserves

Figures in EUR 1.000

The Company's share capital is EUR 682.055 divided into 5.000.000 shares at nominal value of NOK 1,- each.

The shareholder of the Company is:

Fred. Olsen Ocean Ltd., Bermuda 5 000 000 shares

	Share capital	Share premium	Other paid in capital	Other equity	Total
Balance 1 January 2020	682	61 551	114 368	0	176 601
Net result for the year				37 231	37 231
Actuarial loss on defined benefit pension plan				-207	-207
Deferred tax asset not recognized previous year				425	425
Balance 31 December 2020	682	61 551	114 368	37 449	214 050
Net result for the year				-17 128	-17 128
Group contribution received without tax effect					0
Actuarial loss on defined benefit pension plan				-16	-16
Balance 31 December 2021	682	61 551	114 368	20 305	196 907

Note 9 - Interest bearing debt

	Interest rate	2021	2020
Unsecured debt to Fred. Olsen Windcarrier Operations AS	3 month Euribor + 3,2%	8 011	0
Bank loan DNB/SpareBank	3 month Euribor + 3,2%	31 072	52 657
Bank loan DNB/SpareBank 1 (green loan)	4 month Euribor + 3,15%	27 856	16 986
Capitalized loan fee		-902	-1 103
Total interest bearing debt		66 038	68 540

Fred. Olsen Windcarrier ASA has a long-term non-recourse debt financing arrangement related to the two offshore wind turbine transportation and installation jack-up vessels under its indirect ownership (Brave Tern and Bold Tern). This agreement were entered into in June 2020 and in conjunction therewith, a green loan framework were established, which enables new investments to be financed with green loans. This Green Loan Framework is aligned with the LMA/APLMA Green Loan Principles (the "GLP") published in 2018 and has been prepared in cooperation with DNB, acting as Green Loan Advisor, with an eligibility assessment from DNV GL.



Fred. Olsen Windcarrier ASA

Note 10 - Related parties

In the ordinary course of business, the Group recognises revenues and expenses with related companies. Other related parties relate entirely to Fred. Olsen Ocean Ltd, which is the owner of the Group, and its subsidiaries.

All service between related parties are based on "arms length"-principle, and priced at cost plus a margin or market based fee.

	2021	2020
Revenue		
Fred. Olsen Operations AS	8 882	8 709
Blue Tern B.V.	-	1 833
Fred. Olsen Cruise Lines Ltd	2 008	1 842
Fred. Olsen Crewing and Consultancy Services Ltd	-	64
Blue Tern Operations AS	3 744	2 029
Fred. Olsen Renewables AS	-	47
Fred. Olsen Ocean AS	31	-
Fred. Olsen Ocean Ltd	59	-
Blue Tern AS	14	-
Salary and other personnel expenses / Administration expenses		
Fred. Olsen Windcarrier A/S	1 255	1 306
Fred. Olsen Ocean AS - Taiwan Branch	287	298
Fred. Olsen Ocean AS	2 066	1 924
Interest income		
Bold Tern AS	745	474
Brave Tern AS	898	474
Fred. Olsen Windcarrier International AS	50	-
Global Wind Service AS	-	145
Interest expenses		
Fred Olsen Windcarrier Operation AS	119	-
Accounts receivables and other current receivables		
Fred. Olsen Windcarrier International Ltd	-	9 000
Blue Tern AS	16	-
Blue Tern Operations AS	770	2 053
Bold Tern AS	1 387	474
Fred Olsen Windcarrier Operation AS	6	-
Fred. Olsen Windcarrier International AS	85	83
Global Wind Service AS	60	16
Fred Olsen Ocean Ltd	3 861	3 861
Brave Tern AS	6 473	10 332
Crewing and Consultancy Services Ltd	-	64
Fred. Olsen Windcarrier Ltd	12	-
Fred. Olsen Windcarrier Holding Ltd	-	-
Accounts payable and other current liabilities		
Fred. Olsen Windcarrier Holding Ltd	106 800	106 800
Fred. Olsen Windcarrier A/S	132	91
Fred Olsen Windcarrier Operation AS	-	1 670
Bold Tern AS	-	1 306
Long term interest bearing receivables		
Bold Tern AS	19 694	26 000
Brave Tern AS	26 000	26 000
Fred. Olsen Windcarrier International AS	2 090	-
Long term interest bearing debt		
Fred Olsen Windcarrier Operation AS	8 011	-

Fred. Olsen Windcarrier ASA has recognized a impairment loss of EUR 15 million related to intercompany loans to Fred. Olsen Windcarrier International Ltd per 31 December 2021.



Fred. Olsen Windcarrier ASA

Note 11 - Pension

Employees employed after 1 June 2012 are included in defined contribution plans. Employees who were employed before 1 June 2012 are members of Fred. Olsen & Co. pension Fund. The members of the pension fund have the right to future pension benefits (defined benefit plans) based upon the number of contribution years and salary level at retirement. The pension plans meet the Norwegian requirements for a Mandatory Company Pension (OTP).

In total, the numbers of members in the defined benefit plans by the end of 2021 were 11, and number of pensioners were 13 at the end of 2021. The pension schemes are accounted for in accordance with NRS 6.

Refer to note 22 - Pension obligations in FOWIC Group annual report for further details.

Note 12 - Subsequent events

See note 24 in Fred. Olsen Windcarrier's consolidated annual report.



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 17.09.2015	Vår dato 16.11.2015
Telefon 22078139	Deres referanse Rolf M. Normann	Vår referanse 2015/915886

FRED. OLSEN WINDCARRIER AS
Postboks 581
0106 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Fred. Olsen Windcarrier AS, org. nr. 988 598 976

Vi viser til deres brev av 17. september 2015 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Fred. Olsen Windcarrier AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Fred. Olsen Windcarrier AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fred. Olsen Windcarrier AS er eid av Fred. Olsen Ltd som er hjemmehørende på Bermuda. Selskaps virksomhet består i hovedsak av investeringer i datterselskap med aktiviteter innen transport og installasjon av vindmøller til havs og teknisk bistand til montering av vindmøller både til havs og på land. Selskapet er således holdingselskap med det meste av sine aktiviteter og drift utenfor Norge. Selskapet har datterselskaper i flere europeiske land. Arbeidsspråket er engelsk. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører

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kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut speulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *“informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet er eiet av et utenlandsk selskap. Eierkretsen er begrenset. Selskapet har flere utenlandske datterselskaper. Arbeidsspråket er engelsk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



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To the General Meeting of Fred. Olsen Windcarrier ASA

Independent Auditor's Report

Opinion

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

- The financial statements of the parent company Fred. Olsen Windcarrier ASA (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement 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 Windcarrier ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting 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 laws and regulations 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 and the other information accompanying the financial statements. The other information comprises information in the annual report, but 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 nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge

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obtained in the audit, or whether the Board of Directors' report and the other accompanying information otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. 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 legal requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements 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 and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and 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 or 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 and the Group's ability to continue as a going concern. If we conclude that a material uncertainty



Independent Auditor's Report - Fred. Olsen Windcarrier ASA

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, 7 June 2022
KPMG AS

Monica Hansen
State Authorised Public Accountant