



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	923 565 264
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	EDDA WIND ASA
Forretningsadresse:	Spannavegen 152 5535 HAUGESUND

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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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:	Ingeborg Kolbeinsen Lien
Dato for fastsettelse av årsregnskapet:	29.05.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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, 06.08.2025



Resultatregnskap

Beløp i: EUR	Note	2023	2022
RESULTATREGNSKAP			
Kostnader			
Other operating expenses	2	1 461 000	2 000 000
Sum kostnader		1 461 000	2 000 000
Driftsresultat		-1 461 000	-2 000 000
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	3	4 592 000	2 534 000
Other financial income	3,4	2 876 000	4 060 000
Net currency differences		1 052 000	-2 071 000
Sum finansinntekter		8 520 000	4 523 000
Rentekostnad til foretak i samme konsern	3	25 000	0
Annen rentekostnad		123 000	0
Other financial expenses		2 000	204 000
Sum finanskostnader		150 000	204 000
Netto finans		8 370 000	4 319 000
Ordinært resultat før skattekostnad		6 909 000	2 319 000
tax expense	5	2 122 000	0
Ordinært resultat etter skattekostnad		4 787 000	2 319 000
Årsresultat		4 787 000	2 319 000



Balanse

Beløp i: EUR	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	4	143 820 000	108 462 000
Long-term receivables		1 862 000	2 462 000
Sum finansielle anleggsmidler		145 682 000	110 924 000
Sum anleggsmidler		145 682 000	110 924 000
Omløpsmidler			
Varer			
Fordringer			
Other short-term receivables	3	2 980 000	1 071 000
Konsernfordringer	3	156 370 000	34 966 000
Sum fordringer		159 350 000	36 037 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	6	6 351 000	26 739 000
Sum bankinnskudd, kontanter og lignende		6 351 000	26 739 000
Sum omløpsmidler		165 701 000	62 776 000
SUM EIENDELER		311 383 000	173 700 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	7,8	1 071 000	644 000
Overkurs	7	271 972 000	167 478 000
Sum innskutt egenkapital		273 043 000	168 122 000



Balanse

Beløp i: EUR	Note	2023	2022
Opptjent egenkapital			
Other equity	7	7 107 000	2 321 000
Sum opptjent egenkapital		7 107 000	2 321 000
Sum egenkapital		280 150 000	170 443 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	9	19 692 000	0
Sum annen langsiktig gjeld		19 692 000	0
Sum langsiktig gjeld		19 692 000	0
Kortsiktig gjeld			
Leverandørgjeld	3	79 000	562 000
Kortsiktig konserngjeld	3	10 806 000	0
Other current liabilities	3,1	657 000	2 696 000
Sum kortsiktig gjeld		11 542 000	3 258 000
Sum gjeld		31 234 000	3 258 000
SUM EGENKAPITAL OG GJELD		311 384 000	173 701 000



Konsernets resultatregnskap

Beløp i: EUR	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Freight incom	2	36 955 000	26 930 000
Other operating income	2	2 413 000	1 496 000
Sum inntekter		39 368 000	28 426 000
Kostnader			
Payroll and remuneration	3	16 325 000	8 609 000
Depreciation	4	7 210 000	3 195 000
Other operating expenses	3,7	16 023 000	13 248 000
Sum kostnader		39 558 000	25 052 000
Driftsresultat		-190 000	3 374 000
Finansinntekter og finanskostnader			
Financial Income	11	1 543 000	386 000
Ner currency gains		132 000	64 000
Sum finansinntekter		1 675 000	450 000
Financial expense	11	5 353 000	1 890 000
Sum finanskostnader		5 353 000	1 890 000
Netto finans		-3 678 000	-1 440 000
Ordinært resultat før skattekostnad		-3 868 000	1 934 000
tax expense	9	0	0
Ordinært resultat etter skattekostnad		-3 868 000	1 934 000
Årsresultat		-3 868 000	1 934 000
Currency translation differences		39 000	-2 587 000
Sum resultatkomponenter for IFRS-foretak		39 000	-2 587 000
Totalresultat		-3 829 000	-653 000



Konsernets balanse

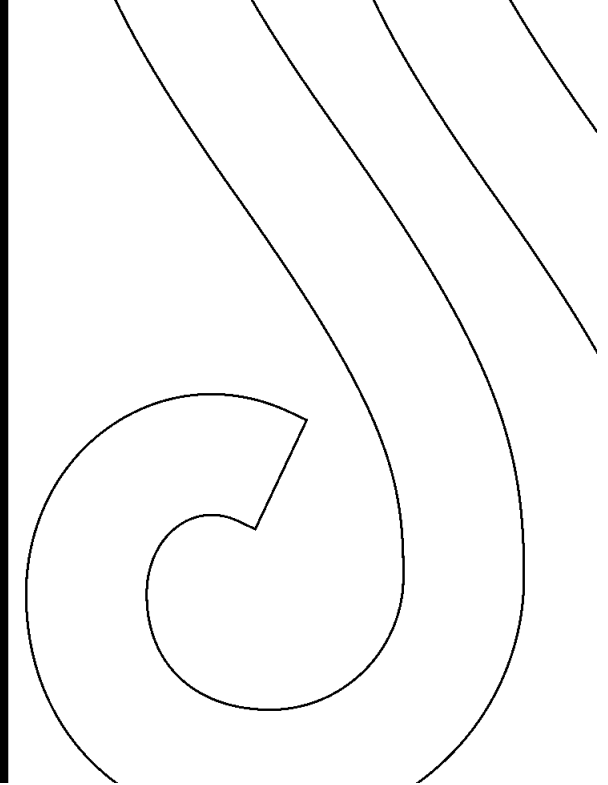
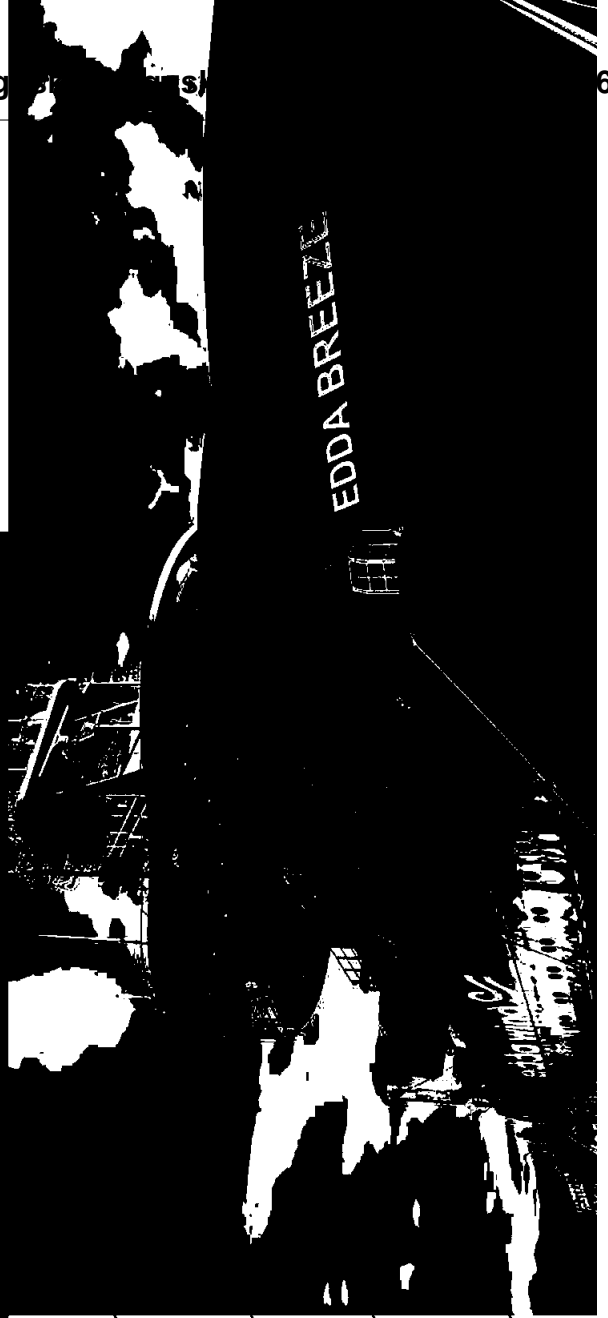
Beløp i: EUR	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Machinery and equipment	4	136 000	7 000
Vessels	4	271 222 000	66 714 000
Newbuildings	4	244 294 000	223 082 000
Sum varige driftsmidler		515 652 000	289 803 000
Finansielle anleggsmidler			
Other non-current assets	15	8 840 000	7 050 000
Sum finansielle anleggsmidler		8 840 000	7 050 000
Sum anleggsmidler		524 492 000	296 853 000
Omløpsmidler			
Varer			
Fordringer			
Accounts receivables	6,7	10 650 000	3 926 000
Other current receivables	15	14 198 000	1 153 000
Other current assets	12	0	4 114 000
Sum fordringer		24 848 000	9 193 000
Investeringer			
Financial derivatives	10	0	71 000
Sum investeringer		0	71 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	12	32 918 000	45 021 000
Sum bankinnskudd, kontanter og lignende		32 918 000	45 021 000
Sum omløpsmidler		57 766 000	54 285 000
SUM EIENDELER		582 258 000	351 138 000



Konsernets balanse

Beløp i: EUR	Note	2023	2022
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	13	1 071 000	644 000
Overkurs		220 732 000	116 128 000
Sum innskutt egenkapital		221 803 000	116 772 000
Opptjent egenkapital			
Other equity		63 079 000	66 908 000
Sum opptjent egenkapital		63 079 000	66 908 000
Sum egenkapital		284 882 000	183 680 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Non-current interest-bearing debt	8	257 101 000	146 013 000
Sum annen langsiktig gjeld		257 101 000	146 013 000
Sum langsiktig gjeld		257 101 000	146 013 000
Kortsiktig gjeld			
Leverandørgjeld	7	5 488 000	3 017 000
Public duties payable		183 000	85 000
Current interest-bearing debt	8	27 729 000	10 951 000
Other current liabilities	7,15	6 875 000	7 393 000
Sum kortsiktig gjeld		40 275 000	21 446 000
Sum gjeld		297 376 000	167 459 000
SUM EGENKAPITAL OG GJELD		582 258 000	351 139 000

Access the future



Edda Wind – a provider of offshore wind service vessels

We enable a greener future by providing
our clients with easy access to the future
of sustainable energy production

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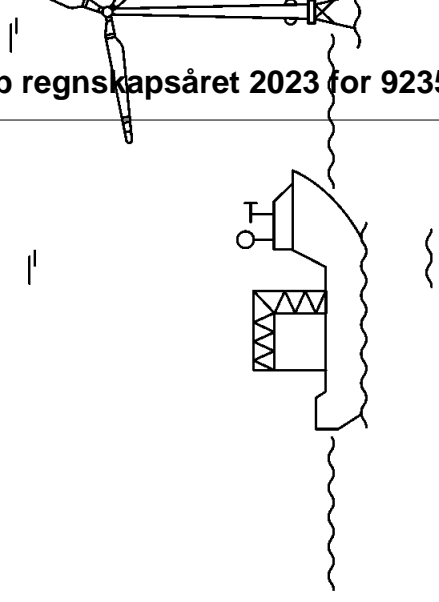
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eddawind.com



Photo: Stephan Giesen



Strategic Report



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Highlights

Edda Wind

- Revenue of EUR 39,4 million (+38% growth vs 2022)
- Four vessels commenced operation during the year

Market

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

Key figures (EUR 1,000)

Revenue	EBITDA ¹	EBIT ²	Profit/(loss) for the period
39,368	7,436	(190)	(3,868)
2023 39,368	2023 7,436	2023 (190)	2023 (3,868)
2022 28,425	2022 6,569	2022 3,374	2022 (1,111)
Vessel book value	Newbuilding book value	Total assets	Equity
271,222	244,294	582,258	284,888
2023 271,222	2023 244,294	2023 582,258	2023 284,888
2022 66,714	2022 223,082	2022 351,138	2022 111,111
Equity ratio	NIBD ³		
48.9%	251,912		
2023 48.9%	2023 251,912		
2022 52.3%	2022 107,758		

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

2 EBIT (earnings before interest and tax) is defined as total income (operating revenue and gain/loss on sale of assets) less operating expenses, other gain/loss on sale of assets and depreciation and amortisation.

3 NIBD (net interest-bearing debt) is defined as total interest-bearing debt (non-current interest-bearing debt and current interest-bearing debt) less cash equivalents, restricted cash and current financial investments.

Who are we

Edda Wind ASA ("Edda Wind") is a provider of purpose-built service operation vessels (SOVs) and commissioning service operation vessels (CSOVs) for offshore wind farms worldwide.

We enable a greener future by providing our clients with easy access to the future of sustainable energy production with our high-quality vessels based on Edda Wind's specifications and know-how.



Photo: Niki Plak

Our customers

The Group's customer base consists of offshore wind farm developers and operators, such as Vestas, Ørsted, SSE Renewables, Siemens Gamesa and Ocean Breeze Energy. The Group's portfolio is growing, with clients having significant offshore wind ambitions, resulting in great potential to expand the customer base. The Group's business is primarily carried out in Europe, but we are leveraging the Group's network and proven track-record in positioning vessels to win contracts worldwide.

Our fleet

Edda Wind's fleet consists of dedicated state-of-the-art offshore wind vessels. During the year, the Group owned and operated three SOVs and three CSOVs. The Group also operated two frontrunner vessels for parts of the year. The Group has a newbuilding programme for further SOVs and CSOVs at yards in Spain, Norway and Vietnam,

which brings the fleet up to 13¹ vessels. All of the Group's vessels are designed to transport wind turbine technicians and other personnel, as well as equipment, spares and consumables, to offshore wind farm sites, and to serve as accommodation hubs for wind turbine technicians as they perform work on the wind turbines. All vessels have high-standard cabins and common areas. The Group's CSOVs under construction will be able to accommodate up to 120 persons, while the Group's SOVs can accommodate up to 60 persons. The Group's vessels are all equipped with motion compensated gangway systems with an adjustable pedestal to ensure safe and optimal connections to the turbines, even in harsh weather conditions, and motion compensated cranes. The design is optimised for an efficient logistical operation for the turbine technicians. The gangway of the Group's CSOVs under construction are also being built for gangway height flexibility, enabling accommodation of various access heights without reconfiguring the vessel.

As at April 2024:

8

vessels under construction

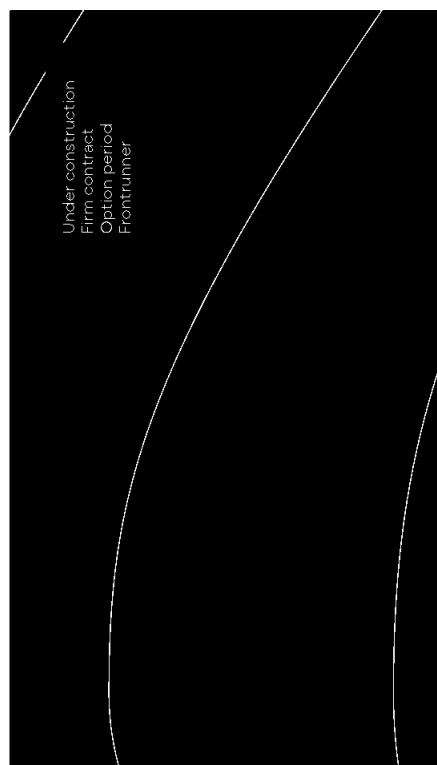
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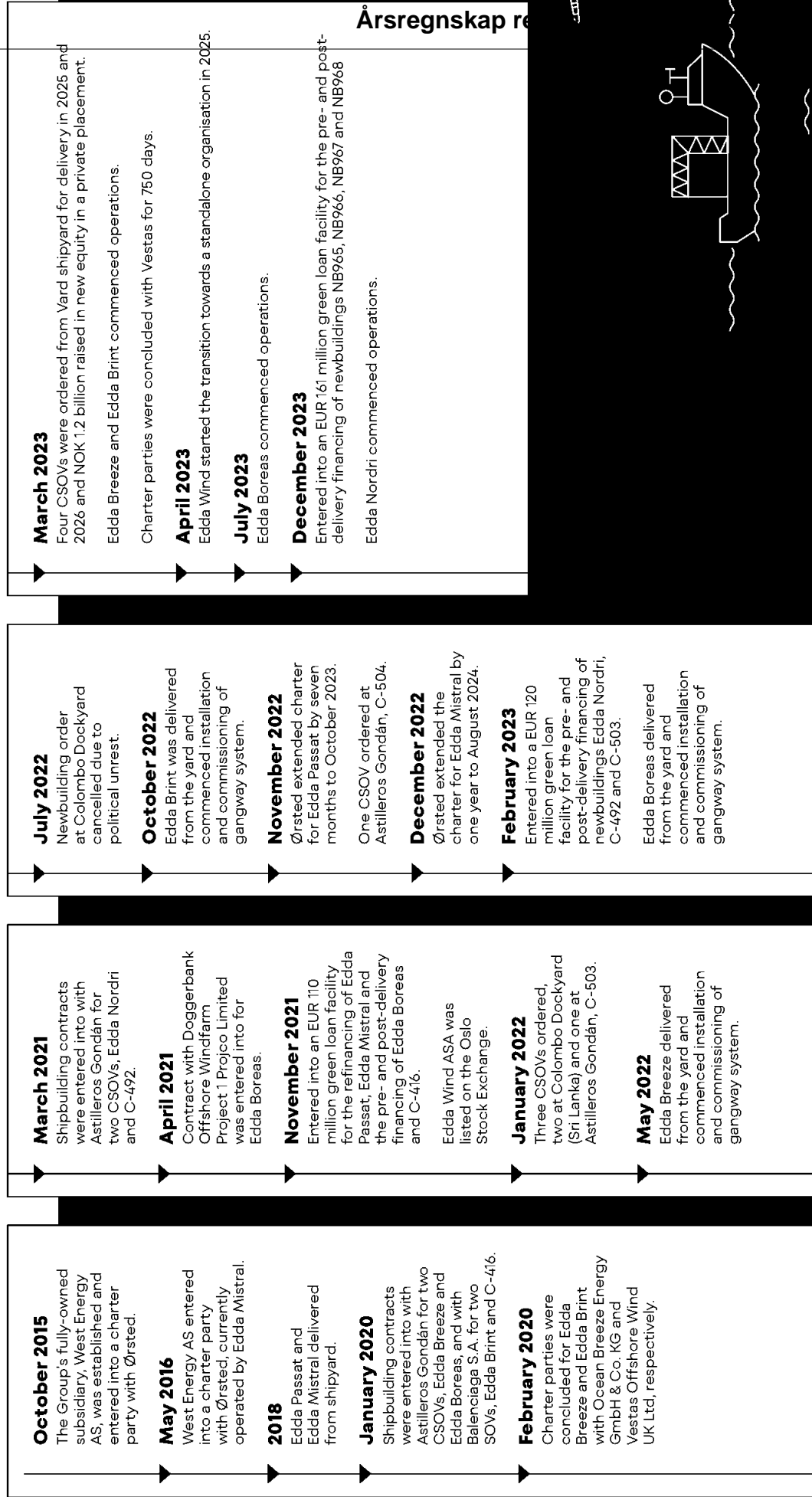
operated vessels

Fleet Overview

Vessel	Type	Current client	Start ¹	End	Option	2023			2022				
						'24	'25	'26	'24	'25	'26		
Edda Passat ³	SOV												
Edda Mistral	SOV	Ørsted	Sep-18	Sep-24	4 x 1 year								
Edda Brint	SOV	Vestas	Mar-23	May-37	Up to 1.6 years								
C-416	SOV	SIEMENS GAMESA Windpower	Q4-23	Q3-28	< 1 year								
Edda Breeze	CSOV	Ørsted	Apr-21	Apr-32	Up to 2.6 years								
Edda Boreas	CSOV	SSE	Q3-23	Q2-25	1 year								
Edda Nordri	CSOV	Vestas	Q1-24	Q1-26	< 1 year								
C-492	CSOV	Vestas	Q2-25 ²	Q4-25	< 1 year								
C-503	CSOV		Q4-24										
C-504	CSOV		Q2-25										
NB965	CSOV		Q1-25										
NB966	CSOV		Q1-25										
NB967	CSOV		Q2-25										
NB968	CSOV		Q1-26										

1 Planned delivery for uncontracted vessels under construction.
 2 C-492 to be delivered Q2 2024 and ready for operation in Q3 2024.
 3 Edda Passat was sold in March 2024.





Edda Wind – an eventful year

2023 has been a year of transition for Edda Wind. We successfully grew our vessels in operation from two to six vessels, delivering on our growth strategy.

In March 2023, we ordered four additional vessels from the Vard Group, solidifying our position as the unrivalled market leader within the C/SOV sector with a total of 13 vessels in operation and under construction (post the sale of Edda Passat). At the same time, we raised NOK 1.2 billion to cover the equity portion of the vessels and secured and attractive EUR 161 million green term loan facility agreement for the vessels in December 2023. During 2023, Edda Wind secured financing in excess of EUR 400 million in total capital for our newbuilding programme and we are grateful for the support from our investors and lenders.

Despite operational difficulties related to our gangway operation, we are confident that the current issues, which resulted in unscheduled offhire during in Q4 2023 and Q1 2024, will be resolved. Edda Wind expects some fluctuations in its financial performance during the ramp-up phase as new vessels are entering operations with associated additional costs. However, our long-term view remains firm and highly positive.

The offshore wind industry continues to grow, and all signs point towards this upward trend persisting. This growth is supported by the industry's optimism, market analysts, and investors alike. The projected growth is further supported by a record high number of offshore wind final investment decisions (FIDs) in 2023. Market reports predict a demand for over 250 service vessels in the offshore wind industry by the end of this decade, compared to a supply side of approximately 80 Tier 1 C/SOVs.

The anticipated demand-supply gap is expected to result in favourable dayrates, particularly in the shorter commissioning segment. The trend is further amplified by the fact that subsea tonnage is transitioning from offshore wind back to oil & gas. This demand presents an exciting growth opportunity for Edda Wind, as we are a leading operator with a portfolio of both long-term and short/medium-term contracts. This balance allows us to maintain stable cash flows while retaining the flexibility to capitalise on favourable market dynamics.

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

As of April 2024, Edda Wind's fleet has grown to 13 vessels, including vessels under construction but excluding Edda Passat, and our order backlog amounted to approximately EUR 416 million. Several of the newbuilds are uncommitted and are expected to secure work in a market with

high demand for this type of vessel, expectations for attractive dayrates

On the organisational side, Edda Wind is making significant progress in the recruitment process for the future organisation and the preparation to a management of the Edda Wind fleet. Existing ship management and corporate agreements with Østensjø Rederi will be operational by the end of 2024, and an additional five expected within 2025.

2023 has been both exciting and challenging, with numerous milestones achieved. Looking ahead, we anticipate the commencement of operations for newbuilds during 2024 and look forward to seeing them on water.

We are grateful to all stakeholders who have shown, and continue to show, confidence in Edda Wind and our business model.



Kenneth Walland
CEO

08 Investment Case

Edda Wind is uniquely positioned with competitive advantages along several dimensions:

Targeted focus and appropriate skill set

- Renewable energy at the core of our strategy
- Expanding client portfolio with significant potential
- Extensive experience and competence pool in maritime operations
- Prioritising safe and efficient operations
- Newly constructed vessels designed for zero-emission readiness

Photo: Eivind Rehne



Strategically positioned throughout the global market's value chain

- Actively exploring opportunities in all key offshore wind hubs
- The Group aims to service most of the offshore windfarm value chain

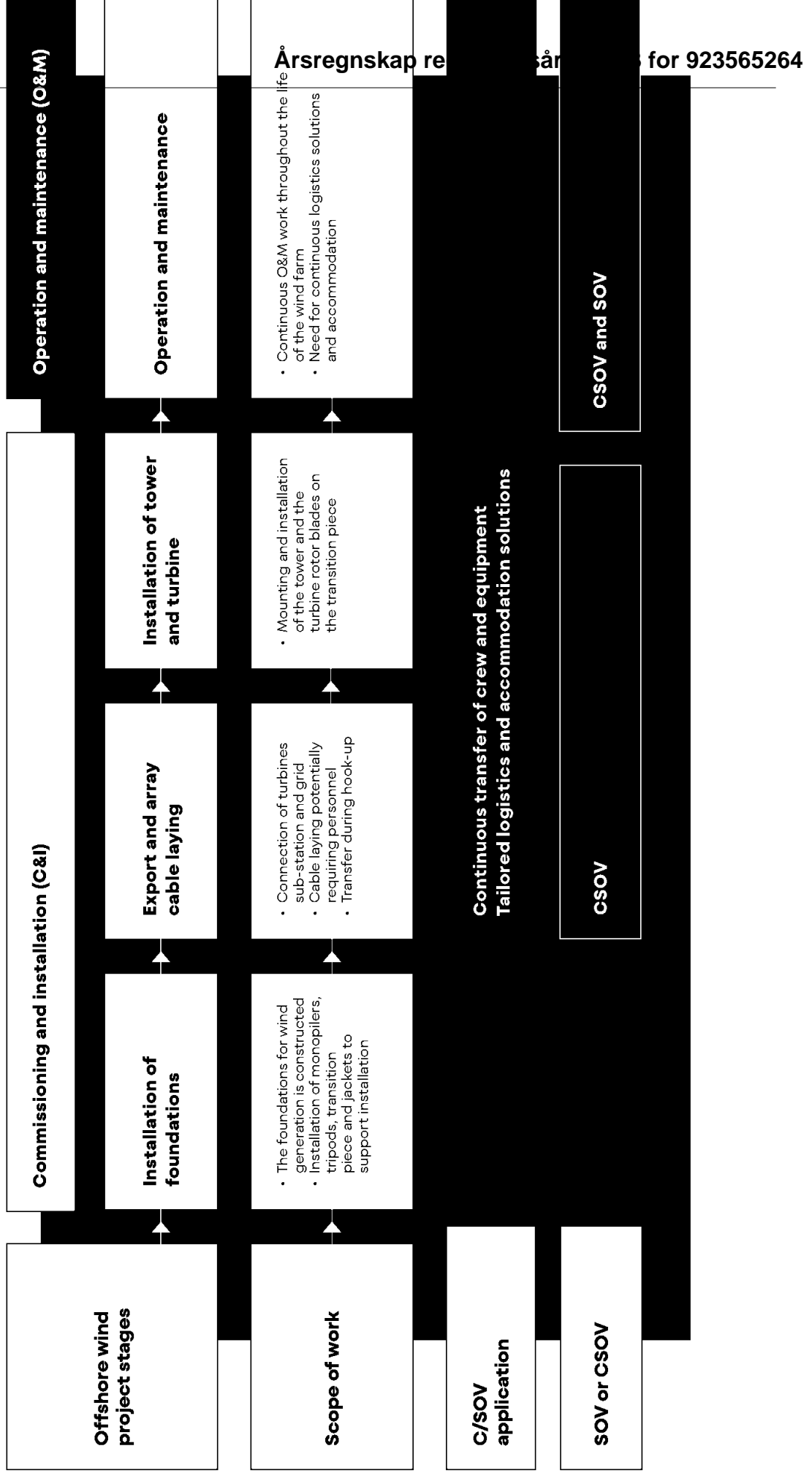
Photo: Eivind Rehne



Photo: Balenlega S.A.

1 As at 31 December 2023.

Offshore wind value chain



10 Market Overview

The development of the energy transition

The development of the energy transition

The world is rapidly advancing towards a pivotal moment in the global energy sector, as it shifts away from fossil fuels towards zero-carbon energy sources. The key driver behind this shift is the critical need to significantly reduce CO₂ emissions related to energy production, in order to mitigate the effects of climate change. Achieving this requires immediate and decisive action on all fronts, with the Paris Agreement setting forth bold CO₂ reduction targets. The global energy sector can only meet these targets by developing renewable energy sources such as offshore wind, while simultaneously leveraging new technologies to reduce the carbon footprint of the current energy value chain.

Amidst this, the global energy crisis sparked by Russia's invasion of Ukraine, causing implications for households, businesses and entire economies, promotes urgency for the build-out of renewable energy sources, thus becoming more important than ever. Energy security concerns have motivated countries to increasingly turn to renewables such as solar and wind to reduce reliance on imported fossil fuels.

The public's growing concern for sustainability and the energy transition, combined with various political initiatives supported by governments – such as the United Nations' focus on the Sustainable Development Goals and the Green Deal's target of zero emissions by 2050, creates a favourable environment for Edda Wind.

The Company recognises both the opportunity and the responsibility to contribute towards a cleaner, more sustainable, and energy-efficient future by actively participating in the ongoing energy transition.

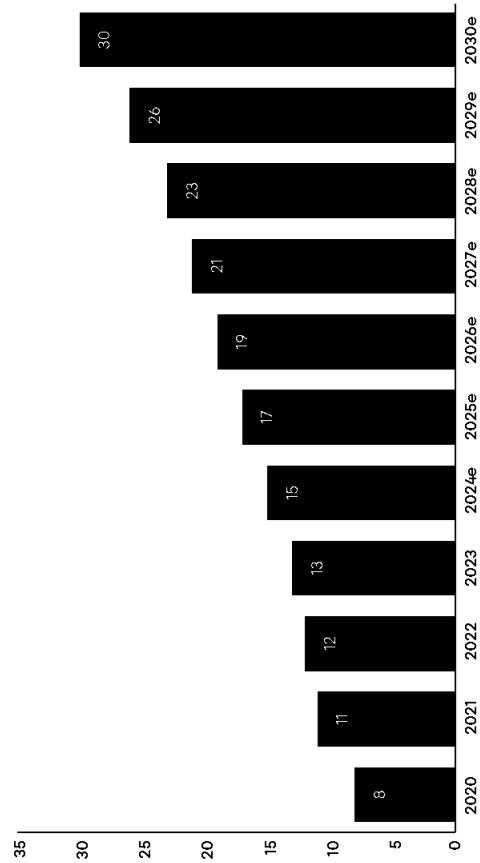
Source: Rystad Energy

Offshore wind positioned to lead the energy transition

The offshore wind market is witnessing a consistent expansion on a global scale. It is projected that by the year 2030, the worldwide capacity will escalate to approximately 270 GW, a substantial increase from the approximately 70 GW recorded in 2023. 2023 also registered the highest number of FIDs globally, supporting market analysts' growth projections. Presently, China is considered as the

largest market in terms of GW, accounting for a significant proportion of the total installed capacity. Despite the fact that China is anticipated to undergo considerable growth by 2030, with its installed capacity predicted to surge by more than 150%, other nations are expected to experience an even more accelerated growth rate. By the year 2030, it is forecasted that China will represent approximately 34% of the global installed capacity, followed by the UK and Germany.

Offshore wind – total offshore wind turbines (in thousands)



11 Market Overview continued

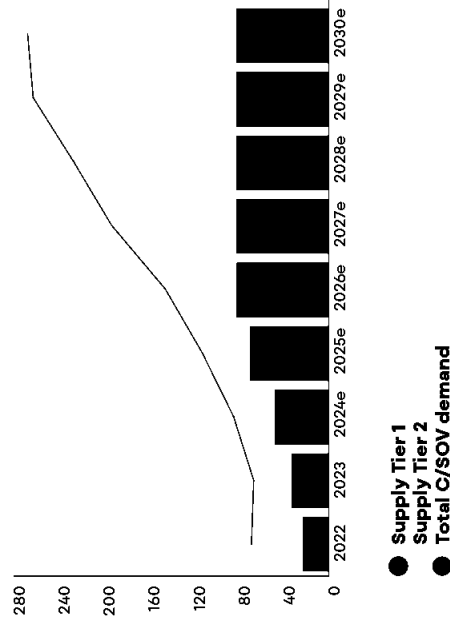
As the offshore wind capacity continues to expand at a rapid pace, the number of wind turbines continues to grow significantly. At the end of 2023, there are approximately 13,000 offshore wind turbines installed globally, a number which is expected to grow to more than 30,000 by 2030, with Europe and Asia accounting for most installations. The substantial growth in offshore wind turbines is a key catalyst for the growing demand projected for vessels, which will be required both during the C&I phase and for O&M throughout the wind farms' lifespan.

Both water depth and distance to shore for offshore wind farms have increased significantly in the past decade. This has led to more complex operations for servicing the turbines and added additional demand.

The growth in the number of offshore wind turbines will naturally lead to similar growth in demand for vessels to assist in installation, maintenance and service for turbines. Vessel supply has not been accelerating at the same pace as demand. Lead times of 2-3 years in construction of a C/SOV means that supply and demand can be estimated relatively accurately for the next few years. Leading analytical environments predict that there will be a demand for close to 150 vessels globally (excluding China) by 2026 which is expected to increase to more than 250 vessels by 2030, exemplified by the bar chart on the right. At year-end 2026, the supply side is expected to constitute approximately 80 Tier 1 vessels and approximately ten Tier 2 vessels, resulting in a total of approximately 90 vessels. Despite the anticipation of additional vessels being constructed and options being exercised, the demand forecast suggests a significant gap between supply and demand in the C/SOV market going forward. In other words, there is a clear requirement for more vessels to balance the market. Over the past 8-10 years, the gap between supply and demand has been bridged by vessels constructed to serve offshore oil & gas installations. More recently, the demand for such vessels in

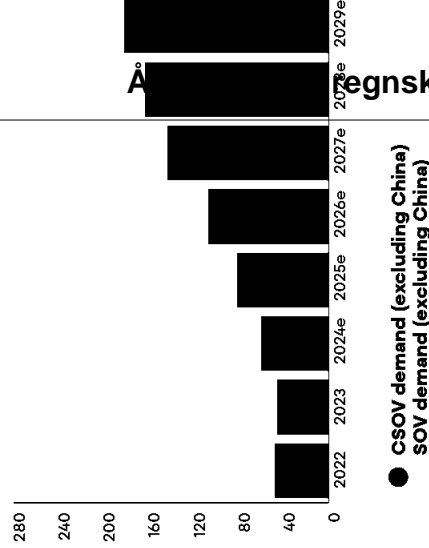
Demand and supply expectations

of vessels



Source: Clarksons Renewables

C/SOV forecasted demand



Source: Clarksons Renewables

12 Market Overview continued

the oil & gas sector has rebounded, a trend anticipated to persist in the foreseeable future. Consequently, many vessels have transitioned back from offshore wind due to the oil & gas sector's greater willingness and capacity to pay for these specialised vessels. Looking ahead, it is not expected that these vessels will continue to operate in the wind sector and balance the supply and demand in offshore wind. As a result of these shifts, owners of offshore wind vessels can anticipate a robust market outlook in the short to medium term.

A strong market outlook is normally accompanied by increasing rates. Over the last few years this has been observed in the C/SOV market, particularly in the shorter-term commissioning market.

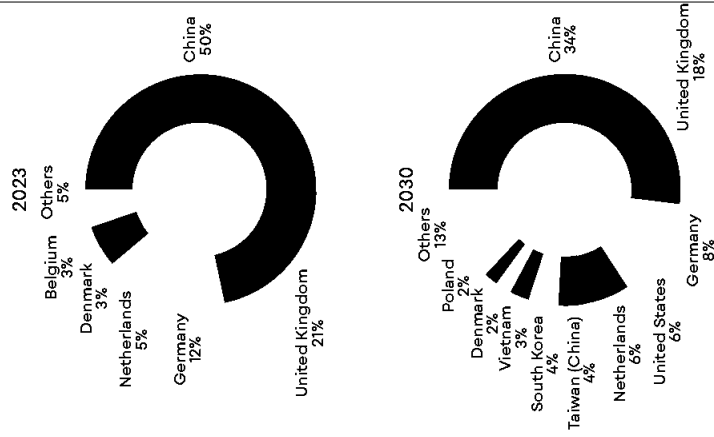
Long-term SOV O&M contracts are linked to newbuilding cost at the time of tendering. Shipyard capacity is currently limited due to strong demand from several shipping sectors. There is also only a limited number of yards capable of, and experienced with, building C/SOVs, further limiting access to building slots. As a consequence, yard prices have increased over the last few years.

This naturally provides a competitive advantage for owners like Edda Wind, who have acted promptly, and are now in a position where they have vessels already ordered and under construction.

In order to capitalise on the highly favourable market for short- and medium-term contracts in the commissioning sector, possessing a substantial fleet is of paramount importance. Developers and Original Equipment Manufacturers (OEMs) seldom have the opportunity to secure vessels on long-term contracts in this market. This is primarily due to their development programmes typically comprising multiple projects commissioned either concurrently or with intermittent gaps.

The versatility provided by a larger fleet, especially those vessels designed to service the commissioning market, is thus an indispensable asset for vessel owners. This adaptability facilitates the maximisation of fleet utilisation by allocating vessels to projects based on their availability. Equally significant, it ensures the provision of vessel(s) to clients based on their requirements, subject to agreed notice periods, provided that commitments for work access are reciprocated by the client. For Edda Wind, being the largest operator in the C/SOV market, the capacity to establish framework agreements or similar arrangements will undoubtedly confer a decisive competitive edge in the future.

Total capacity (in GW) per country

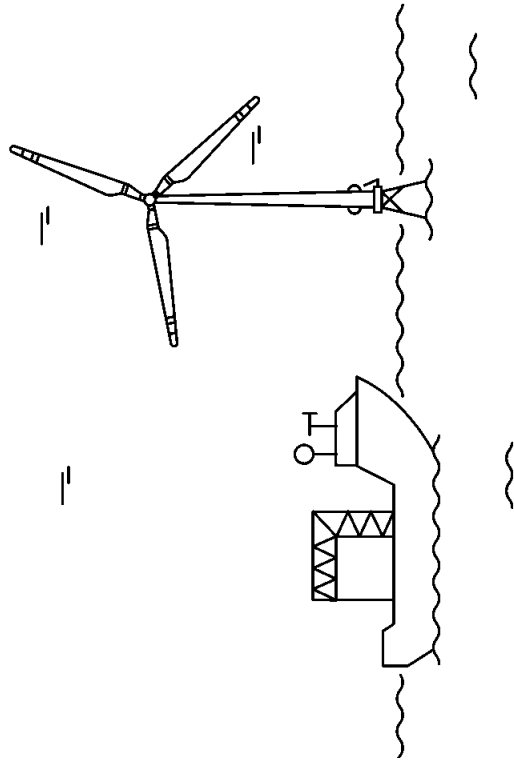


Source: Ryland Energy

Our business model

Edda Wind develops, builds, owns, operates and charters out purpose-built SOVs and CSOVs for offshore wind farms.

The Group acknowledges the opportunities and responsibilities to contribute to a cleaner, more sustainable and energy-efficient future. Our business model empowers us to fulfil this commitment.



Optimising

Our capital structure

Our strategic objective is to optimise our capital structure, thereby augmenting the potential for capital distribution to shareholders in alignment with our dividend policy. Specifically, for newbuilds with longer-term contracts, the Group targets a financial leverage within the range of 70-90% of the associated newbuild costs. Conversely, for vessels under shorter-term contracts, we aim for debt financing in the range of 50-70% of the newbuild costs.



Balancing

Our approach to long- and short-term contracts

Our strategic goal is to secure a portion of long-term contracts, thereby ensuring stable cash flows and facilitating financing solutions. Simultaneously, we aim to maintain exposure to the short-term spot market, which exhibits robust fundamentals for the foreseeable future.

14 Strategy

Renewable energy at the centre of the strategy

The Group's strategic orientation is singularly centred on the offshore wind industry. Acknowledged as essential to creating enduring value for shareholders, sustainability constitutes an opportunity for innovation, heightened efficiency, and serves as the bedrock for sustained growth.

The business model and strategy are supported by the capital, experience and network, and competence of the Group's major shareholders as well as its dedicated management and organisation. The Group is already well positioned within the industry with a diversified contract portfolio with leading clients, including Ørsted, Ocean Breeze, Vestas, Siemens Gamesa and SSE Renewables, as well as having future-ready assets prepared for new zero-emission operations creating a solid platform for further growth and development. Global environmental concerns have led to significant investments in decarbonisation.

The decarbonisation through electrification is expected to continue, which will further support positive development for offshore wind. While this supports the Group's business model, strategy and prospects, future development will also be influenced by licensing and development of new offshore wind farms, access to capital and competent sea and shore personnel as well as being able to offer cost efficient services to clients while meeting future emission standards.

15 Stakeholder Engagement

Working for our stakeholders

Maintaining a regular and open dialogue with key stakeholders is important for Edda Wind, as it contributes to a better understanding of stakeholder expectations, possible challenges and opportunities, and the potential impact of our activities. This, in turn, serves as a basis for better decision-making.



Stakeholders are defined as those entities or individuals that are expected to be significantly affected by Edda Wind's activities, services and decisions.

Key stakeholders and how we communicate with them:



Investors

- Annual and quarterly reports and presentations
- Regular Board meetings (for main investors)
- Press releases and stock exchange notices



Customers

- Customer meetings
- Regular dialogue
- Tender activities



Suppliers

- Procurement policies
- Supplier assessments
- Regular dialogue with key suppliers



Employees

- Performance appraisals
- Management communication



Authorities and local communities

- Membership organisations
- Sponsorships



Ship manager

- Day-to-day communication
- Regular operations meetings

Environmental, social and governance

Sustainability reporting

Edda Wind's sustainability reporting is prepared in reference with the Global Reporting Initiative (GRI) Standards 2021. The report has been prepared by senior management and reviewed by the Audit Committee. No third-party verification has been performed.

Scope of the report and reporting boundaries

The report covers activities for the calendar year 2023 for Edda Wind and its subsidiaries and is aligned with the other information provided in the Annual Report. Edda Wind has outsourced ship management to Østensisjø Rederi. The scope of reporting covers all activities under Edda Wind's operational control, including activities performed by Østensisjø Rederi on our behalf. Environmental data, such as greenhouse gas (GHG) emissions and waste disposals, are reported on an operational control basis (i.e. covering both owned and hired-in vessels). People-related data includes data from personnel under direct employment, as well as personnel working on board our vessels hired in through Østensisjø Rederi.

Refer to note 5 to the consolidated financial statements for a full overview of entities within the Group.

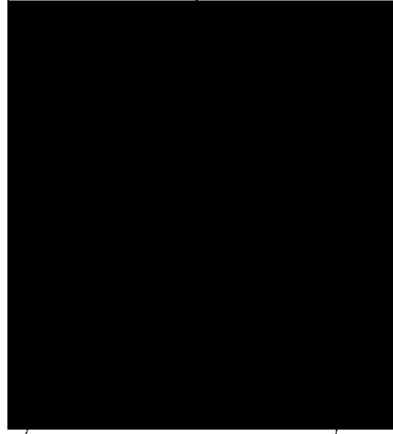
Sustainability highlights

66% increase in vessel days in renewable energy segment

Increased gender diversity in organisation

Four state-of-the-art newbuildings ordered – prepared for zero-emission solutions

Upscaling the organisation with increased capacity and competence



Social

Be a safe workplace and inclusive employer



Governance

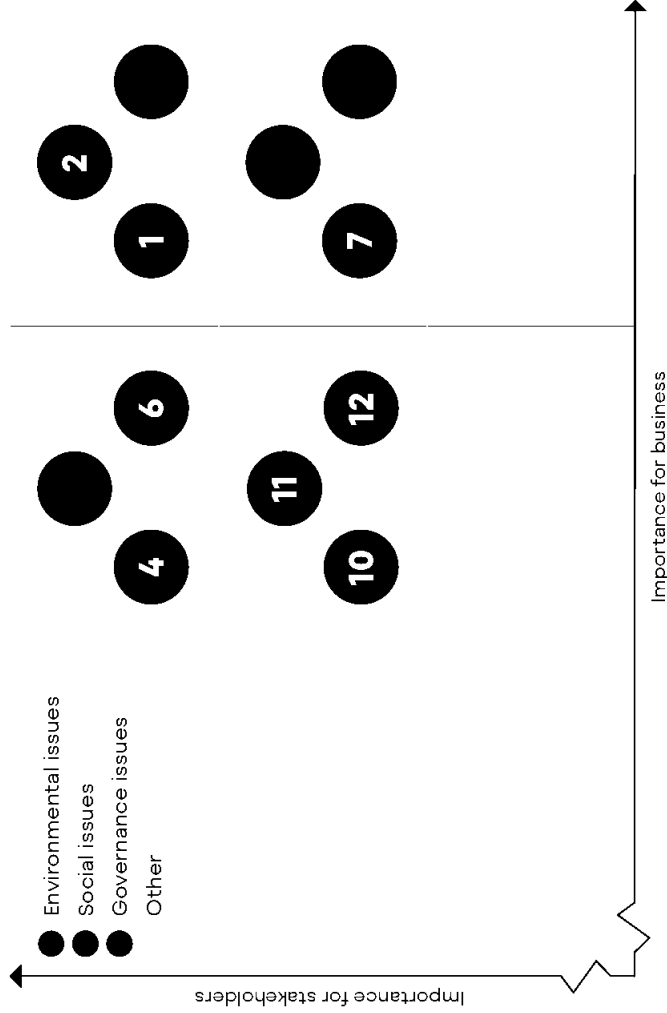
Be a trusted and transparent business partner

17 ESG continued

Materiality assessment and priorities

Edda Wind conducted a full materiality assessment in 2022. The materiality assessment helped us identify the aspects of our business that will have the most impact on the environment and the people working for us.

The materiality assessment is based on direct engagement with key stakeholders. In the assessment, the importance of different topics is ranked by internal and external stakeholders, such as Board members, investors, lenders, suppliers, customers and members of executive management. The assessment provided the following results:



- 1 Business ethics and anti-corruption
- 2 Operational safety, prevention of accidents, injuries and absence
- 3 GHG emissions from operations
- 4 Supply chain management
- 5 Waste management and ship recycling
- 6 Human rights and equal treatment
- 7 Tax transparency
- 8 Green growth and decarbonisation
- 9 Sustainable innovation
- 10 Customer focus
- 11 Human capital development
- 12 Data privacy and data security

Based on the materiality assessment, the Group management team defined a set of sustainability priorities and related material topics, which was also approved by the Board of Directors. There are no changes to the material topics in 2023. Edda Wind plans on conducting a full double materiality assessment in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD) in 2024.

United Nations Sustainable Development Goals:



Contribute to a greener future

Offshore wind stands at the forefront of decarbonising the global energy market. Edda Wind's fleet plays a vital role in supporting existing and future offshore wind parks, contributing to the provision of cleaner, renewable and cost-efficient energy worldwide. Sustainability has a central position in our strategy, focusing on the offshore wind sector, encompassing both the O&M segment and the commissioning segment.

Key climate-related risks and opportunities

Key risks	Description	Possible adverse effects
Physical risks	Harsher weather conditions	<ul style="list-style-type: none"> Reduced utilisation due to waiting on weather Reduced predictability and increased difficulties to perform crew changes Increased risk of personal injuries offshore Increased risk of asset/equipment breakdown Increased wear and tear of assets/equipment
	Rising sea levels	<ul style="list-style-type: none"> Difficulty finding adequate ports to perform port calls, mobilisation/demobilisation and crew change
	Resource scarcity	<ul style="list-style-type: none"> Higher prices for necessary resources Lack of access to necessary resources
Transition risks	Penalties or taxes related to emissions	<ul style="list-style-type: none"> Higher operating cost for our vessels Reduced vessel value
	Emerging technology of zero-emission on offshore vessels	<ul style="list-style-type: none"> Increased CAPEX requirements to stay aligned with the development in the industry Reduced vessel value Reduced utilisation
	Market shifts	<ul style="list-style-type: none"> Increased CAPEX requirements to stay aligned with the development in the industry Reduced vessel value Reduced utilisation
	Reputational impacts	<ul style="list-style-type: none"> Increased stakeholder focus and expectations for climate impact management. Reduced access to competent personnel and increased cost of capital if we aren't aligned with the stakeholder expectations
Transition opportunity	Market shifts	<ul style="list-style-type: none"> Increased taxation/penalties for GHG emissions leading to reduced demand for fossil fuels and increased demand for renewable energy worldwide

Our ambitions

We fully endorse the Green Deal's objective of achieving zero emissions by 2050 and are actively engaged in contributing to the production of renewable energy. Furthermore, we are diligently working to minimise our own environmental footprint as an integral part of the offshore wind value chain.

In 2024, we have implemented our Environmental Policy, setting our commitment to environmental issues.

To deliver enhanced value to our customers while minimising our environmental footprint, we collaborate with them to optimise our vessels and explore development of alternative fuels, including hydrogen. Employing cutting-edge technology, we integrate battery-hybrid solutions, and our newbuildings are designed to facilitate hydrogen-based operations, fit for zero-emissions. Our latest newbuildings are also prepared for zero-emission through methanol fuel sources.

Our ambition is to:

1. Offer zero emission on our vessels by 2030
2. Be carbon-neutral by 2040

Investing in sustainable solutions

Edda Wind's ongoing newbuilding programme will bring the fleet to a total of 13¹ purpose-built offshore wind vessels by 2026. With this, Edda Wind's fleet will consist of next-generation offshore wind service vessels.

Implemented energy-saving equipment

Each vessel under construction is designed to have a low environmental footprint without compromising its operational capabilities. The vessels are designed with systems to increase energy efficiency and decrease overall energy consumption.

The vessels are equipped with battery hybrid propulsion systems that enable us to reduce the number of diesel generators in operation since the batteries can be considered as a spinning reserve in critical situations. It also enables us to reduce the size and number of generator sets, which will simplify maintenance, reduce vessel weight and reduce fuel consumption. In addition, the ventilation systems on board are set up to utilise the residual heat from the engines' cooling water systems, rather than from the diesel generators. The energy-saving equipment implemented will give the newbuildings a minimum of 30% reduction in GHG emissions compared to first-generation offshore wind service vessels.

Prepared for zero-emission

All of Edda Wind's newbuildings are prepared for zero-emission operations without compromising operational capabilities. The vessels are prepared to take on board the liquid organic hydrogen carriers (LOHC) concept with the potential for zero-emission operations. Edda Wind has received NOK 105 million in grants from Enova during 2021-2023 related to the LOHC setup and battery hybrid propulsion systems.

1 Excluding Edda Passat.

Edda Wind has entered into a letter of intent for using the LOHC technology with Hydrogenius LOHC Maritime AS ("Hydrogenius LOHC"). Hydrogenius LOHC has developed and patented the LOHC technology for particularly safe, easy and efficient storage and transportation of hydrogen, which will revolutionise the supply chain for hydrogen. The unique feature is that hydrogen is chemically bonded to the low-toxicity, non-explosive and low-cost carrier oil, which can be used to store and transport large quantities of hydrogen under ambient conditions, using the already existing fossil fuel infrastructure. The carrier oil Hydrogenius LOHC uses – benzyltoluene – can be loaded and unloaded with hydrogen over the lifetime of the vessel. Edda Wind's target is to be able to offer this zero-emission solution to clients by the end of this decade.

Preparing for CSRD

In 2024, Edda Wind has started a process of preparing for the upcoming reporting requirements of the CSRD. The process will include defining a transition plan, setting detailed targets with action plans, and metric reporting.

GHG emissions

Edda Winds main source of GHG emission is the consumption of fossil fuel by our vessels. We actively work to minimise our impact and have implemented several solutions to reduce emissions.

The Edda Wind fleet is operated with variable speed generators and equipped with additional power-saving measures. These include heat-recovery systems that utilise residual heat from the engines' cooling water systems to substitute electrical warming, as well as frequency-controlled propellers, pumps and fans. The implemented measures have the capacity to significantly reduce fuel consumption and CO₂ emissions by up to 30%.

A Ship Energy Efficiency Management Plan (SEEMP) is implemented on all operated vessels, describing initiatives and measurable goals to increase energy efficiency. The SEEMP also clarifies roles and responsibilities on board, thereby increasing awareness among crew members. To further reduce CO₂ emissions, the vessels are delivered with recommended eco speed during transit. The eco speed is calculated to be the speed level giving the best energy efficiency during transit. In addition, the ship propellers are frequently polished, and the ship hulls are regularly cleaned to reduce water resistance.

	2023	2022	2021
Freight income	36,955	26,930	23,933
Total vessel days	1,647	994	730

Scope 1	2023	2022	2021
Emissions directly from operations			
Owned vessels	22,966	11,709	10,164
Hired-in vessels	3,853	11,138	9,226
Total Scope 1 CO₂ (tonnes)	26,819	22,847	19,390

Scope 2 and 3

Emissions indirectly from purchased electricity

Purchased electricity

Location based (kWh)

Market based

Shore-based power-supply

Location based (kWh)

Market based

Total Scope 2 (kWh)

Total Scope 2 CO₂ (tonnes)

Total Scope 1 and 2 CO₂ (tonnes)

Scope 3

Not available

Not available

Not available

Not available

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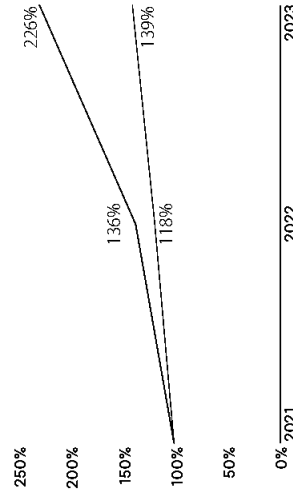
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The Group had 1,647 operating vessel days during 2023, compared to 994 operating vessel days in 2022. Total CO₂ emissions increased by 17% from 2022 to 2023 while total operating vessel days increased by 66%.



● Vessel days
● CO₂ emissions (ton)

The main reason for this relative decrease is the replacement of the frontrunner with Edda Breeze, which came into operation in March. The frontrunner was built in 2002 and was not equipped with the same emission-reducing solutions as mentioned above. This trend clearly shows the lower emission profile of our modern fleet.

Average CO₂ emissions (kg per work hour)

Owned vessels

Hired-in vessels

2023

2022

2021

751

822

1,124

1,505

Edda Wind Scope 3 emissions have not been quantified in 2023. The material Scope 3 categories for the Group are:

- Category 1: Purchased goods and services
- Category 2: Upstream transportation and distribution
- Category 5: Waste generated in operation
- Category 6: Business travels
- Category 7: Employee commuting for seafarers

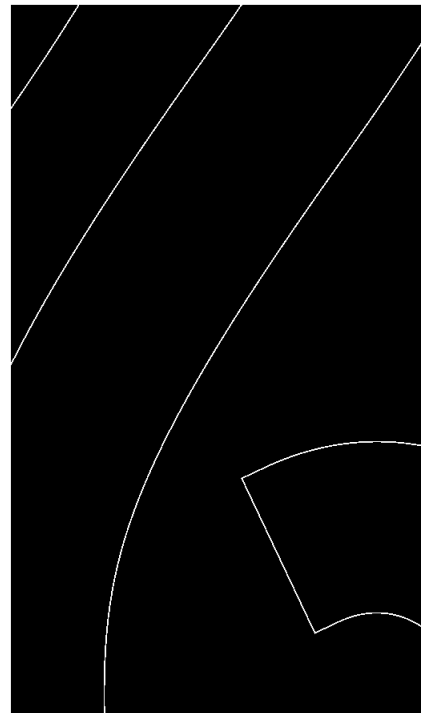
The Scope 3 emissions are mainly related to resources used in construction of our vessels as well as air travel for seafarers commuting to/from vessels.

Pollution

Edda Wind operates within the marine environment. We acknowledge that our activities may have negative impacts on air, soil and water, and work on measures to reduce such impacts.

Air pollution

Apart from GHG emissions, we impact the air through exhaust emissions from the main engines of our vessels, mainly nitrogen oxide (NOx) and sulfur oxide (SOx) emissions. We actively limit our impact through the implementation of solutions such as a selective catalyst reactor (SCR). The SCR system reduces the level of NOx in the exhaust gas from the engine by means of catalyst elements and a reducing agent (urea). The SCR system can reduce levels of NOx emissions by as much as 90%. Customers are encouraged to utilise the SCR system and to use low-sulfur marine gas oil to reduce SOx emissions. Our vessels also operate under the SEEMP to reduce fuel consumption and thereby also reducing exhaust emissions to the air.



Pollution	2023	2022	2021
NOx (tonnes)	169.4	273.9	247.8
SOx (tonnes)	11.2	12.2	9.4

Waste management

On board waste management of the Edda Wind fleet complies with the Convention for Prevention of Marine Pollution (MARPOL). All waste is handled in accordance with the Garbage Management Procedure, whereby all waste is categorised into categories as defined in the amendments to MARPOL annex V and disposed of in accordance with the requirements for each category. During 2023, Edda Wind generated 89.4 tonnes of waste, compared to 62.0 tonnes in 2022. The increase is due to a higher number of vessel days in 2023 compared to last year. Waste is mainly generated from personnel on board. The average waste in kilogramme per personnel hour was 0.037, compared to 0.05 in 2022. Edda Wind's ambition is to keep waste per personnel hour low and not exceed 0.05.

Oil spill prevention

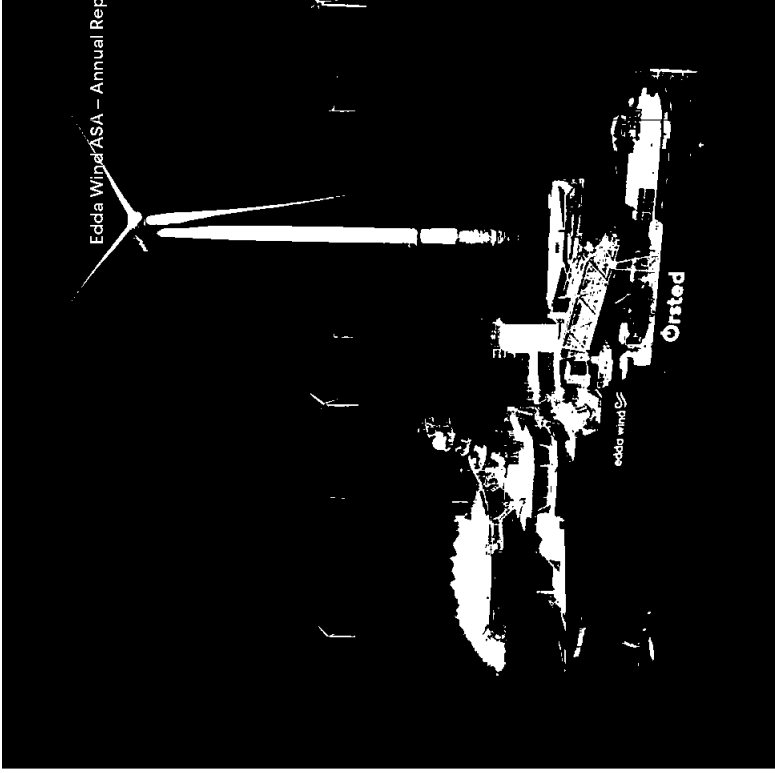
Edda Wind follows the International Convention on Oil Pollution Preparedness, Response and Co-operation. Our ambition is to comply with all regulations regarding marine pollution and have zero spills of hazardous materials into the environment. All vessels are equipped with oil pollution prevention equipment such as booms and sorbents. Shipboard areas where spillage is most common are protected so that the residues are easily recovered. Each vessel has an Emergency Preparedness Manual which also covers emergency procedures in case of spills. All spills are reported to management, and cause and corrective actions are followed up. Edda Wind has not had any spills in 2023, compared to a spill of a total of 15 litres in 2022 related to hydraulic hose failures.

Biodiversity and ecosystems

Edda Wind complies with the regulations in the Ballast Water Management Convention and CLEAN class notation. Bilge water discharged to the environment complies with MARPOL requirements.

Ship recycling

Edda Wind has not performed any ship recycling during the period. Edda Wind's fleet consists of new vessels with a long remaining economic lifetime, and as such Edda Wind does not expect to perform any ship recycling in the near or mid-future. However, Edda Wind recognises that ship recycling must be performed in accordance with strict standards to mitigate any adverse effects on the environment, personnel health, and safety. As such, Edda Wind will in due course comply with applicable regulations for future ship recycling.





Social

Be a safe workplace and inclusive employer

Our ambition is to have a safe working environment with no personal injuries. Safety is the cornerstone of good seamanship and something we never compromise on.

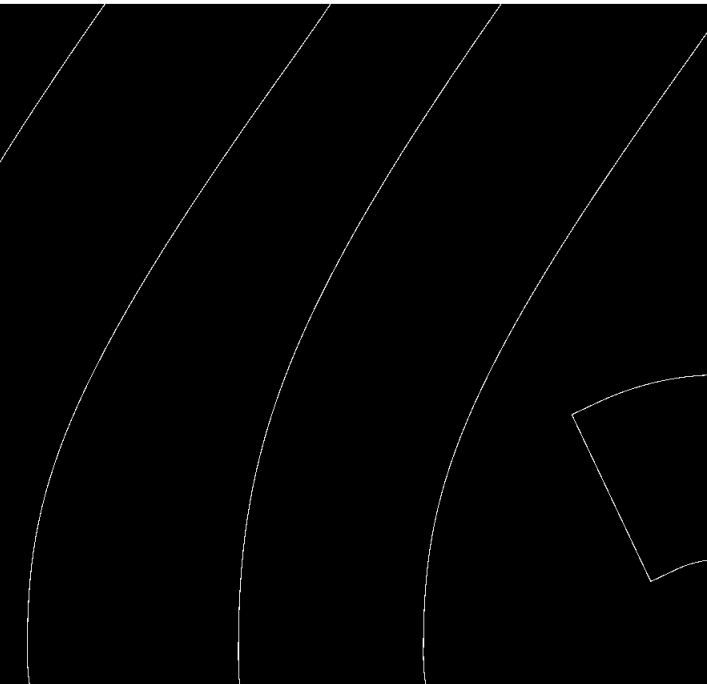
Key risks and opportunities related to our workforce

Key opportunities

- Motivated employees fostering a healthy work environment
- Low turnover
- Increased diversity and talent base
- Attractive reputation as employer

Key risks

- Harm to personnel
- Difficulty securing and maintaining talent in key functions
- Lack of access to competent personnel



Operational safety on board

The crew on board our vessels are hired in through our ship manager, Østensjø Rederi. Our vessels operate under our ship manager's safety management system, which is ISM certified through several flag states. All personnel on board our vessels are covered by the safety management system. Our ship manager holds the following certifications:

- ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018
- ISPS

Edda Wind continuously works together with Østensjø Rederi to minimise the risk of personal injuries, and environmental and property damage. Risk assessments are performed regularly on shore and on board the vessels. A risk assessment shall be in place in advance of any operation to ensure that the operation can be safely executed. Any hazards that are identified in the assessment shall have corresponding mitigating control measures. This creates awareness among our personnel and underpins the safety culture within Edda Wind. The crew also have the right to remove themselves from work situations that they believe can cause injuries or ill health, through a "Stop the job" policy. All personnel shall have knowledge of this policy when onboarding a vessel.

All crew members must complete a familiarisation checklist as per their introduction to the vessel. This is a comprehensive checklist that includes a review of both general and vessel-specific topics, such as relevant HSEQ policies, use of equipment, assessment of risks and hazards, and reporting routines.

All personnel on board undergo a health examination by a certified examiner before commencing work on board our vessels. All vessels equipped with exercise equipment on board for the crew's disposal, in addition, there are procedures in place to ensure prompt access to medical care and treatment whether on board a vessel or ashore.

All incidents, accidents and near-misses, as well as other non-conformities, damage or breakdowns, shall be reported. In addition, all observations from which the Company may learn should be noted to the HSE department. All reports are reviewed by the HSE department and delegated to a responsible person (fleet manager) for follow-up and implementing mitigating actions.

The Group monitors and reports lost time incident frequency (LTIF), recordable case frequency (TRCF), restricted work case frequency, treatment injuries, and sick leave. This is reported monthly to management. LTIF was 192 as at 31 December 2023 and TRCF 2.40. We have not had fatalities during the year. We have had one high-potential incident during the year, where one person fell from the gangway and sustained injuries. The incident was thoroughly investigated and mitigating actions were implemented. The incident frequency is higher than our targets of LTIF and TRCF < 2. A high incident frequency is not something Edda Wind considers acceptable. We will in 2024 work actively to improve our procedures and communication to reinforce the safety culture that we need to operate safely.

Establishing the Edda Wind management system

A crucial part of becoming a stand-alone company and managing our own vessels is to implement our own internal management system to obtain a document of compliance and ISO certifications. The process started in 2023 with the recruitment of our own HSEQ specialists. In the next year, we will define our way of working to foster the Edda Wind safety culture. The work also includes reviewing our targets, actions, and resources going forward.

Equality, diversity and inclusion in the workforce

Edda Wind strives to create a culture where people are treated equally regardless of nationality, gender or other factors.

In February 2024, we implemented our Human Rights Policy, establishing our commitments to non-discrimination, equal opportunities and respect for human rights and labour standards.

Edda Wind hires in services from Øststensjø Rederi, such as vessel crew, corporate services and technical management. We conduct our business, whether directly or through suppliers, with respect for human rights and labour standards, including conventions and guidelines related to wage and salary, working conditions, freedom of association, and the prevention of child or forced labour, and we are Maritime Labour Convention compliant. Øststensjø Rederi ensures that all seafarers' contracts are in accordance with local collective bargaining agreements and International Transport Workers' Federation standards. Edda Wind goes far to ensure that the people working for us can thrive and grow, both onshore and offshore. Offshore we provide amenities like gyms and entertainment, healthy meals and spacious living quarters for on board personnel.

Edda Wind also hires in corporate management services from Øststensjø Rederi. These services constitute an average 9.5 FTEs. Shipping has traditionally been a male-dominated business. Edda Wind seeks to promote a diverse workforce and to ensure non-discriminating recruitment processes, as per HR policies.

	Number	Gender		Age			Employment region			
		Male	Female	< 30	30-50	> 50	Norway	UK	Europe	Asia
Board of Directors	7	57%	43%	0%	43%	57%	7	0	0	0
Employees	20	70%	30%	0%	55%	45%	16	4	0	0
Hired-in offshore personnel	249	88%	12%	7%	72%	22%	28	71	107	43

Hired-in personnel represents offshore crew members hired in through Øststensjø Rederi.

Investing in human capital

The skills and competencies of the people working for us are crucial to our performance and our ability to live up to our vision. This far, most of our activities have been outsourced. However, a strategic decision was made this year to establish an independent entity, enabling us to perform project, technical and corporate management ourselves. During the year, Edda Wind upscaled its onshore organisation from nine employees to 20 employees. The onshore organisation is expected to grow to around 30 people by 2025. In 2024, we will also expand our offshore organisation.

Building a new organisation is a rigorous and time-consuming process. However, we perceive this as a distinctive opportunity to redefine our operational methodologies and cultivate an efficient and proficient organisational culture. Through the incorporation of industry best practices and the integration of innovative approaches, our objective is to craft a workplace culture that not only aligns with current demands but also serves as the bedrock for long-term success.

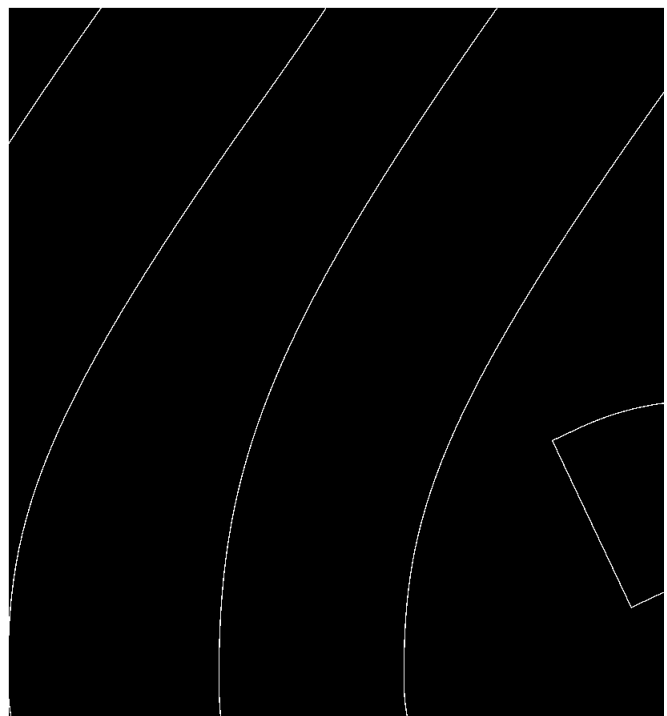




Governance

Be a trusted and transparent business partner

Edda Wind strives to uphold the highest standard of ethical behaviour in all our activities. We want to enable our employees to deliver the best customer experience and to ensure that we operate with the highest standards of integrity at all times.



Key risks and opportunities

Key opportunities

- Customer confidence
- Attracting cooperation with responsible parties
- Increased awareness among employees

Key risks

- Non-compliance events with adverse consequences
- Exposure to high-risk countries
- Non-compliance in the supply chain

Establishing the Edda Wind way of working

An important part of becoming a stand-alone organisation is to establish clear guidelines and commitments. During 2023, we started the process of strengthening our policies and clarifying our commitments. The new policies have been implemented in 2024. The new policies include an Anti-Corruption Policy, Trade and Sanctions Policy and Whistleblowing Policy. Further, we will start implementation of a formal whistleblower channel in 2024.

In 2024 we also plan to release the Edda Wind Code of Conduct, setting our expectations, commitments and requirements for ethical conduct from our employees and Board members, and also extending to all persons working on board the Edda Wind vessels. The Code of Conduct will be followed by a separate Supplier Code of Conduct, setting expectations for ethical conduct by our suppliers.

Business ethics and anti-corruption

The Group has a zero-tolerance policy regarding corruption and bribery. We conduct our business in compliance with all applicable laws, rules and regulations on anti-bribery, anti-corruption and anti-money laundering. No incidents of non-compliance with such laws and regulations have been noted in 2023. Edda Wind has not conducted any business in countries with a high risk of corruption, according to Transparency International's Corruption Perception Index from 2022. Our ISM manager, Østensen Rederi AS, is a member of Transparency International, and Edda Wind will adhere to the principles of that organisation. It is important that someone who discovers wrongdoing and non-compliance with policies or applicable law is able to report it without risk of retaliation or discrimination. No whistles have been reported in 2023.

Supply chain management

Our goal is to influence our entire value chain toward sustainable maritime trade. Supply chain management is currently performed by our ship manager through their Supplier Qualification Procedure, and suppliers are required to fill out a questionnaire with a set of questions on ESG topics. Based on their input, the suppliers are scored. If a score above a set threshold, the appropriateness and continuance of the supplier relationship is assessed.

Edda Wind is currently preparing to take over ownership of supply chain management and aim to implement a Supplier Code of Conduct procedure for upfront assessment of risk and periodical supplier

Edda Wind is committed to respecting and securing human rights and business ethics through the supply chain. Our Transparency action plan is published on the Group's webpage, www.eddawind.com.

Cyber security

Our objective is to minimise cyber security risk and to secure employees' active contribution to a risk prevention culture. We work closely with our ship manager, each ship's crew, and employees to build and enforce strong cyber protection. We have conducted a vulnerability assessment of all internet-facing resources and put internal guidelines for secure application development in place. We will continue to develop the maturity of our systems to strengthen our defence to keep up with regulatory updates. We have implemented our own Data Protection Policy and GDPR practices have been established.



Board of Directors' Report

27 Board of Directors'

28 Board of Directors' Report

Board of Directors'



Marth Kold Monclair
Director

Marth Kold Monclair is a Non-Executive Director of several listed companies, Hexagon Purus ASA, Reach Subsea AS, CapeOmega AS and BW LPG Ltd. She holds a Bachelor's degree and PhD from the Norwegian University of Science and Technology (NTNU) and a Doctorate in Economics from BI Norwegian Business School.

Monclair has served two years as Chief Executive Officer of Steinsvik Group and ten years as Chief Executive Officer of DeepWell.



Toril Eidesvik
Director

Toril Eidesvik has broad experience in international shipping and finance, and has previously held the position as Chief Executive Officer of each of Green Reefers ASA, EMS Seven Seas ASA and Nekkjar ASA (previously TTS Group ASA). Eidesvik holds several Board positions, including Munck Cranes AS, Port of London Authority and Eksportfinans ASA.

Eidesvik holds a Master of Laws from the University of Oslo from 1993.



Håvard Framnes
Director

Håvard Framnes holds a Master of Science in Business and Economics, MBA in Finance and Accounting from the Norwegian School of Business and Economics (NHH) and National University of Singapore. He holds the position of CEO at Johannes Østensjø d.y. AS. Framnes' previous experience includes the role as CFO of the Østensjø Group, founder and Chair of Reach Subsea AS, CFO of DeepOcean ASA and various Board positions in DeepOcean ASA group companies.

Mr. Framnes has various experience within auditing and corporate finance, including from Selmer, PwC and SEB.



Duncan Bullock
Director

Duncan Bullock is an investment professional with 15 years' experience working in the energy sector, across developed and emerging markets, and conventional and renewable energy infrastructure projects.

Mr. Bullock is currently an investment Director of Quantum Power. He has previously worked with Octopus Investments, Citigroup and PriceWaterhouseCooper. He holds a Master in Arts from Oxford University.



Jan Eyvin Wang
Chair of the Board

Jan Eyvin Wang has worked in the Wilh. Wilhelmsen Group since 1982 and currently holds the position of Executive Vice President New Energy. He has had several senior positions in the Wilh. Wilhelmsen Group in Norway and abroad, including the position of president and CEO of Wilh. Wilhelmsen ASA, as well as the position of CEO of EUKOR Car Carriers Inc. and CEO of United European Car Carriers (UECC).

Wang holds a BA in Business Administration from Heriot-Watt University, Edinburgh, Scotland from 1981, and an Advanced Management Programme from Harvard Business School from 2003.



Adrian Geelmuyden
Director

Adrian Geelmuyden is currently Director of Seatankers Management and has experience as Head of Sale and Purchase of Solstad Offshore ASA, Chartering Manager at Deep Sea Supply and has also been partner and shipbroker at R.S. Platou.

Geelmuyden holds a bachelor's in economics from Norwegian School of Business and Economics (NHH).

Board of Directors' Report

Edda Wind ASA ("Edda Wind" or the "Group") is a provider of offshore wind service vessels, headquartered in Haugesund. The Group develops, builds, owns, operates, and charters out purpose-built service operating vessels (SOVs) and commissioning service operation vessels (CSOVs) for offshore wind farms worldwide.

The Group has operated three SOVs, three CSOVs and two chartered in frontrunners, resulting in 1,649 available vessel days during 2023. The Group also has eight dedicated offshore wind vessels under construction, of which one SOV and seven CSOVs.

Edda Wind has a long-standing track record in maritime operations. The ambition of the Group is to be the leading provider of offshore wind service vessels. Following delivery of vessels under construction, Edda Wind will have the largest fleet of purpose-built offshore wind CSOVs in the world, solely focusing on the fast-growing offshore wind market. The Group's ambition is to secure a share of long-term contracts to ensure cash flows, while also having exposure in the short-term spot market.

Market development and outlook

The ongoing restructuring of the world's energy systems in a greener direction has continued and strengthened throughout 2023. The leading analytical environment within offshore wind estimates a continued significant growth in energy generation capacity from offshore wind turbines until at least the end of this decade. This will naturally be accompanied by a sharp growth in the number of wind turbines installed and in operation. As of the end of 2023, there were approximately 13,000 offshore wind turbines installed globally, which is anticipated to grow to approximately 30,000 wind turbines by 2030. Consequently, it is estimated that in excess of 250 CSOVs will be needed to assist with commissioning and operation of these; a number that compares favourably with the existing fleet of approximately 90 vessels, including vessels under construction. Further market information can be found in our Strategic Report.

Edda Wind emphasises that the information included in this Annual Report contains certain forward-looking statements that address activities or developments that the Group anticipates will or may occur in the future. The statements are based on assumptions and estimates, and some of them are beyond the Group's control and therefore subject to risks and uncertainties.

Consolidated annual accounts

The Group's financial statements for 2023 are prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the EU.

Income statement

Total operating income for the year ended 31 December 2023 was EUR 39,368 thousand compared to EUR 28,425 thousand for the year ended 31 December 2022. The increase is mainly due to increased operational days with new vessels commencing operations during 2023, less offhire related to commercial downtime for Edda Passat and technical challenges on Edda Breeze and Edda Brint.

Total operating expenses before depreciation for the year ended 31 December 2023 were EUR 32,348 thousand compared to EUR 21,856 thousand for the year ended 31 December 2022. The increase is mainly related to the commenced operation of new vessels during the year, offset by lower hire cost for frontrunner vessels. During 2022, an external frontrunner was hired in for Edda Breeze for the full year. Edda Breeze commenced operation at the end of March 2023, and as such the frontrunner contract was terminated on this date. A hired-in vessel operated as frontrunner for newbuild C-416 under the Siemens Gamesa charter from October 2023 until end of December 2023.

Depreciation was EUR 7,210 thousand for the year ended December 2023 compared to EUR 3,195 thousand for the year ended December 2022. Depreciation increased due to new vessels commencing operation in 2023.

Edda Wind generated an operating loss of EUR 190 thousand for the year ended 31 December 2023, compared to an operating profit of EUR 3,374 thousand for the year ended 31 December 2022. The decrease is mainly due to operational challenges related to our gangway operation that has led to unscheduled offhire during 2023.

Net financial expense for the year ended 31 December 2023 was EUR 3,678 thousand compared to EUR 1,440 thousand for the year ended 31 December 2022. The increase in net financial expense is mainly due to increased interest rates and interest expense on the financing of the new vessels that commenced operation during the year. The increase is offset by higher interest income on bank deposits.

Total comprehensive income for the year ended 31 December 2023 was negative EUR 3,829 thousand compared to negative EUR 652 thousand for the year ended 31 December 2022. The decrease is mainly due to the above-mentioned factors as well as currency translation differences. Currency translation difference reflects the effects of currency fluctuations when revaluing subsidiaries with functional currency in GBP of EDDOK to EUR.

The Group did not have any R&D activities during 2023 or 2022.

Statement of financial position

The Group's material assets at year end 2023 consist of six purpose-built offshore C/SOVs in operation and eight dedicated offshore wind vessels under construction.

Total non-current assets as at 31 December 2023 were EUR 524,492 thousand, of which book value of vessels and newbuildings amounted to EUR 515,516 thousand, up from EUR 289,796 thousand the previous year. The increase is mainly due to payment of pre-delivery yard instalments for the Groups newbuildings. The Group has received EUR 2,062 thousand in grants from ENOVA during 2023 (EUR 4,569 thousand in 2022), booked as a reduction of newbuilding cost price.

The Group has also incurred EUR 7,062 thousand in liquidated damages related to delayed delivery of Edda Breeze and Edda Brint to clients. The amount is capitalised as other non-current assets and recognised in the profit and loss (P&L) on a straight-line basis over the contract period from the date the vessels were delivered to the clients. As at 31 December 2023, a total of EUR 416 thousand has been recognised in the P&L. In 2022, Group entered into a loan agreement as compensation for payment obligations assumed to avoid delay of certain equipment. As at 31 December 2023, the outstanding balance is EUR 1.8 million.

Total current assets as at 31 December 2023 was EUR 57,766 thousand compared to EUR 54,285 thousand as at 31 December 2022. Cash and cash equivalents were EUR 32,918 at 31 December 2023, down from EUR 45,021 last year. The decrease in cash is mainly due to payment of pre-delivery yard instalments and repayment of post-delivery financing during the year, offset by drawdown of interest-bearing debt and proceeds from the private placement performed in March 2023.

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

Total liabilities were EUR 297,376 thousand at the end of 2023, up from EUR 167,458 thousand the previous year. Net interest-bearing debt has increased from EUR 156,964 thousand to EUR 284,830 thousand mainly due to drawdown on the pre-delivery financing facilities for the newbuildings.

At year end 2023, total equity for the Group was EUR 284,882 thousand. The equity has increased from EUR 183,680 thousand from the previous year. The increase is mainly due to proceeds from the private placement performed in March 2023, less the negative result for the year. Equity ratio decreased from 52.3% in 2022 to 48.9% in 2023.

Statement of cash flow

Net cash flow from operating activities for 2023 was negative EUR 13,100 thousand compared to a positive cash flow of EUR 9,225 thousand for 2022. The decrease is mainly due to an increase in net working capital during the year as increased activity attributed to higher accounts receivables and prepayments. The short-term receivables recognised in relation to taking title of C-416 also negatively affects the cash flow from operating activities.

Net cash flow from investment activities was negative EUR 227,415 thousand in 2023 due to payment of yard instalments for newbuildings.

Net cash flow from financing activities was EUR 228,843 thousand in 2023 (EUR 41,107 thousand in 2022). The Group has drawn down in total EUR 140,846 thousand during the year on pre-delivery facilities and repaid EUR 10,564 thousand on post-delivery facilities. The Group has also received EUR 105,032 thousand in proceeds from the private placement performed in March 2023.

Financial results and financial position – parent company

Edda Wind ASA serves as parent company of the Group. In 2023, the Company reported a profit after tax of EUR 4,786 thousand, compared to EUR 2,321 thousand in 2022. Operating expenses for 2023 were EUR 1,461 thousand, a decrease from EUR 2,000 thousand in 2022. Net financial income was EUR 8,369 thousand in 2023 compared to EUR 4,320 thousand in 2022. The increase is primarily due to interest on loans to subsidiaries, as well as currency effects. The increase is offset by reduced group contributions received in 2023 compared to 2022.

The Company's total assets were EUR 311,388 thousand at year end 2023 compared to EUR 300,000 thousand at year end 2022. Total assets mainly comprise of shares in subsidiaries, as well as short-term receivables from group companies. Cash balance at year end 2023 was EUR 32,918 thousand, down from EUR 26,739 thousand the year before. The reduction is primarily explained by payments of yard instalments on behalf of subsidiaries. Booked equity at year end 2023 was EUR 280,149 thousand, compared to EUR 170,000 thousand at year end 2022. Equity ratio is 50.0%.

The Board of Directors has recommended that the year's profit of EUR 4,786 thousand be allocated to other equity.

Other than stated above, the Company has experienced, nor does it have information about any significant other trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on Company's financial performance or prospects since the end of 2023 and until the date of this Annual Report.

Operational risk

Edda Wind is exposed to the risk of cost increases, including cost of vessel construction, operating cost and maintenance cost, as well as risk related to utilisation of the vessels. If any of the Group's vessels are taken out of operation, this could materially impact the Group's business, prospects and financial results including its ability to be compliant with the financial covenants pursuant to its financing arrangements. Long-term charter agreements include escalation clauses. Construction and acquisition of new vessels is an important element of the Group's growth strategy. The acquisition, construction, supervision and delivery of new vessels are subject to several risks, including the risk of potential cost overruns and delays, risk of new vessels not meeting quality and performance standards and unexpected operational problems, political unrest and other circumstances including macroeconomic factors, financial problems at yards and key suppliers. The newbuilding contracts are based on fixed price agreements with the yards.

Commercial risk

The Group's earnings and liquidity is dependent on the Group's ability to obtain profitable rates for its vessels. The demand for the Group's services may be volatile and is subject to variations for several reasons, including competition from other service providers and uncertainty in the general demand in the industry. The demand for the Group's vessels is dependent on the future development and operation of offshore wind farms. Whilst Edda Wind has an ambition to further expand its portfolio of contracts, the process for obtaining new customer agreements is competitive and generally involves intensive screening and competitive bidding processes.

Liquidity and financial risk

Liquidity risk is related to the risk that the Group may not be able to meet its financial and operational obligations as they fall due. The Group's approach to managing liquidity is to manage cash flows from operation of long-term charter contracts, and the liquidity situation is monitored and projected via liquidity budgets prepared by management on a regular basis. The Group's liquidity situation is considered satisfactory at the date of the Annual Report. However, the Group is continuously exploring alternatives to strengthen its balance sheet, including its liquidity position.

The Group has secured long-term financing on all of its vessels in operation or under construction, except one. Edda Wind's loan agreements contain financial covenants relating to minimum liquidity, working capital, equity ratio, debt service coverage and loan to value. The Group was in compliance with all covenants at year-end. The Group faces risk that financing of the one remaining newbuilding may not be obtainable on attractive terms. The repayment profile under the Group's existing financing agreements includes obligations for the Group to repay large parts of the principal loan balance at the final scheduled repayment date, close to or at final maturity of the loan. Consequently, the Group will need to refinance such debts prior to final maturity. Edda Wind's overall policy is to maintain a strong capital base to maintain investor, creditor and marked confidence and to sustain operations and future business developments.

Foreign exchange risk

The Group's reporting currency is Euro. A significant portion of the Group's operating expenses, capital expenses and certain of its current and future revenues is and will likely be incurred in other currencies, such as NOK, GBP and USD. As a result, the Group is exposed to the risks that such other currencies, including NOK, GBP and USD, may appreciate or depreciate relative to the EUR. The Group has established hedging strategies to monitor and mitigate risks on material exposures.

Interest risk

The Group has incurred, and may in the future incur, significant amounts of debt. The Group has a floating interest under certain of its debt arrangements and is thereby exposed to interest rate risk.

Tax risk

Ten of the Group's vessels in operation or under construction are subject to certain Spanish tax lease structures. Whilst the Spanish tax lease structures enable the Group to acquire the newbuilds at a discounted net price, the structure involves certain risks including counterparty risk and regulatory risk for the Group. Under such Spanish tax lease structures, Edda Wind assumes certain obligations and liabilities which would not exist if the vessels were acquired under the standalone shipbuilding contract. The tax lease structure is also dependent on compliance of the various requirements and obligations under the arrangement, the failure of which may entail Edda Wind being obliged to repay certain tax lease advantages.

Credit risk

The Group has credit risk related to charter contracts. The customers are considered solid, and the risk of customers not having the financial capability to fulfil their obligations to the Group is considered acceptable.

Sustainability in Edda Wind's operations

Sustainability is a strategic objective for Edda Wind and considered key to its ability to create long-term value for its shareholders. Please refer sustainability reporting on page 16.

The growing environmental awareness and requirement for green and renewable energy the basis for the business strategy, and operation of Edda Wind's fleet is part of the solution. The operation of the Group's vessels neverthele impacts the environment. Edda Wind has sy in place for continuous measurement of em to the environment and Edda Wind is taking measures to reduce its impact. The newbuilds are equipped with battery hybrid propulsion systems, which, together with other energy equipment, is expected to reduce GHG emissions by a minimum of 30% compared to previous generation offshore wind service vessels. The newbuilds are also being prepared for installation of zero-emission hydrogen technology to enable zero-emission operations.

The safety of personnel on board the vessels paramount to Edda Wind's operations. The CO monitors and reports LTIF and TRCF on a monthly basis, which is followed up based on established targets, trends and/or individual cases. LTIF 1.92 in 2023, while TRCF was 2.40. The incident frequencies were higher than our targets of 1.5 and TRCF < 2. A high incident frequency is not something Edda Wind considers as acceptable will in 2024 work actively to improve our process and communication to reinforce the safety that we need to operate safely.

Edda Wind hires in services from Øststensjø Rederi AS, such as vessel crew, corporate management and technical management. Edda Wind is dedicated to treating employees and hired-in personnel with respect and have a zero-tolerance for discrimination. All personnel working for Edda Wind shall have equal opportunities regardless of gender, ethnic background, nationality, religion or disability. The working environment onshore and offshore is considered good.

The skills and competencies of the people working for us are crucial to our performance and our ability to live up to our vision. This far, most of our activities have been outsourced. However, a strategic decision was made this year to establish an independent entity, enabling us to perform project, technical and corporate management ourselves. During the year, Edda Wind upscaled its onshore organisation from nine employees to 20 employees at year end. 30% of the employees are female. The onshore organisation is expected to grow to around 30 people by 2025.

Edda Wind is committed to doing business in accordance with laws and legal requirements, including anti-corruption and bribery laws, in all jurisdictions we operate. Laws and other legal requirements currently applicable to the Group include, but are not limited to, European Union, national state, flag state, class, coastal state, port state and local laws and regulations under multiple jurisdictions worldwide (however, mainly in Europe), such as those of the European Union, Norway, the United Kingdom, Spain, Germany and the United States.

Edda Wind ASA has signed a Directors and Officers Liability Insurance (D&O). The D&O insurance provides financial protection for the directors and officers of a company in the event that they are being sued in conjunction with the performance of their duties as they relate to the company. The insurance comprises

the directors' and officers' personal legal liabilities, including defence- and legal costs.

Corporate Social Responsibility

Edda Wind's policy commitments are found in the Group's Corporate Governance Policy Manual, which includes the Corporate Social Responsibility (CSR) Policy. The CSR Policy stipulates that the Group shall respect human and labour rights, establish good health, safety and environment standards, facilitate good dialogue with stakeholders, and generally operate in accordance with the applicable regulatory framework and good business practice. The CEO is responsible for ensuring follow-up of and compliance with the content of the policy. The policy is adopted by the Board of Directors and shall be evaluated at least every second year.

An important part of becoming a stand-alone organisation is to establish clear guidelines and commitments. During 2023, we started the process of strengthening our policies and clarifying our commitments. The new policies will be implemented in 2024, replacing the CSR Policy. Further, we will implement a formal whistleblower channel in 2024.

In 2024 we also plan to release the Edda Wind Code of Conduct, setting our expectations, commitments and requirements for ethical conduct from our employees and Board members, and also extending to all persons working on board the Edda Wind vessels. The Code of Conduct will be followed by a separate Supplier Code of Conduct, setting expectations for ethical conduct by our suppliers.

In relation to the Transparency Act that came into force 1 July 2022, Edda Wind's published report is available on www.eddawind.com/investor-relations/

Further information can be found in our sustainability reporting on page 16 in this report.

Subsequent events

Edda Wind has experienced technical challenges with the gangway systems. The challenges have previously been dealt with during regular operation. To ensure that the systems are achieving the expected reliability and performance, Edda Wind has taken three of its vessels, Edda Breeze, Edda Brint and Edda Boreas, out of operation to implement robust solutions to the various issues. The vessels were in operation again in March. Edda Brint experienced further offshore during March and April, but has been in constructive dialogue with the charterers throughout. Due to offshore and extraordinary capital expenditure caused by technical issues on Edda Brint and Edda Breeze, Edda Wind utilised embedded equity cure mechanisms in the Group's two bonds and did one technical equity cure on each in 2024, in addition to one equity cure on one of the bonds in 2023.

In February 2024, Edda Wind, through its subsidiary West Energy AS, entered into a sale and purchase agreement regarding the sale of all outstanding shares in Puerto de Calella S.L., the registered owner of Edda Passat. The transaction was completed in March 2024. The rationale for the sale was to optimise the Group's fleet strategy, including alignment of vessel design. The proceeds from the sale will be used for general corporate purposes, including the repayment of outstanding debt related to Edda Passat.

Edda Wind took delivery of the newbuild C416 in March 2024.

Going concern

The consolidated financial statements and parent financial statements have been prepared based on an assumption of going concern. This is based on the Group's budgets for 2024, as well as cash flow forecast and contract status for newbuildings.

Responsibility statement

We hereby confirm that, to the best of our knowledge, the annual accounts for the period 1 January 2023 to 31 December 2023 have been prepared in accordance with applicable accounting standards; and that the information in the accounts represents a true and fair view of the Group and parent company's assets, liabilities, financial position, and overall performance. We further confirm that the Annual Report provides a true and fair view of the development, earnings and standings of the Group and parent company, and sets out the most important risk factors and uncertainties facing the Group.

Haugesund, 24 April 2024
The Board of Directors of Edda Wind ASA
(signed electronically)

Jan Eyvin Wang
Chair of the Board

Håvard Framnes
Board member

Toril Eidesvik
Board member

Adrian Geelmuyden
Board member

Duncan Bullock
Board member

Martha Kold Monclair
Board member

Cecilie Wammer Serck-Hanssen
Board member

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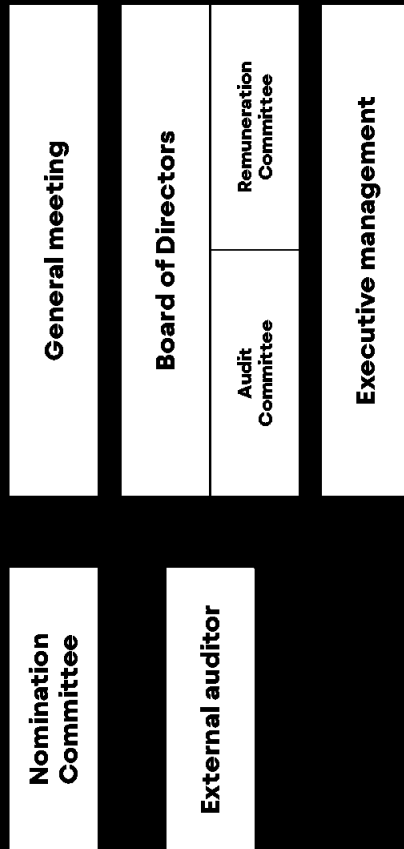
Photos: Eivind Reine

33 Governance at a Glance

Governance at a Glance

Edda Wind ASA is the parent company of the Edda Wind Group. Edda Wind ASA is a Norwegian public limited company listed on the Oslo Stock Exchange, subject to Norwegian corporate, accounting, exchange listing and security trading.

The Board of Directors has the ultimate responsibility when it comes to ensuring that the Company has implemented sound corporate governance. Edda Wind ASA and its Board of Directors have a strong commitment to ensure trust in the Company and to enhance shareholder value through efficient decision-making and good communication between management, the Board of Directors, and shareholders. The Company's framework for corporate governance is intended to decrease business risk, maximise value and utilise the Company's resources in an efficient, sustainable manner, to the benefit of shareholders, employees and society at large.



The Board of Directors review, monitor and discuss issues, risks and opportunities related to safety, security and sustainability. Regular Board meetings are held during the year, and topics such as investments and sustainability are considered in the Board's strategic work, as well as in the implementation of business plans and monitoring of performance.

The Board of Directors has three sub-committees. The Audit Committee assists in monitoring and overseeing risk management, including climate-related risks, and compliance with commitments and requirements for ethical conduct concerning financial reporting. The Nomination Committee is responsible for proposing candidates for members of the Board and the Nomination Committee, and remuneration to the members of these bodies.

The Remuneration Committee's main tasks are to prepare recommendations for the Board of Directors regarding salary and other employment issues in respect of executive management, as well as prepare the report on remuneration to management.

Day-to-day management lies with the CEO, who is responsible for managing Edda Wind's policies and actions related to safety, security and sustainability.

34 Norwegian Code of Practice for Corporate Governance

Norwegian Code of Practice for Corporate Governance

Edda Wind ASA has adopted the Norwegian Code of Practice for Corporate Governance of 14 October 2021 (the "Corporate Governance Code").

The Corporate Governance Code is based on the principle of "explain or comply", which means that a company must comply with the recommendations of the Corporate Governance Code or explain why it has chosen an alternative approach to specific recommendations.

Business

Edda Wind ASA's objective as set out in its Articles of Association is to directly or indirectly, own and conduct business within the offshore renewable segment including, but not limited to, ownership and management of specialised vessels, various auxiliary services, as well as participation and ownership in other companies. The Company's Articles of Association are available on the Company's webpage, www.eddawind.com.

The Company's principal objectives, strategies and risk profile are presented in the Annual Report.

Equality and dividends

The Edda Wind Group's objectives when managing capital are to secure financial ability to execute the Group's operational strategy, manage operational and financial risks, deliver attractive returns to the shareholders and to maintain an optimal capital structure to reduce the cost of capital including compliance with covenants in the loan agreements and to meet obligation as they fall due. For newbuilds with longer-term contracts, the Company targets to have a financial leverage in range of 75--85% of newbuild cost. For vessels without contract, the Company seeks to secure financing of 50--60% of newbuild cost.

At 31 December 2023, the Company's equity amounted to EUR 284,862 thousand.

The Company has an ambition to pay regular dividends. The Company aims to pay a dividend of more than 50% of free cash flows after debt service subject to consideration of its outlook, investment opportunities, working capital, debt service and financial position.

The Board of Directors will in the ordinary course of business of the Company have authorisation to increase the share capital of the Company and to repurchase the Company's own shares.

Equal treatment of shareholders and transactions with related parties

All shareholders shall be treated on an equal basis. Edda Wind ASA's shares are listed on the Oslo Stock Exchange and all issued shares carry equal voting rights.

Any transactions in own shares shall be carried out through the Oslo Stock Exchange.

The Board of Directors aims to ensure that any material future transactions between the Company and shareholders, a shareholder's parent company, members of the Board of Directors, executive personnel, or close associates of any such parties are entered into on arm's length terms. For any such transactions which do not require approval by the general meeting pursuant to the Norwegian Public Limited Liability Companies Act, the Board of Directors will on a case-by-case basis assess whether a fairness opinion from an independent third party should be obtained.

According to the Norwegian Public Limited Liability Companies Act, the Company's shareholders pre-emption rights in share offerings against contribution. Such pre-emption rights may be set aside, either by the general meeting or Board of Directors if the general meeting has granted the Board authorisation which allows Any resolution to set aside pre-emption right justified by the common interests of the Company and the shareholders, and such justification will be publicly disclosed through a stock exchange from the Company.

In the event of a future share buy-back program the Board of Directors will aim to ensure that transactions pursuant to such programme will be carried out either through the trading system Oslo Børs or at prevailing prices at Oslo Børs in accordance with the Market Abuse Regulation event of such programme, the Board of Directors take the Company's and shareholders' interests into consideration and aim to maintain an equal treatment of all shareholders. There is liquidity in the Company's shares, the Company consider other ways to ensure equal treatment all shareholders.

Shares and negotiability

The shares in Edda Wind ASA are freely traded. The Articles of Association do not impose any limitations on ownership of the shares.

General meeting

In accordance with Norwegian law, the Annual General Meeting of the Company's shareholders is required to be held each year on or prior to 30 June. Notice of the general meeting shall as principal rule be made by written notification to all shareholders with a known address no later than 21 days prior to the date of the general meeting. Provided documents concerning items to be discussed at the general meeting are made available on the Company's website, the requirement of mailing the documents to the shareholders does not apply. This also applies for documents which, according to the law, shall be included in or attached to the notice of the general meeting. Despite this, each shareholder is entitled to request that the documents concerning items to be discussed at the general meeting are mailed.

The Company may set a deadline in the notice of the general meeting for registration of attendance at the general meeting, which shall not fall earlier than five days prior to the general meeting.

The Board can decide that the shareholders shall be able to cast votes in writing, including by electronic communication, in a period prior to the general meeting. For such voting an adequate method to authenticate the sender shall be used.

A shareholder may vote at the general meeting either in person or by proxy. All the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the general meeting, or who have otherwise reported and documented ownership to shares, are entitled to participate at general meetings, without any requirement of pre-registration.

The Annual General Meeting is chaired by the Chair of the Board, or an individual appointed by the Chair. Having the Chair of the Board of Directors or a person appointed by him/her chairing general meetings simplifies the preparations for the general meetings significantly. The Company encourages shareholders to attend the Annual General Meeting. It is also the intention to have representatives of the Board of Directors attending the Annual General Meeting. The Board of Directors and the Nomination Committee shall, as a general rule, be present at general meetings. The auditor will attend the ordinary general meeting and any extraordinary general meetings to the extent required by the agenda items or other relevant circumstances.

The Annual General Meeting shall discuss and decide on the following matters:

- approval of the annual accounts and the Annual Report, including distribution of dividend, if any; and
- other matters that pursuant to law or the Articles of Association fall under the authority of the general meeting.

Nomination Committee

According to the Articles of Association the Company shall have a Nomination Committee consisting of a minimum of two members to be elected by the general meeting. The members shall be elected for a period of two years. The majority of the committee should be independent of the Board of Directors and the executive personnel. No more than one member of the Nomination Committee should be a member of the Board of Directors. The general meeting determines the remuneration to the Nomination Committee. The Nomination Committee proposes candidates for members of the Board and the Nomination Committee, and remuneration to the members of these bodies. The general meeting may decide on guidelines for the Nomination Committee.

Board of Directors

The composition of the Board of Directors should ensure that the Board can attend to the common interests of all shareholders and to meet the Company's need for expertise, capacity and diversity. Attention should be paid to ensuring that the Board can function effectively as a collegiate body.

The composition of the Board of Directors should ensure that it can operate independently of any special interests. The majority of the shareholder-elected members of the Board should be independent of the Company's executive personnel and material business contacts. At least two of the members of the Board elected by shareholders should be independent of the Company's main shareholder(s).

The Board of Directors should not include executive personnel. If the Board does include executive personnel, the Company should provide an explanation for this and implement consequential adjustments to the organisation of the work of the Board, including the use of committees to help ensure more independent preparation of matters for discussion by the Board.

The Chair of the Board of Directors should be elected by the general meeting. The term of office for members of the Board of Directors should be longer than two years at a time. The Annual Report should provide information to illustrate the expertise of the members of the Board of Directors, and information on their record of attendance at Board meetings. In addition, the Annual Report should identify which members are independent.

The Company's Board of Directors currently consists of seven members, of whom four are men and three are women. None of the members of the Board hold executive management positions in the Company. Three of the members of the Board are independent of the Company's main shareholder. The Chair of the Board of Directors together with one Director jointly have the right to sign for the Company on behalf of the Company. The Board of Directors may grant procurator. Members of the Board of Directors are elected by the Company's shareholders in an ordinary or extraordinary general meeting for two-year periods.

The work of the Board of Directors

The Board of Directors is responsible for the overall management of the Company and shall supervise the Company's business and the Company's activities in general. The Norwegian Public Limited Liability Companies Act regulates the duties and procedures of the Board of Directors. In addition, the Board of Directors has adopted supplementary rules of procedures, which provides further regulation on inter alia the duties of the Board of Directors and the CEO, the division of work between the Board of Directors and the CEO, the annual plan for the Board of Directors, notices of Board proceedings, administrative procedures, minutes, Board committees, transactions between the Company and the shareholders, and matters of confidentiality.

The Board shall produce an annual plan for its work, with particular emphasis on objectives, strategy and implementation. The CEO shall at least once a month, by attendance or in writing, inform the Board of Directors about the Company's activities, position and profit trend. The Board of Directors' consideration of material matters in which the Chair of the Board is, or has been, personally involved, shall be chaired by some other member of the Board.

The Board of Directors shall perform a self-evaluation of its performance and expertise annually and present the evaluation to the Nomination Committee.

Audit Committee

The Company's Audit Committee is governed by the Norwegian Public Limited Liability Companies Act and a separate instruction adopted by the Board of Directors. The members of the Audit Committee are appointed by and among the members of the Board of Directors. A majority of the members shall be independent of the Company's operations, and at least one member who is independent of the Company shall have qualifications in accounting or auditing. Board members who are also members of executive management cannot be members of the Audit Committee. The principal tasks of the Audit Committee are to:

- (a) Prepare the Board of Directors' supervision of the Company's financial reporting process;
- (b) Monitor the systems for internal control and risk management;
- (c) Have continuous contact with the Company's auditor regarding the audit of the annual accounts; and
- (d) Review and monitor the independence of the Company's auditor, including in particular the extent to which the auditing services provided by the auditor, or the audit firm represent a threat to the independence of the auditor.

Remuneration Committee

The Company's Remuneration Committee is governed by a separate instruction adopted by the Board of Directors. The members of the Remuneration Committee are appointed by and among the members of the Board of Directors and shall be independent of the Company's executive management. The principal tasks of the Remuneration Committee are to prepare:

- (a) The Board of Directors' declaration on determination of salaries and other remuneration for executive management in accordance with the Norwegian Public Limited Liability Companies Act section 6-16 a, and
- (b) Other matters relating to remuneration and other material employment issues in respect of executive management.

Risk management and internal control

Risk management and internal control are given high priority by the Board of Directors ensuring that adequate systems for risk management and internal control are in place. The control system consists of interdependent areas which include risk management, control environment, control activities, information and communication, and monitoring.

The Company's management team is responsible for establishing and maintaining sufficient internal control over financial reporting. Company-specific policies, standards and accounting principles have been developed for the annual and quarterly financial reporting of the Group. The CEO and CFO supervise and oversee the external reporting and the internal reporting processes. This includes assessing financial reporting risks and internal controls over financial reporting within the Group. The consolidated external financial statements are prepared in accordance with IFRS and International Accounting Standards as adopted by the EU.

The Board of Directors shall ensure that the Company has sound internal control and systems for risk management, including compliance with the Company's corporate values, ethical guidelines and guidelines for corporate social responsibility. The Company plans to issue its Code of Conduct in 2024, describing the Company's ethical commitments and requirements related to business practice and personal conduct. If employees experience situations or matters that may be contrary to rules and regulations or raise their concern with their immediate superior or another manager in the Company, they are urged to report such matters to the Compliance Channel. The Company will establish a formal whistleblower channel that will enable employees to alert the Company's governing bodies about possible breaches of the Code of Conduct.

The Board of Directors shall present a report on the Company's financial statements in the Annual Report. The Audit Committee shall assist the Board of Directors on an ongoing basis in monitoring the Company's system for risk management and internal control. In connection with the quarterly financial statements, the Audit Committee shall present to the Board of Directors its views and information regarding the Company's current business performance and risks.

Remuneration of the Board of Directors

The remuneration of the Board of Directors shall be decided by the Company's general meeting, and should reflect the Board of Directors' responsibility, expertise, time commitment and the complexity of the Company's activities. The remuneration should not be linked to the Company's performance.

The Annual Report shall provide details of all elements of the remuneration and benefits of each member of the Board of Directors, which includes a specification of any remuneration in addition to normal fees for the members of the Board.

If members of the Board of Directors take on specific assignments for the Company outside ordinary duties as Board members, this should be disclosed to the full Board. The remuneration for such additional duties should be approved by the Board of Directors.

Remuneration of executive personnel

The Board of Directors will in accordance with the Norwegian Public Limited Liability Companies Act prepare separate guidelines for the stipulation of salary and other remuneration to key management personnel. The guidelines shall include the main principles applied in determining the salary and other remuneration of executive management and shall ensure convergence of the financial interests of executive management and the shareholders. The guidelines will be made available to and shall be dealt with by the ordinary general meeting in accordance with the Norwegian Public Limited Liability Companies Act.

The Board of Directors aims to ensure that performance-related remuneration of executive management in the form of share options, annual bonus programmes or the like, if used, are linked to value creation for shareholders or the Company's earnings performance over time.

Information and communications

The Company has implemented an Investor Relations Policy with the aim of keeping shareholders, analysts, investors and other stakeholders continuously updated on the Company's operations and performance. Financial reports and presentations are provided to the market in accordance with the Company's financial calendar, on a quarterly and annual basis. Information of importance is made available to the stock market through notifications to the Oslo Stock Exchange in accordance with the Stock Exchange regulations, and on the Company's website.

Takeovers

In the event the Company becomes the subject of a takeover bid, the Board of Directors shall seek to ensure that the Company's shareholders are treated equally and that the Company's activities are not unnecessarily interrupted. The Board of Directors shall also ensure that the shareholders have sufficient information and time to assess the offer.

There are no defence mechanisms against takeover bids in the Company's Articles of Association, nor have other measures been implemented to specifically hinder acquisitions of shares in the Company. The Board of Directors has not established written guiding principles for how it will act in the event of a takeover bid, as such situations are normally characterised by concrete and one-off situations which make guidelines challenging to prepare. In the event a takeover were to occur, the Board of Directors will consider the relevant recommendations in the Corporate Governance Code and whether the concrete situation entails that the recommendations in the Corporate Governance Code can be complied with or not.

Auditor

The Company's independent auditor is Ernst & Young AS (EY). The auditor is appointed by the general meeting. The Board of Directors will require the Company's auditor to annually present to the Audit Committee a review of the Company's internal control procedures, including identified weaknesses and proposals for improvement, as well as the main features of the plan for the audit of the Company.

Furthermore, the Board of Directors will require the auditor to participate in meetings of the Board of Directors that deal with the annual accounts. At least one Board meeting with the auditor shall be held each year in which no member of executive management is present. The Board of Directors' Audit Committee shall review and monitor the independence of the Company's auditor, including the extent to which services other than auditing provided by the auditor or the audit firm represents a threat to the independence of the auditor.

The remuneration to the auditor for statutory audit will be approved by the ordinary general meeting. The Board of Directors should report to the general meeting on details of fees for audit work and any fees for other specific assignments.

The board of directors shall ensure that the auditor submits the main features of the plan for the audit of the company to the audit committee annually.

38 Remuneration Report

Remuneration report for 2023

Supporting increased transparency related to senior executive remuneration, the Board has today considered and endorsed the remuneration report for Edda Wind ASA for the fiscal year 2023.

Prepared in accordance with the Norwegian Public Limited Liability Companies Act ("Companies Act") section 6-16 building on the requirements in the EU Shareholder Rights Directive (2017/828), the report gives to the best of our knowledge, a fair and true presentation of remuneration awarded to senior executives in the Group in 2023.

The report has been reviewed by the Group's auditor EY and will be presented to the Annual General Meeting on 29 May 2024 for an advisory vote.

Our objective in providing this report is to give a transparent and comprehensive overview of the remuneration of senior executives and to:

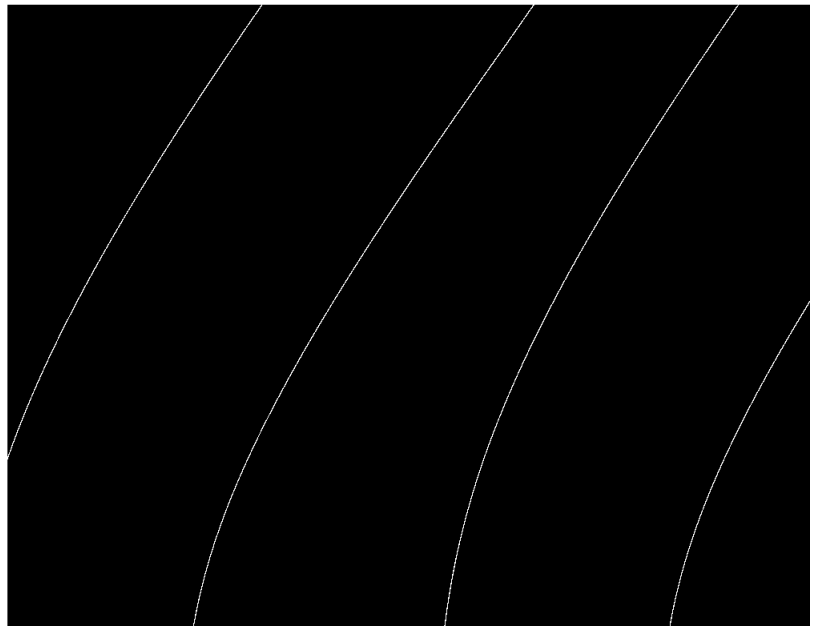
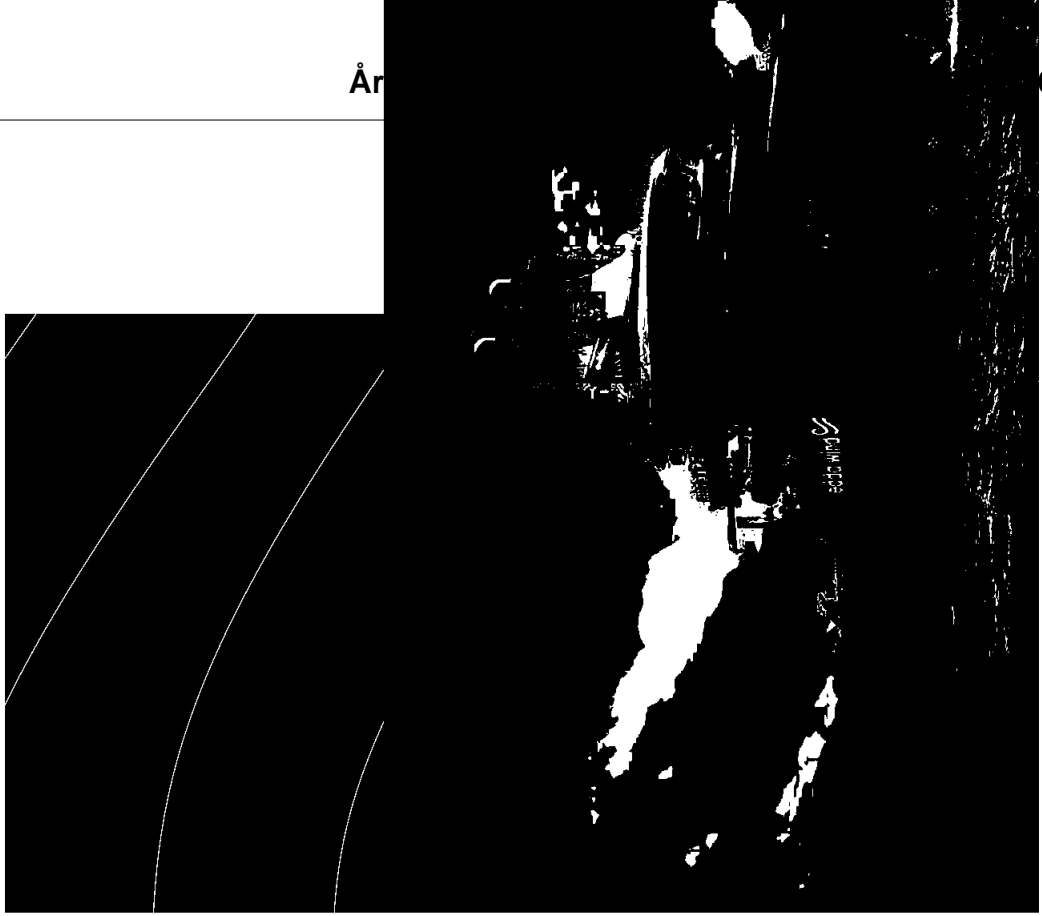
- provide clarity of the remuneration arrangements;
- confirm a strong link between performance and remuneration; and
- ensure shareholders' interests and expectations are aligned with Company development, including strategic ambitions and business performance.

This remuneration report describes the practice of the Group for 2023.

Haugesund, 24 April 2024

On behalf of the Board of Directors

Jan Eyvin Wang
Chair of the Board



Remuneration report for 2023 continued

Senior executives

As of 31 December 2023, the Group management team included:

- Kenneth Walland, CEO
- Tom Johan Austrheim, CFO
- Jan Loddlen, COO
- Håkon Vevang, CCO
- Nina Marie Wathne, CHRO (start date 1 September 2023)
- Ellen Sofie Ottesen, CTO (start date 1 October 2023)

Compliance with the remuneration guidelines

The present remuneration guidelines of the Group were first adopted at the Annual General Meeting on 6 May 2022. The guidelines were developed to ensure the Group's remuneration of senior executives complies with relevant regulatory requirements, is aligned with the Group's values, people policy and performance-based remuneration philosophy, and is easy to understand and be assessed by the Group's various stakeholders.

The below list of principles guide remuneration:

- The remuneration of senior executives is designed to retain and attract the right employees with the skills and expertise necessary to deliver on the Group's short- and long-term ambitions, including both financial and non-financial targets.
- The compensation should be competitive, but not market leading, in the relevant labour market(s).
- The compensation should be fair, reflect the complexity and responsibility for each position as well as the performance of the individual.
- Compensation should reflect the Group's overall performance and financial results.
- Remuneration should be aligned with and strengthen the common interest of Edda Wind's senior executives and the Group's shareholders.
- The guidelines, including the objective of each element of the remuneration, award levels and performance criteria should be clear, transparent and give a comprehensive overview of how the Group compensates senior executives and how the different elements are believed to contribute to realising the Group's strategic ambitions, long-term interests and profitability.

Key business events in 2023

The Group ordered four newbuildings in March 2023. With this action Edda Wind is clearly taking the leading role in the growing market for C/SOVs with a planned fleet of 13 vessels. Edda Breeze and Edda Brint commenced operations at the end of March 2023. Edda Boreas commenced operation in July 2023 and Edda Nordri in end of December 2023.

A strategic decision has been made to establish an independent entity by 2025, enabling Edda Wind to perform services that previously have been outsourced. During the year, the Group has started preparing for the transition, upscaling our organisation from nine to 20 employees, including two new members of the executive management team.

Remuneration of senior executives in 2023

Total remuneration to senior executives amounted to NOK 9,957,886 in 2023, of which 79.6% was base salaries and other benefits, 15.0% was bonuses and 5.5% pensions. Other benefits included work-related non-monetary employment benefits such as company car, insurance and digital media. There were no changes in pension schemes for senior executives in 2023. A full breakdown of remuneration can be found in the tables on page 48. A bonus of NOK 1,489,749 was paid to management during 2023, related to the short-term bonus scheme.

Management incentive scheme

The Group has approved a one-year rolling incentive scheme for its management. The maximum bonus pursuant to the incentive scheme equals the annual base salary, and the bonus is accrued based on changes in the trading price for the shares:

- below 10% increase does not entitle bonus;
- an increase of 30% or more entitles a maximum bonus; and
- an increase between 10% and 30% entitles pro rata share of the maximum bonus.

Any dividends distributed on the shares within the relevant incentive periods will be added to the share price. The bonus will be paid two years after accrual if the employee is still employed at the payment date. The incentive scheme will be terminated by the Board of Directors. If it is terminated, the accrued bonus (if any) will be paid to the employees. As of 31 December 2023, the Group has not recognised any accrued bonus related to the incentive scheme.

Further, to encourage a strong performance culture, Edda Wind offers an annual variable rewarding individuals for annual achievement. The targets are linked to the Group's financial non-financial performance and is capped at 12 months salary.

Pension and insurance schemes

The Group offers insurance benefits for senior executives aligned with local markets. The scheme includes coverage for old age, disability, spouse and children, and supplement payments from Norwegian National Insurance system.

Severance package schemes

As a rule, senior executives who resign voluntarily or are found guilty of gross misconduct, gross negligence, disloyalty, or other material breach of his/her duties are not entitled to severance. The CEO has a non-compete restriction in his employment contract. There are no agreements between the Group and the members of management providing for benefits upon termination of employment, except for the CEO and CFO who, respectively, has a non-competence right to 12 months' and 6 months' severance following the notice period. There are no loan prepayments or other guarantees provided by management at year end.

40 Remuneration Report continued

Senior executives' shareholdings in Edda Wind ASA

An overview of senior executives' private shareholdings in the Company, not awarded as remuneration, can be found in note 3 to the consolidated financial statements.

Senior executives on internal and external Boards

The Group consists of a portfolio of companies. In order to ensure the Group's interests are taken care of and that there is good governance of the investments, the Group may appoint employees or representatives to serve on internal and external Boards. Senior executives represent Edda Wind ASA on subsidiary Boards.

Remuneration of Board and Remuneration Committee members including the Audit Committee

Remuneration to Board and Board committee members are awarded one year in arrears. The following remuneration has been paid during 2023:

Board members	Position	Yearly remuneration (NOK)	Remuneration paid in 2023 (NOK)
Jan Eyvin Wang	Chair of the Board ²	450,000	325,000
Håvard Framnes	Board member	325,000	450,000
Martha Kold Monclair	Board member	325,000	325,000
Toril Eidesvik	Board member	325,000	325,000
Duncan Bullock	Board member	325,000	325,000
Adrian Geelmuyden	Board member	325,000	325,000
Cecilie Serck-Hanssen	Board member	325,000	325,000
Total		2,400,000	2,400,000

Audit Committee members	Position	Yearly remuneration (NOK)	Remuneration paid in 2023 (NOK)
Martha Kold Monclair	Leader	50,000	50,000
Håvard Framnes	Member	40,000	40,000
Total		90,000	90,000

Remuneration Committee members	Position	Yearly remuneration (NOK)	Remuneration paid in 2023 (NOK)
Jan Eyvin Wang	Leader	25,000	25,000
Håvard Framnes	Member	20,000	20,000
Total		45,000	45,000

Nomination Committee members	Position	Yearly remuneration (NOK)	Remuneration paid in 2023 (NOK)
Benedicte Gude	Leader	20,000	20,000
Johannes Østensen	Member	15,000	15,000
Total		35,000	35,000

Remuneration tables

The table below shows the remuneration paid to senior executives in NOK in 2023, broken down by salary, bonus, other benefits, and pension.

Management	Position	Start date	Salary	Bonus	Other benefits
Kenneth Walland	CEO	01.04.2021	2,466,531	561,708	17,064
Håkon Vevang	CCO	01.04.2021	1,454,468	340,915	17,064
Tom Johan Austrheim	CFO	18.05.2021	1,699,483	416,668	17,064
Jan Lodden	COO	01.07.2022	1,454,468	170,458	17,064
Nina Wathne	CHRO	01.09.2023	433,332	–	5,688
Ellen Sofie Ottesen	CTO	01.10.2023	337,500	–	4,266
Total			7,845,782	1,485,749	78,210

1 The remuneration paid in 2023 is for the period from the Annual General Meeting 2022 to the Annual General Meeting 2023.

2 Jan Eyvin Wang was appointed Chairman on 25 May 2023.

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Photo: Stephan Gresh

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Income Statement (EUR 1,000)

	Notes	2023	2022
Freight income	2	36,955	26,930
Other operating income	2	2,413	1,496
Total operating income		39,368	28,425
Payroll and remuneration	3	(16,325)	(8,609)
Other operating expenses	3, 7	(16,023)	(13,248)
Total operating expenses before depreciation		(32,348)	(21,856)
Operating profit/(loss) before depreciation		7,020	6,569
Depreciation	4	(7,210)	(3,195)
Operating profit/(loss)		(190)	3,374
Financial income and expenses			
Financial income	11	1,543	386
Financial expenses	11	(5,353)	(1,890)
Net currency gains/(losses)		132	64
Financial income/(expense)		(3,678)	(1,440)
Profit/(loss) before tax		(3,868)	1,935
Tax (income)/expense	9	-	-
Profit/(loss) for the year		(3,868)	1,935
Basic/diluted earnings per share	14	(0.04)	0.03

Statement of Comprehensive Income (EUR 1,000)

	2023
Profit/(loss) for the year	(3,868)
Items that may be reclassified to the income statement	
Currency translation differences	39
Other comprehensive income, net of tax	39
Total comprehensive income for the year	(3,829)

Notes 1 to 16 on the next pages are an integral part of these consolidated financial statements.

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Statement of Financial Position

(EUR 1,000)

	Notes	31.12.2023	31.12.2022
ASSETS			
Non-current assets			
Other non-current assets	15	8,840	7,050
Vessels	4	271,222	66,714
Newbuildings	4	244,294	223,082
Machinery and equipment	4	136	7
Total non-current assets		524,492	296,853
Current assets			
Account receivables	6, 7	10,450	3,926
Other current receivables	15	14,198	1,153
Other current assets	12	-	4,114
Financial derivatives	10	-	71
Cash and cash equivalents	12	32,918	45,021
Total current assets		57,766	54,285
Total assets		582,258	351,138
EQUITY AND LIABILITIES			
Equity			
Share capital	13	1,071	644
Share premium		220,732	116,128
Other equity		63,079	66,908
Total equity		284,882	183,680
Non-current liabilities			
Non-current interest-bearing debt	8	257,101	146,013
Total non-current liabilities		257,101	146,013
Current liabilities			
Account payables	7	5,488	3,017
Public duties payable		183	85
Current interest-bearing debt	8	27,729	10,951
Other current liabilities	7, 15	6,875	7,393
Total current liabilities		40,275	21,446
Total equity and liabilities		582,258	351,138

Notes 1 to 16 on the next pages are an integral part of these consolidated financial statements.

Haugesund, 24 April 2024
The Board of Directors of Edda Wind ASA

Jan Eyvin Wang
Chairman of the Board

Martha Kold Monclair
Board member

Toril Eidesvik
Board member

Håvard Framnes
Board member

Adrian Geelmuyden
Board member

Duncan J. Bullock
Board member

Cecilie Wammer Serck-Hanssen
Board member

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Cash Flow Statement

(EUR 1,000)

	Notes	2023	2022
Cash flow from operations			
Profit/(loss) before tax		(3,868)	1,935
Financial (income)/expenses		3,578	1,440
Depreciation and amortisation	4	7,210	3,195
Change in net working capital		(20,120)	2,656
Net cash flow from operations		(13,100)	9,225
Cash flow from investment activities			
Investments in fixed assets	4	(231,925)	(92,012)
Changes in restricted cash – investment commitment	12	–	(2,922)
Reclassification of restricted cash to cash		4,510	–
Net cash flow from investment activities		(227,415)	(94,934)
Cash flow from financing activities			
Proceeds from issuance of interest-bearing debt	8	140,846	49,856
Repayment of interest-bearing debt	8	(10,564)	(6,859)
Proceeds from other interest-bearing debt	8	(3,708)	–
Interest received		1,543	–
Interest paid including interest derivatives	11	(3,880)	(1,776)
Paid other financial expenses	11	(426)	(114)
Proceeds from issuance of new shares	13	105,032	–
Net cash flow from financing activities		228,343	41,107

Effects of currency rate changes on bank deposits, cash and equivalents

Net change in bank deposits, cash and equivalents	(11,671)	(44,603)
Translation difference	(432)	104
Cash and cash equivalents at 01.01	45,021	89,520
Cash and cash equivalents at 31.12	32,918	45,021

The Group is located and operates in several countries and each entity has several bank accounts in different currencies. Unrealised currency effects are included in translation difference.

Notes 1 to 16 on the next pages are an integral part of these consolidated financial statements.

Statement of Changes in Equity

(EUR 1,000)

	Share capital	Share premium	Other paid-in capital	Retained earnings	Foreign currency translation reserve	Other equity
Balance at 01.01.2023	644	116,128	27,608	38,457	844	66,908
Share capital increase by issuance of new shares	427	104,604	–	–	–	–
Profit for the year	–	–	–	(3,868)	–	(3,868)
Other comprehensive income	–	–	–	–	39	39
Balance at 31.12.2023	1,071	220,732	27,608	34,588	882	63,079
Balance at 01.01.2022	644	116,128	27,608	36,522	3,431	47,560
Profit for the year	–	–	–	1,935	–	1,935
Other comprehensive income	–	–	–	–	(2,587)	(2,587)
Balance at 31.12.2022	644	116,128	27,608	38,457	844	46,908

Notes 1 to 16 on the next pages are an integral part of these consolidated financial statements.

45 Consolidated Financial Statements continued

Notes to the Consolidated Financial Statements (EUR 1,000)

Note 1 General accounting principles

General information

Edda Wind ASA and its subsidiaries (collectively "the Group") offer services to the offshore wind segment within the maritime sector. Edda Wind ASA is a public limited liability company registered in Norway with its headquarters at Spannavegen 152 in Haugesund and whose shares are publicly traded on the Oslo Stock Exchange.

Basis of preparation

The consolidated financial statements are prepared in accordance with IFRS^{*} Accounting Standards as adopted by the EU.

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities, including derivatives which are measured at fair value. The consolidated financial statements are presented in Euro (EUR), and are rounded to nearest thousand unless clearly stated otherwise.

The consolidated financial statements have been prepared on a going concern basis.

New standards and interpretations not yet adopted

Edda Wind has not implemented any new standards with effect from 1 January 2023. Certain new accounting standards and interpretations have been published during the year, however these are not expected to have a material impact on the Group in the current or future reporting periods. The Group will apply new and amended standards when they become effective.

Principles of consolidation

The Group's consolidated financial statements comprise of Edda Wind ASA and companies in which Edda Wind ASA has a controlling interest as at 31 December 2023.

The subsidiaries included in the consolidated financial statements are listed in note 5.

All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

In the consolidated financial statements, income and expenses of both domestic and foreign subsidiaries, not using Euro as functional currency, are translated using the average exchange rate for the accounting period. Balance sheet items are translated using the balance sheet date as exchange rate date.

Critical accounting estimates and assumptions

When preparing the financial statements, the Group must make assumptions and estimates. These estimates are based on the actual underlying business, its present and forecasted profitability over time, and expectations about external factors such as interest rates, foreign exchange rates and market fluctuations which are outside the Group's control. This represents a substantial risk that actual conditions will vary from the estimates.

Most balance sheet items will be affected by uncertainty related to estimates and assumptions to a degree. The item most affected, and where estimates and assumptions are assessed to have the greatest influence include the Group's assessment of vessel values. Accounting principles applied, estimates and assumptions used by management are presented in the respective notes.

Segment information

The Group's chief operating decision makers (the "CODM"), being the Board of Directors and Group management team, measures the financial and operating performance of the Group on a consolidated level. The CODM does not review a measure of operating result on a lower level than the consolidated level, therefore the Group has one reportable segment being the Offshore Wind segment. Refer to for additional information regarding revenue by geographical region and major customers.

Summary of significant accounting policies

Significant accounting policies adopted in the preparation of these consolidated financial statements are included below in note 1 to the extent they have not already been disclosed in other relevant notes. Policies have been consistently applied to all the years presented, unless otherwise stated.

Foreign currencies

The Group's consolidated financial statements are presented in Euros, which is also the parent company's functional currency. For each entity within the Group, the Group has determined the functional currency based on the primary economic environment of which the entity operates. Items included in the financial statements are measured using that functional currency. The functional currency for the Group's entities are EUR, GBP and NOK.

The financial statements for the Group's foreign operations, i.e. subsidiaries with functional currency other than that of the parent, are translated as follows:

- Balance sheet items are translated at the closing exchange rate on the balance sheet date.
- Income and expense items are translated at a rate that is representative as an average exchange rate for the period, unless the exchange rates fluctuate significantly for that period, in which case the exchange rates at the dates of the transactions are used.

The foreign exchange translation difference arising from translating foreign operations are recognised in other comprehensive income until disposal of the foreign operation. The Group has not recognised investment hedges for its part in net investment in foreign operations.

The Group has used the following exchange rates:

	EUR/USD	EUR/GBP	EUR/NOK
As at 31.12.2023	11.2915	11.2900	10.6522
Average 2023	11.2900	10.6522	10.6228
As at 31.12.2022	10.6228	10.6228	10.6228
Average 2022	10.6228	10.6228	10.6228

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Notes to the Consolidated Financial Statements continued (EUR 1,000)

Note 1 General accounting principles continued

Spanish tax lease

In connection with the newbuilding contracts, the Group has, together with the Spanish shipyards Balenciaga S.A. and Astilleros Gondán, Spanish banks, Bankinter and Banko de Sabadell, and certain Spanish participant companies (together, the "AIE") (with external investors) established a structure that qualifies for a Spanish tax regime for financial leasing of newbuild contracts and vessels Spanish Tax Lease, or "STL". Spanish Tax Lease is a structure containing certain tax benefits in Spain, that also results in a lower construction cost for the Group's vessels. Management has made several considerations when it comes to accounting of the STL structure. See note 4 for further information.

Statement of consolidated cash flow

The statement of cash flow is prepared in accordance with the indirect model.

Note 2 Revenue from contracts with customers

Financial reporting principles

A time charter contract contains both a bareboat element in scope of IFRS 16 and a service component in scope of IFRS 15. Revenue for bareboat agreements are in scope of IFRS 16 Leases. Both the lease element and the service element is recognised as operating income.

Revenue derived from customer contracts in scope of IFRS 15 Revenue from Contracts with Customers, are assessed using the five-step model, where only customer contracts with a firm commitment is used as basis for revenue recognition. Charter revenue from contracts with customers is recognised upon satisfaction of the performance obligation for the transfer of goods and services in each such contract. The revenue amount recognised is equal to the consideration the Group expects to be entitled in exchange for the goods and services. Any loss on contract is accrued when a loss is probable. The performance obligation is considered satisfied as the charter service is delivered, and apportioned according to the number of days for each contract occurring before and after the end of an accounting period. The contract period begins when the vessel is delivered to the customer, and ends when the vessel is redelivered to Edda Wind. As the customers are invoiced in the amount assessed to correspond to the value of the completed performance obligation, the Group have elected to apply the practical expedient to recognise revenue in the amount to which it has the right to invoice.

Leases, in which a significant portion of the risks and rewards of ownership are retained by the Group as lessor, are classified as operating leases. Lease income for the leasing of vessels is recognised as operating lease and recognised in the income statement on a straight-line basis over the lease period. The lease period commences from the time the ship is made available to the customer and terminates upon agreed return.

Operating income

The Group's revenue mainly derives from offering vessels and maritime personnel to the offshore wind sector under long-term chartering agreements. Under these agreements, the Group delivers a vessel, including crew, to the customer. The customer determines, within the contractual limits, how the vessel is to be utilised. The Group is remunerated at an agreed daily rate for use of vessel, equipment, crew and other resources or services utilised under the contract. The Group's contracts also include victualling covering meals and bedding provided to customer personnel on board the vessel. The Group's revenue is split into service element, lease element, revenue from victualling and other income. The revenue is mainly recognised over time as the performance obligation is satisfied over time.

The Group also provides management services to companies outside of the Group. Remuneration for management services is classified as other revenue and recognised over time as performance obligation is satisfied over time.

	2023
Offshore wind operating revenue	202,496
Revenue from contracts with customers:	
Service element from contracts with dayrates	6,775
Victualling	5,413
Other income	19,308
Lease revenue:	
Lease element from contracts with dayrates	180,384
Total operating income	322,368
Payments from charter contracts are generally due within 30 to 60 days after the end of the month or 30 to 60 days after the service is completed. Payment terms for all other services delivered is usually 30 days after the service is invoiced.	
Contract balances	10,023
Account receivables	10,023
Contract assets	-
Contract liabilities	-

The Group has not recognised any revenue in 2023 from performance obligations that expires within previous periods (2022: 0).

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Notes to the Consolidated Financial Statements continued (EUR 1,000)

Note 2 Revenue from contracts with customers continued

Reporting by customers and geographical markets

	2023		2022	
	Revenue	Ratio %	Revenue	Ratio %
Revenue geographical markets				
United Kingdom	25,875	70%	18,750	70%
Germany	9,086	25%	8,180	30%
France	1,994	5%	-	-
Freight income	36,955	100%	26,930	100%
Sri Lanka	2,000	83%	1,000	67%
Norway	235	10%	496	33%
United Kingdom	178	7%	3	-
Other operating income	2,413	100%	1,499	100%

Geographical distribution of revenue is based on the location of clients.

The Group's freight revenue in 2023 is mainly derived from five customers, compared to two customers in 2022.

Contract status and coverage

Vessel	Contract duration
Edda Mistral	Q3 2024 + extension options
Edda Breeze	Q2 2032 + extension options
Edda Brint	Q2 2037 + extension options
Edda Boreas	Q2 2025 + extension options
Edda Nordri	Q3 2024 + extension options
C-416 (Delivery Q1 2024)	Q3 2028 + extension options
C-492 (Delivery Q2 2024)	Q2 2025 until Q4 2025
C-503	TBA
C-504	TBA
NB 965	TBA
NB 966	TBA
NB 967	TBA
NB 968	TBA

Leasing
During the year the Group leased two vessels on short-term leases. The leases are in scope for IFRS 16. However, the Group has elected to apply the recognition exemption for short-term leases and as such has not recognised the lease payments as expense over the lease period. One of the leased vessels has operated as frontrunner for Edda Breeze from April 2021 to March 2023. The other leased vessel has operated as frontrunner for Edda Goelo from October 2023 to December 2023. The Group has recognised a lease expense of EUR 6,197 thousand during 2023, compared to EUR 8,452 thousand in 2022.

Other revenue

On 28 July 2022, Edda Wind entered into an agreement with Colombo Dockyard PLC for the cancellation of two newbuilding contracts signed 31 January 2022. Under this agreement, Edda Wind will receive compensation in excess of incurred project costs. EUR 2,000 thousand has been recognised during 2022 (EUR 1,000 thousand recognised in 2022). The remaining agreed compensation will be recognised as income when the payment is received.

The deliveries of Edda Breeze and Edda Brint to clients were postponed until end of March 2023 due to delayed delivery of the gangway systems. Following the delay, Edda Wind incurred liquidated damages for both vessels until delivery. As of 31 December 2023, Edda Wind has incurred a total of EUR 70 million in liquidated damages. The amount is capitalised as other non-current assets and is recognised in the P&L on a straight-line basis over the contract period from the date the vessels were delivered to the client. At 31 December 2023, a total for EUR 416 thousand has been recognised in the P&L and EUR 445 thousand is capitalised.

Note 3 Payroll and remuneration

The Group employed in total 19 persons as at 31 December 2023 (2022: nine), of which 15 are employed through Edda Wind Management AS and four employed through Edda Supply Ships (UK) Limited.

All employees are included in defined contribution plans. The vessels' crew are hired from Sensjø AS and external suppliers and presented as hired personnel.

Employee benefits

	2023	Notes
Salary and holiday pay	1,645	
Employer's national insurance contribution	275	
Pension costs	99	
Other personnel costs	65	
Total employee benefits	2,084	
Hired personnel	14,640	7
Total employee benefits and hired crew	16,724	

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Notes to the Consolidated Financial Statements continued (EUR 1,000)

Note 3 Payroll and remuneration continued

2023	Wages	Bonus	Other benefits	Pension costs
Remuneration to management:				
Kenneth Walland (CEO)	243	49	19	11
Tom Johan Austrheim (CFO)	163	36	4	11
Håkon Yevang (CCO)	141	30	6	11
Jan Lodden (CCO)	136	15	4	11
Nina Marie Wathne (CHRO) (start date 1 September 2023)	38	-	-	3
Ellen Sofie Ottesen (CTO) (start date 1 October 2023)	30	-	-	2
Total remuneration to management	751	130	33	48
2022				
Remuneration to management:				
Kenneth Walland (CEO)	242	35	20	11
Tom Johan Austrheim (CFO)	142	18	3	11
Håkon Yevang (CCO)	121	17	5	11
Jan Lodden (CCO) (start date 1 July 2022)	63	-	1	5
Total remuneration to management	568	69	29	37

The CEO has a non-compete restriction in his employment contract. There are no agreements between the Group and the members of management providing for benefits upon termination of employment, except for the CEO who has a contractual right to 12 months' severance pay following the notice period.

The salary and other remuneration of the CEO are decided by the Board of Directors. The Board of Directors has delegated the responsibility for determining the salaries of the other senior executives to the CEO.

Management incentive scheme

The Group has approved a one-year rolling incentive scheme for its management. The maximum bonus pursuant to the incentive scheme equals the annual base salary, and the bonus is accrued based on changes in the trading price for the shares:

- Below 10% increase does not entitle bonus.
- An increase of 30% or more entitles maximum bonus.
- An increase between 10% and 30% entitles pro rata share of the maximum bonus.

Any dividends distributed on the shares within the relevant incentive periods will be added to the share bonus. The bonus will be paid two years after accrual if the employee is still employed at the payment date. The incentive scheme may be terminated by the Board of Directors. If it is terminated, the accrued bonus will be paid to the employees. As of 31 December 2023, the Group has not recognised any accrued bonus.

The Group has also approved a short-term incentive scheme for senior executives, where the target is linked to the Group's financial and non-financial performance. Maximum opportunity for annual variable is capped at three months' salary.

Name	Position	2023
Remuneration to the Board of Directors:		
Jan Eyvin Wang	Chairman	31
Håvard Framnes	Director	45
Martina Kold Monclair	Director	33
Toril Eidesvik	Director	29
Duncan J. Bullock	Director	29
Cecille Wammer Serck-Hanssen	Director	29
Adrian Geelmuyden	Director	29
Total remuneration to the Board of Directors		223

Jan Eyvin Wang was appointed as Chairman on 25 May 2023.

There are no agreements between the Group and the members of the Board of Directors providing benefits upon termination.

Expensed audit fee (excluding VAT)	2023
Audit services	253
Non-audit services required by law	41
Total expensed audit fee	294

Notes to the Consolidated Financial Statements continued (EUR 1,000)

Shares owned by the Board of Directors and management

The table below shows the shares owned by members of the Board of Directors and by members of management at year end, including shares owned by immediate family and/or controlled companies:

Shareholder	Number of shares	Ownership share
Kenneth Walland AS	260,162	0.23%
Håkon Vevang	54,200	0.05%
Lungo Invest AS	161,761	0.14%
Framnes Holding AS	41,680	0.04%
Jan Eyvin Wang	92,493	0.08%
Kold Invest AS	27,820	0.02%
Toril Eidesvik	21,680	0.02%
Adrian Geelmuyden	33,680	0.03%
Cecilie Wammer Serck-Hanssen	4,336	0.00%
Total	697,812	0.62%

Note 4 Tangible assets

Financial reporting principles

Depreciation of assets is calculated on a straight-line basis over the economic life of the asset adjusted for residual value and impairment. Depreciation commences when the asset is ready for use. Residual value for each vessel after its economic life is set to the expected recycling value of the vessel.

For vessels, a share of the purchase price is decomposed to periodic maintenance and are depreciated until first classification of said vessel. Based on the Group's periodic maintenance programme, the expected lifetime of a vessel is set to 30 years. The periodic maintenance is depreciated over 5 years.

Vessels under construction ("newbuildings") are capitalised based on instalments paid to the shipyard and other costs directly attributable to the construction, including borrowing costs during the construction period. Capitalised cost for vessels under construction is reclassified to vessels when the vessel is delivered and ready for use. Vessels under construction are not subject to depreciation until the vessel is ready for use.

Grants received from government agencies directly related to the acquisition of vessels is recognised in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance as a reduction in the cost price of the vessel acquired when there is reasonable assurance that the Group complies with conditions attached to the grants.

Critical accounting estimates and assumptions

The carrying amount of vessels is based on management's assumption of useful life and residual value. The basis for the assessment is for the Group to utilise the vessel over the entirety of its economic life where the residual value of the vessel at the end of the useful life period is expected to be close to price for steel, less cost of recycling. This includes the hull and other significant components designed last throughout the vessel's useful life. Due to a high degree of uncertainty in the future market for recycling, the Group has concluded to set the residual value to zero for each vessel. Management reassesses the useful life assumption on a yearly basis. Useful life for SOVs and CSOVs is 30 years, and for periodic maintenance is five years.

At each reporting date the vessels are reviewed for any indicators that the assets may be impaired. Review is carried out by management and IAS 36 Impairment of Assets is applied to determine whether tangible assets are impaired and to account for any impairment loss identified. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, or when annual impairment testing for an asset is required, estimates of the asset's recoverable amount are prepared. For the purpose of assessing impairment the assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units, "CGUs"). Management has assessed that a vessel is a separate CGU. The recoverable amount is the highest of the fair market value less costs to sell and the net present value (NPV) of future estimated cash flow from the employment of the asset ("in use"). When performing a value in use calculation, management must use judgement in estimating assets future cash flow, hereunder utilisation, dayrates and discount rates.

The NPV is based on a discount rate according to a weighted average cost of capital (WACC) reflecting the Group's required rate of return. The WACC is calculated based on the Company's long-term borrowing rate and a risk-free rate plus a risk premium for the equity. If the recoverable amount is less than the book value, impairment has occurred, and the asset shall be revalued.

Impairment losses are recognised in the income statement. Non-financial assets other than goodwill suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

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Notes to the Consolidated Financial Statements continued (EUR 1,000)

Note 4 Tangible assets continued

	Vessels	Period maintenance	Equipment	New-buildings	Total
Cost 01.01	78,820	2,273	76	223,082	304,251
Additions	–	3,536	136	228,252	231,925
Reclassification	201,644	5,396	–	(207,040)	–
Currency translation differences	1,311	31	–	–	1,342
Cost 31.12	281,775	11,235	212	244,294	537,516
Accumulated depreciation 01.01	(12,256)	(2,122)	(69)	–	(14,447)
Depreciation	(6,075)	(1,129)	(7)	–	(7,210)
Currency translation differences	(182)	(25)	–	–	(207)
Accumulated depreciation 31.12	(18,513)	(3,276)	(76)	–	(21,865)
Carrying amounts	263,262	7,959	136	244,294	515,651
Remaining instalments newbuildings	–	–	–	224,510	224,510
	Vessels	Period maintenance	Equipment	New-buildings	Total
Cost 01.01	83,128	2,390	69	131,077	216,664
Additions	–	–	7.00	94,110	94,117
Currency translation differences	(4,308)	(117)	–	(2,105)	(6,531)
Cost 31.12	78,820	2,273	76	223,082	304,250
Accumulated depreciation 01.01	(10,153)	(1,753)	(66)	–	(11,972)
Depreciation	(2,748)	(444)	(3)	–	(3,195)
Currency translation differences	645	74	–	–	720
Accumulated depreciation 31.12	(12,256)	(2,123)	(69)	–	(14,447)
Carrying amounts	66,563	150	7	223,082	289,803
Remaining instalments newbuildings	–	–	–	186,162	186,162

The depreciation schedule for vessels is 30 years straight-line depreciation. For period maintenance, the depreciation is set to five years.

Impairment

The Group has performed an assessment of impairment indicators in accordance with IAS 36. Identifying impairment indicators is based on an assessment of development in market rates, earnings for the vessel operating expenses, operating profit, technological development, change in regulations, interest rates, discount rates, inherent climate risk and the relationship between market capitalisation and book value. The impairment assessment covers both operational vessels, as well as vessels under construction at year end.

As of 31 December 2023, the market capitalisation of the Group was below book value of the Group's equity. As such, the Group has performed an impairment test for its operational vessels, as well as vessels under construction.

Assumptions

As part of the assessment of vessel value, the Group obtained broker values. When comparing broker values to book values, a substantial headroom is identified. To further support the broker values, the Group has performed an impairment test through a value in use model, calculating discounted future cash throughout the useful lifetime for each separately identifiable cash-generating unit. Management has judgement in estimating the asset's future cash flow, such as utilisation, operating expenses and discount rate. The estimates reflect the current market conditions.

Edda Wind had six vessels in operation in 2023, and has secured contracts for two of its newbuildings. Following strong activity in the offshore wind market and several offshore wind farms coming closer to installation, the tendering activity is still going strong. Market reports indicate a demand for more than 100 service vessels in the offshore wind industry by the end of this decade. The supply of existing C/SO newbuildings amounts to approximately 90 vessels, most of which are engaged on firm contracts. It is expected that the demand-supply gap will result in favourable utilisation levels and dayrates going forward.

The discount rate is based on the WACC pre-tax for the Group of 8.0-9.6%.

Notes to the Consolidated Financial Statements continued (EUR 1,000)

Note 4 Tangible assets continued

Climate risk

Management has also assessed the asset's exposure to climate-related risk when estimating future cash flows. Climate risk refers to the impact climate-related issues may have on the Group's business, and can be divided into the following categories: physical, regulatory, technological, market and reputational.

Physical risks, such as changes in weather conditions or sea levels may impact the Group adversely through reduced utilisation and thereby reduced revenue potential or by making crew changes more difficult and thereby driving higher costs. Management has assessed the physical risk as being low. All vessels are equipped with technology to handle harsh weather conditions, such as motion compensated gangway systems and cranes.

Identified regulatory risks relate to emissions, such as penalties or increased taxation on CO₂ emissions or other emission-reducing measures that may adversely affect the Group. Although the Group's vessels main source of emission is CO₂, the newbuildings are built for zero-emission technology and the Group therefore expects that it will be able to reduce its emissions going forward.

Main risks related to the technological aspect and the market mainly relates to the LOHC technology not materialising or the emergence of new technology or other renewable energy segments. Such risks may entail increased capital expenditure to stay competitive, or reduced growth in the offshore wind segments leading to reduced demand and thereby reduced dayrates, utilisation and revenue potential. Given the accelerating transition from fossil-based to zero-carbon energy sources, with considerable investments within the offshore wind segment, the Group does not expect that the offshore wind segment will be deprioritised in the energy market.

Identified reputational risk includes a shift in stakeholder preferences which can lead to the Group being less attractive to investors thereby reducing access to capital or increasing the cost of capital.

Edda Wind's strategy is exclusively focusing on the offshore wind industry. With the increasing focus on decarbonisation of the global energy market to stall climate change, Edda Wind sees major opportunities in the offshore wind market.

Conclusion

The value in use calculation shows a recoverable amount that exceeds the book value of the assets. As such, no impairment has been recognised as at 31 December 2023.

Spanish Tax Lease

In connection with the newbuilding contracts the Group has, together with the Spanish shipyards Balenciaga S.A. and Astilleros Gondán, Spanish banks, Bankinter and Banco de Sabadell, and certain participant companies together, the "AIE" (with external investors) established a structure that qualifies for a Spanish tax regime for financial leasing of newbuild contracts and vessels (Spanish Tax Lease, or "STL"). Spanish Tax Lease is a structure containing certain tax benefits in Spain, that also results in a lower construction cost for the Group's vessels.

The newbuilding contracts are agreements between the Group's Norwegian ship owning companies (the Group subsidiaries) and the shipyards. The structure is established so that the Norwegian ship owning companies sell the newbuilds to the Spanish Tax Lease structure at delivery of the vessels. The Norwegian ship owning company will lease the vessels back from the STL structure under a bareboat agreement. This agreement will normally have a contract length of 12 to 36 months from delivery of the vessel. Upon maturity of the lease contract the Norwegian ship owning company has a right and obligation to buy shares of the Spanish AIE, which has to remain owner of the vessel over a certain period of years in order to maintain the benefits in the tax lease structure.

Prior to delivery of the vessel from the shipyard, the Norwegian ship owning company pays an instalment directly to the shipyard equal to the net price of the vessel. Following the delivery, the vessel is sold to the leasing company within the STL structure at a consideration equal to the gross price of the vessel. The difference between the gross and net price is the STL benefit. In accordance with the lease agreement all financing and cash payments in the STL structure in the leasing period are pre-arranged between involved parties, and based on the agreement, the consideration from the leasing companies paid to Norwegian ship owning company and immediately deposited to an account under the STL structure, the STL benefit, which is rerouted to the shipyard. Following the deposit, Edda Wind is released from making any other payment under the STL agreements. As such, the STL benefit is a pre-arranged flow through in Edda Wind originating from within the STL structure. Construction cost for newbuildings under the STL Tax Lease arrangement is therefore recorded on a net basis (i.e. net of tax benefit) for the Group.

There are no opportunities for the external investors of the AIE to make any decisions for the AIE that have been regulated in the contracts following the newbuilding contract and the tax lease contracts, and that at the end of the lease contract period obliged to sell the shares to the Norwegian ship owning companies under the STL. All construction financing is made from the Norwegian ship owning companies to the shipyards, the payments follows a fixed plan in accordance with the newbuilding contract. The external investors' financing of the vessel will remain with the Norwegian ship owning company during the tax lease period.

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Notes to the Consolidated Financial Statements continued (EUR 1,000)

Note 4 Tangible assets continued

By leasing back the vessels from the STL structure through a bareboat agreement, the Group retains the control and use, substantially all the economic benefit of this use, and the right to direct the use of the vessels.

Hence, the Norwegian ship owning companies remain in control of the vessels over the entire tax lease contract period, first through the bareboat agreement and then at the end of the tax lease where they have the right and the obligation to buy the shares in the AIE which owns the vessel at that time.

Based on all facts and circumstances discussed above, the Group have assessed that the sale and purchase agreement of the vessels do not constitute a sale of the vessels, and that the vessels shall continue to be recognised and subsequently measured in accordance with IAS 16 Property, Plant and Equipment during and after the lease period.

Government grants

For newbuildings, the Group has received a cash grant from Enova SF, of which EUR 2.1 million (2022: 4.7 million) has been paid during the year. The Enova SF grant provides financial support for the installation of the LOHC concept with potential for future zero-emission operations and battery propulsion systems. All of the fleets newbuildings are prepared for hydrogen-based operations with zero GHG emissions.

Note 5 subsidiaries

Subsidiaries	Date of acquisition	Business office/country	Nature of business	Ownership/ voting rights
Edda Wind Management AS	01.02.2021	Haugesund, Norway	Management services	100%
Edda Wind Investment AS	01.04.2021	Haugesund, Norway	Investment	100%
Edda Wind I AS	09.12.2019	Haugesund, Norway	Vessel operations	100%
Edda Wind II AS	24.01.2020	Haugesund, Norway	Vessel operations	100%
Edda Wind III AS	24.01.2020	Haugesund, Norway	Vessel operations	100%
Edda Wind IV AS	24.01.2020	Haugesund, Norway	Vessel owner	100%
Edda Wind V AS	01.02.2021	Haugesund, Norway	Vessel owner	100%
Edda Wind VI AS	01.02.2021	Haugesund, Norway	Vessel owner	100%
Edda Wind VII AS	11.01.2022	Haugesund, Norway	Vessel owner	100%
Edda Wind VIII AS	11.01.2022	Haugesund, Norway	Dormant	100%
Edda Wind IX AS	11.01.2022	Haugesund, Norway	Vessel owner	100%
Edda Wind X AS	24.01.2022	Haugesund, Norway	Dormant	100%
Edda Wind XI AS	24.01.2022	Haugesund, Norway	Vessel owner	100%
Edda Wind XII AS	01.02.2022	Haugesund, Norway	Vessel owner	100%
Edda Wind XIV AS	21.02.2023	Haugesund, Norway	Vessel owner	100%
Edda Wind XV AS	21.02.2023	Haugesund, Norway	Vessel owner	100%

Subsidiaries	Date of acquisition	Business office/country	Nature of business	Ownership
Edda Wind XVI AS	01.03.2023	Haugesund, Norway	Dormant	
Edda Wind XVII AS	01.03.2023	Haugesund, Norway	Dormant	
Edda Wind XVIII AS	01.03.2023	Haugesund, Norway	Dormant	
Edda Wind XIX AS	01.03.2023	Haugesund, Norway	Dormant	
Edda Wind XX AS	01.03.2023	Haugesund, Norway	Dormant	
Edda Wind Crewing AS	01.03.2023	Haugesund, Norway	Dormant	
Edda Wind UK	27.02.2023	Hampshire, United Kingdom	Dormant	
West Energy AS	27.03.2020	Haugesund, Norway	Vessel operations	
Edda Supply Ships UK Ltd	25.03.2020	Aberdeen, United Kingdom	Management services	
Tier-subidiaries of Edda Wind Investment AS				
Edda Wind France	09.08.2023	Eyguieres, France	Vessel operations	
Edda Wind USA LLC	16.06.2021	Delaware, USA	Dormant	
Tier-subidiaries of Edda Wind I AS				
Mar de Grado SL	29.09.2023	Santa Cruz de Tenerife, Spain	Vessel owner	
Tier-subidiaries of Edda Wind II AS				
Puerto de Gandesa SL	29.09.2023	Santa Cruz de Tenerife, Spain	Vessel owner	
Tier-subidiaries of Edda Wind III AS				
Mar de Berrobi SL	29.09.2023	Santa Cruz de Tenerife, Spain	Vessel owner	
Tier-subidiaries of West Energy AS				
Puerto de Calella SL	20.12.2018	Santa Cruz de Tenerife, Spain	Vessel owner	
Puerto de Llafranc SL	18.12.2019	Santa Cruz de Tenerife, Spain	Vessel owner	
Tier-subidiaries of Edda Supply Ships (UK) Ltd				
Edda Supply Ships III Ltd	03.07.2020	Aberdeen, United Kingdom	Dormant	

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Notes to the Consolidated Financial Statements continued (EUR 1,000)

Note 5 subsidiaries continued

The Group's principal subsidiaries at 31 December 2023 are set out above. There have been no changes to the ownership/voting rights since the date of acquisition as stated above. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

Note 6 Receivables

Financial reporting principles

The Group applies a simplified approach in calculating the expected credit loss in accordance with IFRS 9 Financial Instruments, recognising a loss allowance based on the estimated lifetime credit losses at each reporting date based on historical credit losses and knowledge of customers.

Account receivables

	2023	2022
Receivables from third-party customers	11,579	3,805
Receivables from other related parties	71	122
Total accounts receivables	11,650	6,926
Allowance for expected credit losses	(1,000)	(3,000)
Total accounts receivables, net	10,650	3,926

At 31 December 2023, EUR 1,850 thousand in account receivables had fallen due but not been subject to impairment. Corresponding figures for 2022 are EUR 116 thousand. Historically, the percentage of bad debts has been low, and the Group expects the customers to settle outstanding receivables. Receivables fallen due but not subject to impairment have the following age composition:

	2023	2022
Aging of account receivables past due but not impaired		
Up to 90 days	1,116	–
Over 90 days	733	116
Total fallen due	1,850	116

Note 7 Related party transactions

Financial reporting principles

Related parties are defined as entities outside of the Group that are under control directly or indirectly or joint control or significant influence by the owners of Edda Wind ASA. All transactions with related parties are entered into on marked terms based on arm's length principles. Transactions with related parties include shared services and other services provided by the Group. Shared Services are priced in accordance with the principles set out in the OECD Transfer Pricing Guidelines and are delivered according to agreements that are renewed annually. The services are:

- Operation and supervision of the vessels.
- Crew hire.
- Corporate management services.
- Vessel insurance services.
- Leasing of frontrunner vessel Edda Fjord.

Material related parties

The Group's material related parties are:

- Østensjø Wind AS, which owns 19% of Edda Wind ASA.
- Johannes Østensjø d.y. AS, the parent company of Østensjø Wind AS.
- Østensjø Rederi AS, a sister company of Østensjø Wind AS.
- Solent Towage Ltd, a company 85% owned by Johannes Østensjø d.y. AS.
- Wilhelmsen New Energy AS, which owns 25.4% of Edda Wind ASA.
- West Supply VIII AS, a company 75% owned by Johannes Østensjø d.y. AS.
- Wilhelmsen Insurance Services AS, a sister company of Wilhelmsen New Energy AS.

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Notes to the Consolidated Financial Statements continued (EUR 1,000)

Note 7 Related party transactions continued

	2023	2022
Transactions with related parties		
Hired crew from Østensjø Rederi AS	11,859	5,852
Leasing of Edda Fjord from West Supply VIII AS	3,270	9,147
Purchase of management services, operation and supervision of vessels from Østensjø Rederi AS	1,281	726
Sale of services to Østensjø Rederi AS	(375)	(407)
Guarantee commission to Johannes Østensjø d.y. AS	–	826
Board fee to Johannes Østensjø d.y. AS	43	–
Insurance cost to Wilhelmsen Insurance Services AS	699	261
Purchase of goods from Wilhelmsen Ships Service	104	–
Total transactions with related parties	16,881	16,405

The balance sheet includes the following amounts resulting from transactions with related parties.

	31.12.2023	31.12.2022
Accounts receivable		
Østensjø Rederi AS	50	45
Edda Crewing Services Ltd	10	10
Solent Towage Ltd	–	58
West Supply I AS	4	–
West Supply III AS	7	8
Total accounts receivable	71	122

Accounts payable		
Østensjø Rederi AS	577	481
Johannes Østensjø d.y. AS	94	406
West Supply VIII AS	–	940
Edda Crewing Services Ltd	241	310
Mercator Crewing Inc.	292	–
Mercator Services AS	–	26
Mercator Services II AS	41	–
Wilhelmsen Insurance Services AS	339	61
Østensjø Drift AS	–	8
Total accounts payable	1,584	2,233

	31.12.2023	31.12.2022
Other current receivables		
Østensjø Rederi AS	7	7
Total current receivables	7	7
Other current liabilities		
Østensjø Rederi AS	–	–
Østensjø Drift AS	–	–
West Supply VIII AS	2	2
Total current liabilities	3	3

Note 8 Interest-bearing debt

In February 2023, the Group entered into Senior Secured Green Term Pre- and Post-Delivery Facility Agreement. The facility will be used for pre- and post-delivery financing of three CSOVs currently under construction at the Spanish yard Astilleros Gondán S.A. Total facility amount is EUR 120 million. As per 31 December 2023 the Group has drawn an amount equal to EUR 60 million of the facility amount.

In November 2023, the Group entered into an amendment and restated agreement for the originally Pre- and Post-Delivery Secured Green Loan Facility agreement of EUR 110 million dated 10 November 2022, where the total commitments of the facility has been increased with a revolving facility of EUR 20 million.

In December 2023, the Group entered into a Senior Secured Green Term Loan Facility Agreement. The facility will be used for pre- and post-delivery financing of four CSOVs currently under construction at Norwegian yard YARD. Total facility amount is EUR 161.2 million. As at 31 December 2023 the Group has drawn an amount equal to EUR 38 million of the facility amount.

As at 31 December 2023, the Group had fixed all-in interest on approximately 60% of its long-term interest-bearing debt. Interest on the remaining portion is based on the relevant reference rate (EURIBOR/SCORBOR) and a margin.

	31.12.2023	31.12.2022
Interest-bearing debt		
Debt to financial institutions	210,534	210,534
Bonds	71,296	71,296
Total interest-bearing debt	281,830	281,830

The tables below show a summary of the terms of the Group's interest-bearing debt. The Group has a part of its interest-bearing debt with floating interest. Refer to note 10 for further details.

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Notes to the Consolidated Financial Statements continued (EUR 1,000)

Note 8 Interest-bearing debt continued

2023 Debt instrument	Facility	Currency	Maturity	Carrying amount (EUR)
Debt to financial institutions	Senior Secured Green Term Loan Facility/Newbuild vessel C-416 Pre-Delivery Facility	EUR	Upon delivery, no later than two years after first utilisation date	21,169
Debt to financial institutions	Senior Secured Green Term Loan Facility/Edda Boreas Facility	EUR	Jul 2035	27,888
Debt to financial institutions	Senior Secured Green Term Loan Facility/Edda Boreas Incremental Facility	EUR	Feb 2027	5,715
Debt to financial institutions	Senior Secured Green Term Loan Facility/Edda Passat ECA tranche	GBP	Feb 2030	7,982
Debt to financial institutions	Senior Secured Green Term Loan Facility/Edda Mistral ECA tranche	GBP	Dec 2026	7,078
Debt to financial institutions	Senior Secured Green Term Loan Facility/Edda Passat and Edda Mistral Commercial tranche	GBP	Dec 2026	16,227
Debt to financial institutions	Senior Secured Green Term Loan Facility/Contract Revolving Facility	EUR	Dec 2025	19,619
Debt to financial institutions	Senior Secured Green Term Loan Facility/C491 ECA tranche	EUR	Sep 2035	16,634
Debt to financial institutions	Senior Secured Green Term Loan Facility/C491 Commercial tranche	EUR	Sep 2029	14,751
Debt to financial institutions	Senior Secured Green Term Loan facility/Newbuild Vessel C-492 Pre-Delivery ECA tranche	EUR	Upon delivery, no later than Jan 2025	10,687
Debt to financial institutions	Senior Secured Green Term Loan Facility/Newbuild Vessel C-492 Pre-Delivery Commercial tranche	EUR	Upon delivery, no later than Jan 2025	9,477
Debt to financial institutions	Senior Secured Green Term Loan Facility/Newbuild Vessel C-503 Pre-Delivery ECA tranche	EUR	Upon delivery, no later than Mar 2025	4,268
Debt to financial institutions	Senior Secured Green Term Loan Facility/Newbuild Vessel C-503 Pre-Delivery Commercial tranche	EUR	Upon delivery, no later than Mar 2025	3,091

2023 Debt instrument	Facility	Currency	Maturity
Debt to financial institutions	Senior Secured Pre- and Post-Delivery Facilities Agreement/Newbuild Vessel NB 965 Pre-Delivery Facility	EUR	Feb 2026
Debt to financial institutions	Senior Secured Pre- and Post-Delivery Facilities Agreement/Newbuild Vessel NB 966 Pre-Delivery Facility	EUR	Feb 2026
Debt to financial institutions	Senior Secured Pre- and Post-Delivery Facilities Agreement/Newbuild Vessel NB 967 Pre-Delivery Facility	EUR	Feb 2026
Debt to financial institutions	Senior Secured Pre- and Post-Delivery Facilities Agreement/Newbuild Vessel NB 968 Pre-Delivery Facility	EUR	Feb 2026
Debt to financial institutions	Edda Wind IV – prefunding C-416	EUR	Oct 2024
Bond	Edda Wind I Facility	EUR	Sep 2031
Bond	Edda Wind III Facility/Senior Secured Notes 2020	GBP	2037
Total interest-bearing debt			

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Notes to the Consolidated Financial Statements continued (EUR 1,000)

Note 8 Interest-bearing debt continued

2022 Debt instrument	Facility	Currency	Maturity	Carrying amount (EUR)
Debt to financial institutions	Senior Secured Green Term Loan Facility/Newbuild Vessel Pre-Delivery Facility C-416	EUR	Upon delivery, no later than Oct 2023	21,169
Debt to financial institutions	Senior Secured Green Term Loan Facility/Newbuild Vessel Edda Boreas	EUR	Upon delivery, no later than Oct 2023	23,765
Debt to financial institutions	Pre-Delivery Facility	GBP	Feb 2030	18,750
Debt to financial institutions	Senior Secured Green Term Loan Facility/Edda Passat and Edda Mistral ECA tranche	GBP	Dec 2026	16,555
Bond	Edda Wind I Facility	EUR	Sep 2031	36,827
Bond	Edda Wind III Facility/Senior Secured Notes 2020	GBP	2037	39,898
Total interest-bearing debt				156,964

The tables below show the actual maturity structure, with the amount due in year one as the first year's instalment classified under other current liabilities. The amounts are based on contractual undiscounted cash flows ex. interest payments and interest hedge. Repayments in foreign currency is calculated based on currency rate at the balance sheet date.

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

The repayment schedule for debt to financial institutions is based on renewal of a bank guarantee existing in 2027. If the bank guarantee is not renewed, EUR 39.7 million of the debt to financial institutions will in 2027.

Repayment schedule for bond

Due in year 1	4,088	31.12.2023	3
Due in year 2	4,268		
Due in year 3	4,763		
Due in year 4	5,081		
Due in year 5 and later	55,096		
Total repayment schedule for bond	73,296		

The table below shows the book value of pledged assets. The Group's vessels and newbuilds finance interest-bearing debt is held as collateral.

Book value of pledged assets	31,170,023	31
Pledged vessels	27,922	
Pledged vessels under construction	235,391	
Total book value of pledged assets	509,613	

The table below shows the Group's net interest-bearing debt:

Net interest-bearing debt	31,170,023	31
Non-current interest-bearing debt	277,101	
Current interest-bearing debt	247,29	
Total interest-bearing debt	28,030	
Cash and cash equivalent	30,918	
Restricted cash	-	
Net interest-bearing debt	251,912	

57 Consolidated Financial Statements continued

Notes to the Consolidated Financial Statements continued (EUR 1,000)

Note 8 Interest-bearing debt continued

Changes in liabilities arising from financing activities

The table below shows the changes in the Group's liabilities arising from financing activities:

Changes in net interest-bearing debt from financing activities	Cash and cash equivalent	Restricted cash	Interest-bearing debt due within 1 year	Interest-bearing debt due after 1 year	Total financing activities	Total change in net interest-bearing debt
2023						
Net interest-bearing debt 01.01	45,021	4,114	10,951	146,013	156,964	107,829
Reclassifications	-	(4,114)	27,729	(27,729)	-	4,114
Cash flows	(11,671)	-	(10,564)	137,138	126,574	138,245
Foreign exchange adjustments	(432)	-	(388)	1,624	1,236	1,668
Other non-cash movements	-	-	-	55	55	55
Net interest-bearing debt 31.12	32,918	-	27,729	257,101	284,830	251,912
2022						
Net interest-bearing debt 01.01	89,520	7,036	6,951	110,545	117,496	20,940
Reclassifications	-	-	10,951	(10,951)	-	-
Cash flows	(44,603)	(2,922)	(6,951)	49,948	42,997	90,522
Foreign exchange adjustments	104	-	-	(4,217)	(4,217)	(4,321)
Other non-cash movements	-	-	-	687	687	687
Net interest-bearing debt 31.12	45,021	4,114	10,951	146,013	156,964	107,829

Covenants

Loan agreements entered into by the Group contain financial covenants. As at 31 December 2023, the Group is not in breach with any of the covenants included in the facilities as described below and is not expected to breach any of the covenants within the next 12 months, provided that the Group's operations will continue in accordance with the current plan and course of business.

Financial covenants

Minimum cash requirement, on a consolidated basis (but excluding Edda Wind I and Edda Wind III), of at least equal to the sum of EUR 1.5 million for each of the Group's vessels on charter contracts longer than 12 months plus EUR 2.25 million for each of the Group's vessels on charter contracts shorter than 12 months and 5% of gross interest-bearing debt (including any lease obligations and excluding Edda Wind I and Edda Wind III).

The Group shall maintain a positive working capital, book equity ratio of at least 30%, interest coverage (EBITDA to net interest cost) of at least 2.50:1 and average market value of vessels to aggregate amount of loans under the post-delivery facility of at least 130%.

Edda Wind I and Edda Wind III have covenants related to minimum debt service coverage where the service coverage ratio shall not be less than 1:1.0:1.

Certain of our loan agreements contain change of control conditions.

Note 9 Tax

Ordinary taxation

The ordinary rate of corporation tax in Norway is 22% of net profit for 2023 and 2022. Norwegian limited liability companies are encompassed by the participation exemption method for share income. Thus share dividends and gains are tax-free for the receiving company. Corresponding losses on shares are not deductible. The participation exemption method does not apply to share income from companies considered low taxed and that are located outside the European Economic Area (EEA), and on share from companies owned by less than 10% resident outside the EEA.

For Group companies located in the same country and within the same tax regime, taxable profits in company can be offset against tax losses and tax loss carry forwards in other Group companies. Deferred tax/deferred tax asset has been calculated on temporary differences to the extent that it is likely that the tax can be utilised in each country and for Norwegian entities the Group has applied a rate of 22% for 2023 and 2022.

The effective tax rate for the Group will, from period to period, change dependent on the Group gains/losses from investments inside the exemption method and tax exempt revenues from tonnage tax revenue.

Foreign taxes

Companies domiciled outside Norway will be subject to local taxation, either on ordinary taxes or on special tonnage tax rules. When dividends are paid, local withholding taxes may be applicable. This group applies to dividends paid by companies domiciled outside the EEA.

58 Consolidated Financial Statements continued

Notes to the Consolidated Financial Statements continued (EUR 1,000)

Note 9 Tax continued

The Group's Spanish subsidiaries, Puerto de Calella SL, Puerto de Llafranc SL, Mar de Grado SL, Mar de Berrobi SL and Puerto de Gandesa SL are taxed in accordance with the Spanish Tonnage Tax regime. Tonnage tax is recognised as an operating expense in the income statement.

	2023	2022
EUR thousand		
Allocation of tax expense/(income) for the year		
Change in deferred tax	-	-
Total tax expense/(income)	-	-
Tax effect of temporary differences		
Fixed assets	40	16,663
Trade receivables	(1,500)	(3,000)
Non-current assets	-	57
Limitation of interest expense carry forward	(143)	(2,575)
Temporary differences	(1,604)	(11,144)
Tax loss carried forward	(68,383)	(32,260)
Basis for deferred tax asset	(69,987)	(21,116)
Deferred tax asset	(15,397)	(4,645)
Deferred tax asset not recognised	15,397	4,645
Deferred tax asset in the balance sheet	-	-
Analysis of effective tax rate		
Tax expense on 22% of profit before tax	(851)	426
Permanent differences	(12,954)	(1,198)
Deferred tax asset not recognised	13,804	1,672
Non-taxable income from tonnage tax regimes	-	(900)
Recognised tax expense	-	-

The Group has not recognised deferred tax assets in the balance sheet due to uncertainty of future taxable profits to cover tax loss carried forward.

Note 10 Financial risk

Market risk

The Group is subject to financial risk through operations, financial markets risk, foreign currency risk, interest rate risk and freight rates. The financial risk affects the value of the Group's financial assets, liabilities and future cash flows.

The Group has established hedging strategies to monitor risks on material exposures. Derivatives are used to manage the risk related to fluctuations in interest rates.

Foreign exchange risk

The Group is exposed to currency risk on revenues and costs in non-functional currencies (transactions) and balance sheet items denominated in currencies other than non-functional currencies (translation). The Group's largest foreign exchange exposures are GBP against EUR and NOK against EUR.

The Group's expected future charter revenue is partly hedged by debt financing and operating expense in the corresponding foreign currency, reducing the effect of currency fluctuations in the Group's income statement.

The effects of changes in currency have the following effects on the Group's income statement and comprehensive income:

	2023
Currency through the income statement	
Net currency items in the income statement	132
Currency translations through other comprehensive income	39
Total currency effects through the income statement and other comprehensive income	171

The Group's long-term interest-bearing debt is allocated in the following currencies:

	31.12.2023	31.12.2022
Allocation of currency for interest bearing debt		
EUR	214,820	214,820
GBP	7,010	7,010
Total	281,830	281,830

59 Consolidated Financial Statements continued

Notes to the Consolidated Financial Statements continued (EUR 1,000)

Note 10 Financial risk continued

The following table show the Group's sensitivity on profit and loss before tax due to changes in GBP from the Group's monetary assets and liabilities.

Income statement sensitivities of changes in foreign currency	(10%)	(5%)	0%	5%	10%
EUR/GBP Spot rate 31.12.2023	1,04	1,09	1,15	1,21	1,27
Income statement effect 2023 (before tax)	1,656	(1,176)	(4,008)	(6,839)	(9,671)
EUR/GBP Spot rate 31.12.2022	1,02	1,07	1,13	1,19	1,24
Income statement effect 2022 (before tax)	7,992	4,963	1,935	(1,093)	(4,122)

Except for translation adjustments from subsidiaries with functional currency other than EUR, there are no effects on other comprehensive income. The Group has an immaterial exposure from NOK against EUR.

Interest rate risk

The Group's exposure to interest risk relates primarily to the Group's interest-bearing debt with floating interest rates. To mitigate risk related to this, the Group had one long-term interest rate swaps for a portion of the Group's interest-bearing debt to finance institutions. The interest swap expired in February 2023.

See note 8 for information on the Group's interest-bearing debt as at 31 December 2023.

An increase of 1 percentage point in interest rate will cause a EUR 334 thousand increase in interest cost in 2023 (2022: EUR 375 thousand). Interests related to vessels under construction are ACTIVATED as part of the newbuild cost price, and as such an increase in interest percentage will also have an effect on activated interest. As at 31 December 2023, the Group had fixed all-in interest on approximately 60% of its long term interest bearing debt.

The following table show the Group's financial instrument exposed to changes in interest rates:

Financial instruments					
2023	Interest rate swap	Total interest rate swap at 31.12	2022	Interest rate swap	Total interest rate swap at 31.12
	Currency	Swap		Currency	Swap
	GBP	1,35%		GBP	1,35%
		Maturity			Maturity
		27.02.2023			27.02.2023
		Notional amount			Notional amount
		–			–
		8,342			8,342
		8,342			8,342

60 Consolidated Financial Statements continued

Notes to the Consolidated Financial Statements continued (EUR 1,000)

Note 10 Financial risk continued

Credit risk
The Group is exposed to credit risk related to charter contracts as the Group has signed contracts with customers. The customers are considered solid, and the risk of customers not having the financial capability to fulfil their obligations to the Group is considered low. The Group has applied the practical simplified approach in accordance with IFRS 9 to calculate loss on receivables. In calculating loss provisions, receivables are reviewed and assessed on an individual level taking into account facts and circumstances for the individual customer. A loss provision of EUR 1.0 million has been recognised for receivables in 2023 (2022: 3.0 million)

The following table shows the ageing of accounts receivables:

	Not yet due	1-30 days overdue	31-60 days overdue	61-90 days overdue	> 90 days overdue	Total
2023	8,800	186	930	–	733	10,650
2022	3,810	–	–	–	116	3,926

The main portion of overdue receivables has been paid after the balance sheet date.

Liquidity and financing risk
Liquidity risk relates to the risk that the Group will not be able to meet its financial and operational obligations as they are due. The Group's approach to managing liquidity is to manage cash flows from operation from long-term charter contracts, and the liquidity situation is monitored and projected via liquidity budgets prepared by management on a regular basis. The Group has secured financing for all operating vessels and all of its newbuilding vessels except one. Edda Wind expects to be able to secure financing for the remaining vessel under construction. The Group is continuously exploring alternatives to strengthen its balance sheet, including its liquidity position.

The tables below show the expected future undiscounted cash flows from financial liabilities. Interest is based on interest rates at period end 31 December 2023 and 31 December 2022.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years
2023				
Undiscounted cash flows financial liabilities				
Debt to financial institutions	23,642	43,537	79,757	–
Bond	4,088	4,268	14,940	–
Financial derivatives	–	–	–	–
Interest due	11,210	14,031	41,908	–
Total undiscounted cash flow financing liabilities	38,939	61,835	136,604	–
Current liabilities, excluding next year's instalment on interest-bearing debt	12,546	–	–	–
Total gross undiscounted cash flows financial liabilities 31.12.2023	51,485	61,835	136,604	–
2022				
Undiscounted cash flows financial liabilities				
Debt to financial institutions	6,889	9,189	37,186	–
Bond	4,062	4,056	14,009	–
Financial derivatives	–	–	–	–
Interest due	4,666	5,295	15,451	–
Total undiscounted cash flow financing liabilities	15,546	18,540	56,645	–
Current liabilities, excluding next year's instalment on interest-bearing debt	10,495	–	–	–
Total gross undiscounted cash flows financial liabilities 31.12.2022	26,041	18,540	56,645	–

Capital structure

The Group's overall policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain operations and future business development.

Capital structure	31.12.2023	31.12.2022
Total equity	284,882	284,882
Total assets	582,258	582,258
Equity ratio	49%	49%

61 Consolidated Financial Statements continued

Notes to the Consolidated Financial Statements continued (EUR 1,000)

Note 10 Financial risk continued

Fair value

The fair value of financial instruments nominated in other currencies than EUR is determined based on the currency exchange rate at the balance sheet date. The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The fair value of financial instruments not traded in an active market (over-the-counter contracts) is based on third-party quotes. These quotes use observable market rates for price discovery. Specific valuation techniques used by financial counterparties (banks) to value financial derivatives include:

- Quoted market prices or dealer quotes for similar derivatives.
- The fair value of interest rate swaps is calculated as the net present value of the estimated future cash flows based on observable yield curves.

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values. The Group estimates the fair value of financial liabilities for disclosure purposes by discounting the future contractual cash flows at current market interest rates available to the Group for similar financial derivatives.

The following table show the fair value and book value (amortised cost) of the Group's interest-bearing debt:

	Fair value	Book value
Interest-bearing debt		
2023		
Debt to financial institutions	215,443	211,534
Bonds	73,296	73,296
Total interest-bearing debt 31.12	288,739	284,830
2022		
Debt to financial institutions	80,495	80,239
Bonds	76,725	76,725
Total interest-bearing debt 31.12	157,220	156,964

The fair values are based on cash flows discounted using a rate based on market rates including margins and are within level 2 of the fair value hierarchy.

The following table show the Group's financial liabilities as measured in the fair value hierarchy. The Group only financial liabilities measured at fair values are interest rate swaps financial derivatives. The Group not hold financial assets measured at fair value.

	31.12.2023	3
Financial assets at fair value		
Level 1		
Level 2		
Level 3		
Total financial assets at fair value		
Financial liabilities at fair value		
Level 1		
Level 2		
Level 3		
Total financial liabilities at fair value		
	31.12.2023	3

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 1: The quoted market price used for financial assets is the current close price. The Group does hold financial assets or liabilities measured at level 1 at year end 2023 or 2022.

Level 2: The fair value of financial instruments not traded in an active market (over-the-counter contracts) are based on third-party quotes (Mark-to-Market). These quotes use observable market rates for price discovery. The different techniques typically applied by financial counterparties (banks) were described above. These instruments – interest rate swap derivatives – are included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the financial or liability is in level 3. The Group does not hold financial assets or liabilities measured at level 3 at year end 2023 or 2022. As such, there are no changes in level 3 instruments during the periods.

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Notes to the Consolidated Financial Statements continued (EUR 1,000)

Note 10 Financial risk continued

The following tables show the changes in financial instruments measured at fair value:

Financial liabilities (financial assets) at fair value	2023	2022
Financial liabilities measured at fair value at 01.01	(71)	91
Gain/(loss) in fair value through the income statement	-	(162)
Derecognition of interest swap due to expiration	71	-
Total financial liabilities (financial assets) at fair value 31.12	-	(71)

The following tables show the Group's financial assets and liabilities by measurement category:

Financial instrument by category	Amortised cost	Fair value through income statement	Total
Assets			
Accounts receivable and other short-term receivables	24,848	-	24,848
Cash and cash equivalents	32,918	-	32,918
Total assets 31.12	57,766	-	57,766

Liabilities

Non-current debt to financial institutions	187,893	-	187,893
Non-current bonds	69,208	-	69,208
Financial derivatives	-	-	-
Current debt to financial institutions	23,642	-	23,642
Current bonds	4,088	-	4,088
Other current liabilities	12,546	-	12,546
Total liabilities 31.12	297,376	-	297,376

2022	Financial instrument by category	Amortised cost	Fair value through income statement
Assets			
	Accounts receivable and other short-term receivables	5,079	-
	Other current assets	4,114	-
	Financial derivatives	-	71
	Cash and cash equivalents	45,021	-
	Total assets 31.12	54,214	71
Liabilities			
	Non-current debt to financial institutions	73,360	-
	Non-current bonds	72,663	-
	Current debt to financial institutions	6,889	-
	Current bonds	4,062	-
	Other current liabilities	10,495	-
	Total liabilities 31.12	167,469	-
Note 11 Financial items			
			Note
Financial income			
	Other financial income		543
	Currency differences		132
	Unrealised gain on financial derivatives	5	
	Total financial income		675
Financial expense			
	Interest expenses		355
	Realised loss on financial derivatives	5	71
	Other financial expenses		226
	Total financial expense		653

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Note 12 Cash and cash equivalents

Financial reporting principles

Cash and cash equivalents include cash in hand and deposits held at call with banks with maturities of three months or less. Restricted deposits are classified separately from unrestricted bank deposits under cash and cash equivalents.

	2023	2022
Cash and cash equivalents 31.12		
Bank deposits	32,918	45,021
Sum cash and cash equivalents 31.12	32,918	45,021

In addition to amount in cash and cash equivalent, the Group holds restricted cash related to withheld tax of EUR 1.2 million (2022: EUR 54,000). As of 31 December 2022 the Group held restricted cash of EUR 54.1 million in Edda Wind III AS, only available for payment of incurred construction cost for the newbuilding, which was reclassified to cash and cash equivalents when the related vessel commenced operations in 2023.

Note 13 Share capital

Edda Wind's share capital amounts to NOK 11,231,449 divided into 112,314,488 shares, each with a nominal value of NOK 0.1.

In March 2023, Edda Wind performed a private placement, raising a total of NOK 1.2 billion through the allocation of 48 million new shares at a subscription price of NOK 25 per share.

Largest shareholders at 31 December 2023

Shareholder	Country	Number of shares	Ownership share
Wilhelmsen New Energy AS	Norway	28,500,000	25.4%
Geveran Trading Co Ltd	Cyprus	24,306,313	21.6%
Østensjø Wind AS	Norway	21,300,000	19.0%
Credit Suisse (Switzerland) Ltd.	Ireland	17,888,331	15.9%
VJ Invest AS	Norway	1,313,235	1.2%
J.P. Morgan SE	Luxembourg	1,129,603	1.0%
Varner Equities AS	Norway	776,973	0.7%
State Street Bank and Trust Comp	United States	665,780	0.6%
Wahl Elendom AS	Norway	656,000	0.6%
Clearstream Banking S.A.	Luxembourg	637,118	0.6%
Largest shareholders		97,173,353	86.5%
Others		15,141,135	13.5%
Total		112,314,488	100.0%

Largest shareholders at 31 December 2022

Shareholder	Country	Number of shares	Ownership share
Østensjø Wind AS	Norway	16,500,000	14.7%
Wilhelmsen New Energy AS	Norway	16,500,000	14.7%
Geveran Trading Co Ltd	Cyprus	7,551,754	6.7%
Credit Suisse (Switzerland) Ltd.	Ireland	6,888,331	6.1%
J.P. Morgan SE	Luxembourg	1,126,184	1.0%
VJ Invest AS	Norway	1,009,615	0.9%
Morgan Stanley & Co. Int. Plc.	United Kingdom	958,887	0.8%
Forenade Industrier Shipping AS	Norway	585,716	0.5%
Varner Equities AS	Norway	518,767	0.5%
Kontrari AS	Norway	500,000	0.4%
Portia AS	Norway	500,000	0.4%
Largest shareholders		52,637,254	46.8%
Others		11,679,234	10.4%
Total		64,316,488	57.2%

Note 14 Earnings per share

The Company does not hold treasury shares and the weighted average number of diluted and ordinary shares is the same, as the Company does not hold any dilutive instruments.

Earnings per share

Amount in EUR	2023
Earnings per share	9.023
Net profit attributable to ordinary shareholders of Edda Wind ASA	(3,867,732)
Weighted average number of outstanding shares to calculate earnings per share	1,181,973,340
Earnings per share in EUR	101,870,340
	(3.04)

Note 15 Other circumstances

In relation to one of the newbuildings, the Group has assumed payment obligations and purchased certain equipment directly in order to avoid delays in delivery. As at 31 December 2023 the obligation was EUR 0.2 million. The Group will be compensated for the assumed obligations through a loan agreement in the net amount of EUR 2.4 million paid over two years. As at 31 December 2023, the loan amount was EUR 1.8 million.

As previously disclosed, Edda Wind acquired legal title to C-416 in October 2023 to ensure the vessels completion. Subsequent to this, Edda Wind has entered into a loan agreement of EUR 11 million as pre-financing of the tax lease benefit under the Spanish Tax Lease structure. The pre-financing will be used to cover expenses on behalf of the yard until the vessel is completed. Upon completion, the total tax lease benefit of EUR 14 million will be used to settle the pre-funding. As at 31 December 2023, Edda Wind has paid 11 million on behalf of the yard, which is included in the balance sheet as short-term receivable. The vessels is expected to be completed in early Q2 2024.

Note 16 Events after balance sheet date

Edda Wind has experienced technical challenges with the gangway systems. The challenges have previously been dealt with during regular operation. To ensure that the systems are achieving the expected reliability and performance, Edda Wind has taken three of its vessels, Edda Breeze, Edda Brint and Edda Boreas, out of operation to implement robust solutions to the various issues. The vessels were in operation again in March. Edda Brint experienced further offhire during March and April, but has been in constructive dialogue with the charterers throughout. Due to offhire and extraordinary capital expenditure caused by technical issues on Edda Brint and Edda Breeze, Edda Wind utilised embedded equity cure mechanisms in the Group's two bonds and did one technical equity cure on each in 2024, in addition to one equity cure on one of the bonds in 2023.

In February 2024, Edda Wind, through its subsidiary West Energy AS, entered into a sale and purchase agreement regarding the sale of all outstanding shares in Puerto de Caleda S.L., the registered owner of Edda Passat. The transaction was completed in March 2024. The proceeds from the sale will be used for general corporate purposes, including the repayment of outstanding debt related to Edda Passat.

Edda Wind took delivery of the newbuild C416 in March 2024.

65 Company Financial Statements

Income Statement

(EUR 1,000)

	Notes	2023	2022
Other operating expenses	2	1,461	2,000
Total operating expenses		1,461	2,000
Operating profit		(1,461)	(2,000)
Financial income and expenses			
Interest income from Group companies	3	4,592	2,534
Other financial income	3,4	2,876	4,060
Net currency differences		1,052	(2,071)
Interest paid to Group companies	3	(25)	-
Other interest expenses		(123)	-
Other financial expenses		(2)	(204)
Financial income/(expense)		8,369	4,320
Profit/(loss) before tax		6,908	2,320
Tax (income)/expense	5	(2,122)	-
Profit/(loss) for the year		4,786	2,320

Notes 1 to 9 on the next pages are an integral part of these financial statements.

Balance Sheet

(EUR 1,000)

	Notes	2023
ASSETS		
Financial assets		
Investment in subsidiary companies	4	143,820
Long-term receivables		1,862
Total financial assets		145,682
Current assets		
Receivables from Group companies	3	156,370
Other short-term receivables	3	2,980
Cash and cash equivalents	6	6,351
Total current assets		165,702
Total assets		311,384
EQUITY AND LIABILITIES		
Equity		
Share capital	7,8	10,071
Share premium	7	200,972
Other equity	7	7,107
Total equity		218,149
Non-current liabilities		
Debt to financial institutions	9	16,992
Total non-current liabilities		16,992
Current liabilities		
Account payables	3	10,79
Liabilities to Group companies	3	10,806
Other current liabilities	3,1	0,657
Total current liabilities		22,252
Total liabilities		39,244
Total equity and liabilities		311,384

Notes 1 to 9 on the next pages are an integral part of these financial statements.

66 Company Financial Statements continued

Balance Sheet continued
(EUR 1,000)

Haugesund, 24 April 2024
The Board of Directors of Edda Wind ASA

Jan Eyvin Wang
Chairman of the Board

Martha Kold Monclair
Board member

Toril Eidesvik
Board member

Håvard Framnes
Board member

Adrian Geelmuysen
Board member

Duncan J. Bullock
Board member

Cecilie Wammer Serck-Hanssen
Board member

Kenneth Walland
CEO

Cash Flow Statement
(EUR 1,000)

	2023	Notes
Cash flow from operations	63,908	
Profit/(loss) before tax	(607)	
Group contribution, received	483	3
Change in trade payables	(124,548)	
Change in other current assets and other liabilities	(117,764)	
Net cash flow from operations	600	
Cash flow from investment activities	(27,836)	
Change in long-term loan	(27,836)	4
Investments in subsidiaries	(27,236)	
Net cash flow from investment activities	100,921	
Cash flow from financing activities	127,613	
Net drawn interest-bearing debt	127,613	
Increase capital	127,613	
Net cash flow from financing activities	(26,888)	
Effects of currency rate changes on bank deposits, cash and equivalents	267,399	
Net change in bank deposits, cash and equivalents	267,399	
Cash and cash equivalents at 01.01	6,351	
Cash and cash equivalents at 31.12	267,399	

Note 1 to 9 on the next pages are an integral part of these financial statements.

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Notes to the Company Financial Statements (EUR 1,000)

Note 1 General accounting principles

Accounting policies
The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway.

Shares in subsidiaries

Subsidiaries and investments in associates are valued at cost in the Company accounts. The investment is valued at cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognised if the impairment is not considered to be temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period. Dividend, Group contributions and other distribution from subsidiaries are recognised in the same year as they are recognised in the financial statements of the provider. If dividends / Group contributions exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

Valuation and classification of assets and liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria. Current assets are valued at the lower of historical cost and fair value. Fixed assets are carried at historical cost but are written down to their recoverable amount if this amount is lower than the carrying amount and the decline is expected to be permanent. Fixed assets with limited economic life are depreciated on a systematic basis in accordance with a reasonable depreciation schedule. Other long-term liabilities, as well as short-term liabilities, are valued at nominal value.

Provisions

Provisions are recognised when the Company faces an obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made on the amount of the obligation. The expense related to a provision is presented in the statement of profit and loss. All provisions are reviewed at end of each reporting period and adjusted to reflect best estimate.

Use of estimates

The management has used estimates and assumptions that have affected the income statement and the valuation of assets and liabilities, as well as uncertain assets and liabilities on the balance sheet date during preparation of the financial statements in accordance with generally accepted accounting principles in Norway.

Foreign currency

The financial statements of the Company are presented in Euro. Monetary items (assets, liabilities and bank deposits) in foreign currency are converted at the exchange rate as on the balance sheet date.

Receivables

Receivables are recognised at nominal value, less the accrual for expected losses of receivables. Provisions for doubtful accounts are made on the basis of individual assessment of each receivable. For the remaining receivables, a general provision is estimated based on expected loss.

Dividend

Dividend income is recognised when the right to receive payment is established, normally when the dividend is approved by the general meeting of the subsidiary. Dividend distribution to shareholders is recognised as a liability when the dividend is approved by the general meeting.

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 assets are recorded on the balance sheet when it is more likely than not that the tax assets will be utilised. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to exchange transactions.

Cash flow statements

The statement of cash flow is prepared in accordance with the indirect model. Cash and cash equivalents include cash, bank deposits and other short-term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

Note 2 Payroll and remuneration

Edda Wind ASA has no employees and is therefore not obliged to follow the Mandatory Occupational Pensions Act. Edda Wind ASA's management team is employed and remunerated through the subsidiary Wind Management AS as shown in table below:

2023	Wages	Bonus	Other benefits
Remuneration to management:	243	49	19
Kenneth Walland (CEO)	163	36	4
Tom Johan Austrheim (CFO)	141	30	6
Håkon Vevang (CCO)	136	15	4
Jan Lodden (CCO)	38	-	-
Nina Marie Wathne (CHRO) (start date 1 September 2023)	30	-	-
Ellen Sofie Ottesen (CTO) (start date 1 October 2023)	751	130	33
Total remuneration to management			

68 Company Financial Statements continued

Notes to the Company Financial Statements continued (EUR 1,000)

Note 2 Payroll and remuneration continued

2022	Salaries	Bonus	Other benefits	Pension costs
Remuneration to management				
Kenneth Walland (CEO)	242	35	20	11
Håkon Yevang (CCO)	121	17	5	11
Tom Johan Austrheim (CFO)	142	18	3	11
Jan Lodden (COO) (start date 01.07.2022)	63	–	1	5
Total remuneration to management	568	69	29	38
Name	Position	2023	2022	
Remuneration to the Board of Directors:				
Jan Eyvin Wang	Chairman	31	9	
Håvard Framnes	Director	45	15	
Martha Kold Monclair	Director	33	10	
Toril Eidesvik	Director	29	9	
Duncan J. Bullock	Director	29	9	
Cecilie Wammer Serck-Hanssen	Director	29	9	
Adrian Geelmuyden	Director	29	9	
Total remuneration to the Board of Directors		223	68	

Jan Eyvin Wang was appointed as Chairman on 25 May 2023.

Expensed audit fee (excluding VAT)

	2023	2022
Audit services	103	52
Other assurance services	34	4
Total expensed audit fee	137	56

Note 3 Transactions with related parties

The profit and loss statement includes the following amounts resulting from transactions with related parties:

	2023
Management fee	
Edda Wind Management AS	226
Total	226
Reimbursed cost	
Edda Wind Management AS	–
Total	–
Interest income	
Edda Wind Management AS	17
Edda Wind Investment AS	1
Edda Wind I AS	199
Edda Wind II AS	192
Edda Wind III AS	58
Edda Wind IV AS	448
Edda Wind V AS	74
Edda Wind VI AS	999
Edda Wind VII AS	223
Edda Wind VIII AS	0
Edda Wind IX AS	558
Edda Wind X AS	0
Edda Wind XI AS	1748
Edda Wind XII AS	651
Edda Wind XIV AS	666
Edda Wind XV AS	455
West Energy AS	3
Total	4692
Interest expenses	
Edda Wind VIII AS	25
Total	25

69 Company Financial Statements continued

Notes to the Company Financial Statements continued (EUR 1,000)

Note 3 Transactions with related parties continued

Financial income	2023	2022
West Energy AS	658	222
Puerto de Calella	172	-
Edda Wind Management AS	-	60
Edda Wind I AS	199	-
Edda Wind II AS	282	-
Edda Wind IV AS	211	-
Edda Wind V AS	176	-
Edda Wind VI AS	71	-
Edda Wind VII AS	-	1,815
Edda Wind VIII AS	110	1,875
Edda Wind IX AS	33	-
Edda Wind XI AS	3	-
Edda Wind XII AS	3	-
Edda Wind XIV AS	3	-
Total	1,923	3,972

The balance sheet includes the following amounts resulting from transactions with related parties

	2023	2022
Short-term receivables		
Group companies	158,667	34,966
Associated companies	3	-
Total	158,670	34,966
Accounts payable		
Group companies	-	251
Associated companies	-	291
Total	-	542

The Company acts as guarantor for the interest-bearing debt of its subsidiaries.

Note 4 Investment in subsidiaries

Subsidiaries	Business office/country	Nature of business	Ownership/ voting rights	Currency	Result	Equity
Edda Wind Management AS	Haugesund, Norway	Management services	100%	NOK	(18,293)	940
Edda Wind Investment AS	Haugesund, Norway	Investment	100%	NOK	(36)	30
Edda Wind I AS	Haugesund, Norway	Vessel operations	100%	EUR	(4,860)	7,764
Edda Wind II AS	Haugesund, Norway	Vessel operations	100%	EUR	(7,004)	11,992
Edda Wind III AS	Haugesund, Norway	Vessel operations	100%	GBP	(5,543)	7,090
Edda Wind IV AS	Haugesund, Norway	Vessel owner	100%	EUR	(4,082)	6,452
Edda Wind V AS	Haugesund, Norway	Vessel operations	100%	EUR	(2,372)	16,401
Edda Wind VI AS	Haugesund, Norway	Vessel owner	100%	EUR	(1,035)	7,466
Edda Wind VII AS	Haugesund, Norway	Vessel owner	100%	EUR	(1)	771
Edda Wind VIII AS	Haugesund, Norway	Dormant	100%	EUR	386	936
Edda Wind IX AS	Haugesund, Norway	Vessel owner	100%	EUR	(93)	2,772
Edda Wind X AS	Haugesund, Norway	Dormant	100%	EUR	(1)	771
Edda Wind XI AS	Haugesund, Norway	Vessel owner	100%	EUR	(1,322)	(275)
Edda Wind XII AS	Haugesund, Norway	Vessel owner	100%	EUR	(81)	51
Edda Wind XIV AS	Haugesund, Norway	Vessel owner	100%	EUR	(1,092)	(218)
Edda Wind XV AS	Haugesund, Norway	Vessel owner	100%	EUR	(42)	322
Edda Wind XVI AS	Haugesund, Norway	Dormant	100%	EUR	(3)	(3)
Edda Wind XVII AS	Haugesund, Norway	Dormant	100%	EUR	(3)	(3)
Edda Wind XVIII AS	Haugesund, Norway	Dormant	100%	EUR	(3)	(3)
Edda Wind XIX AS	Haugesund, Norway	Dormant	100%	EUR	(3)	(3)
Edda Wind XX AS	Haugesund, Norway	Dormant	100%	EUR	(3)	(3)
Edda Wind Crewing AS	Haugesund, Norway	Dormant	100%	EUR	(3)	(3)
West Energy AS	Haugesund, Norway	Vessel operations	100%	GBP	1,919	23,716
Edda Supply Ships UK Ltd	Aberdeen, United Kingdom	Management services	100%	GBP	(3)	270

Based on the subsidiaries underlying assets and operation, no impairment charge has been made to investments in 2023 or 2022.

70 Company Financial Statements continued

Notes to the Company Financial Statements continued (EUR 1,000)

Note 4 Investment in subsidiaries continued

Edda Wind ASA has given group contributions of EUR 9,644,348. The group contributions are given with tax effect and are booked as increase in investment. Edda Wind ASA has also received group contributions of EUR 607,482. The group contributions are received with tax effect and are booked as financial income.

Note 5 Tax

Income tax for the year	2023	2022	
Tax payable	–	–	
Tax effect group contribution	(2,122)	–	
Change in deferred tax	–	–	
Total income tax expense (benefit)	(2,122)	–	
Basis for tax payable	2023	2022	
Profit before tax	6,908	2,321	
Permanent differences	2,723	793	
Taxable income	9,631	3,114	
Group contribution received	607	3,972	
Group contribution given	(9,644)	–	
Tax loss carried forward	(594)	(7,086)	
Basis tax payable	–	–	
Temporary differences and deferred tax	2023	2022	Change
Tax loss carried forward	–	(254)	254
Deferred tax	–	(56)	56
Change in deferred tax/deferred tax asset	56	384	–
Correction from 2021	–	1,129	–
Not recorded deferred tax asset	(56)	(1,512)	–
Deferred tax (+) / Deferred tax asset (-)	–	–	–

Note 6 Cash and cash equivalents

Bank deposits EUR	2023
Bank deposits NOK	5,860
Bank deposits GBP	241
Total cash and cash equivalents	6,351

The Company does not have any restricted cash as of 31 December 2023.

Note 7 share capital

Edda Wind ASA's share capital amounts to NOK 11,231,449 divided into 112,314,488 shares, each with a value of NOK 0.1.

In March 2023, Edda Wind performed a private placement, raising a total of NOK 1.2 billion through the allocation of 48 million new shares at a subscription price of NOK 25 per share.

Largest shareholders at 31 December 2023

Shareholder	Country	Number of shares	Ownership
Wilhelmsen New Energy AS	Norway	28,500,000	25.4%
Geveran Trading Co Ltd	Cyprus	24,306,400	21.6%
Østensjø Wind AS	Norway	21,300,800	19.0%
Credit Suisse (Switzerland) Ltd.	Ireland	17,888,341	15.9%
VJ Invest AS	Norway	1,313,705	1.2%
J.P. Morgan SE	Luxembourg	1,129,600	1.0%
Varner Equities AS	Norway	776,978	0.7%
State Street Bank and Trust Comp	United States	665,700	0.6%
Wahl Eiendom AS	Norway	656,000	0.6%
Clearstream Banking S.A.	Luxembourg	637,400	0.6%
Largest shareholders		97,173,383	86.5%
Others		15,141,105	13.5%
Total		112,314,488	100%

During 2023, Edda Wind ASA increased its number of shares from 64,314,488 shares at nominal value 0.1 to 112,314,488 shares at nominal value of NOK 0.1.

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Notes to the Company Financial Statements continued (EUR 1,000)

Note 7 share capital continued
Largest shareholders at 31 December 2022

Shareholder	Country	Number of shares	Ownership share
Østensjø Wind AS	Norway	16,500,000	25.7%
Wilhelmsen New Energy AS	Norway	16,500,000	25.7%
Geveran Trading Co Ltd	Cyprus	7,551,754	11.7%
Credit Suisse (Switzerland) Ltd.	Ireland	6,888,331	10.7%
J.P. Morgan SE	Luxembourg	1,126,184	1.8%
VJ Invest AS	Norway	1,009,615	1.6%
Morgan Stanley & Co. Int. Plc.	United Kingdom	958,887	1.5%
Forenade Industrier Shipping AS	Norway	585,716	0.9%
Varner Equities AS	Norway	518,767	0.8%
Kontrari AS	Norway	500,000	0.8%
Portia AS	Norway	500,000	0.8%
Largest shareholders		52,639,254	81.8%
Others		11,675,234	18.2%
Total		64,314,488	100.0%

Note 8 Changes in equity

	Share capital	Share premium	Other equity	Total equity
Balance at 01.01.2023	644	167,478	2,321	170,442
Capital increase by issuance of new shares	427	104,494	-	104,921
Profit/loss for the year			4,786	5,479
Balance at 31.12.2023	1,071	271,972	7,107	280,149

Note 9 Interest bearing debt

The table below shows the Company's interest-bearing debt:

	2023	2022
Interest-bearing debt	20,000	-
Debt insurance cost	(308)	-
Total	19,692	-

Loan agreements contains financial covenants at Group level related to minimum cash. In addition, the Group is required to maintain a positive working capital, book equity ratio of at least 30%, interest cost ratio (EBITDA to net interest cost) of at least 2.50:1 and average market value of vessels to aggregate of loans under the post-delivery facility of at least 130%.

The interest-bearing debt matures in December 2025.

Note 10 Other circumstances

In 2022, in relation to a newbuilding in one of Edda Wind ASA's subsidiaries, the Company assumed obligations and purchased certain equipment directly in order to avoid delays in delivery. As at December 2023 the obligation was EUR 0.2 million. The Company will be compensated for the assumed obligation through a loan agreement in the net amount of EUR 2.4 million paid over two years. As at 31 December the outstanding loan amount was EUR 1.8 million.

Note 11 Subsequent events

No subsequent events reported.

Auditor's Report

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Impairment assessment of vessels and newbuilds

Basis for the key audit matter

As of 31 December 2023, the market capitalization of the Group was below book value of the Group equity. Group management have identified the impairment indicator to be related to vessels and newbuilds and have therefore tested recoverable amounts. The carrying amount of the Group's vessels and newbuilds amounted to EUR 515 million, which corresponds to 88% of assets. Remaining installments for newbuilds amount to EUR 224,4 million. No impairment was recognized on vessels and newbuilds. Management has classified each vessel and newbuild as either "classified" or "unclassified". Management have assessed the recoverable amount of vessels and newbuilds by comparing the carrying amount and remaining installments of each CGU to the highest of fair value less cost to sell and value in use. Key assumptions for the value-in-use calculation were forecasted day-rates, operating costs, utilization, estimated useful life of the vessels and discount rate. Considering the extent of estimates and assumptions applied in the impairment evaluation, and management's involvement and significant judgment in establishing them, we assess impairment assessment of vessels and newbuilds as a key audit matter.

Our audit response

We evaluated the appropriateness of management's identification of the Group's CGUs. For the value in use calculation, we compared day-rates to the firm contracts and estimated future rates to historical spot rates and future market expectation from third party for the SOV and CSOV market. Operating costs have been compared to approved budget, historical expenses and future expectation from third party. Estimated useful life of the vessels have been compared to industry practice and plans for docking and maintenance. We meet all the requirements for testing the methodology and accuracy of the value-in-use calculation. In the assessment of the model and the discount rate applied. Furthermore, we assessed managements fair value less cost to sell and compared with third party broker valuation reports.

We refer to note 4 of the consolidated financial statements.

Independent auditor's report - Edda Wind ASA 2023

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Edda Wind ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Edda Wind ASA (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the balance sheet as at 31 December 2023 and 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. The consolidated financial statements of the Group comprise the statement of financial position as at 31 December 2023, the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion,

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

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under these 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 in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 5 years from the election by the general meeting of the shareholders on 18 October 2019 for the accounting year 2019.

Auditor's Report continued



Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the general manager) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report, the statement on corporate governance or the statement on corporate social responsibility, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or 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 the 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, 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,

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as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence available to us up to the date of our audit 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 fair presentation.
- 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.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and use them as the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Edda Wind ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name eddawindasa-2023-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and XBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Independent auditor's report - Edda Wind ASA 2023

Auditor's Report continued



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Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material aspects, the financial statements are prepared in accordance with the International Standard on Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the XHTML tagging of the consolidated financial statements and assess management's use of judgement. Our procedures are performed on an audit basis. We have not performed any procedures on the financial statements prepared in accordance with the IFRS. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Bergen, 24. April 2024
ERNST & YOUNG AS

Øyvind Flore
State Authorised Public Accountant (Norway)



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Remuneration Report

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REMUNERATION REPORT IN EDDA WIND ASA FOR THE FINANCIAL YEAR 2023

To the General Meeting of Edda Wind ASA

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Edda Wind ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2023 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

We are independent of the company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements. The firm applies International Standard on Quality Management, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

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Remuneration Report continued

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We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to obtain sufficient appropriate audit evidence to support our opinion on the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Bergen, 24 April 2024
ERNST & YOUNG AS


Øyvind Nore
State Authorised Public Accountant (Norway)



Skatteetaten

Vår dato
15.03.2021

Din/Deres dato
09.03.2021

Saksbehandler
Lars Waalorp

800 80 000
Skatteetaten.no

Din/Deres referanse
AR419754484

Telefon
90833418

Org.nr
974761076

Vår referanse
2021/5290255

Postadresse
Postboks 9200 Grønland
0134 OSLO

U.off.

EDDA WIND AS
Smedasundet 97
5525 HAUGESUND

Att. Aneft Underhaug Våge

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Edda Wind AS, org.nr. 923 565 264

Vi viser til deres brev av 9. mars 2021 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Edda Wind AS.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Edda Wind AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Edda Wind AS er eid av to norske selskaper. Selskapet er en del av et konsern som driver virksomhet innen internasjonal shippingvirksomhet. Selskapet benytter engelsk som arbeidsspråk, og det er ingen forhold rundt selskapets finansiering som skulle tilsi behov for regnskap på norsk.

Skattekontorets 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 mv., 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 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 spekulasjonsgevinster med basis i skjevt fordelt informasjon."



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

Det er etter skattekontorets 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 skattekontoret lagt særlig vekt på at selskapet er eid av profesjonelle eiere og har en begrenset eierkrets. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.