



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

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: Mina Ingeborg Tronstad
Dato for fastsettelse av årsregnskapet: 03.05.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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, 27.06.2024



Resultatregnskap

Beløp i: EUR	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Other income	2, 11	17 165 000	14 747 000
Sum inntekter		17 165 000	14 747 000
Kostnader			
Salary and other personnel expenses	3, 11	9 640 000	8 236 000
Administration expenses	3, 11	7 775 000	5 046 000
Driftskostnad			1 641 000
Sum kostnader		17 415 000	14 923 000
Driftsresultat		-250 000	-176 000
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	5, 11	4 020 000	1 693 000
Annen renteinntekt	5	25 000	2 000
Exchange gain	5	405 000	
Sum finansinntekter		4 450 000	1 695 000
Impairment financial assets	5	1 219 000	15 039 000
Rentekostnad til foretak i samme konsern	11	1 310 000	119 000
Annen rentekostnad		2 702 000	2 125 000
Exchange loss	5	523 000	12 000
Other financial expenses	5	446 000	231 000
Sum finanskostnader		6 200 000	17 526 000
Netto finans	5	-1 750 000	-15 831 000
Ordinært resultat før skattekostnad		-2 000 000	-16 007 000
Change in deferred tax	7	-2 016 000	1 121 000
Ordinært resultat etter skattekostnad		16 000	-17 128 000
Årsresultat		16 000	-17 128 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		16 000	-17 128 000



Resultatregnskap

Beløp i: EUR	Note	2022	2021
Sum overføringer og disponeringer		16 000	-17 128 000



Balanse

Beløp i: EUR	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	7	3 102 000	1 111 000
Sum immaterielle eiendeler		3 102 000	1 111 000
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	6	1 730 000	1 736 000
Sum varige driftsmidler		1 730 000	1 736 000
Finansielle anleggsmidler			
Investering i datterselskap	4	310 266 000	310 266 000
Lån til foretak i samme konsern	11	50 025 000	47 783 000
Sum finansielle anleggsmidler		360 291 000	358 049 000
Sum anleggsmidler		365 123 000	360 896 000
Omløpsmidler			
Varer			
Fordringer			
Other receivables		285 000	149 000
Konsernfordringer	11	49 800 000	12 682 000
Sum fordringer		50 085 000	12 831 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		6 333 000	1 187 000
Sum bankinnskudd, kontanter og lignende	8	6 333 000	1 187 000
Sum omløpsmidler		56 418 000	14 018 000
SUM EIENDELER		421 541 000	374 914 000

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: EUR	Note	2022	2021
Egenkapital			
Innskutt egenkapital			
Selskapskapital		682 000	682 000
Annen innskutt egenkapital		175 919 000	175 919 000
Sum innskutt egenkapital		176 601 000	176 601 000
Opptjent egenkapital			
Annen egenkapital		21 265 000	20 305 000
Sum opptjent egenkapital		21 265 000	20 305 000
Sum egenkapital	9	197 866 000	196 906 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	12	561 000	1 557 000
Sum avsetninger for forpliktelser		561 000	1 557 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		74 294 000	48 518 000
Langsiktig konserngjeld		27 993 000	8 011 000
Sum annen langsiktig gjeld		102 287 000	56 529 000
Sum langsiktig gjeld		102 848 000	58 086 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		9 107 000	9 509 000
Leverandørgjeld		572 000	2 252 000
Kortsiktig konserngjeld		108 251 000	106 931 000
Accrued salaries, vacation pay and other personnel		2 897 000	1 229 000
Sum kortsiktig gjeld		120 827 000	119 921 000
Sum gjeld		223 675 000	178 007 000
SUM EGENKAPITAL OG GJELD		421 541 000	374 913 000



Konsernets resultatregnskap

Beløp i: EUR	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Revenue	2, 16	149 851 000	117 858 000
Sum inntekter		149 851 000	117 858 000
Kostnader			
Lønnskostnad		9 898 000	8 457 000
Avskrivning på varige driftsmidler og immaterielle eiendeler		40 840 000	28 140 000
Annen driftskostnad		62 717 000	56 672 000
Sum kostnader		113 455 000	93 269 000
Driftsresultat		36 396 000	24 589 000
Finansinntekter og finanskostnader			
Annen renteinntekt		183 000	43 000
Annen finansinntekt		1 044 000	
Sum finansinntekter		1 227 000	43 000
Rentekostnad til foretak i samme konsern		1 112 000	
Annen rentekostnad		5 101 000	5 105 000
Annen finanskostnad			1 761 000
Agio		950 000	
Sum finanskostnader		7 163 000	6 866 000
Netto finans		-5 936 000	-6 823 000
Ordinært resultat før skattekostnad		30 460 000	17 766 000
Skattekostnad på ordinært resultat		4 484 000	1 276 000
Ordinært resultat etter skattekostnad		25 976 000	16 490 000
Årsresultat		25 976 000	16 490 000
Overføringer og disponeringer			
Shareholders of the parent		16 071 000	17 315 000
Non-controlling interests		9 905 000	-825 000
Sum overføringer og disponeringer		25 976 000	16 490 000



Konsernets resultatregnskap

Beløp i: EUR	Note	2022	2021
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Konsernets balanse

Beløp i: EUR	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	12	914 000	3 491 000
Sum immaterielle eiendeler		914 000	3 491 000
Varige driftsmidler			
Skip, rigger, fly og lignende	7, 15	360 940 000	347 917 000
Sum varige driftsmidler		360 940 000	347 917 000
Finansielle anleggsmidler			
Restricted cash	10	1 525 000	3 007 000
Sum finansielle anleggsmidler		1 525 000	3 007 000
Sum anleggsmidler		363 379 000	354 415 000
Omløpsmidler			
Varer			
Inventory	8	3 223 000	2 648 000
Costs to fulfill contracts	2	6 957 000	1 603 000
Sum varer		10 180 000	4 251 000
Fordringer			
Kundefordringer		31 486 000	30 510 000
Contract assets	2, 9	7 893 000	318 000
Konsernfordringer		124 000	
Sum fordringer		39 503 000	30 828 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		53 431 000	36 408 000
Restricted cash		1 478 000	1 137 000
Sum bankinnskudd, kontanter og lignende	10	54 909 000	37 545 000
Sum omløpsmidler		104 592 000	72 624 000
SUM EIENDELER		467 971 000	427 039 000



Konsernets balanse

Beløp i: EUR	Note	2022	2021
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		682 000	682 000
Annen innskutt egenkapital		61 551 000	61 551 000
Sum innskutt egenkapital		62 233 000	62 233 000
Opptjent egenkapital			
Annen egenkapital		168 335 000	151 238 000
Minoritetsinteresser		52 653 000	42 754 000
Sum opptjent egenkapital		220 988 000	193 992 000
Sum egenkapital		283 221 000	256 225 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt		203 000	850 000
Employee benefits		561 000	1 557 000
Sum avsetninger for forpliktelser		764 000	2 407 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		102 050 000	48 518 000
Langsiktig konserngjeld		27 993 000	31 765 000
Sum annen langsiktig gjeld		130 043 000	80 283 000
Sum langsiktig gjeld		130 807 000	82 690 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		28 606 000	33 241 000
Leverandørgjeld		14 286 000	11 717 000
Betalbar skatt		398 000	311 000
Kortsiktig konserngjeld		1 249 000	13 700 000
Contract liabilities		9 404 000	26 419 000
Lease liabilities		0	2 736 000
Sum kortsiktig gjeld		53 943 000	88 124 000



Konsernets balanse

Beløp i: EUR	Note	2022	2021
Sum gjeld		184 750 000	170 814 000
SUM EGENKAPITAL OG GJELD		467 971 000	427 039 000



 **Fred. Olsen Windcarrier**
Group

Annual report 2022



Annual Report 2022

DIRECTORS' REPORT 2022

Fred. Olsen Windcarrier ASA (FOWIC) was incorporated in 2005 and has its registered Office in Oslo, Norway. FOWIC is 100% owned by Fred. Olsen Ocean Ltd. and is indirectly 100% owned by Bonheur ASA. FOWIC is the parent company in the Fred. Olsen Windcarrier Group of companies (Group) which as per 31 December 2022 comprised the main subsidiaries, Fred. Olsen Windcarrier Operations AS, Brave Tern AS, Bold Tern AS, Fred. Olsen Windcarrier International AS (Norway), Fred. Olsen Windcarrier A/S (Denmark), Fred. Olsen Windcarrier Ltd. (England), Fred. Olsen Windcarrier GmbH (Germany), Fred. Olsen Windcarrier International Ltd. (Malta) and Fred. Olsen Windcarrier Holding Ltd. (Malta). The main offices are located in Oslo (Norway) and Fredericia (Denmark). FOWIC provides services for the installation and maintenance of offshore wind farms through its subsidiaries. The vessel activities take place in various countries according to wind farm location.

Summary Vessel Activities

Fred. Olsen Windcarrier Operations AS, and Blue Tern Operations AS both subsidiaries of the Company, have during the year been engaged in several projects in Scottish and Taiwanese waters for Transportation and Installation (T&I) of offshore wind turbines, deploying the modern purpose-built jack-up vessels Brave-, Bold- and Blue Tern.

The utilisation for the vessels in 2022 was 67%, compared to 76% in 2021. The reduced utilization was due to planned yard-stays including 10-year class renewal for all vessels, some minor project specific upgrades on Brave - and Blue Tern and major conversion of Bold Tern in 2022.

Summary Sales Activities

During 2022 the company has secured several new projects and negotiated amendments to existing contracts securing additional work resulting in a backlog ¹⁾ of EUR 553 million by 31 December 2022. Refer to the table below for the bridge to order backlog according to IFRS 15.

(All figures in EUR 1.000)	Total as of 31		Expect to recognize as revenue		
	December 2022	2023	2024	2025	2026
(A) Order backlog	552 823 290	168 494 984	168 853 394	136 656 335	78 818 576
(B) Options in firm contracts and reservation agreements	111 540 745	33 854 960	40 672 749	22 193 036	14 820 000
(C) Firm charter periods in reservation agreements	98 233 370			34 234 794	63 998 576
Order backlog IFRS 15 (A)-(B)-(C)	343 049 174	134 640 024	128 180 645	80 228 505	-

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

Investments for the future

An upgrade program has been initiated for all three wind turbine installation vessels. The upgrades, include new cranes and significant improvements to the vessels such as enhancement of the jacking systems, adding sponsons and additional accommodation. The vessels will be capable of installing next generation, 13-18 MW turbines. Bold Tern completed its upgrade at Keppel FELS in Singapore within budget and commenced operations in Taiwan in July 2022. Brave Tern is



scheduled for crane replacement and further upgrades in 4th quarter 2023 with an estimated completion in 2nd quarter 2024. The main conversion will be carried out at the Navantia yard, Spain. Blue Tern has secured contracts to 2026 with no requirements on further upgrades until then. Further upgrades will be evaluated. FOWIC aims to construct a fourth vessel to supplement the existing fleet, given a solid backlog for the vessel.

Sustainability

Due to the importance of ESG and sustainability reporting the Company has strengthened and enhanced the Sustainability reports. The Board of Directors report must be read in conjunction with the Sustainability report and vice versa. For a comprehensive overview of environment, social and governance management and performance in FOWIC please refer to FOWIC Sustainability report at www.windcarrier.com

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

Basis for Presentation of the Financial Statements

The financial statements for 2022 have been prepared based on the going concern assumption. The Board of Directors is of the view that the annual accounts present a true and fair view of the Group's position at the end of the year as defined by International Financial Reporting Standard (IFRS) as adopted by EU.

Financial Performance

(2021 in brackets)

Operating income in 2022 for the Group was EUR 149.9 million (EUR 117.9 million) the operating result before depreciation (EBITDA) was EUR 77.2 million (EUR 52.7 million) and the net cash flow from operating activities was EUR 39.1 million (EUR 58.3 million).

The increase in revenue and operating result for 2022 is due to higher day rate and improved contract mix.

The Group's net result after tax was EUR 26.0 million (EUR 16.5 million).

After non-controlling interests of EUR 9.9 million (EUR -0.8 million), majority interests' share of net result was EUR 16.1 million (EUR 17.3 million).

Capital and Financing

Total new investment in property, plant and equipment during the year amounted to EUR 53.9 million (EUR 33.7 million), primarily related to the investment in a new crane and conversion of Bold Tern and class renewal surveys for Brave Tern and Blue Tern.

At the end of the year, the Group's total assets were EUR 468.0 million (EUR 427.0 million). Total cash and cash equivalent at year end 2022 was EUR 53.4 million (EUR 36.4 million) while the Group's total interest-bearing debt was EUR 158.6 million (EUR 127.2 million).



The Group has short-term interest-bearing debt of total EUR 41.3 million (EUR 46.9 million) as at year end 2022.

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

For Brave Tern and Bold Tern, a 6 years credit facility of EUR 75 million was entered into in 2020 with DNB ASA and SpareBank 1 (SR-Bank) ASA. As per 31 December 2022 a total of EUR 49.4 million is outstanding. An additional EUR 35 million green revolving facility tranche (RCF) was added to existing loan agreement for Brave Tern and Bold Tern in January 2022. As per 31 December 2022 a total of EUR 35 million is outstanding.

For Blue Tern, (51% owned), the loan was refinanced with Clifford in 2022. It is a 3-year loan agreement which matures December 2025. As of 31 December 2022, EUR 35 million was outstanding.

The Group's equity at the year-end was EUR 283.2 million (EUR 256.2 million) where non-controlling interests represented EUR 52.7 million (EUR 42.7 million). In the opinion of the Board of Directors, the financial situation and cash position is satisfactory and sufficient to meet the Group's current commitments.

Financial Market Risk

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

Currency risk

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

Interest rate risk

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

Credit risk

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

Parent Company Information

The Company's annual result before tax was EUR -2.0 million (EUR -16.0 million). Net result was EUR 0.02 million which is proposed to be allocated to other equity.

In accordance with §3-3a of the Norwegian Accounting Act, the Board of Directors confirms that the going concern assumption, on which the financial statements have been prepared, is considered to be appropriate. The accounts are defined by International Financial Reporting Standards (IFRS)



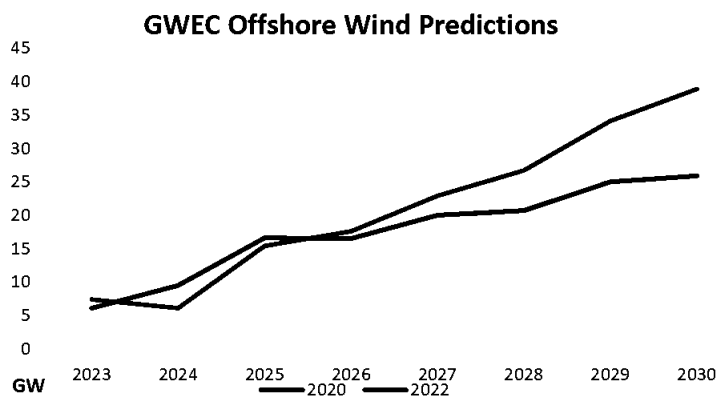
for the Group and NGAAP for the parent company. The Company's total equity as per 31 December 2022 was EUR 197.9 million. The Company's cash, cash equivalents and current receivables amounted to EUR 13.2 million.

The Board of Directors does not recommend any dividend payment for the year 2022.

Outlook

The outlook for offshore wind is steadily on the increase long term. Data in figure below show predictions on installed capacity per year from 2020 and 2022 respectively. The drive for energy transition has only been enforced by recent events in Europe and the additional driver for energy security and power produced locally.

In the near future the outlook as shown in the figure below, will be affected by delay in permitting, inflation and geopolitical events. This leads to increasing prices and delayed procurement processes. Developers are challenging already signed PPA's and the supply chain is under pressure from growth and globalization, which in some instances have led to project delays.



However, it is important to underline that the overall picture for the industry is very positive although 2022 has been challenging.

FOWIC has a solid position in a market that is set to grow with yearly double digit numbers in the decade to come. The company has a global track record and backlog in all three global areas; APAC, Europe and US and is positioned in an important part of the value chain. FOWIC has historically been able to provide critical solutions for our customers during challenging project stages.

The continued growth in offshore wind both for bottom fixed and floating wind opens significant opportunities to develop and deliver new services. FOWIC have ambitions to expand services further, offering services to both bottom fixed and floating offshore wind farms, based on our knowledge developed for more than 10 years operating in the transport and installation segment.



 Fred. Olsen Windcarrier

FRED. OLSEN WINDCARRIER GROUP

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

	Note	2022	2021
(Figures in EUR 1,000)			
Continuing operations			
Revenue	2, 16	149 851	117 858
Other operating expenses	5	-62 717	-56 672
Salaries and other personnel expenses	4	-9 898	-8 457
Operating result before depreciation and impairment		77 236	52 730
Depreciation	7	-40 840	-28 140
Operating result		36 396	24 590
Interest income	6	183	43
Other finance income	6	1 705	0
Finance income		1 888	43
Interest expenses	6, 11, 16	-6 213	-5 105
Other finance expenses	6	-1 611	-1 761
Finance expenses		-7 824	-6 866
Net finance income / (expense-)		-5 936	-6 823
Profit / (loss-) before tax		30 460	17 767
Income tax	12	-4 484	-1 276
Profit / (loss-) for the year		25 976	16 492
Allocated to:			
Shareholders of the parent		16 071	17 316
Non-controlling interests		9 905	-825
Earnings per share:			
Basic /Diluted earnings per share (EUR)	17	3,214	3,463
Basic / Diluted earnings / (loss-) per share (EUR) - Continuing operations	17	3,214	3,463

The non-controlling interests attributable to continuing operations consist of 49% of Blue Tern Group.



 Fred. Olsen Windcarrier

FRED. OLSEN WINDCARRIER GROUP

Consolidated Statement of Comprehensive Income for the year ended 31 December

	Note	2022	2021
(Figures in EUR 1,000)			
Profit / (loss-) for the year		25 976	16 492
Other comprehensive income			
Actuarial gain/losses benefit pension plans, net of tax	21	969	-16
Exchange differences		51	-41
Net other comprehensive income / (loss-)		1 020	-57
Total comprehensive income / (loss-) for the year		26 996	16 434
Allocated to:			
Equity holders of the parent company		17 091	17 259
Non-controlling interests		9 905	-825

As at 31 December 2022 non-controlling interests attributable to continuing operations consist of 49% of Blue Tern Group.



 Fred. Olsen Windcarrier

FRED. OLSEN WINDCARRIER GROUP

Consolidated Statement of Financial Position as of 31 December

	Note	2022	2021
(Figures in EUR 1,000)			
Deferred tax assets	12	914	3 491
Property, plant and equipment	7, 15	360 940	347 917
Restricted cash	10	1 525	3 007
Total Non-Current Assets		363 379	354 415
Inventory	8	3 223	2 648
Costs to fulfill contracts	2	6 957	1 603
Trade and other receivables	9, 16	31 610	30 510
Contract assets	2, 9	7 893	318
Restricted cash	10	1 478	1 137
Cash and cash equivalents	10	53 431	36 408
Total Current Assets		104 592	72 624
Total Assets		467 971	427 039
Share capital		682	682
Share premium		61 551	61 551
Other equity		168 335	151 238
Non-controlling interest		52 653	42 754
Total Equity		283 221	256 225
Deferred tax liabilities	12	203	850
Employee benefits	21	561	1 557
Interest bearing loans and borrowings	11, 13, 16	130 043	80 283
Total Non-Current Liabilities		130 807	82 691
Current tax	12	398	311
Interest bearing loans and borrowings	11, 13, 16	28 605	46 941
Lease liabilities	20	0	2 736
Trade and other payables	16, 19	15 535	11 717
Contract liabilities	2	9 404	26 419
Total Current Liabilities		53 943	88 123
Total Equity and Liabilities		467 971	427 039

Oslo, 3 May 2023

Board of Directors
of
Fred. Olsen Windcarrier ASA

Anette S. Olsen
Chair of the Board

Richard Olav Aa
Board member

Ingelise Arntsen
Board Member

Håkon Borgen
Board Member

Alexandra Koefoed
Chief Executive Officer



 Fred. Olsen Windcarrier

FRED. OLSEN WINDCARRIER GROUP

Consolidated Statement of Cash Flows for the year ended 31 December

Total operations

	Note	2022	2021
(Figures in EUR 1,000)			
Cash flow from / (used in) operating activities			
Profit / (loss-) for the year		25 976	16 492
<i>Adjustments for:</i>			
Depreciation, impairment of intangible assets and PPE	7	40 840	28 140
Net foreign exchange gains (-) / losses (+) other non-realized		2 822	0
Investment income (interest, dividends) other (-)		0	923
Interest expenses		6 213	5 105
Increase (-) / decrease (+) in restricted cash	10	1 140	254
Tax income (-) / tax expense (+)		4 484	1 276
Cash generated before changes in working capital and provisions		81 475	52 188
Increase (-) / decrease (+) in receivables, inventory, etc.		-18 047	-4 204
Increase (+) / decrease (-) in current liabilities		-15 384	17 238
Cash generated from operations		48 043	65 222
Interest paid (-)	6	-6 449	-4 966
Taxes paid (-)		-2 498	-1 971
Net cash flow from / (used in) operating activities		39 097	58 284
Cash flows from / (used in) investing activities			
Purchase of property, plant and equipment	7	-53 863	-33 723
Net cash flow from / (used in) investing activities		-53 863	-33 723
Cash flows from / (used in) financing activities			
Increase in borrowings	11	71 960	2 900
Repayment of borrowings	11	-38 934	-16 787
Payment of lease liabilities	7, 11, 20	-1 236	-5 653
Net cash flow from / (used in) financing activities		31 789	-19 540
Net increase / (decrease-) in cash and cash equivalents		17 023	5 021
Cash and cash equivalents at beginning of period		36 408	31 387
Cash and cash equivalents at end of period		53 431	36 408



FRED. OLSEN WINDCARRIER

Consolidated Statement of Changes in Equity

(All figures in EUR 1.000)

	Share capital	Share premium	Other equity	Non-controlling interest	2022
Total equity 1 January 2022	682	61 551	151 244	42 748	256 225
Profit / (loss-) for the year	0	0	16 071	9 905	25 976
Actuarial gain/losses benefit pension plans, net of tax	0	0	969	0	969
Exchange differences	0	0	51	0	51
Total equity 31 December 2022	682	61 551	168 335	52 653	283 221

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

	2022	2021
Number of ordinary shares, nominal amount NOK 1,-	5 000 000	5 000 000
Total number of shares	5 000 000	5 000 000

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

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



Fred. Olsen Windcarrier

Note 1 - Summary of significant accounting policies - IFRS

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

The consolidated financial statements of the Company for the year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The Group is primarily involved in Offshore wind.

The consolidated financial statements of Fred. Olsen Windcarrier ASA were approved in the board meeting on 3 May 2023.

1.1 Basis for preparation of the consolidated financial statements

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

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

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

1.2 Functional currency and presentation currency

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

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

1.3 Consolidation principles

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

Fred. Olsen Windcarrier

(Note 1 continued)

Transactions eliminated on consolidation

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

Foreign currency differences from intra-group transactions which are recognised in profit or loss are not eliminated, because the Group of companies has a real exposure to a foreign currency.

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

Accounting estimates and judgements

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

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

1.5 Contingent liabilities and assets

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

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

1.6 Standards issued but not effective

The Company has not implemented any new accounting standards or otherwise made any changes to accounting policies during 2022. None of the issued, not yet effective accounting standards or amendments to such standards are expected to have significant effects for Fred. Olsen Windcarrier's financial reporting. Further, none of the recently issued IFRS Interpretation Committee agenda decisions are expected to significantly change the Company's accounting policies or practices.

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

(All figures in EUR 1.000)

Accounting policies

The Group's revenue derives from operation of three owned jack-up vessels engaged in logistics and services within the offshore windfarm transportation, installation ("T&I"), and maintenance market ("O&M"). This is viewed as one operating segment and is the only operating segment.

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

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

Operating lease revenue

The lease component price is based on the bareboat price charged from the vessel owning companies to the operating companies. The price is based on arm's length principles. Operating lease revenue is recognized during the operational phase of the contract. Please refer to note 20 Leases for more details regarding leases.

Services

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

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

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



Fred. Olsen Windcarrier

(Note 2 continued)

(All figures in EUR 1.000)	2022	2021
Service revenue	71 057	64 286
Total revenue (IFRS 15)	71 057	64 286
Lease revenue	78 794	53 573
Revenues according to other standards	78 794	53 573
Total revenue	149 851	117 858

Service revenues arise mainly from Operation & Maintenance (O&M) services for the offshore wind industry and from Transport & Installation marine operation (T&I).

Contract balances

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

(All figures in EUR 1.000)	2022	2021
Trade receivables	31 610	30 510
Contract assets	7 893	318
Contract liabilities	9 404	26 419

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

Changes in contract assets and liabilities normally relates to the natural progression of the project portfolio, as well as the current project mix.

No impairment losses on contract assets have been recognized.

Order backlog

The table below shows the aggregate amount of the transaction prices allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of 31 December 2022, with estimate of when the Group expects to recognize these as revenue. The amounts are aggregate of service and lease revenues. The Group has an order backlog amounting to EUR 343.0 million as of 31 December 2022 according to IFRS 15 (2021: EUR 251.7 million).

(All figures in EUR 1.000)	Total as of December 2022	Expected to recognize as revenue		
		2023	2024	2025
Service revenue	162 668	63 844	60 781	38 043
Lease revenue	180 381	70 796	67 400	42 186
Total revenue	343 049	134 640	128 181	80 229



Fred. Olsen Windcarrier

(Note 2 continued)

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

Capitalized costs to fulfill contracts

The following table shows costs directly attributable to the projects:

(All figures in EUR 1.000)	2022	2021
Costs to fulfill contracts	6 957	1 603

Capitalized costs to fulfill contracts at 31 December 2022 are related to the projects that are scheduled to be performed from 2023 to 2025. Capitalized project costs are amortized over the operational phase of the contract (from the delivery of the vessel at the designated port and to the end of demobilization) included as part of other operating expenses.

Geographical allocation of revenue

(All figures in EUR 1.000)	Europe		Asia		Total Revenue	
	2022	2021	2022	2021	2022	2021
Revenue	59 848	61 350	90 003	56 508	149 851	117 858

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

Geographical allocation of non-current assets

The non-current assets (vessels) are in Asia and Europe at 31 December 2022 and in Asia and Europe at 31 December 2021.

Major customer

Revenue from the top three major customers constituted 53%, 27% and 12% respectively of the total revenue (service and lease) in the Group (2021: top two major customers constituted 40% and 33% respectively).



Fred. Olsen Windcarrier

Note 3 - Group of companies

The following subsidiaries are included in the consolidated financial statements:

Company	Country of incorporation	Ownership interest	Ownership interest
		31.12.2022	31.12.2021
Fred. Olsen Windcarrier A/S	Fredericia, Denmark	100,00 %	100,00 %
Fred. Olsen Windcarrier Operations AS	Oslo, Norway	100,00 %	100,00 %
Fred. Olsen Windcarrier International AS ¹⁾	Oslo, Norway	100,00 %	100,00 %
Blue Tern Holding AS	Oslo, Norway	51,00 %	51,00 %
Blue Tern AS	Oslo, Norway	51,00 %	51,00 %
Blue Tern Operations AS	Oslo, Norway	51,00 %	51,00 %
Blue Tern B.V	Duiven, The Netherlands	51,00 %	51,00 %
Blue Tern Holdings Ltd. ²⁾	Isle Of Man	0,00 %	100,00 %
Blue Tern Ltd. ²⁾	Isle Of Man	0,00 %	51,00 %
Brave Tern AS	Oslo, Norway	100,00 %	100,00 %
Bold Tern AS	Oslo, Norway	100,00 %	100,00 %
Fred. Olsen Windcarrier Holding Ltd.	Pieta, Malta	100,00 %	100,00 %
Fred. Olsen Windcarrier International Ltd.	Pieta, Malta	100,00 %	100,00 %
Fred. Olsen Windcarrier Ltd. ³⁾	Lowestoft, UK	100,00 %	100,00 %
Fred. Olsen Windcarrier GmbH	Hamburg, Germany	100,00 %	100,00 %

¹⁾ Fred. Olsen Windcarrier International AS has subsidiaries with non-controlling interest in Blue Tern Holding AS (49%).

²⁾ Blue Tern Holdings Ltd. and Blue Tern Ltd. were dissolved 21 November 2022.

³⁾ Fred. Olsen Windcarrier Ltd. has taken advantage of the available exemption for audit. As a consequence, a statutory guarantee has been provided by Fred. Olsen Windcarrier ASA as required by s479 of the Companies Act 2006 in UK.

Note 4 - Salaries and other personnel expenses

(All figures in EUR 1.000)	2022	2021
Salaries	7 645	6 501
Social security costs and employee taxes	982	835
Employee benefits (pension costs)	794	767
Other personnel costs	476	355
Total salary and personnel cost	9 898	8 457
The number of employees at year end	68	60

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

Payment to managing director:		
(All figures in EUR 1.000)	2022	2021
Salary	290	231
Bonus	50	33
Pension expenses	11	10
Total	351	274

Note 5 - Other operating expenses

(All figures in EUR 1.000)	2022	2021
Cost hired crew ¹⁾	-17 581	-14 625
Insurance	-2 270	-2 166
Other ²⁾	-34 414	-33 396
Other administrative expenses ³⁾	-8 452	-6 484
Total other operating expenses	-62 717	-56 672

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

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

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



Fred. Olsen Windcarrier

Note 6 - Finance income and expenses

(All figures in EUR 1.000)	2022	2021
Interest income	183	43
Interest expenses	-6 213	-5 105
Other net financial inc./ (exp.) ¹⁾	1 044	-433
Foreign exchange gain/(loss)	-950	-1 328
Net finance income / (expense-)	-5 936	-6 623

¹⁾ Includes gain related to early termination of financial lease contract of EUR 1.7 millions. Refer to note 20 - Leases for details.

Note 7 - Property, plant and equipment and intangible assets

Accounting policies

Property, plant and equipment

(i) Recognition and measurement

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

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

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

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

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

(ii) Residual values

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

(iii) Subsequent costs

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

iv) Depreciation

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

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

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

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



Fred. Olsen Windcarrier

(Note 7 continued)

(v) Impairment

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

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

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

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a positive change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(vi) Determination of fair values

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

Intangible assets

(i) Goodwill

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

(ii) Subsequent measurement goodwill

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

(iii) Other intangible assets

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

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

(iv) Determination of fair value

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



Fred. Olsen Windcarrier

(Note 7 continued)

(All figures in EUR 1.000)

	Vessels	Machinery and equipment	2022 PPE
Accumulated cost 1 January	557 265	1 660	558 925
Additions	32 320	21 543	53 863
Disposals	-34 175	-164	-34 339
Reclassification	-4 726	4 726	0
Accumulated cost 31 December	550 684	27 765	578 449
Accumulated depreciation 1 January	210 600	408	211 008
Disposals	-34 175	-164	-34 339
Depreciation	38 841	2 000	40 840
Accumulated depreciation 31 December	215 266	2 244	217 509
Carrying value 31 December	335 418	25 522	360 940
Economic life	15-25 years	3-5 years	
Depreciation method	linear	linear	

(All figures in EUR 1.000)

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

The net book value of the vessels pledged at 31 December 2022 are EUR 335.4 million as disclosed in note 11.

No impairment triggers were identified for the vessels in 2022 or 2021.

There are no Right-of-use assets in 2022.

(All figures in EUR 1.000)

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

See note 20 for further information on leases.



Fred. Olsen Windcarrier

Note 8 - Inventory

Accounting policies

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

(All figures in EUR 1.000)	2022	2021
Fuel on board vessels	1 692	985
Consumable spare parts	1 531	1 663
Total inventory	3 223	2 648

Note 9 - Trade and other receivables and contract assets

Accounting policies

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

Trade receivables with a significant financing component are measured on initial recognition at their transaction price if the entity has chosen not to adjust the promised amount of consideration for the effects of a significant financing component. In other cases, the receivables are measured at fair value on initial recognition.

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

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

(All figures in EUR 1.000)	2022	2021
Trade receivables	30 237	25 545
Prepaid costs	1 326	752
Contract assets	7 893	318
Other receivables	47	3 891
Other provisions	0	6
Fair value derivatives	0	317
Total trade and other receivables and contract assets	39 503	30 829

Contract assets relate to consideration for work completed, but not yet invoiced at the reporting date. The contract assets are transferred to customer receivables when the right to payment become unconditional, which usually occurs when invoices are issued to customers. No impairment losses on contract assets have been recognized during 2022 or 2021.

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



Fred. Olsen Windcarrier

Note 10 - Cash and cash equivalents and restricted cash

Accounting policies

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

(All figures in EUR 1.000)	2022	2021
Bank balances	53 059	36 103
Payroll tax withholdings	372	305
Cash and cash equivalents	53 431	36 408

(All figures in EUR 1.000)	2022	2021
Advanced payment guarantees	3 003	4 143
Restricted bank balances	3 003	4 143

The restricted bank balances of EUR 3.0 million (2021: EUR 4.1 million) is related to advance payment guarantees required by customers when signing a charter contract. The advance payments will be released from the restricted account, and the related contract liability recorded as revenue, during the operational phase of the respective project.

In addition, as per 31 December 2022, FOWC has performance guarantees amounting to EUR 12.5 million (EUR 12.1 million) issued through Fred. Olsen Ocean Ltd and the Tryg Guarantee Facility covering the performance obligations of the Group under various commercial Vessel contracts.



Fred. Olsen Windcarrier

Note 11 - Interest bearing loans and borrowings

Accounting policies

Borrowing costs

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

	Interest rate	Maturity date	Currency	Outstanding amount	
				31.12.2022	31.12.2021
(All figures in EUR 1.000)					
Secured					
Bank loan DNB/SpareBank 1 ²⁾	3 month Euribor + 3.2%	2026	EUR	0	31 072
Bank loan DNB/SpareBank 1 (green loan) ²⁾	3 month Euribor + 3.15%	2026	EUR	0	27 856
Bank loan DNB/SpareBank 1 - facility A (green loan)	3 month Euribor + 3.10%	2026	EUR	49 420	0
Bank loan DNB/SpareBank 1 - facility B	3 month Euribor + 3.20%	2026	EUR	35 000	0
Bank loan NIBC/Clifford ³⁾	3 month Euribor + 3.25%	2022	EUR	0	11 500
Bank loan NIBC/Clifford ³⁾	3 month Libor + 3.25%	2022	USD	0	12 395
Bank loan Clifford ⁴⁾	3 month Euribor + 2.15%	2025	EUR	35 000	0
Total secured debt				119 420	82 824
Unsecured					
Intragroup loans (Fred. Olsen Ocean Ltd.) ¹⁾	3 month Euribor + margin	2024	EUR	27 993	31 765
Shareholders loan ⁴⁾	7.5%	2022	USD	12 718	11 620
Shareholders loan ⁴⁾	7.5%	2022	EUR	57	2 080
Capitalized loan fee				-1 540	-1 065
Total unsecured debt				39 228	44 400
Total interest bearing loans and borrowings				158 648	127 224
Of which is current interest bearing loans and borrowings				-28 605	-46 941
Total non-current interest bearing loans and borrowings excl. the 1st year's principal repayments				130 043	80 283

¹⁾ The loans can be terminated by either party with 13 months notice, and therefor classified as long term in 2022.

Bank loans

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

Fred. Olsen Windcarrier has two long-term non-recourse debt financing arrangements related to the three offshore wind turbine transportation and installation jack-up vessel under its indirect ownership (Brave Tern, Bold Tern and Blue Tern). In conjunction with the financing, a green loan framework was established with an eligibility assessment from DNV, which enables new investments to be financed with green loans.

²⁾ For Brave Tern and Bold Tern, the arrangement is a EUR 75 million 6 years facility with DNB Bank ASA and SpareBank 1 SR-Bank ASA. On 24 January 2022, FOWIC entered into an agreement for an increase of the available amount under the Fleet Financing Facility Agreement by a EUR 35 million revolving facility tranche (RCF) with a margin of 3.20%. The current balance per 31 December 2022 is EUR 84.4, including drawdown of EUR 35 million under the RCF requested during Q2.

³⁾ On 19 December 2022, Blue Tern (51% owned), entered into a senior secured green term loan facility agreement with Clifford Capital Pte. Ltd, replacing the debt financing with NIBC and Clifford. The new arrangement is a EUR 35 million facility with a margin of 2,15 %.

⁴⁾ Blue Tern Holding AS had per year end 2022 shareholder loans of USD 13.6 million (EUR 12.7 million) and EUR 0.6 from the 49 % owner of the company and KV Enterprises B.V, a wholly owned subsidiary of Keppel Offshore and Marine Ltd. The interest rate is fixed 7.5%.

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

Financial covenants / Minimum value

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

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

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

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

As per 31.12.2022, the Company is not in breach with the covenants, and has not been in breach in the period covered by this annual report.



 **Fred. Olsen Windcarrier**

(Note 11 continued)

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

(All figures in EUR 1.000)	Interest bearing loans and borrowings			Total
	Lease liabilities	Other interest bearing loans	Equity	
Balance as per 1 January 2022	2 735	127 224	256 225	386 184
<i>Changes from financing cash flows</i>				
Proceeds from borrowings	0	71 960	0	71 960
Repayment of borrowings	0	-38 934	0	-38 934
Repayment of lease liabilities	-1 236	0	0	-1 236
Total changes from financing cash flows	-1 236	33 026	0	31 789
Effect on liabilities of changes in foreign exchange rates	209	-1 602	0	-1 393
Comprehensive gain for the period	0	0	26 996	26 996
Other	-1 708	0	0	-1 708
Balance as per 31 December 2022	0	158 648	283 221	441 869
Balance as per 1 January 2021	8 022	136 801	239 791	384 614
<i>Changes from financing cash flows</i>				
Proceeds from borrowings	0	4 952	0	4 952
Repayment of borrowings	0	-16 787	0	-16 787
Repayment of lease liabilities	-5 619	0	0	-5 619
Total changes from financing cash flows	-5 619	-11 835	0	-17 454
Effect on liabilities of changes in foreign exchange rates	367	1 896	0	2 263
Comprehensive gain for the period	0	0	16 434	16 434
Other	-35	362	0	327
Balance as per 31 December 2021	2 735	127 224	256 225	386 184



Fred. Olsen Windcarrier

Note 12 - Income tax and deferred tax

Accounting policies

Income tax

Income tax expense comprises current and changes to deferred tax. The Group of companies is subject to income taxes in numerous jurisdictions. The complexity of determining the worldwide provisions for income taxes require significant judgements.

Current tax

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

Deferred tax

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

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

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

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

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

Tax rates

Tax rates in Norway for the income year 2022 was 22 % (2021: 22 %).

Income tax expense:

(All figures in EUR 1.000)	2022	2021
Current tax:		
Tax payable	2 498	2 126
Deferred tax		
Changes in deferred tax	1 986	-850
Changes in tax rate	0	0
Income tax expense / (income) continuing operations	4 484	1 276

A reconciliation of the effective rate of tax:

(All figures in EUR 1.000)	2022	2021
Profit/(loss) before tax from continuing operations	30 460	17 767
Income taxes calculated	22,0 %	6 701
Effect of other tax rates in subsidiaries	-4,8 %	-1 460
Permanent differences	0,0 %	3
Tax exempt income within tonnage tax regimes (Norway)	4,2 %	1 278
Changes in deferred tax asset not recognised	0,0 %	0
Recognition of tax effect of previously unrecognised tax losses	-1,5 %	-451
Changes in estimates related to prior years	1,3 %	410
Other differences	0,2 %	57
Effect of translation differences	-6,7 %	-2 054
Income tax income / (expense)	14,7 %	4 484

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

Deferred tax assets and liabilities:

The tax effects of temporary differences and tax loss carryforwards giving rise to deferred tax assets and liabilities were as follows as of 31 December 2022 and 31 December 2021:

(All figures in EUR 1.000)	Assets		Liabilities		Net	
	2022	2021	2022	2021	2022	2021
Gain or loss accounts	47	69	0	-1 024	47	-955
Tax losses carried forward	17 501	5 344	-3 672	-1 375	13 828	3 968
Property, plant and equipment	1	0	-11 831	0	-11 830	0
Inventories	0	0	-1 602	0	-1 602	0
Other	267	0	0	-372	267	-372
Net tax assets / (liability)	17 816	5 412	-17 105	-2 772	711	2 641
Offset	-16 902	-1 921	16 902	1 921	0	0
Net tax assets / (liability)	914	3 491	-203	-850	711	2 641

As at 31 December 2021, approximately EUR 0.9 million of the deferred tax assets are available to offset the taxable income in Norway. The Group has EUR 2.3 million in Malta and EUR 0.4 million in other countries as deferred tax asset not recorded in the Statement of Financial Position due to uncertainty of the level of the future suitable taxable profits in taxable jurisdictions. The tax losses carried forward have no expiry date.



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Note 13 - Financial Instruments

(All figures in EUR 1.000, unless stated otherwise)

Accounting policies

Classification of financial assets and liabilities

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

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

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

Impairment

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

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

Accounting classification and fair values

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

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

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

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

Classification and measurement of financial assets and liabilities

Financial assets	Classification	Level	Carrying amount	Carrying amount
			31.12.2022	31.12.2021
Trade receivables	Amortised cost		30 237	25 545
Contract assets	Amortised cost		7 893	318
Cash and cash equivalents	Amortised cost		53 431	36 408
Total financial assets			91 561	62 271

Financial liabilities	Classification	Level	Carrying amount	Carrying amount
			31.12.2022	31.12.2021
Secured loans	Other fin. liabilities		119 420	82 824
Lease liability	Other fin. liabilities		0	2 736
Unsecured loans	Other fin. liabilities		39 228	44 400
Other payables	Other fin. liabilities		10 070	9 097
Total financial liabilities			168 718	139 057

Impairment of financial assets

The Group's financial assets were considered to have low credit risk per 31 December 2022. Historically, losses on receivables have been insignificant in the Group. Based on the group's assessment, no significant loss allowance are deemed necessary per 31 December 2022 or 31 December 2021.



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(Note 13 continued)

General

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

Fair values versus carrying amounts

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

Credit risk

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

	Note	2022	2021
Short term receivables	9	31 610	30 194
Contract assets	9	7 893	318
Derivatives	9	0	317
Cash and cash equivalents	10	53 431	36 408
Total		92 934	66 920

Impairment losses

The aging of trade receivables at the reporting date was:

	2022		2021			
	Gross	Loss allowance	Net balance	Gross	Loss allowance	Net balance
Not past due	31 610	0	31 610	25 376	0	25 376
Past due 0 – 30 days	0	0	0	162	0	162
Past due 31 – 180 days	0	0	0	1 088	0	1 088
Past due 181 – 365 days	0	0	0	23	0	23
More than one year	0	0	0	3 861	0	3 861
Total	31 610	0	31 610	30 510	0	30 510

No impairment losses on contract assets have been recognized during 2022 or 2021.

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

Liquidity risk

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

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

	Carrying amount	Contractual cash	2023	2024	2025	2026	2027 and thereafter
Non-derivative financial liabilities - external	130 654	166 957	19 975	42 025	52 176	34 358	18 421
Non-derivative financial liabilities - Group companies	27 993	30 058	1 895	28 163	0	0	0
Other payables	10 070	10 070	10 070	0	0	0	0
Non-derivative financial liabilities - total	168 718	207 085	31 940	70 189	52 176	34 358	18 421



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Currency Risk

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

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

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

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

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

(Figures in 1.000, local currency)	31 December 2022			31 December 2021		
	NOK	USD	GBP	NOK	USD	GBP
Trade receivables	0	0	0	0	0	0
Loans and borrowings	0	-13 565	0	0	-29 555	0
Cash and bank	10 980	2 106	27	10 499	450	76
Trade and other payables	-6 105	-2 501	-839	-3 313	-3 833	-17
Gross statement of financial position exposure	4 875	-13 960	-811	7 186	-32 938	59

Currency sensitivity analysis

A 10 percent strengthening of the EUR against the following currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2021.

Effects in EUR 1.000

	31.12.2022	31.12.2021
NOK	-42	-65
USD	1 190	2 863
GBP	83	-6

The following significant exchange rates applied during the year:

	Average		Reporting date Spot rate	
	2022	2021	2022	2021
EUR/USD	1,050	1,183	1,067	1,133
EUR/NOK	10,104	10,163	10,514	9,989
EUR/GBP	0,853	0,860	0,887	0,840



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(Note 13 continued)

Market risk

Interest rate risk

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

A change of 100 basis points in interest rate at the reporting date would have increased (decreased) equity and profit or loss by the amounts indicated below. The analysis is on a pre-tax basis and assumes that all other variables, in particular foreign currency rate, remain constant. Change in the market value of interest rate swap agreements are not included. The analysis is performed on the same basis as for 2021.

	100 bp increase	100 bp decrease
31 December 2022		
Net interest cost	-1 586	1 586
31 December 2021		
Net interest cost	-965	965

Bunkers price risk

The Group is exposed to bunker price fluctuations.

Capital management

The Board's policy is to maintain a strong capital base.

Note 14 - Directors, officers and employees

There are four Director of the Board at the end of the year 2022 (2021: three).

Remuneration to the Board of Directors

In 2022, the members of the Board received the following director's fees:

Name	Position	Served since	Remuneration in EUR
Anette S. Olsen	Chair of the Board	2022	-
Richard Olav Aa	Board Member	2022	-
Ingelise Amtsen	Board Member	2022	53 132
Håkon Borgen	Board Member	2022	47 946
Total compensations			101 080

No fees were paid to the Board of Directors in 2021.

At year end the Group employed a total of 68 persons (2021: 60). Further, the following parent/subsidiaries had employees;

- Fred. Olsen Windcarrier ASA, Oslo office with 60 employees (2021: 51 employees)
- Fred. Olsen Windcarrier A/S Denmark with 8 employees (2021: 9 employees)

Note 15 - Fleet

Vessel	Gross tonnage	Year built	Ship yard	Next class renewal	Technical Manager
Transport and installation vessels					
Brave Tern	15 328	2012	Lamprell Energy Ltd, Dubai	2027	Fred. Olsen Windcarrier ASA
Bold Tern	17 294	2013	Lamprell Energy Ltd, Dubai	2027	Fred. Olsen Windcarrier ASA
Blue Tern	19 697	2012	Keppel Fels, Singapore	2027	Fred. Olsen Windcarrier ASA



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Note 16 - Related party information

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

(All figures in EUR 1.000)	2022	2021
Revenue		
Fred. Olsen Cruise Lines Ltd.	1 860	2 008
Universal Foundation A/S	0	274
Fred. Olsen Ocean AS	6	59
Operating expenses		
Fred. Olsen Ocean AS	919	2 800
Fred. Olsen Ocean Taiwan Branch	390	0
Fred. Olsen Crewing and Consultancy Services Ltd	8 759	9 280
Fred. Olsen Marine Services AS	1 582	1 906
Bahia Shipping Services Inc.	153	70
Global Wind Services A/S	91	145
Bonheur ASA	410	0
Interest expenses		
Fred. Olsen Ocean Ltd	1 112	785
Accounts receivables		
Fred. Olsen Crewing and Consultancy Services Ltd	0	26
Fred. Olsen Ocean Ltd.	0	3 861
Fred. Olsen Ocean AS	0	60
Universal Foundation A/S	0	60
Global Wind Services A/S	124	0
Fred. Olsen Renewables AS	4	0
Accounts payable and other short term liabilities		
Fred. Olsen Ocean Ltd	895	2 052
Fred. Olsen Ocean AS	156	0
Fred. Olsen Marine Services AS	101	79
Fred. Olsen Crewing and Consultancy Services Ltd	97	190
Fred. Olsen Travel AS	32	0
Bonheur ASA	19	0
Fred. Olsen Insurance Services AS	36	0
Global Wind Services A/S	3	0
Long term interest bearing debt		
Fred. Olsen Ocean Ltd	27 993	29 713

 **Fred. Olsen Windcarrier****Note 17 - Earnings per share****Accounting policies**

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

Profit (loss-) attributable to ordinary shareholders

(Figures in EUR 1,000)	2022	2021
Profit / (loss-) for the year (shareholders of the parent)	16 071	17 316
Average number of outstanding shares during the year ¹⁾	5 000	5 000
Basic earnings per share	3,214	3,463

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

Weighted average number of ordinary shares

	2022	2021
Issued ordinary shares at 1 January	5 000 000	5 000 000

¹⁾ Weighted average number of ordinary shares during 2022 and 2021 are based on number of outstanding shares per 31.12.2022 and 31.12.2021.

Note 18 - Capital commitments

(Figures in EUR 1,000)	Committed	Per year end 2022	
		Capitalised	Remaining
New crane Brave Tern	36 600	5 408	31 193
Total	36 600	5 408	31 193

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

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

Note 19 - Trade and other payables

(Figures in EUR 1,000)	2022	2021
Trade payables due to group companies	217	0
Other trade payables	5 248	2 619
Total trade payables	5 465	2 619
Other payables	7 215	7 318
Provision regarding NAV case ¹⁾	1 641	1 641
Accrued interest	914	138
Other payables due to group companies	300	0
Fair value on derivatives	0	0
Total other payables	10 070	9 097
Total trade and other payables	15 535	11 717

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



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Note 20 - Leases

Effects from implementation of IFRS 16

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

IAS 17 Accounting principles

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

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

Leases as lessee

Accounting policies

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

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

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

Right-of-use assets

There are no Right-of-use assets in the Group in 2022. In 2021, the right-of-use assets relates to a lease contract for the jack-up vessel Jill.

(Figures in EUR 1,000)	Vessel	2021 RoU assets
Balance at 1 January	1 658	1 658
Depreciation charge for the year	-1 625	-1 625
Derecognition of right-of-use assets	-33	-33
Balance at 31 December	0	0

Lease obligations

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

Amounts recognized in profit or loss

(Figures in EUR 1,000)	2022	2021
Depreciation charge for the year	0	1 625
Interest on lease liabilities	0	196
Expenses related to short-term leases	179	232

Amounts recognized in statement of cash flow

(Figures in EUR 1,000)	2022	2021
Total cash outflow from leases	0	5 978



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(Note 21 continued)

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

Leases as lessor

Accounting policies

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

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

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



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Note 21 - Pension obligations

Accounting policies

Defined benefit plans

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

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

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

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

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

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

Short-term benefits

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

Accounting estimate – pension obligation

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

Pension plans

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

It was decided to implement a transition from the current Defined Benefit Scheme to a Defined Contribution Scheme. All persons employed after 1 June 2012 will be offered a Defined Contribution Scheme. For all those who were employed before June 2012 there was an option to choose between these two alternatives. All employees as at June 2012 decided to keep their defined benefit plans. At the end of 2022, the numbers of members in the Defined Benefit Plans were 11 (2021: 11 members).

Plan contributions made by the Group of companies aggregated EUR 793 thousand and EUR 381 thousand for 2022 and 2021 respectively. The contributions is recognized as employee benefit expense when due.

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



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(Note 22 continued)

The status of the defined benefit obligation is as follows:

(Figures in EUR 1,000)	2022	2021
Present value of unfunded obligations	-687	-799
Present value of funded obligations	-9 137	-11 180
Total present value of obligations	-9 824	-11 979
Fair value of plan assets	9 263	10 422
Present value of net obligations (-) / assets	-561	-1 557
Recognised net overfunding/obligation (-) for defined benefit obligations	-561	-1 557
Hereof unfunded pension plans (net liability)	-687	-799
Hereof funded pension plans	126	-758
Recognised net overfunding/obligation (-) for defined benefit obligations	-561	-1 557

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



Fred. Olsen Windcarrier

(Note 22 continued)

Movements in net defined benefit liabilities:

(Figures in EUR 1,000)	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	2022	2021	2022	2021	2022	2021
Balance at 1 January - Funded obligation	-11 180	-10 323	10 422	9 945	-758	-378
Benefits paid by the plan	348	342	-348	-342	-	-
Included in profit or loss:						
Interest on obligation/plan assets	-209	-186	195	179	-14	-7
Current Service cost	-257	-364	-	-	-257	-364
Net pension cost	-466	-550	195	179	-271	-371
Included in other comprehensive income:						
Actuarial gain/(loss) arising from:						
Financial assumptions	955	-185	-	-	955	-185
Experience adjustments	381	34	-431	-	-50	34
Return on plan assets	-	-	-	160	-	160
	1 337	-151	-431	160	906	9
Foreign currency translation	824	-498	-575	480	250	-18
Balance at 31 December	-9 136	-11 180	9 263	10 422	126	-758

Major categories of plan assets:

	2022	2021
Equity instruments	35 %	39 %
Corporate bonds	42 %	38 %
Government bonds/certificates	21 %	21 %
Other	2 %	2 %
Total plan assets	100 %	100 %

Movements in the net liability for defined benefit obligations:

(Figures in EUR 1,000)	2022	2021
Balance at 1 January - Unfunded obligations	-799	-751
Benefits paid by the plan	27	28
Included in profit or loss:		
Interest on pension liability	-15	-14
Net pension cost	-15	-14
Included in equity:		
Actuarial gain/(loss) arising from:		
Financial assumptions	71	-12
Experience adjustments	-11	-14
	60	-26
Foreign currency translation	40	-36
Balance at 31 December	-687	-799

Total expenses recognised in the income statement:

(Figures in EUR 1,000)	2022	2021
Current service cost	-257	-364
Interest on obligations	-224	-200
Expected return on plan assets	195	179
Net pension cost for defined benefit plans	-286	-385

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

(Figures in EUR 1,000)	2022	2021
Discount rate at 31 December	3,30 %	2,00 %
Expected return on plan assets at 31 December	3,30 %	2,00 %
Future salary increase	3,50 %	2,25 %
Yearly regulation in official pension index (G)	3,50 %	2,25 %
Future pension increases	2,00 %	1,50 %
Social security cost	14,10 %	14,10 %
Mortality table	K2013	K2013



Fred. Olsen Windcarrier

Note 22 - Non-controlling interests

Accounting policies

NCI are measured initially at their proportionate share of the acquiree's net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

31 December 2022:

(All figures in EUR 1.000)	Blue Tern Group
NCI percentage	49 %
Non-current assets	140 152
Current assets	36 939
Non-current liabilities	41 159
Current liabilities	28 428
Net assets	107 504
Net assets attributable to NCI	52 677
Revenue	57 526
Profit	20 214
OCI	0
Total comprehensive income	20 214
OCI allocated to NCI	0
Cash flows from operating activities	25 654
Cashflows from investment activities	-16 988
Cash flows from financing activities	5 348
Net increase (decrease) in cash and cash equivalents	14 014

31 December 2021:

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

Note 23 - Subsequent events

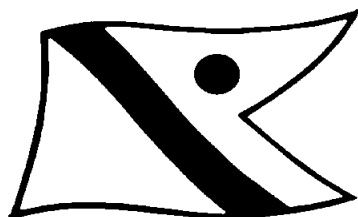
Accounting policies

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

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

The Group entered in Q1-2023 a contract with Navantia yard in Spain related to crane replacement and further upgrades for Brave Tern. The work has an estimated completion in Q2-2024.

There are no other material subsequent events to be disclosed for the period subsequent to 31 December 2022 and up to the approval of these special purpose financial statements.



Fred. Olsen Windcarrier ASA

Parent company

Annual Report 2022



FRED. OLSEN WINDCARRIER ASA

Income statement (NGAAP)

	Note	2022	2021
(Figures in EUR 1,000)			
Other income	2, 11	17 165	14 747
Total income		17 165	14 747
Operating expenses		0	-1 641
Salary and other personnel expenses	3, 11	-9 640	-8 236
Administration expenses	3, 11	-7 775	-5 046
Total operating expenses		-17 415	-14 923
Operating result		-250	-176
Interest income	5	4 045	1 695
Other finance income	5	405	288
Finance income		4 450	1 983
Interest expenses	5	-4 012	-2 244
Other finance expenses	5	-2 188	-15 570
Finance expenses		-6 200	-17 814
Net finance income / (expense-)		-1 750	-15 831
RESULT BEFORE TAX		-2 000	-16 007
Tax expense	7	2 016	-1 121
RESULT FOR THE YEAR		16	-17 128
Proposed allocations:			
Other equity		16	-17 128
Total allocations		16	-17 128



FRED. OLSEN WINDCARRIER ASA

Balance sheet (NGAAP)

	Note	31.12.2022	31.12.2021
(Figures in EUR 1,000)			
Deferred tax assets	7	3 102	1 111
Property, plant and equipment	6	1 731	1 736
Long term receivables interest bearing, Group companies	11	50 025	47 783
Investment in subsidiaries	4	310 266	310 266
Total non-current assets		365 124	360 896
Other receivables, Group companies	11	49 800	12 682
Other receivables		284	149
Cash, bank deposits	8	6 333	1 187
Total current assets		56 417	14 018
TOTAL ASSETS		421 541	374 914
EQUITY AND LIABILITIES			
Share capital		682	682
Share premium		61 551	61 551
Other paid in capital		114 368	114 368
Other equity		21 265	20 305
Total equity	9	197 866	196 907
Pension liabilities	12	561	1 557
Long term interest bearing debt	10	74 294	48 518
Long term interest bearing debt, Group companies	10, 11	27 993	8 011
Total non-current liabilities		102 848	58 086
Accrued salaries, vacation pay and other personnel		2 897	1 229
Trade and other payables		572	2 252
Trade and other payables, Group companies	11	108 251	106 931
Short term interest bearing debt	10	9 107	9 509
Total current liabilities		120 827	119 921
TOTAL EQUITY AND LIABILITIES		421 541	374 914

Oslo, 3 May 2023

Board of Directors
of
Fred. Olsen Windcarrier ASA

Anette S. Olsen
Chair of the Board

Richard Olav Aa
Board member

Ingelise Amtsen
Board Member

Håkon Borgen
Board Member

Alexandra Koefoed
Chief Executive Officer



FRED. OLSEN WINDCARRIER ASA

Cash Flow Statement (NGAAP)

	2022	2021
(Figures in EUR 1,000)		
Cash flow from / (used in) operating activities		
Result after tax	16	-17 128
Impairment of investment and receivables	1 219	15 039
Unrealised exchange (gain)/loss	0	-45
Tax income (-) / tax expense (+)	-2 016	1 121
Net changes in group receivables and payables	-1 925	3 264
Changes in trade and other receivables	-279	53
Changes in trade and other payables	-16	1 904
Cash flow from / (used in) operating activities	-3 001	4 208
Annual Report 2022		
Cash flows from / (used in) investing activities		
Acquisitions of property, plant and equipment	5	-457
Cash flows from / (used in) investing activities	5	-457
Cash flows from / (used in) financing activities		
Increase Group loans	-17 349	4 217
Increase in debt	35 000	0
Repayment of debt	-9 509	-10 714
Cash flows from / (used in) financing activities	8 142	-6 497
Net change in cash and bank deposits	5 146	-2 746
Cash and bank deposits 1 January	1 187	3 933
Cash and bank deposits 31 December	6 333	1 187



Fred. Olsen Windcarrier ASA

Note 1 - Summary of significant accounting policies - NGAAP

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

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

1.1 Basis policies

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

1.2 Functional currency and presentation currency

The Company's presentation and functional currency is EUR.

1.3 Revenue recognition

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

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

1.4 Income tax

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

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

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

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

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

1.5 Classification of items in the financial statements

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

1.6 Foreign currency items

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

1.7 Valuation of receivables

Receivables are stated at face value less any expected loss.

1.8 Lease agreements

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



Fred. Olsen Windcarrier ASA

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

1.9 Shares and other securities

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

1.10 Property, plant and equipment

(i) Recognition and measurement

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

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

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

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

(ii) Residual values

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

(iii) Subsequent costs

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

(iv) Depreciation

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

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

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

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

(v) Impairment

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



Fred. Olsen Windcarrier ASA

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

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

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a positive change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.11 Cash and cash equivalents

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

1.12 Employee benefits

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

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

1.13 Financial risk

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



Fred. Olsen Windcarrier ASA

Note 2 - Income

Figures in EUR 1.000

	<u>2022</u>	<u>2021</u>
Operating income	27	119
Administration income	17 138	14 628
Total income	17 165	14 747

Refer to note 11 - Related parties for overview of income from related companies.

Note 3 - Salary, personnel and administration expenses

Figures in EUR 1.000

	<u>2022</u>	<u>2021</u>
Salaries	6 453	6 499
Social security tax	982	835
Pension expenses	575	608
Other personnel expenses	1 630	294
Total Salary and personnel expenses	9 640	8 236

Payment to managing director:	<u>2022</u>	<u>2021</u>
Salary	290	231
Bonus	50	33
Pension expenses	11	10
Total	351	274

See note 14 in Fred. Olsen Windcarrier's consolidated annual report for fees paid to the Board of Directors in 2022.

The Company employed 60 per 31.12.2022. The salaries also includes cost for 9 persons employed by subsidiary Fred. Olsen Windcarrier A/S Denmark working for the Company.

Average numbers of employees were 58 in 2022.

Administration expenses

The Company has paid EUR 82 642 for Statutory audit (NOK 839 713), exclusive VAT. These costs are included in the Administration expenses.



Fred. Olsen Windcarrier ASA

Note 4 - Investments in subsidiaries

Figures in Euro 1.000	% owner- ship/voting rights	Equity	Net profit (loss)	Book value
Fred. Olsen Windcarrier A/S, Fredericia, Denmark	100%	348	8	69
Fred. Olsen Windcarrier Holding Ltd., Malta	100%	114 620	-6	65 500
Fred. Olsen Windcarrier Ltd, UK	100%	-254	-2	0
Fred. Olsen Windcarrier GmbH, Germany ¹⁾	100%	43	-6	0
Fred. Olsen Windcarrier International AS	100%	59 372	15 202	45 488
Fred. Olsen Windcarrier Operations AS	100%	15 458	5 076	7 610
Brave Tern AS	100%	126 420	10 534	94 779
Bold Tern AS	100%	75 144	-16 341	96 820
Total investment in subsidiaries				310 266

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

Note 5 - Finance income and expenses

Figures in Euro 1.000	2022	2021
Interest income	4 045	1 695
Interest expenses	-4 012	-2 244
Other net financial inc./ (exp.)	-446	-231
Foreign exchange gain/(loss)	-118	-12
Impairment financial assets ¹⁾	-1 219	-15 039
Net finance income / (expense-)	-1 750	-15 831

¹⁾ Fred. Olsen Windcarrier ASA has recognized an impairment loss of EUR 1.2 million (2021: EUR 15.0 million) related to intercompany loans to Fred. Olsen Windcarrier International Ltd.

Note 6 - Property, plant and equipment

Figures in 1.000	Other assets	Work in progress	Machinery and equipment	2022 PPE
Accumulated cost 1 January	13	1 722	39	1 774
Reclassifications		-5		-5
Accumulated cost 31 December	13	1 717	39	1 769
Accumulated depreciation 1 January	0	0	39	39
Accumulated depreciation 31 December	0	0	39	39
Carrying value 31 December	13	1 718	0	1 730
Economic life			3 - 5 years	
Depreciation method			linear	
	Other assets	Work in progress	Machinery and equipment	2021 PPE
Accumulated cost 1 January	13	1 266	39	1 318
Reclassifications				0
Additions		456		456
Disposals				0
Accumulated cost 31 December	13	1 722	39	1 774
Accumulated depreciation 1 January	0	0	39	39
Accumulated depreciation 31 December	0	0	39	39
Carrying value 31 December	13	1 723	0	1 736
Economic life		15 years	3 - 5 years	
Depreciation method		linear	linear	



Fred. Olsen Windcarrier ASA

Note 7 - Tax

Figures in EUR 1.000

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

Positive and (negative) temporary differences:	2022	2021
Property, plant and equipment	-5	0
Accrued income/expenses	-1 489	-113
Gain or loss account	-216	-284
Pension liability	-561	-1 557
Sum of temporary differences	-2 271	-1 954
Tax losses carryforward	-11 829	-3 096
Basis for deferred tax assets	-14 100	-5 050
Deferred tax asset	3 102	1 111
Tax payable:	2022	2021
Net result before tax	-2 000	-16 007
Permanent differences	1 222	15 055
Changes in temporary differences and tax losses carried forward	9 050	-4 968
Tax losses forward not recognized previous year	-1 641	0
Estimate changes on pension directly on equity	969	-16
Currency effect in tax filings	-7 600	5 936
Basis for tax payable	0	0
Tax	0	0
Tax payable/(income)	0	0
Total tax expense calculated:	2022	2021
Tax payable/(income)	0	0
Change in deferred tax	-2 016	1 117
Estimate changes on pension directly on equity	0	4
Effect of tax losses previous year	0	0
Total tax expense	-2 016	1 121



Fred. Olsen Windcarrier ASA

Note 8 - Restricted funds

Of the total cash and bank deposit EUR 371 735 (NOK 3 908 346) are restricted as payroll tax.

Note 9 - Capital and reserves

Figures in EUR 1.000

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

The shareholder of the Company is:

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

	Share capital	Share premium	Other paid in capital	Other equity	Total
Balance 1 January 2021	682	61 551	114 368	37 449	214 050
Net result for the year				-17 128	-17 128
Group contribution received without tax effect					0
Actuarial loss on defined benefit pension plan				-16	-16
Balance 31 December 2021	682	61 551	114 368	20 305	196 907
Opening balance adjustment				-26	-26
Net result for the year				16	16
Actuarial loss on defined benefit pension plan				969	969
Balance 31 December 2022	682	61 551	114 368	21 265	197 866

Note 10 - Interest bearing debt

	Interest rate	2022	2021
Unsecured debt to Fred. Olsen Windcarrier Operations AS	3 month Euribor + 3,2%	0	8 011
Unsecured debt from Fred. Olsen Ocean Ltd.	3 month Euribor + 4,00%	27 993	0
Bank loan DNB/SpareBank	3 month Euribor + 3,2%	0	31 072
Bank loan DNB/SpareBank 1 (green loan)	4 month Euribor + 3,15%	0	27 856
Bank loan DNB/SpareBank 1 - facility A (green loan)	3 month Euribor + 3,10%	49 420	-
Bank loan DNB/SpareBank 1 - facility B	3 month Euribor + 3,20%	35 000	-
Capitalized loan fee		-1 018	-902
Total interest bearing debt		111 395	66 038

Fred. Olsen Windcarrier ASA has a long-term non-recourse debt financing arrangement related to the two offshore wind turbine transportation and installation jack-up vessels under its indirect ownership (Brave Tern and Bold Tern). In conjunction with the financing, it was established a green loan framework with an eligibility assessment from DNV, which enables new investments to be financed with green loans.



Fred. Olsen Windcarrier ASA

Note 11 - Related parties

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

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

	2022	2021
Revenue		
Fred. Olsen Operations AS	11 364	8 882
Fred. Olsen Cruise Lines Ltd	1 860	2 008
Blue Tern Operations AS	3 914	3 744
Fred. Olsen Renewables AS	22	-
Fred. Olsen Ocean AS	3	31
Fred. Olsen Ocean Ltd	-	59
Blue Tern AS	-	14
Operating expenses		
Fred. Olsen Windcarrier A/S	1 514	1 255
Fred. Olsen Ocean AS - Taiwan Branch	382	287
Fred. Olsen Ocean AS	914	2 066
Bonheur ASA	410	-
Fred. Olsen 1848 AS	44	-
Fred Olsen Marine Services AS	19	-
Interest income		
Bold Tern AS	1 818	745
Brave Tern AS	1 451	898
Fred. Olsen Windcarrier International AS (Norway)	751	50
Interest expenses		
Fred Olsen Windcarrier Operation AS	234	119
Fred Olsen Ocean Ltd	1 023	-
Bonheur ASA	53	-
Accounts receivables and other current receivables		
Blue Tern AS	6	16
Blue Tern Operations AS	-	770
Bold Tern AS	33 041	1 387
Fred Olsen Windcarrier Operation AS	2 742	6
Fred. Olsen Windcarrier International AS (Norway)	13 266	85
Global Wind Service A/S	121	60
Fred Olsen Ocean Ltd	-	3 881
Brave Tern AS	566	6 473
Fred. Olsen Windcarrier Ltd	-	12
Fred. Olsen Renewables AS	25	-
Fred. Olsen Cruise Lines Ltd	20	-
Fred. Olsen Windcarrier Ltd	11	-
Accounts payable and other current liabilities		
Fred. Olsen Windcarrier Holding Ltd	106 799	106 799
Fred. Olsen Cruise Lines Ltd	-	132
Fred. Olsen Insurance Services AS	36	-
Global Wind Service Benelux BV	139	-
Fred. Olsen Windcarrier A/S	122	-
Fred. Olsen 1848 AS	161	-
Fred Olsen Marine Services AS	19	-
Fred Olsen Ocean Ltd	895	-
Bonheur ASA	19	-
Blue Tern Operations AS	82	-
Long term interest bearing receivables		
Bold Tern AS	36 694	19 694
Brave Tern AS	4 500	26 000
Fred. Olsen Windcarrier International AS (Norway)	8 831	2 090
Long term interest bearing debt		
Fred Olsen Windcarrier Operation AS	-	8 011
Fred Olsen Ocean Ltd	27 993	-

Fred. Olsen Windcarrier ASA has recognized a impairment loss of EUR 1.2 million (2021: EUR 15.0 million) related to intercompany loans to Fred. Olsen Windcarrier International Ltd per 31 December 2022.



Fred. Olsen Windcarrier ASA

Note 12 - Pension

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

In total, the numbers of members in the defined benefit plans by the end of 2022 were 11, and number of pensioners were 18 at the end of 2022. The pension schemes are accounted for in accordance with NRS 6.

Refer to note 21 - Pension obligations in FOWIC Group annual report for further details.

Note 13 - Subsequent events

See note 23 in Fred. Olsen Windcarrier's consolidated annual report.



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To the General Meeting of Fred. Olsen Windcarrier ASA

Independent Auditor's Report

Opinion

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

- the financial statements of the parent company Fred. Olsen Windcarrier ASA (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Fred. Olsen Windcarrier ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

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

Other Information

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The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

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

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit

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procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

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

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

Oslo, 29 June 2023
KPMG AS

Monica Hansen
State Authorised Public Accountant
(This document is signed electronically)

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Monica Hansen

Partner

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Monica Hansen

Statsautorisert revisor

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Skattedirektoratet

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

FRED. OLSEN WINDCARRIER AS
Postboks 581
0106 OSLO

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

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

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

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

Bakgrunn

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

Skattedirektoratets vurdering

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

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

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

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Sentralbord
800 80 000
Telefaks
22 17 08 60



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

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

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

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

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer