



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 983 462 014  
Organisasjonsform: Allmennaksjeselskap  
Foretaksnavn: FRED. OLSEN SEAWIND ASA  
Forretningsadresse: Fred. Olsens gate 2  
0152 OSLO

### Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

### 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: Regnskapslovens alminnelige regler

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Anders Bade  
Dato for fastsettelse av årsregnskapet: 18.06.2021

### Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert  
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

*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, 14.08.2022



## Resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Annen driftsinntekt		51 769 000	58 199 000
<b>Sum inntekter</b>	2,3	<b>51 769 000</b>	<b>58 199 000</b>
<b>Kostnader</b>			
Lønnskostnad	4,5	44 208 000	43 058 000
Annen driftskostnad	4	51 206 000	43 951 000
<b>Sum kostnader</b>		<b>95 414 000</b>	<b>87 009 000</b>
<b>Driftsresultat</b>		<b>-43 645 000</b>	<b>-28 810 000</b>
<b>Finansinntekter og finanskostnader</b>			
Utbytte fra selskap i samme konsern	9	453 000	989 446 000
Renteinntekt fra foretak i samme konsern		2 792 000	8 996 000
Annen renteinntekt	9	58 000	1 539 000
Agio		13 418 000	14 850 000
Annen finansinntekt		10 867 000	10 952 000
Gevinst ved salg av aksjer	9	346 803 000	600 000
<b>Sum finansinntekter</b>		<b>374 391 000</b>	<b>1 026 383 000</b>
Rentekostnad til foretak i samme konsern		1 194 000	0
Annen rentekostnad		431 000	207 000
Nedskrivning lån til selskap i samme konsern	7,9	10 852 000	120 984 000
Disagio		1 575 000	902 000
<b>Sum finanskostnader</b>		<b>14 052 000</b>	<b>122 093 000</b>
<b>Netto finans</b>		<b>360 339 000</b>	<b>904 290 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>316 694 000</b>	<b>875 480 000</b>
Skattekostnad på ordinært resultat	12	-4 309 000	1 463 000
<b>Ordinært resultat etter skattekostnad</b>		<b>321 003 000</b>	<b>874 017 000</b>
<b>Årsresultat</b>		<b>321 003 000</b>	<b>874 017 000</b>
<b>Overføringer og disponeringer</b>			



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Overføringer til/fra annen egenkapital	14	321 003 000	874 016 000
<b>Sum overføringer og disponeringer</b>	14	<b>321 003 000</b>	<b>874 016 000</b>



## Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Goodwill	12	29 986 000	24 496 000
<b>Sum immaterielle eiendeler</b>		<b>29 986 000</b>	<b>24 496 000</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	9	2 357 712 000	1 660 814 000
Investering i annet foretak i samme konsern	9		67 133 000
Lån til foretak i samme konsern	10	33 570 000	38 000 000
Investeringer i tilknyttet selskap	10	0	100 586 000
Pensjonsmidler	5	14 076 000	14 831 000
<b>Sum finansielle anleggsmidler</b>		<b>2 405 358 000</b>	<b>1 881 364 000</b>
<b>Sum anleggsmidler</b>		<b>2 435 344 000</b>	<b>1 905 860 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Kundefordringer		64 000	0
Andre fordringer		6 030 000	4 853 000
Konsernfordringer	10	453 000	351 000
<b>Sum fordringer</b>		<b>6 547 000</b>	<b>5 204 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	11	27 982 000	19 920 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>27 982 000</b>	<b>19 920 000</b>
<b>Sum omløpsmidler</b>		<b>34 529 000</b>	<b>25 124 000</b>
<b>SUM EIENDELER</b>		<b>2 469 873 000</b>	<b>1 930 984 000</b>

## BALANSE - EGENKAPITAL OG GJELD



## Balanse

Beløp i: NOK	Note	2020	2019
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital		1 000 000 000	1 000 000 000
Overkurs		768 221 000	768 221 000
<b>Sum innskutt egenkapital</b>		<b>1 768 221 000</b>	<b>1 768 221 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		431 062 000	114 247 000
<b>Sum opptjent egenkapital</b>		<b>431 062 000</b>	<b>114 247 000</b>
<b>Sum egenkapital</b>	14	<b>2 199 283 000</b>	<b>1 882 468 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Pensjonsforpliktelser	5	34 156 000	31 791 000
<b>Sum avsetninger for forpliktelser</b>		<b>34 156 000</b>	<b>31 791 000</b>
<b>Annen langsiktig gjeld</b>			
<b>Sum langsiktig gjeld</b>		<b>34 156 000</b>	<b>31 791 000</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		6 076 000	3 744 000
Kortsiktig konserngjeld	10	198 936 000	
Annen kortsiktig gjeld		31 422 000	12 982 000
<b>Sum kortsiktig gjeld</b>		<b>236 434 000</b>	<b>16 726 000</b>
<b>Sum gjeld</b>		<b>270 590 000</b>	<b>48 517 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>2 469 873 000</b>	<b>1 930 985 000</b>



## Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salg av strøm		497 857 000	606 519 000
Salg av grønne sertifikat		867 800 000	754 465 000
Annen driftsinntekt		85 268 000	82 835 000
<b>Sum inntekter</b>	2,3	<b>1 450 925 000</b>	<b>1 443 819 000</b>
<b>Kostnader</b>			
Driftskostnader tilknyttet vindparker	18	471 017 000	421 810 000
Lønnskostnad	4,5	80 916 000	69 333 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	6,7,17, 18	340 044 000	310 678 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	6,7	1 638 000	112 063 000
Annen driftskostnad	18	42 071 000	38 858 000
<b>Sum kostnader</b>		<b>935 686 000</b>	<b>952 742 000</b>
<b>Driftsresultat</b>		<b>515 239 000</b>	<b>491 077 000</b>
<b>Finansinntekter og finanskostnader</b>			
Kostnad på investering i tilknyttet selskap	9	-2 001 000	-15 609 000
Renteinntekt fra foretak i samme konsern		1 222 000	5 067 000
Annen renteinntekt		1 957 000	6 605 000
Reversert nedskrivning fra tidligere år	9	10 078 000	0
Agio		14 499 000	19 045 000
Annen finansinntekt			31 173 000
Gevinst ved salg av aksjer	9	368 937 000	600 000
<b>Sum finansinntekter</b>		<b>394 692 000</b>	<b>46 881 000</b>
Urealisert tap på finansielle instrumenter	13	127 738 000	46 220 000
Rentekostnad til foretak i samme konsern		1 194 000	0
Annen rentekostnad		243 785 000	239 433 000
Nedskrivning lån til selskap i samme konsern			
Disagio		24 732 000	7 922 000
Annen finanskostnad	17,18	6 067 000	98 305 000
<b>Sum finanskostnader</b>		<b>403 516 000</b>	<b>391 880 000</b>



## Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
Netto finans		-8 824 000	-344 999 000
<b>Ordinært resultat før skattekostnad</b>		<b>506 415 000</b>	<b>146 078 000</b>
Skattekostnad på ordinært resultat	12	44 528 000	62 663 000
<b>Ordinært resultat etter skattekostnad</b>		<b>461 887 000</b>	<b>83 415 000</b>
<b>Årsresultat</b>		<b>461 887 000</b>	<b>83 415 000</b>
Minoritetsinteresser		100 305 000	9 737 000
<b>Årsresultat etter minoritetsinteresser</b>		<b>361 582 000</b>	<b>73 678 000</b>
Estimatavvik, aktuarberegning		-5 368 000	4 972 000
Skatteeffekt av estimatavviket		1 181 000	-1 144 000
Valutaeffekter		97 462 000	-96 838 000
Sum resultatkomponenter for IFRS-foretak		93 275 000	-93 010 000
<b>Totalresultat</b>		<b>454 857 000</b>	<b>-19 332 000</b>
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital		454 857 000	-19 332 000
<b>Sum overføringer og disponeringer</b>		<b>454 857 000</b>	<b>-19 332 000</b>



## Konsernets balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Development costs,	7	340 595 000	307 948 000
Utsatt skattefordel	12	66 562 000	34 571 000
<b>Sum immaterielle eiendeler</b>		<b>407 157 000</b>	<b>342 519 000</b>
<b>Varige driftsmidler</b>			
Maskiner og anlegg	6	5 100 000	2 620 000
Windfarms	6,17	5 137 794 000	4 647 597 000
Right of use Assets, IFRS 16	18	266 139 000	274 761 000
<b>Sum varige driftsmidler</b>		<b>5 409 033 000</b>	<b>4 924 978 000</b>
<b>Finansielle anleggsmidler</b>			
Investeringer i tilknyttet selskap	9	101 771 000	92 387 000
Lån til tilknyttet selskap og felles kontrollert virksomhet	10		100 350 000
Pensjonsmidler	5	14 076 000	14 831 000
<b>Sum finansielle anleggsmidler</b>		<b>115 847 000</b>	<b>207 568 000</b>
<b>Sum anleggsmidler</b>		<b>5 932 037 000</b>	<b>5 475 065 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer	8	51 602 000	37 881 000
<b>Sum varer</b>		<b>51 602 000</b>	<b>37 881 000</b>
<b>Fordringer</b>			
Kundefordringer		24 471 000	35 826 000
Andre fordringer		542 170 000	527 245 000
<b>Sum fordringer</b>		<b>566 641 000</b>	<b>563 071 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	11	428 785 000	606 599 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>428 785 000</b>	<b>606 599 000</b>
<b>Sum omløpsmidler</b>		<b>1 047 028 000</b>	<b>1 207 551 000</b>



## Konsernets balanse

Beløp i: NOK	Note	2020	2019
<b>SUM EIENDELER</b>		<b>6 979 065 000</b>	<b>6 682 616 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital		1 000 000 000	1 000 000 000
Overkurs		768 221 000	768 221 000
<b>Sum innskutt egenkapital</b>		<b>1 768 221 000</b>	<b>1 768 221 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		-1 516 687 000	-3 126 278 000
Minoritetsinteresser		-542 551 000	577 366 000
<b>Sum opptjent egenkapital</b>		<b>-2 059 238 000</b>	<b>-2 548 912 000</b>
<b>Sum egenkapital</b>	14	<b>-291 017 000</b>	<b>-780 691 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Pensjonsforpliktelser	5	34 156 000	31 791 000
Utsatt skatt		166 299 000	182 887 000
Langsiktig leieforpliktelser, IFRS 16	18	254 926 000	260 983 000
Decommissioning provisions	17	455 793 000	417 350 000
<b>Sum avsetninger for forpliktelser</b>		<b>911 174 000</b>	<b>893 011 000</b>
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	13	5 124 439 000	5 540 236 000
Finansielle instrumenter	13	310 748 000	192 175 000
<b>Sum annen langsiktig gjeld</b>		<b>5 435 187 000</b>	<b>5 732 411 000</b>
<b>Sum langsiktig gjeld</b>		<b>6 346 361 000</b>	<b>6 625 422 000</b>
<b>Kortsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	13	460 089 000	555 620 000
Kortsiktig leieforpliktelser, IFRS 16	18	22 380 000	20 360 000
Leverandørgjeld		22 498 000	50 094 000
Betalbar skatt	12	14 729 000	48 710 000



## Konsernets balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Annen kortsiktig gjeld til eierselskap	10	198 936 000	
Annen kortsiktig gjeld		205 090 000	1 146 101 000
<b>Sum kortsiktig gjeld</b>		<b>923 722 000</b>	<b>1 820 885 000</b>
<b>Sum gjeld</b>		<b>7 270 083 000</b>	<b>8 446 307 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>6 979 066 000</b>	<b>7 665 616 000</b>



**PROTOKOLL  
GENERALFORSAMLING  
I  
FRED. OLSEN RENEWABLES AS  
ORG.NR. 983 462 014**

Avholdt i Oslo <sup>18</sup> juni 2021 etter reglene om forenklet generalforsamlingsbehandling iht aksjeloven § 5-7. Alle aksjeeiere, styremedlemmer, daglige ledere samt revisor har blitt gitt anledning til å uttale seg om saken. Ingen har motsatt seg forenklet generalforsamlingsbehandling.

Tilstede var aksjonæren Bonheur ASA, representert ved Anette S. Olsen. Hele aksjekapitalen var således representert.

Det fremkom ingen innsigelser hverken mot innkallingen eller tidspunktet for forsamlingen. Generalforsamling ble erklært lovlig innkalt.

Som møteleder ble valgt Anette S. Olsen.

Følgende beslutning ble tatt:

1. Årsregnskapet for 2020 som viser et overskudd etter skatt i Fred. Olsen Renewables AS på 321 003 TNOK mot et overskudd på 874 016 TNOK i 2019.

Det ble enstemmig vedtatt å anvende årets resultat i overensstemmelse med styrets forslag.

Konsolidert resultat etter skatt ble 461 889 TNOK i overskudd i 2020, mot 83 415 TNOK i overskudd i 2019.

2. Revisors honorar for Fred. Olsen Renewables AS ble godkjent.

3. Utvidelse av selskapets egenkapital

For å styrke selskapets likviditet foreslår styret for ordinær generalforsamling å øke selskapets egenkapital gjennom kontantinnskudd på NOK 600 000 000,- hvorav Kr.10 000 000,- i så tilfelle skal gå til økning av aksjenes pålydende fra kr.100,- per aksje til kr. 101 per aksje. Kr. 590 000 000,- går til overkurs. Total økt egenkapital vil med dette utgjøre kr.600 000 000,-.

4. Generalforsamlingens beslutning

Generalforsamlingen traff følgende enstemmige beslutning.

A. Aksjekapitalen forhøyes med kr 10 000 000, fra kr. 1 000 000 000,- til kr. 1 010 000 000

B. Aksjenes pålydende økes fra kr. 100,- med kr. 1,- til kr.101,- pr- aksje.

C. For hver aksje skal det betales kr 60,-, hvorav kr.1,- per aksje tilfaller aksjekapital, totalt kr.10 000 000,- og kr.59,-, per aksje tilfaller overkurs, totalt kr.590 000 000,-. Samlet tilført egenkapital utgjør etter dette kr. 600 000 000,-.



- D. Økningen av aksjekapitalen tegnes av Bonheur ASA i sin helhet  
E. Aksjekapitalen tegnes i generalforsamlingsprotokollen i dette møtet.

F. Den nye aksjekapitalen og overkurs skytes inn ved kontantinskudd på Kr. 600 000 000,- fra Bonheur ASA. Aksjeinnskuddet gjøres opp innen 10 juni 2021. Selskapet kan disponere pengene før kapitalforhøyelsen er registrert i Brønnøysundregistrene. Påløpte utgifter ved kapitalforhøyelsen er anslått til 25 000 og dekkes av selskapet.

G. Beløpet skal brukes til å styrke selskapets finansielle stilling samt selskapets likvidsituasjon.

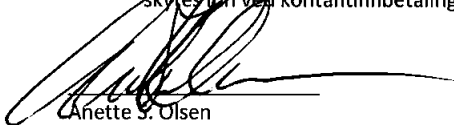
H. Vedtektene §4 skal lyde:

«§4. Selskapets aksjekapital er NOK 1 010 000 000, fordelt på 10 000 000 aksjer hver pålydende NOK 101. Selskapets aksjer skal ikke registreres i Verdipapirsentralen»

#### 5. AKSJETEGNING

I Generalforsamlingen tegner:

Bonheur ASA, org.nr. 830357432, aksjekapital på 10 000 000 aksjer med kr.1,- pr. aksje samt overkurs med kr.59,- per aksje. Totalt tegningsbeløp kr.600 000 000 hvorav hele beløpet skytes inn ved kontantinnbetaling.



Anette S. Olsen

#### 6. Utdeling av ekstraordinært utbytte.

Basert på ovennevnte likviditetstilskudd og styrking av selskapets egenkapital vedtas det utdeling av ekstraordinært utbytte iht styrets forslag på totalt kr. 170 000 000,- dvs. kr. 17,- per aksje. Selskapets frie egenkapital gir rom for dette, og tilsvarende den tilførte likviditeten.

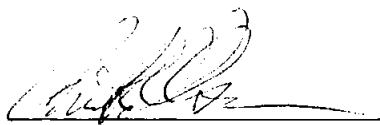
#### 7. Til styret ble følgende medlemmer gjenvalgt:

Anette S. Olsen	- styrets leder - gjenvalgt
Fred. Olsen	- gjenvalgt
Richard Olav Aa	- gjenvalgt

#### 8. Revisor ble enstemmig gjenvalgt.

Generalforsamlingen ble deretter hevet.

Oslo, 18.06.21.



Anette S. Olsen



## Skattedirektoratet

Saksbehandler Jeanette Munkvold Skovholt	Deres dato 10.05.2017	Vår dato 30.05.2017
Telefon 90076012	Deres referanse Nina Tvetler	Vår referanse 2017/500851

FRED OLSEN RENEWABLES AS  
Postboks 1159 Sentrum  
0107 OSLO

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Fred Olsen Renewables AS, org. nr. 983 462 014

Vi viser til deres brev av 10. mai 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Fred Olsen Renewables AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Fred Olsen Renewables 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

Fra søknaden gjengis:

*Fred. Olsen Renewables AS er morselskapet i Fred. Olsen Renewables konsernet, og det utarbeides konsernregnskap.*

*Fred. Olsen Renewables er et underkonsern av Bonheur ASA (org. nr 830 357 432), som eier 100 % av aksjene i Fred. Olsen Renewables AS. Bonheur ASA (BON) er børsnotert på Oslo Børs.*

*Fred. Olsen Renewables har som hovedformål å utvikle, investere i og drifte vindkraftanlegg i Norge, Sverige, Storbritannia, Irland, Frankrike og USA. Per i dag foregår hoveddelen av aktivitetene i Storbritannia. I forbindelse med konsernets aktiviteter inngås det store kontrakter med utenlandske leverandører. Fred. Olsen Renewables har ikke konsernregnskapsplikt jf. regnskapsloven § 3-7, men konsernregnskapet utarbeides hovedsakelig for å tilfredsstille utenlandske leverandører.*

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."

Postadresse  
Postboks 9200 Grønland  
0134 Oslo

Besøksadresse:  
Se [www.skatteetaten.no](http://www.skatteetaten.no)  
Org.nr: 996250318  
E-post: [skatteetaten.no/sendepost](mailto:skatteetaten.no/sendepost)

Sentralbord  
800 80 000  
Telefaks  
22 17 08 60



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

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “*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 vekt på at selskapet er mor i et underkonsern eiet av et børsnotert selskap som selv utarbeider årsregnskap og årsberetning på engelsk etter dispensasjon. Eierkretsen er begrenset. Selskapet opererer i en internasjonal bransje. Arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk, og det anses at ingen øvrige brukere av regnskapsinformasjon blir negativt berørt av at årsregnskapet og årsberetningen utarbeides på engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland  
*seniorrådgiver*  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Jeanette Munkvold Skovholt

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer*



## **Fred. Olsen Renewables AS**

Organisation number 983 462 014

### **Annual Report 2020**



## Directors' Report for 2020 for Fred. Olsen Renewables AS

### The Nature of the Business

The primary objective of Fred. Olsen Renewables AS ("FORAS") is to develop, invest in and operate windfarms.

The company is headquartered in Oslo and the business has operations in Norway, Sweden, Great Britain, Ireland, Italy and the United States. The Fred. Olsen Renewables group (FORAS and subsidiaries) is referred to in the following as "FOR".

As of 31 December 2020, FOR reported a total of 680 MW of operational wind power facilities, as well as 107,5 MW under construction in Sweden (Högaliden). FOR has 292 MW consented onshore in Scandinavia and 21 MW consented onshore in UK. Further 127 MW has been consented in UK early 2021. In addition, FOR has 2 520 – 2 620 MW under development onshore in UK, Norway and Sweden. FOR has 500 MW consented offshore Ireland and 500 MW under development offshore Ireland. The license period for operational projects is approx. 25 years. For projects that have been granted license, it normally takes from three to six years before an investment decision has to be taken.

Generation in 2020 totalled 1 873 GWh, representing revenues of NOK 1 451 million.

### Financial Risk

Financial risks mainly relates to:

#### *Exchange rate risk*

FOR's consolidated accounts are reported in NOK, while income and expenses are largely in GBP, EUR, USD, NOK and SEK. The business and the accounts are therefore exposed to fluctuations on the foreign exchange markets. Exchange rate exposure is reduced by taking up loans in the same currencies as the currencies in which the revenues are generated.

#### *Interest rate risk*

Because bank deposits, interest-bearing receivables and debt carry variable rates of interest, FOR is exposed to interest rates fluctuations. A substantial part of the secured debt is hedged by means of interest rate swap agreements; see note 13 in the accounts.

#### *Revenue risk*

The production of electrical power provides income from sales of electricity and from various forms of green certificates/subsidy schemes. Revenue levels are affected by variations in the volume of electricity produced as well as by variations in electricity prices.

In Norway and Sweden, sales of electricity and green certificates are exposed to daily variations in price.

In UK, we receive fixed prices on the green certificates. Green certificates account for approximately 60 per cent of our revenues in this market. Each MWh produced generates a green certificate. Our other revenues derive from sales of electricity. Approximately 5 per cent of the revenues from sales of electricity are at fixed prices. The remaining sales of electricity are exposed to daily variations in price.

#### *Credit risk*

The nature of the business is such that income and accounts receivables are normally concentrated towards a limited customer base. The customers are major electricity distributors and the credit risk is therefore considered as low.



## *Development Risk*

Capitalised development costs are exposed to risk and may be written off if a project fails to achieve necessary approvals or reach the required economic returns. When applying for a consent several aspects needs to be covered in the application including the project environmental and visual impact, access to grid, noise, aviation and any military issues as radar disturbance.

## **Research and Development**

The company works closely with turbine suppliers and other key partners to optimise the output of the windfarms by reducing downtime and exploiting wind resources more efficiently.

## **Working Environment / External Environment, etc.**

At year-end 2020, FOR employed 58 people, of whom 15 were women. Working conditions and the working environment are considered to be good, and accordingly no special measures were taken in 2020. Absence due to sickness amounted to 2.74 per cent. In 2020 we experienced three medical treatment incidents at our sites and zero occupational illness cases.

The development, construction and removal of wind power projects can have an impact on the external environment. All development projects are subject to strict licensing regulations, under which the company must *inter alia* perform thorough analyses of potential environmental consequences, all of which FOR observes. Wind power replaces other, more heavily-polluting, energy sources and therefore plays a part in improving the environment, both locally and globally.

The Board of the company comprises four directors and is chaired by a woman. Men and women are offered equal opportunities within the company to seek further professional development and new positions. Ability, experience and suitability are emphasized when personnel are hired, in addition the Board and the management seek to achieve an appropriate balance between women and men.

The company works purposefully and to a plan to promote the objectives of the Anti-Discrimination Act within our business. These activities include recruitment, pay and conditions of employment, promotion, development opportunities and protection against harassment.

## **The Annual Financial Statements**

FOR's consolidated profit for the year after tax was NOK 462 million, compared with a profit of NOK 83 million in the preceding year.

Profit for the year after tax result recorded by the parent company, FORAS, was a profit of NOK 321 million, compared with a profit of NOK 874 million last year. FORAS sold its 51% investment in Global Wind Power France APS ("GWP") in March 2020, resulting in a gain on sales of investment of NOK 344 million. 2019 FORAS received dividend from FORL of NOK 989 million.

The electrical generation amounted to 1 873 GWh in 2020, against 1 728 GWh in 2019. The revenues of the group increased from NOK 1 444 million in 2019 to NOK 1 451 million in 2020.

The average electricity prices in UK fell by almost 20% for the year (35 £/MWh) compared to 2019 (43 £/MWh). Mild and windy winter at the start of 2020 and then the unusual effect of reduced demand due to covid-lockdowns from March and onwards were both negative for UK power prices. The same drivers had also a negative effect on gas prices which also continued the downward trend from the year before. Carbon emission prices (EU ETS) had also a steep initial fall due to the fundamental covid effects on CO2 emissions in 2020, however strong political backing and tighter long term CO2 reduction targets, backed the strong recovery and carbon prices doubled from mid March (16€/ton) to year end around 32 €/ton. During the last part of summer and into the fourth quarter, the



gas market in Europe was much better balanced and started a steady recovery which together with the strong EU ETS market also pulled UK power prices upwards in the same period. (The same trend continued into Q1-21 with a strong push from the cold weather.

Nordic Power had an extremely bearish year and 2020 had the lowest prices seen this century. Nordic system price had a yearly average of 10.9 €/MWh, while southern Norway were even lower at 9.3 € and Northern Sweden a bit higher at 14.4 €. These extraordinary low levels were driven by a huge oversupply off hydro power from record high precipitation over the entire year, covid related demand reductions had no impact of the Nordic prices. Large volumes of spillage in the reservoirs and the prices came down to 1-2€ during the summer months in Norway. Even in November the prices went down to 1-2 € for some periods when the reservoirs were full and there was no option, but to produce at any price. The weather pattern changed dramatically around new year so the hydro situation were almost normalized by end of February 2021.

Total operating expenses including depreciation and impairment decreased from NOK 953 million in 2019 to NOK 936 million in 2020.. The operating result increased from NOK 491 million in 2019 to NOK 515 million in 2020.

Net financial items were negative in the amount of NOK 9 million, compared to negative NOK 345 million in 2019. This can primarily be ascribed to gain on sale of shares offset by loss on financial instruments.

Group bank deposits total NOK 429 million, of which NOK 66,1 million are non-distributable funds furnished as security for creditors. Of the NOK 363 million in distributable funds, NOK 242 million are bank deposits by subsidiaries where borrowing facilities have been established containing various covenants entailing, *inter alia*, that dividends may only be paid out twice per year.

The current liabilities of the group stands at NOK 924 million at year-end. Non-current liabilities totals NOK 6 346 million. As of 31 December 2020 the group is in full compliance with all the provisions of the loan agreements.

The equity of the parent company at year-end is NOK 2 199 million. This represents an equity ratio of 89 per cent. As of year-end it is proposed NOK 321 million to be transferred to other equity.

The equity of the group is negative with NOK 291 million. This represents an equity ratio of - 4 per cent. In the consolidated accounts "Retained earnings" is negative in the amount of NOK 748 million. The equity for the Group is negative, mainly caused by dividend payments related to the refinancing in Fred. Olsen Wind 2 Ltd in 2019.

The equity has a positive development from 2019 to 2020. The expected positive cash flow of the FOR Group will result in positive equity for the Group within an acceptable time limit. In the opinion of the Board, the equity combined with the Groups positive cash flow from operations represent a satisfactory situation.

In 2020, the group recorded a positive cash flow from operations of in total NOK 446 million. The difference between pre-tax result and cash flow from operations is largely attributable to depreciation, impairment and other accruals. In total, FOR invested NOK 682 million in operating assets during the course of the year, primarily in connection with the construction of Högaliden Vindkraftverk in Sweden. The investments were funded from FOR's own liquid assets and short-term loan from Bonheur ASA of approximately NOK 200 million.

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



## Events after the balance sheet date

There have been no events after the balance sheet date that are significant for the 2020 financial statements.

## Outlook

Absent any significant setbacks in the roll-out and effectiveness of the COVID-19 vaccines, the World Economy is expected to show a strong recovery in the second half of 2021. The IMF forecasts a global growth of more than 6% for the full year.

The main growth catalysts are the strong Chinese growth ambitions in the newly implemented 5-year plan, and the new and enormous US stimulus package of USD 1,9 trillion. For the EU, the outlook is somewhat weaker as the third wave of COVID-19 pandemic and the relatively slow vaccine roll-out make the recovery slower than expected only a few months ago. On the other hand, Brussels has now secured the ability to issue EU debt, should the economy need more stimulus. Such debt financed government led growth programs, needs to be carefully managed in order to not create inflation and rising interest rates. Higher interest rates represent a key risk to capital intensive businesses like energy production and offshore wind farm installation activities.

The UK's exit from the EU (Brexit), at the end of 2020, has created uncertainty with respect to the UK's future relationship with the EU. In particular, this uncertainty could affect the Group of companies as it relates to future energy and trade policies and the movement of employees.

From an accounting perspective, a prolonged period of lockdowns, new mutations, and slow vaccine roll-out in the EU, increase the risk of impairments and may also affect accounting estimates going forward. Nevertheless, the Company is well capitalized and has options to manage its business through the current uncertainty.

The primary focus of FOR is to deliver growth by developing new wind farms and to create increased value through effective commercial and financial management of our operational wind farm portfolio. The Board expect that the New Green Deal launched by the new US administration and the EU Green Deal combined with fiscal and monetary measures will result in significant capital being allocated towards the renewable energy sector both in 2021 and the following years, creating opportunities. The large expected build out of renewables will require both central and local community support and build out of key supporting infrastructure such as interconnect and grid capacity.

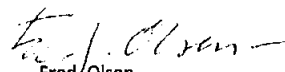
The Board emphasizes that there will always, and especially in times like these, be significant uncertainties in predicting future developments, including forming a view on macroeconomic developments. The full impact from the Covid-19 virus pandemic is too early to predict, both regarding our companies and the world economy.



Oslø, 18 June 2021

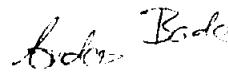
The Board of Directors of Fred. Olsen Renewables AS

  
Anette S. Olsen  
Chairman

  
Fred. Olsen  
Director

  
Richard Olav Aa  
Director

  
Ivar Brandvoid  
Chief Executive Officer

  
Anders Bade  
Chief Executive Officer



Fred Olsen Renewables AS  
Organisasjonsnummer 983 462 014

INCOME STATEMENT (Amounts in NOK 000)	Fred Olsen Renewables AS			FOR Group	
	Note	2020	2019	2020	2019
<b>Operating income and operating expense</b>					
Sale of electricity		0	0	497 857	606 519
Sale of green certificates		0	0	867 800	754 465
Other operating income		51 769	58 199	85 268	82 835
<b>Total operating income</b>	2, 3	<b>51 769</b>	<b>58 199</b>	<b>1 450 926</b>	<b>1 443 819</b>
Operating expenses, wind farms	18	0	0	-471 017	-421 810
Salaries and other personnel expenses	4, 5	-44 206	-43 058	80 916	69 939
Other operating expenses	4	51 206	-43 951	-42 071	38 858
Depreciations	6, 7, 17, 18	0	0	340 044	310 678
Impairment losses	6, 7	0	0	1 638	112 069
<b>Total operating expenses</b>		<b>95 414</b>	<b>87 010</b>	<b>935 686</b>	<b>952 741</b>
<b>Operating result</b>		<b>43 645</b>	<b>-28 811</b>	<b>515 240</b>	<b>491 078</b>
Share of profit in associates	9	0	0	2 001	15 609
<b>Financial income</b>					
Interest income, group companies		2 792	8 996	1 222	5 067
Other interest income		58	1 539	1 957	6 605
Gain on sale of shares	9	346 803	600	368 937	600
Dividend received/group contribution received	9	453	989 446	0	0
Reversal of impairment in subsidiaries and associates	9	0	0	10 078	0
Foreign exchange gain		13 418	14 850	14 499	19 045
Other financial income		10 867	10 952	0	31 173
<b>Total financial income</b>		<b>374 380</b>	<b>1 026 384</b>	<b>396 694</b>	<b>62 489</b>
<b>Financial expenses</b>					
Interest expenses group companies		1 194	0	1 194	0
Other interest expenses		-431	207	243 785	289 433
Unrealised loss, financial instruments	13	0	0	127 738	-46 220
Impairment of loans to subsidiaries	7, 9	10 852	120 984	0	0
Foreign exchange loss		1 575	902	24 732	7 922
Other financial expenses	17, 18	0	0	6 067	96 305
<b>Total financial expenses</b>		<b>14 052</b>	<b>122 094</b>	<b>-403 515</b>	<b>391 680</b>
<b>Net financial items</b>		<b>360 338</b>	<b>904 290</b>	<b>8 822</b>	<b>-345 000</b>
<b>Result before taxes</b>		<b>316 693</b>	<b>875 479</b>	<b>506 418</b>	<b>146 078</b>
Tax income / (expense)	12	4 309	1 463	-44 528	62 663
<b>Net result after tax</b>		<b>321 003</b>	<b>874 016</b>	<b>461 890</b>	<b>83 415</b>
Minority share of net profit (loss)				103 719	81 313
Majority share of net profit (loss)				358 171	2 102
<b>Transfers and disposals</b>					
Disposed to dividend		0	0		
Extraordinary dividend		0	0		
Transferred to / (from) retained earnings		321 003	874 016		
<b>Total transferred and disposed</b>	14	<b>321 003</b>	<b>874 016</b>		
<b>Other comprehensive income</b>					
<i>Items which will not be reclassified over profit and loss</i>					
Actuarial gains (losses) on defined benefit pension plans				5 368	4 972
Tax related to items which will not be reclassified				1 181	1 144
<i>Items which may be reclassified over profit and loss in subsequent periods</i>					
Exchange differences				97 462	96 838
<b>Total comprehensive income for the year</b>				<b>555 164</b>	<b>9 594</b>
<b>Total comprehensive income attributable to</b>					
Non-controlling interests				100 305	9 737
Equity holders of the parent company				454 859	19 351



Fred. Olsen Renewables AS  
Organisation number 983 462 014

## BALANCE SHEET 91 12

(Amounts in NOK '000)

### ASSETS

	Note	Fred. Olsen Renewables AS		FOR Group		
		2020	2019	31.12.2020	31.12.2019	01.01.2019
<b>NON CURRENT ASSETS</b>						
<b>Intangible assets</b>						
Development costs	7	0	0	340 595	307 548	374 925
Deferred tax asset	12	29 986	24 498	66 562	34 571	49 307
<b>Total intangible assets</b>		<b>29 986</b>	<b>24 498</b>	<b>407 157</b>	<b>342 119</b>	<b>424 232</b>
<b>Property, plant and equipment</b>						
Machinery and equipment	6	0	0	5 100	2 620	2 903
Windfarms	6, 17	0	0	5 137 794	4 647 597	4 534 109
Right of use asset, IFRS 16	18	0	0	266 139	274 761	279 201
<b>Total property, plant and equipment</b>		<b>0</b>	<b>0</b>	<b>5 409 033</b>	<b>4 924 977</b>	<b>4 816 213</b>
<b>Financial fixed assets</b>						
Investments in subsidiaries	9	2 357 732	1 660 814	0	0	0
Investments in associated companies	9	0	67 133	101 771	92 987	58 910
Loans granted to group companies	10	33 570	38 000	0	0	0
Loans granted to associated companies	10	0	100 586	0	100 350	73 486
Employee benefits	5	14 076 383	14 831	14 076	14 831	12 849
<b>Total financial fixed assets</b>		<b>2 405 358</b>	<b>1 881 365</b>	<b>115 847</b>	<b>207 568</b>	<b>145 245</b>
<b>TOTAL NON CURRENT ASSETS</b>		<b>2 435 344</b>	<b>1 905 863</b>	<b>5 932 037</b>	<b>5 475 064</b>	<b>5 365 690</b>
<b>CURRENT ASSETS</b>						
<b>Receivables</b>						
Inventories	8	0	0	51 607	37 881	80 672
Group contribution	10	453	351	0	0	0
Accounts receivables		64	0	24 471	35 826	55 022
Other receivables		6 030	4 853	542 170	527 245	588 989
<b>Total receivables</b>		<b>6 547</b>	<b>5 204</b>	<b>618 248</b>	<b>600 952</b>	<b>674 662</b>
<b>Cash and cash equivalents</b>						
Cash and cash equivalents	11	27 982	19 920	428 785	606 599	918 361
<b>Total cash and cash equivalents</b>		<b>27 982</b>	<b>19 920</b>	<b>428 785</b>	<b>606 599</b>	<b>918 361</b>
<b>TOTAL CURRENT ASSETS</b>		<b>34 529</b>	<b>25 124</b>	<b>1 047 033</b>	<b>1 207 551</b>	<b>1 593 023</b>
<b>TOTAL ASSETS</b>		<b>2 469 873</b>	<b>1 930 987</b>	<b>6 979 070</b>	<b>6 682 615</b>	<b>6 958 713</b>



Fred Olsen Renewable AS  
Organisation number 983 462 014

BALANCE SHEET 31.12  
[Amounts in NOK '000]

EQUITY AND LIABILITIES

	Fred Olsen Renewable AS		FON Group			
	Note	2020	2019	31.12.2020	31.12.2019	01.01.2019
<b>EQUITY</b>						
<b>Paid in capital</b>						
Share capital		1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
Total paid in capital		1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
<b>Retained earnings</b>						
Retained earnings		1 199 283	882 458	-748 467	-1 203 323	-1 104 888
Total retained earnings		1 199 283	882 458	-748 467	-1 203 323	-1 104 888
Total equity		2 199 283	1 882 458	251 533	-209 323	-104 888
Minority interests		0	0	-541 351	577 366	231 981
<b>TOTAL EQUITY</b>	14	2 199 283	1 882 458	-291 017	-760 891	128 993
		0%				
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
External debt	13	0	0	5 128 439	5 560 235	4 037 168
Non-current lease liability IFRS 16	18	0	0	234 926	260 583	263 835
Employee benefits	5	34 155	31 791	34 356	31 791	31 601
Financial instruments	13	0	0	310 248	191 175	131 426
Deferred tax	12	0	0	186 299	186 887	187 000
Provisions relating to provision	17	0	0	455 293	417 350	380 851
Total non-current liabilities		34 155	31 791	6 245 260	6 631 422	5 030 880
<b>Current liabilities</b>						
External debt	13	0	0	480 060	566 620	671 454
Current lease liability IFRS 16	18	0	0	23 360	20 360	19 819
Tax payable	12	0	0	14 719	48 710	27 498
Interest bearing short term debt, group companies	10	198 936	0	198 936	0	0
Dividends payable		0	0	0	0	900 000
Accounts payable		6 076	3 744	22 438	30 094	39 496
<b>Other current liabilities</b>		31 422	13 982	203 090	145 101	162 295
Total current liabilities		236 433	18 726	919 722	831 865	1 473 061
<b>TOTAL LIABILITIES</b>		270 588	48 517	7 270 082	7 463 307	6 503 941
<b>TOTAL EQUITY AND LIABILITIES</b>		2 469 873	1 930 983	6 979 065	6 682 616	6 978 734

Collaterals/guarantees

Oslo, 18 June 2021

The Board of Directors of Fred Olsen Renewable AS

Anette S. Olsen  
Chairman of the Board

Fred A. Lun  
Director

Richard Olav Aa  
Director

Ivar Brandvold  
Chief Executive Officer

Anders Brude  
Chief Executive Officer



Fred Olsen Renewables AS  
Organisation number 983 462 014

STATEMENT OF CASH FLOWS  
(Amounts in NOK 000)

	Note	Fred Olsen Renewables AS		FOR Group	
		2020	2019	2020	2019
<b>Cash flows from operating activities</b>					
Profit before tax		316 693	875 479	506 418	146 078
<i>Adjustments for</i>					
Net (gain) / loss on sale of investments	9	346 803	600	368 937	600
Depreciation on PPE and intangible assets	6 7	0	0	340 044	310 678
Impairment losses on PPE and intangible assets	6 7	0	0	1 638	112 063
Impairment/reversal of impairment financial fixed assets	10	10 852	120 884	10 078	31 173
Net (gain) / loss on revaluation of financial instruments	13	0	0	127 738	46 220
Interest (income) / expense group companies		1 598	8 994	28	5 067
Interest (income) expense other		0	0	247 895	323 017
Interest received/paid	13	0	0	170 234	239 224
Share of (profit) / loss in associates	9	0	0	2 001	15 609
Diff. between expensed pension and payment in/out		2 248	2 180	2 248	2 180
Tax paid		0	0	130 008	34 860
Unrealised foreign exchange gains		8 145	3 031	8 150	3 114
Dividends received		-453	989 095	0	0
Cash generated from operations		31 702	2 986	536 049	648 035
(Økning) / reduksjon kortstikte fordringer		14 952	903	-44 307	44 533
(Økning) / reduksjon kortstiklig gjeld		26 245	7 033	-46 240	2 823
Increase / (decrease) decommissioning provision					
Change other accrual items		11 293	6 131	90 546	34 801
<b>Net cash from operating activities</b>	<b>A</b>	<b>20 409</b>	<b>9 117</b>	<b>485 503</b>	<b>682 835</b>
<b>Cash flow from investing activities</b>					
Investment in subsidiaries		696 888	153 659	0	108
Investment in associates		0	0	54 967	992
Acquisition of property plant and equipment	6	0	0	681 938	312 859
Proceeds from sale of shares in subsidiaries		428 146	992	434 810	0
(Increase) / decrease in non-current loans group companies	10	95 732	36 934	100 586	-40 302
Dividends received	9	0	989 095	0	0
<b>Net cash from investing activities</b>	<b>B</b>	<b>-173 021</b>	<b>871 377</b>	<b>201 508</b>	<b>354 262</b>
<b>Cash flow from financing activities</b>					
Increase in borrowings	13	0	0	6 563	4 547 903
Increase in borrowings group companies	10	201 491	0	201 491	0
Repayment of borrowings	13	0	0	572 706	3 423 475
Dividends paid	14	0	900 000	65 489	1 798 090
<b>Net cash from financing activities</b>	<b>C</b>	<b>201 491</b>	<b>900 000</b>	<b>430 142</b>	<b>679 662</b>
Net change in cash and cash equivalents	<b>A+B+C</b>	<b>8 061</b>	<b>19 506</b>	<b>186 147</b>	<b>345 088</b>
Effect of exchange rate fluctuations on cash held		0	0	8 332	33 306
Cash and cash equivalents January 1		19 920	39 426	606 599	918 381
<b>Cash and cash equivalents December 31</b>	<b>11</b>	<b>27 982</b>	<b>19 920</b>	<b>428 785</b>	<b>606 599</b>



**Fred. Olsen Renewables AS**  
**Notes to the Financial Statement 2020**

(Amounts in NOK 1000)

**Accounting Principles**

**General**

Fred Olsen Renewables AS ("FORAS") is the parent company of the group companies stated in Note 9 and is wholly owned by Bonheur ASA. FORAS is consolidated as a subsidiary of Bonheur ASA. Bonheur ASA's annual report is published at [www.bonheur.no](http://www.bonheur.no).

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

The annual accounts for Fred Olsen Renewables Group (FOR) have been prepared in accordance with the Accounting Act § 3-9 and regulations on simplified IFRS (2014) introduced by the Ministry of Finance on 3 November 2014. This mainly means that measurement and recognition follow international accounting standards (IFRS) and presentation and note information are in accordance with Norwegian accounting law and good accounting practice. Exceptions from measurement and recognition in accordance with full IFRS are explained below.

Pursuant to section 3-1, no. 3 of the regulations, the requirements in IAS 10 12-13 and IFRIC 17 no. 10 may be deviated from so that dividends and group contributions can be accounted for in accordance with the general provisions of the Accounting Act. We choose to continue group contributions / dividends according to NGAAP so that we book group contributions / dividends in the associated financial year, we do not wait for a decision (IFRS).

The accounts are based on the principles of historical cost accounting, with the exception of the following accounting items:

- Financial instruments at fair value through profit or loss and financial instruments at fair value through other income and expenses.

The Financial Statements have been prepared by the Board and management of FORAS, and must be considered in the context of the Board of Directors Report and the Auditors Report.

**Consolidation and Investments in Associated Companies**

The Group's consolidated financial statement comprise of FORAS and its subsidiaries. Subsidiaries are entities controlled by the group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Transactions between group companies have been eliminated in the consolidated financial statement. An associate is an entity in which the Group has a significant influence but does not control the management of its finances and operations (normally when the Group owns 20%-50% of the entity). Associates are accounted for using the equity method and are initially recognized at cost. The Group of companies' investments includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group of companies' shares of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group of companies, from the date that the significant influence commences until the date that the significant influence ceases. When the Group's share of a loss exceeds the Group's investment in an associate, the amount carried in the Group's balance sheet is reduced to zero and further losses are not recognised unless the Group has an obligation to cover any such loss.

The cost method is applied in the accounts of the parent company with respect to investments in subsidiaries and associated companies. The investments are valued at cost less impairment losses. Investments in subsidiaries and associates are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds the fair value of the investment.



## **Non-controlling interests**

Non-controlling interests share of net assets in the consolidated accounts is identified as a separate item within the Group of companies' equity. Non-controlling interests consist of interests in the date of the initial transaction and the non-controlling interests' share of the changes in equity since that time.

## **The use of estimates**

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

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

## **Foreign currency**

In the FOR Group, income and expenses from FORAS's foreign subsidiaries are translated into NOK at the average exchange rate in the period. Assets and liabilities in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Translation differences arising due to consolidation of foreign business activities are recognised in other comprehensive income ("OCI"). Changes to exchange rates are recognised in the income statement as they occur during the accounting period.

## **Revenue recognition**

### *Sale of electricity*

Each unit of electricity produced meets the criteria to be a performance obligation and the performance obligation is met upon delivery. Revenue from sale of electric power is recognized in the period the power is generated and supplied to the customers, at rates in the relevant contracts, as there is a right to bill the customer for each MWh produced. Payment is due the month after.

### *Other operating income*

Other operating income is recognised in the income statement when the service is delivered.

### *Government Grant*

Lista Vindkraftverk received investment grant from Enova in connection with the construction of the wind farm. The grant is recognised as a reduction of cost-price (netted), see note 6. Income from Green Certificates is accounted for in accordance with IAS 20 and is not impacted by IFRS 15. The Green Certificates are classified as "Revenues according to other standards". The Green Certificates are to be considered as a Government assistance. The grants are issued when the electricity is generated and are therefore considered as a subsidy linked to production. The Green Certificates are recognized under the income approach and accrued in the Profit or Loss on a monthly basis based on the monthly generation of the windfarms.

## **Operating expenses**

The item "Operating expenses, windfarms" comprises all costs associated with the operation of the various windfarms.

## **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 is measured using the tax rates that are based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable future taxable profits will be available.

## **Classification and valuation of Balance Sheet items**

Current assets and short term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities.

## **Development costs**

Development costs are capitalised providing that a future economic benefit associated with development of the intangible asset can be established and costs can be measured reliably, that the process is technically and commercially viable and the Group has sufficient resources to complete the development work. Otherwise, the costs are expensed as incurred. Expenses that are capitalised include the costs related to the development. Capitalised development costs are recognised at their cost minus accumulated amortisation and impairment losses.



When the Board adopts a decision to build a windfarm, the capitalised development costs are transferred to "Fixed assets, windfarms" See the sections on Fixed assets, depreciations and writing down of assets

#### **Property, plant and equipment**

Property, plant and equipment is capitalised and depreciated linearly over the estimated useful life. Significant fixed assets which consist of substantial components with dissimilar economic life have been unbundled, depreciation of each component is based on the economic life of the component. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset.

Borrowing costs are capitalized as a part of certain qualifying assets in accordance with IAS 23 "borrowing cost". A qualifying asset is one which necessarily takes a substantial period of time to be ready for its intended use, generally items that are subject to major development or construction periods as a windfarm.

Residual values are assessed at the beginning of each accounting year and constitute the basis of the depreciation for the year.

#### **Decommissioning provision**

Provisions are made for the costs of removing the windfarms from the time at which a commitment arises for FOR. The decommissioning provision is calculated on the basis of current technology and regulations. When a removal commitment is expensed as a liability a corresponding amount is capitalised as an operating asset which is depreciated over the useful life of the windfarms. Any changes in the estimates concerning the decommissioning provision is adjusted against book value and is recognised in the Income Statement over the remaining useful life. The decommissioning provision has been calculated using the cost levels, and where applicable this has been adjusted for inflation. The increase in the liability as a consequence of adjustment for inflation is classified as a financial expense.

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

#### **Impairment**

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

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

#### **Dividends, group contributions and other distributions**

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

#### **Inventories**

Inventories are recognised at the lowest of cost and net realisable value. The realisable value is the estimated selling price in the case of ordinary operations minus the estimated completion, marketing and distribution costs. The cost is arrived at using the FIFO method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current state and location.

#### **Accounts receivable and other current receivables**

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts.

#### **Pensions**

FORAS has a pension scheme (defined benefit plan) under which employees have a right to future pension benefits. Pension commitments are calculated on the basis of linear earnings taking account of assumptions concerning the number of pension earning years, the discount rate, future yield on pension fund assets, future



adjustments of salaries, pensions and benefits from Norwegian National Insurance Scheme and actuarial assumptions about mortality, voluntary retirement etc. The pension fund assets are valued at fair value. The net pension commitment consists of gross pension commitments less the fair value of the pension fund assets. Net pension commitments on underfunded schemes are recorded in the Balance Sheet as long-term interest-free receivables if it is likely that the overfunding can be exploited. Changes in the commitment and the pension fund assets attributable to changes in and deviations from the assumptions underlying the calculations (estimate variances) are recognised in other comprehensive income. Net pension costs, which are gross pension costs including employer's National Insurance contributions are classified as ordinary operating expenses and presented together with salary costs.

FORAS also operated a defined contribution scheme for personnel hired after 1 June 2012. The pension schemes operated by the subsidiaries are defined contribution schemes in accordance with local legislation.

## Contracts of lease

### *Identification of a lease*

When entering into a contract, the group assesses whether the contract is or contains a lease agreement. A contract is or contains a lease agreement if the contract transfers the right to control the use of an identified asset for a period in exchange for a consideration.

### *The group as a lessee*

### *Separation of the components of a lease*

For contracts that constitute or contain a lease, the Group separates lease components if it can benefit from the use of an underlying asset either alone or together with other resources that are readily available to the Group, and the underlying asset is neither highly dependent on nor closely linked to other underlying assets in the contract. The group then accounts for each individual lease component in the contract as a lease separately from non-lease components in the contract.

### *Recognition of leases and recognition exceptions*

The group recognizes a lease obligation and a corresponding usufruct property right of use for all its leases, with the exception of the following exceptions applied:

- Short-term leases (lease period of 12 months or less)
- Low value assets

For these leases, the group recognizes the lease payments as other operating expenses in the income statement when they are incurred.

### *Rental obligations*

The group measures lease obligations at the time of implementation at the present value of the lease payments that are not paid at this time. The lease period represents the non-cancellable period of the lease, in addition to periods covered by an option either to extend or terminate the lease if the group will (will not) exercise this option with reasonable certainty.

The rental payments that are included in the measurement of the rental obligation consist of:

- Fixed rent payments (including in realty fixed payments), minus any receivables in the form of rental incentives
- Variable rental payments that depend on an index or an interest rate, first measured using the index or the interest rate at the time of implementation
- Amounts expected to be paid for the group in accordance with residual value guarantees
- The exercise price for a call option, if the group will exercise this option with reasonable certainty

Payment of a fine for terminating the lease, if the lease period reflects that the group will exercise an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease liability, reducing the carrying amount to reflect lease payments made and measuring the carrying amount again to reflect any revaluations or changes to the lease, or to reflect adjustments in lease payments follows from adjustments in indices or rates.



The group does not include variable lease payments in the lease obligation. Instead, the group recognizes these variable rental costs in the income statement.

#### *Right of use assets*

The group measures current assets at acquisition cost, less accumulated depreciation and impairment losses, adjusted for any new measurements of the lease obligation. Acquisition cost for the right of use assets includes

- The amount from the initial measurement of the lease obligation
- All rental payments at or before the time of implementation, minus any rental incentives received
- All direct expenses for entering into agreements incurred by the group
- An estimate of the expenses incurred by the tenant for the dismantling and removal of the underlying asset, the restoration of the place where the unit is located, or the restoration of the underlying asset to the condition required by the terms of the lease, unless these expenses are incurred during the production of the goods

The Group applies the depreciation requirements in IAS 16 Property, plant and equipment when depreciating usufruct assets, except that usufruct assets are depreciated from the date of implementation until what occurs only at the end of the lease term and the end of the usable assets' useful life.

The group applies IAS 36 «impairment of assets to determine whether the right of use asset has been impaired and to account for any proven impairment losses.

#### **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset for an enterprise and a financial liability or an equity instrument for another enterprise.

#### **Financial assets**

The group's financial assets are accounts receivable, and cash and cash equivalents. The classification of financial assets on initial recognition depends on the characteristics of the contractual cash flows of the asset, and which business model the group uses as a basis for the management of its financial assets.

The group's financial assets at amortized cost include accounts receivable and other short-term deposits. Accounts receivable that do not have a significant financing element are measured at the transaction price in accordance with IFRS 15 Revenues from contracts with customers.

#### **Financial liabilities**

Financial liabilities are, on initial recognition, classified as loans and liabilities, or derivatives. Derivatives are initially recognized at fair value. Loans and liabilities are recognized at fair value adjusted for directly attributable transaction costs.

#### **Loans and liabilities**

After initial recognition, interest-bearing loans will be measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liability is deducted.

Amortized cost is calculated by taking into account any discount or premium associated with the purchase, or costs and fees that are an integral part of the effective interest rate.

Effective interest rates are presented as financial expenses in the income statement. Liabilities are measured at their nominal amount if the effect of discounting is negligible.

#### **Offsetting of financial obligations**

A financial obligation is deducted when the obligation has been fulfilled, canceled or expired. When an existing financial obligation is replaced by a new obligation from the same lender where the terms have been substantially changed, or the terms of an existing obligation have been substantially modified, the original obligation is deducted and a new obligation is recognized. The difference in the book value is recognized in profit or loss.

#### **Derivatives**

Interest rate swaps are valued at fair value, and unrealised gains/losses are recorded in the Income Statement.

#### **Provisions for losses on financial assets**



The group has made a provision for expected losses (ECL) on all debt instruments that are not classified as fair value through profit or loss. The measurement of the provision for expected losses in the general model depends on whether the credit risk has increased significantly since the initial recognition. The group uses a simplified method for calculating loss provisions for accounts receivable and contract assets. The group thus measures the provision for losses based on expected credit losses over the life of each reporting period, and not based on 12-month expected losses.

**Cash and cash equivalents**

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

**Statement of cash flow**

The cash flow statement is presented using the indirect method.



## Fred. Olsen Renewables AS

### Notes to the Financial Statement 2020

(Amounts in NOK '000)

#### Note 1 - Transition to "simplified IFRS"

As of the financial year 2020, Fred Olsen Renewables Group performs its financial reporting in accordance with "simplified IFRS" pursuant to the Accounting Act § 9

In connection with the preparation of annual accounts in accordance with "simplified IFRS", the company has made some adjustments to accounting figures in relation to what has been reported in previous annual accounts prepared in accordance with NGAAP

The effect of the transition from NGAAP to simplified IFRS on the company's financial position and result is explained in more detail in this note. The conversion has been made in accordance with IFRS 1, with the figures that follow from the Accounting Act § 9 with associated regulations

#### Transformation to simplified IFRS FOR Group

Equity 01.01.2019 NGAAP	142 092
IFRS 16 effects, due to implementation of IFRS 16 01 01 2019	2 272
Capitalised interest on derivative swap written off according to NGAAP, adjusted according to IFRS	-16 275
Other	-1 097
<b>Equity 01.01.2019 Simplified IFRS</b>	<b>126 992</b>
Equity 31.12.2019 NGAAP	-760 818
IFRS 16 effects, due to implementation of IFRS 16 01 01 2019	-6 583
Capitalised interest on derivative swap written off according to NGAAP, adjusted according to IFRS	-16 858
Other	3 592
<b>Equity 31.12.2019 Simplified IFRS</b>	<b>-780 667</b>

#### Note 2 - Operating income

The operating revenues from the sale of electricity comes from 9 windfarms in Scotland, one in Norway and one in Sweden

Country	Windfarm	MW	WTGs	Effect	Operational from	License expires	Ownership	Turbine manufacturer
Scotland	Crystal Fg	62.5	25	2.5	200403/200707	2028	51 %	Nordex
Scotland	Rothes	59.6	22	2.3	200505	2029	51 %	Siemens
Scotland	Paul's Hill	64.4	28	2.3	200805/200610	2030	51 %	Siemens
Scotland	Crystal Fg II	139.0	60	2.3	201007	2035	51 %	Siemens
Scotland	Rothes II	41.4	18	2.3	201306	2038	51 %	Siemens
Scotland	Mid Hill	75.9	33	2.3	201408/201411	2039	51 %	Siemens
Scotland	Brockloch Fg Windfarm	61.5	30	2.05	201712	2041	51 %	Semcon
Scotland	Brockloch Fg 1	21.6	36	0.6	1996	2021	100 %	Nordtank
Scotland	Crystal Fg III	13.8	6	2.3	201611	2041	51 %	Siemens
Norway	Liste	71.3	31	2.3	201211	2038	100 %	Siemens
Sweden	Fabodalen	79.2	24	3.3	201512	2046	100 %	Vestas

See "Government Grants" in the principle note for details of revenues from sale of green certificates

#### Note 3 - Total operating income, geographical distribution

Geographical marked	Group	
	2020	2019
Norway	23 769	89 790
UK	318 866	353 099
Germany	886 607	855 831
Netherlands	166 800	41 663
Sweden	34 724	103 435
	<b>1 450 926</b>	<b>1 443 818</b>



## Note 4 - Salaries, number of employees, fees and benefits to senior executives, and auditor's fee

Fred Olsen Renewables AS ("FORAS") has a management agreement with Fred Olsen & Co (FOCO) In 2020, FOCO charged FORAS a total of 18,7 mill (12 mill in 2019) for services rendered

The FOR group employed 59 personnel, equivalent to 58 Full Time Equivalent (FTE), at year end 2020. At year end 2019, there were 52 employees, equivalent to 52 FTE. FORAS employed 28 personnel at year end 2020, equivalent to 28 FTE, as compared to 25 employees in 2019.

	Fred.Olsen Renewables AS		Group	
	2020	2019	2020	2019
Salaries	32 905	30 656	61 281	51 408
Employers' national insurance contributions etc	5 672	4 974	10 481	8 859
Pensions	5 296	6 493	6 868	7 598
Other benefits	338	1 014	2 287	1 468
<b>Total salaries etc</b>	<b>44 206</b>	<b>37 605</b>	<b>80 916</b>	<b>69 333</b>
Financial, legal and administrative services	18 707	11 976	18 707	11 976
<b>Total expenses related to salaries, financial fees and adm services</b>	<b>62 915</b>	<b>45 925</b>	<b>99 624</b>	<b>81 309</b>

CEO	Salary	Other Benefits	Pension
Anders Bade *	2 943	20	334
Ivar Brandvold	3 627	25	319

\* Anders Bade is employed by Fred Olsen Green Power AS (wholly owned subsidiary of FORAS)

A bonus scheme has been set up for senior employees. The bonus is intended to reflect the commercial development of the company and of the group of which the company is part. An annual review is conducted of the development of and results achieved by the company and the parent company Bonheur. In addition, an individual review is conducted of the performance of each bonus entitled employee. The bonus determined for the individual bonus entitled employee is paid into a bonus bank from which 1/3 is paid out in the first year following the bonus year, the remainder being distributed equally over the next two years. Annual bonus payments cannot exceed 60% of annual salary. No loans or loan guarantees have been granted in respect of senior personnel of shareholders, nor have directors' fees been paid out.

The group's pension cost is made up of defined benefit plans for the Norwegian companies (see Note 5) and defined contribution plans for personnel hired after 1 June 2012. The foreign companies have defined contribution plans.

	Fred. Olsen Renewables AS		Group	
	2020	2019	2020	2019
Fee to the auditors, statutory audit	751	850	4 344	3 600
Fee to the auditors, tax advice	0	0	645	641
Fee to the auditors, other attestation services	0	0	242	235
Fee to the auditors, other services outside the audit scope	0	0	0	0
<b>Total fees paid to the auditors</b>	<b>751</b>	<b>850</b>	<b>5 231</b>	<b>4 475</b>



## Note 5 - Pensions

At year-end, 59 employees of the Fred. Olsen Renewables Group had pension plans, of which 11 were defined benefit schemes, see below

In 2020, 2,4 million was paid into the defined contribution scheme for the group

FORAS has non fund based (unsecured) pension commitments in respect of some senior personnel with salaries in excess of 12G. The defined benefit schemes pay out between 66 % and 70 % of salary at the time of retirement. The general retirement age for FORAS personnel is 70. CEO Ivar Brandvold is entitled to a pension from the age of 67 years. CEO Anders Eide is entitled to a pension from the age of 70 years.

The pension plans in the Norwegian companies meet the requirements of the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon")

Pension obligations	Fred.Olsen Renewables AS		Group	
	2020	2019	2020	2019
Present value of pension commitments	(94 978)	(79 913)	(94 978)	(79 913)
Fair value of pension assets	74 898	62 953	74 898	62 953
Present value of net pension commitments	(20 080)	(16 960)	(20 080)	(16 960)
Net underfunding of pension plans at 31.12	(20 080)	(16 960)	(20 080)	(16 960)
Net underfunding of pension schemes in BS at 31.12	(20 080)	(16 960)	(20 080)	(16 960)
Of which mutual fund-based	14 078	14 831	14 078	14 831
Of which not mutual fund-based	(3 156)	(3 179)	(3 156)	(3 179)
<b>Change in value of pension obligation</b>				
Fair value of pension obligation at 01.01	(79 913)	(74 961)	(79 913)	(74 961)
Present value of year's pension earnings	(4 022)	(5 162)	(4 022)	(5 162)
Financial expenses	(1 983)	(2 296)	(1 983)	(2 296)
Transferred value pension obligation	934	694	934	694
Actuarial (loss)/gain	(9 994)	1 822	(9 994)	1 822
Fair value of pension obligation at 31.12	(94 978)	(79 913)	(94 978)	(79 913)
	0	0		
<b>Change in value of pension assets</b>				
Fair value of pension assets at 01.01	62 953	55 208	62 953	55 208
Expected return on plan assets	1 568	1 563	1 568	1 563
Contributions paid into the plan	6 325	3 479	6 325	3 479
Transferred value pension obligation	(456)	(448)	(456)	(448)
Actuarial (loss)/gain	4 508	3 150	4 508	3 150
Fair value of pension assets at 31.12	74 898	62 953	74 898	62 953
<b>Pension cost in PL</b>				
Present value of this year's pension earnings	(4 022)	(5 162)	(4 022)	(5 162)
Interest expense on pension obligations	(1 983)	(2 296)	(1 983)	(2 296)
Expected return on plan assets	1 568	1 563	1 568	1 563
Pension cost in PL	(4 437)	(5 895)	(4 437)	(5 895)
Of which mutual fund-based	(2 886)	(2 612)	(2 886)	(2 612)
Of which not mutual fund-based	(1 551)	(3 283)	(1 551)	(3 283)
<b>Actuarial assumptions</b>				
Discount rate	1,75%	2,50%	1,75%	2,50%
Expected return on pension assets	1,75%	2,50%	1,75%	2,50%
Expected inflation	N/A	N/A	N/A	N/A
Expected rate of salary and benefit increases	1,75%	2,25%	1,75%	2,25%
Expected G regulation (adjustment of pension benefits)	1,75%	2,25%	1,75%	2,25%
Expected regulation of pensions in effect	1,20%	1,50%	1,20%	1,50%
Employer's National Insurance Contribution	14,10%	14,10%	14,10%	14,10%
Applied mortality table	K2013FT	K2013FT	K2013FT	K2013FT

## Note 6 - Tangible assets

Group	2020		2019	
	Machinery and equipment etc	Windfarms	Total group	Total group
Acquisition cost at 01.01	8 636	6 556 496	8 567 132	8 036 333
Additions/reclassifications	3 296	632 062	635 390	271 578
Disposals/scraping	0	0	0	0
Foreign exchange rate adjustments	85	172 054	172 140	243 757
Change in estimate - decommissioning asset	0	27 494	27 494	15 713
Acquisition cost at 31.12	12 020	9 390 135	9 402 156	8 567 381
Accumulated depreciations and impairments at 01.01	-6 017	-3 911 149	-3 917 142	-3 499 321
Ordinary depreciations for the year	-771	309 080	-309 651	-293 515
Accumulated depreciations disposals/reclassifications	0	0	0	0
Impairment	-83	0	0	0
Foreign exchange rate adjustments	-50	32 113	32 163	-124 306
Accumulated depreciations and impairments at 31.12	-6 920	-4 262 342	-4 258 262	-3 917 142
Book value at 31.12	5 100	5 137 793	5 142 894	4 650 239
Useful economic life	3-5 years	20 years *		
Depreciation plan	linearly	linearly		

\* The useful lifetime of the windfarms was changed from 15 to 20 years from January 1, 2019. 20 years is considered as a realistic estimate of the useful economic lifetime of the windfarms. The change in useful lifetime was accounted for as a change in accounting estimate with prospective recognition.



## Note 7 - Intangible assets

Group	2020		2019
	Development costs	Total	Total
Acquisition cost at 01 01	491 819	491 819	434 771
Adjustment opening balance	250	250	0
Additions, acquired	42 861	42 861	41 281
Foreign exchange rate adjustments	2 529	2 529	15 766
Acquisition cost at 31 12	537 459	537 459	491 819
Accumulated depreciations and impairments at 01 01	-183 871	-183 871	59 846
Ordinary depreciations for the year	-11 634	-11 634	-10 626
Impairments for the year*	-1 638	-1 638	-112 063
Foreign exchange rate adjustments	279	279	-1 135
Accumulated depreciations and impairments at 31 12	-196 864	-196 864	-183 871
Book value at 31 12	340 595	340 595	307 948
	No depreciations/20 years linearly		

\* In 2019 it was decided to write down the development portfolio with NOK 112 million. The impairment was carried out after an examination of the potential negative impact from increased regulatory uncertainty and political and commercial risks.

## Note 8 - Inventory

Fred.Olsen Renewables AS	Group	
	2020	2019
Finished goods	0	37 881

Inventories consist of various components for Crystal Rig, Crystal Rig II, Pauls Hill, Rothes, Rothes II, Mid Hill, Crystal Rig III, Brockloch Rig I, Lista and Fåbølliden wind farms. The inventory is recognised at acquisition cost.

## Note 9 - Investment in subsidiaries and associates

Company	Location	Share ownership	Book value 31.12 2020	Book value 31.12 2019
<b>Investment in subsidiaries</b>				
Lista Vindkraftverk AS	Farsund, Norway	100%	271 535	271 535
Gilja Vindkraftverk AS	Oslo, Norway	100%	0	0
Fred. Olsen Renewables AB	Umeå, Sweden	100%	1 805 719	1 114 222
Fred. Olsen Renewables Ltd	London, UK	100%	274 055	274 055
Fred. Olsen Green Power AS	Oslo, Norway	100%	1 002	1 002
Fred. Olsen Renewables Italy S r l	Rome, Italy	100%	5 402	0
Total Investment in subsidiaries			2 357 712	1 660 814
<b>Investment in associated company</b>				
Global Windpower France Aps	Thsted, Denmark	51%	0	67 133
Sum			2 357 712	1 727 947

In 2019 FORAS received extensive minority dividends from FORL of NOK 969 million.  
The shares in Gilja Vindkraftverk AS was written off in 2019 due to the uncertainty associated with the future prospects for construction of the windfarm.  
The investment in Global Windpower France Aps was sold in March 2020, resulting in a gain on sale of NOK 344 million.

### Investments by the equity method - associated companies (group)

	2020	2019
Book value 01 01	32 387	58 910
Acquisitions/increase in investment	45 601	1 592
Disposals*	-44 958	0
Share of profits	-2 001	15 609
Impairment/reversal of impairment **	10 078	47 388
Dividend / paid back capital	0	0
Foreign exchange adjustments charged directly to equity	704	106
Book value 31 12	161 770	32 387

\* The investment in Global Windpower France Aps was sold in March 2020. Gain on sale for FOR Group was NOK 366 million.

\*\* After reassessment of a development project, a former impairment of the investment in Coding Holdings Ltd was reversed in the Group accounts.



## Note 10 - Group receivables/debt

	Fred.Olsen Renewables AS		Group	
	2020	2019	2020	2019
<b>Receivables</b>				
Subsidiaries	453	351	0	0
Short term receivables	453	351	0	0
Subsidiaries	33 570	38 000	0	0
Associated companies	0	100 350	0	100 350
Long term receivables	33 570	138 350	0	100 350
<b>Total</b>	<b>34 023</b>	<b>138 350</b>	<b>0</b>	<b>100 350</b>

	Fred.Olsen Renewables AS		Group	
	2020	2019	2020	2019
<b>Liabilities</b>				
Bortheur ASA	198 936	0	198 936	0
Short term liabilities	198 936	0	198 936	0

## Note 11 - Bank deposits, restricted funds

Of the total bank deposits of the group, NOK 66,1 million are restricted (2019 123 million), see note 13  
 FORAS holds restricted funds of NOK 17,7 million (2019 NOK 1,89 million) of which NOK 15,1 million is grant from EU, of which NOK 9,8 million will be transferred to partners in 2021

## Note 12 - Tax

Tax base calculation	Fred.Olsen Renewables AS		Group	
	2020	2019	2020	2019
Profit/loss before income tax	316 693	875 479	506 418	146 078
Permanent differences	-341 950	883 832	-426 792	9 665
Temporary differences	3 089	-2 831	443 671	200 769
Taxable profit/loss	-21 867	5 016	523 297	337 182
Use of tax loss carried forward	0	-9 016	0	-50 441
Basis for tax payable	0	0	523 297	286 741
Tax payable	0	0	99 426	54 481
Tax rate applied	22%	22%	19%, 22%, 21,4 %	19%, 22%
<b>Income tax expense</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Tax payable	0	0	-99 426	-54 481
Changes in deferred tax	4 309	-1 463	54 898	-8 162
<b>Total tax (expense)/income</b>	<b>4 309</b>	<b>-1 463</b>	<b>-44 528</b>	<b>-62 663</b>

Temporary differences	Fred.Olsen Renewables AS		Change
	2020	2019	
Non-current assets	-125	-156	31
Loss carried forward	-116 085	-94 228	-21 867
Pension	-20 080	-16 860	-3 120
Total temporary differences	-136 300	-111 344	-24 956
Deferred tax liability (asset)	-29 886	-24 496	5 490
Tax rate applied	22%	22%	
Actual loss pensions - directly in equity			1 181
Changes in deferred taxes recognised in the income statement			-4 309

Temporary differences	Group		Change
	2020	2019	
Non-current assets	1 228 629	1 371 429	-142 800
Loss carried forward	-391 548	-267 553	-123 995
Interest deduction carried forward	-70 247	-18 001	-52 246
Financial instruments	-310 748	-192 175	-118 573
Pensions	-20 080	-16 860	-3 120
Decommissioning provision (temp. difference in Norway)	-26 714	-23 776	-2 938
Total temporary differences	409 293	852 964	-443 671
Recognised deferred tax asset	-66 562	-34 571	-31 991
Recognised deferred tax liability	166 299	189 887	-22 588
Net deferred tax	99 738 1) 2)	154 316	-54 578

1) Deferred tax in the balance sheet is calculated at the rate of 19% in UK (17% in 2019), 21,4 % in Sweden (21,4 % in 2019) and 22% in Norway (22% in 2019). In Norway, the company has recorded deferred tax assets in the balance sheet since 2013. In Sweden, deferred tax assets have been recorded in the balance sheet since 2015.

2) Change in deferred tax in tax expense in the P/L differs from the change in deferred tax in the balance sheet because of foreign exchange rates effects.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current assets against current liabilities and the deferred tax assets and liabilities are linked to income taxes levied on the same tax entity.

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

	Fred. Olsen Renewables AS	Group
Profit before tax	316 693	506 418
22 % taxes on profit before tax	-69 672	-111 412
Permanent differences	73 982	109 348
Effect of tax rates in other jurisdictions	0	7 626
Effect of change in tax rate on the year's movements	0	-24 230
Effect of correction in estimate previous years	0	-24 801
Estimated tax expense	4 309	-44 528
Effective tax rate	1,38%	-9%

Tax expense allocated between Norwegian and foreign companies:

	Group
Norway	9 859
Sweden	20 920
UK	-75 317
Total tax expense	-44 528



## Note 13 - External debt

The group's external debt consists of mortgage debt to banks and debt to the minority owner. The group's windfarms in the UK have been furnished as security for group mortgage debt.

	2020		2019	
Book value mortgaged windfarms	3 248 550		3 263 601	
	Present value finance lease		Total external debt, excl. finance lease	
Repayment plan	2020	2019	2020	2019
Installments 0-1 year	23 426	69 365	372 437	299 144
Installments 2-4 years	0	23 319	1 351 125	1 246 701
Installments 5 years and more	0	0	3 118 009	3 574 756
Total	23 426	92 685	4 841 571	5 120 611
Nominal value of finance leasing			2020	2019
			23 363	90 530

Debt to minority owners (TRIG and AVIVA) totals £65.2 million 31 12 20 (2019: £77.9 mill.), with maturity dates in 2021 and 2036.

External debt is in GBP and totals £479.5 mill at 31 12 2020 (2019: £523 mill), of which the nominal value of the finance leases on the windfarms Rothes and Paul's Hill totals £2 mill (2019: £7.6 mill). The share of amortised borrowing costs totals £7.5 mill. In May 2018 the Fred Olsen CB Limited (FOCB) entered into a secured facility agreement with banks with a maturity date 2036, outstanding 31 12 20 of £57.6 mill (2019: £59.9 mill). In March 2019 Fred Olsen Wind 2 Ltd (FOW2) entered into a secured facility agreement with banks with a maturity date 2032, outstanding 31 12 20 of £358.1 mill (2019: £381.8 mill).

Part of the mortgage debt is secured by bank deposits. Long term interest rate SWAP agreements in GBP have been entered into for the remaining mortgage debt as required under the loan agreements. In May 2018 FOCB and in March 2019 FOW2 entered into long term interest rate SWAP agreements. As at 31 12 20 the hedged amounts totals £ 312 mill, which is reduced in line with the due dates on the debt. The market value of the interest rate SWAPs at 31 12 20 was negative by in total £ 26,7 mill = NOK 310,8 mill, which entails an unrealised loss in 2020 of net NOK 127,7 mill. The fair value of the hedging instruments has been determined on the basis of valuations compiled from all the creditors involved in the loan portfolio.

## Note 14 - Equity

Fred.Olsen Renewables AS	Share capital	Retained earnings	Total 2020	Total 2019
Equity at 01 01	1 000 000	882 468	1 882 468	1 004 623
Net profit	0	321 003	321 003	874 016
Actuarial losses/pensions	0	-4 187	-4 187	3 828
Equity at 31 12	1 000 000	1 199 283	2 199 283	1 882 468

Group	Share capital	Retained earnings	Minority	Total 2020	Total 2019
Equity at 01 01	1 000 000	-1 203 325	-577 366	-780 691	126 992
Net profit	0	358 171	103 719	461 890	83 415
Translation difference on consolidation	0	100 876	-3 414	97 462	-96 838
Dividends to shareholders	0	0	-65 489	-65 489	-698 090
Actuarial losses/pensions	0	-4 187	0	-4 187	3 828
Equity at 31 12	1 000 000	-748 467	-542 551	-291 017	-780 692

The share capital consists of 10 000 000 shares each with a nominal value of NOK 100.

The share capital consists of one class. Each share entitles one vote.

Bonheur ASA owns 100 % of the shares in Fred Olsen Renewables AS.

## Note 15 - Collaterals / guarantees

The group has provided the following collaterals and guarantees (not recognized in the balance sheet except for decommissioning provision).

FORL has provided guarantees to E.ON for certain obligations in the Crystal Rig Windfarm Ltd, Rothes Wind Ltd and Paul's Hill Wind Ltd Power Purchase Agreements. The maximum claim under these guarantees is respectively £600 000 (expired June 2020), £607,200 (expired January 2020) and £772 800.

FORL has provided a guarantee to the Secretary of State for Defence for Mid Hill Wind Ltd's and Crystal Rig III obligations under the Radar Contribution Agreement. The maximum committed under this guarantee is respectively £1,065k and £1 240k.

FORL has provided a guarantee to different landowners in UK whereby if the wind farm SPVs does not perform their decommissioning and reinstatement obligations the guarantor will reimburse the beneficiary.

FORAS has provided a guarantee to Länsstyrelsen Västerbotten whereby if Fabodöden Vindkraft AB and Högäliden Vindkraft AB does not perform their decommissioning and reinstatement obligations the guarantor will reimburse the beneficiary. The maximum committed under this guarantee is SEK 7,9 million and SEK 14,7 million respectively.

FORAS has provided a guarantee to Vestas Northern Europe AB for Högäliden Vindkraft AB's commitments under the turbine contract. At year end the commitment is estimated to be EUR 11,95 million.



## Note 16 - Related parties

FOR has had transactions with related parties. The Natural Power companies (NPC) is ultimately owned by the private Fred Olsen related companies AS Quatro and Invento AS which both are major shareholders in Bonheur ASA. NPC provides both consultancy services and operation-related services for FOR's wind farms in the UK. FOR has contracted NPC to provide site and asset management services for its wind farms in the UK. FOR also buys consultancy services from NPC, mainly related to planning, environmental, technical construction, and geotechnical services within renewable energy.

FOR hires and shares office locations and other administrative services such as HR and IT support from Fred Olsen Ltd in London which is ultimately owned by the private Fred Olsen related companies Quatro AS and Invento AS.

Zephyr Ltd (ZX Lidars) and ZX Measurement Services Ltd provides Wind Lidar Solutions at development projects in UK, Italy and Högålden.

The following transactions (expenses) with related parties are recorded in FORAS and the Group.

	Fred. Olsen Renewables AS		Group	
	2020	2019	2020	2019
Natural Power Consultants Ltd	319	0	26 436	28 966
Natural Power Services Ltd (NPC subsidiary)	0	0	110 857	102 291
Fred Olsen Ltd	0	0	4 502	5 210
Fred Olsen & Co	18 707	11 976	18 707	11 976
Zephyr Ltd (ZX Lidars)	1 589	0	14 247	11 109
ZX Measurement Services Ltd	0	0	3 628	2 568
<b>Total</b>	<b>20 615</b>	<b>11 976</b>	<b>178 376</b>	<b>162 118</b>

## Note 17 - Decommissioning provision

	Group	
	2020	2019
Decommissioning provision 01 01	417 350	380 631
Unwinding of decommissioning provision	4 498	8 389
Change in estimate	27 494	15 713
Foreign exchange rate effect	6 451	12 417
Paid decommissioning obligation	0	0
<b>Decommissioning provision 31.12</b>	<b>455 793</b>	<b>417 350</b>
Capitalised asset for decommissioning provision 01 01	289 708	333 544
Correction opening balance 01 01	0	34 438
Change in estimate	27 494	15 713
Foreign exchange rate effect	6 202	10 249
Depreciation	28 329	-35 381
<b>Capitalised asset for decommissioning provision 31.12</b>	<b>295 074</b>	<b>289 708</b>

## Note 18 - Operating Leases

The group as a lessee - capitalised leases

The group's assets under capitalised leases include minimum rent on land leases related to wind farms. The rental period varies usually for around 25 years from construction start and include an option for extension. Majority of the agreements are based on production or revenues, however some agreements include an minimum rent and it is the minimum rent that qualifies as a right of use asset. The leases do not contain restrictions on the company's dividend policy or financing options. Due to the implementation of IFRS 16 from 1 January 2019, there is a significant increase in capitalised leases from this date.

Land lease that is based on production or revenues is variable lease payments, and is accounted for as operating expenditures. Future payments will vary with MWh generated and revenues.

Right of use assets

FOR Group	2020	2019
<b>Accumulated cost Right of use asset 01 01</b>	<b>306 684</b>	<b>294 018</b>
Additions	1 996	5 028
FX effect	7 940	7 638
<b>Accumulated cost Right of use asset 0 31.12</b>	<b>316 620</b>	<b>306 684</b>
<b>Accumulated depreciations and impairments at 01.01</b>	<b>-31 923</b>	<b>-14 816</b>
Depreciations	18 559	-17 105
Impairments	0	0
<b>Accumulated depreciations and impairments at 01.01</b>	<b>-50 482</b>	<b>-31 923</b>
<b>Book value 31.12</b>	<b>266 139</b>	<b>274 761</b>

Financial lease liabilities

Overview of remaining estimated lease payments for capitalised leases and present value	2020	2019
Within 1 year	22 380	20 380
1 to 5 year	86 764	86 764
<b>After 5 years</b>	<b>229 990</b>	<b>251 881</b>
<b>Remaining estimated lease payments</b>	<b>339 134</b>	<b>358 895</b>

Overview of the present value of the remaining estimated lease payments

	2020	2019
Within 1 year	21 825	19 855
1 to 5 year	78 268	79 862
<b>After 5 years</b>	<b>177 213</b>	<b>161 828</b>
<b>Present value of remaining estimated lease payments</b>	<b>277 306</b>	<b>261 345</b>
Discount rate	2,54%	2,54%

Financial lease liabilities	2020	2019
Of which		
short term liabilities	22 380	20 380
long term liabilities	254 926	260 983

Variable land rent expensed in PL:

Variable land rent cost was 36.4 MNOK in 2020 (50.1 MNOK in 2019). Future payments will vary with MWh generated and revenues.



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To the General Meeting of Fred. Olsen Renewables AS

## Independent auditor's report

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Fred. Olsen Renewables AS, which comprise:

- The financial statements of the parent company Fred. Olsen Renewables AS (the Company), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Fred. Olsen Renewables AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the income statement, statement of comprehensive income 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 are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

#### Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and 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.

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

#### Offices in:

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodo	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund



Fred. Olsen Renewables AS

## Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements of the Company 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 simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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



Fred. Olsen Renewables AS

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty 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.

## Report on Other Legal and Regulatory Requirements

### Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

### Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 18 June 2021  
KPMG AS

Monica Hansen  
State Authorised Public Accountant



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To the General Meeting of Fred. Olsen Renewables AS

## Independent auditor's report

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Fred. Olsen Renewables AS, which comprise:

- The financial statements of the parent company Fred. Olsen Renewables AS (the Company), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Fred. Olsen Renewables AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the income statement, statement of comprehensive income 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 are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

#### Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and 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.

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Bodo	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund



Fred. Olsen Renewables AS

## Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements of the Company 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 simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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



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- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty 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.

## Report on Other Legal and Regulatory Requirements

### Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

### Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 18 June 2021  
KPMG AS

Monica Hansen  
State Authorised Public Accountant