3rd Quarter Report 2022

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edda wind

Contents

Photo: Balenciaga Shipyard

Letter from the CEO

Stable operation and robust market outlook for Edda Wind.

The offshore wind industry is growing rapidly, and the upward trend is set to continue. The global sanctioned projects have more than doubled in the past 12 months from 91 to 185 GW. Forecasts suggest that 2,000 GW of installed capacity is required to keep the 1.5°C goal within reach, leaving a large investment gap. Governments are focusing on energy independence following the Russian invasion of Ukraine and spike in energy costs, leading to increased offshore wind targets and the extension of public subsidy support. Scale and competitive auctions have moved costs in a favourable direction making offshore wind cost competitive with other energy sources.

Europe is the key player in the offshore wind industry globally and is expected to grow by 25 times it's current size by 2030. However, we see plans being published in most areas of the world which will result in more windfarms and, with more turbines to operate and maintain, a demand for more vessels being employed in the industry. Edda Wind's fleet represents an important piece of the puzzle of supporting tomorrow's offshore wind parks.

Edda Wind's ongoing newbuilding programme will bring the fleet to a total of nine purpose built offshore wind vessels by 2025. The first of the new series of vessels, CSOV "Edda Breeze", was delivered from the yard in May followed by the SOV "Edda Brint" in October. The Company has suffered from delays on the gangway systems for the first newbuilds, however, I am happy to report that the installation and commissioning of the systems onboard Edda Breeze and Edda Brint has commenced and that the vessels are expected to commence their long-term contracts in January 2023.

The three vessels in operation have performed very well with a utilisation rate of close to 100% and no injuries to personnel during the quarter. While our chartered-in frontrunner vessel has provided very good service to Ocean Breeze since April 2021, they are really looking forward to Edda Wind starting its operations with the Edda Breeze, both due to expectation of increased operability and efficiency in operations, and expectation of a large reduction in fuel consumption and emissions. Edda Wind's ability to deliver innovative and efficient operational solutions makes our fleet very attractive in the market.

It is approaching one year since Edda Wind's successful IPO. It has been a challenging year with supply chain constraints, but also a year with further improved market opportunities. I am happy to have received feedback that the Company is a recognised and trusted service provider to the offshore wind industry. We have much excitement ahead of us, including five newbuilds that will commence operations during the next year – in a robust market environment. The Company is gradually strengthening to match the activities.

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

Kenneth Walland

Kenneth Walland
CEO

"We have much excitement ahead of us, including five newbuilds that will commence operations during the coming years."

Photo: Bård Gudim

Highlights Q3 2022

Market

250

Strong demand growth, estimated to be more than 250 vessels by 2030, excluding China, far exceeding existing tonnage and order book of approximately 50 vessels

↑

Increasing rates as Oil & Gas tonnage exit offshore wind

↑

Increased focus and accelerated pace for the renewable energy transition

Photo: Bård Gudim

Edda Wind

7

Seven vessels under construction ordered at low prices with attractive delivery schedule

January 2023

Edda Breeze and Edda Brint expected to be ready for operation in January 2023 and hulls C490 and C416 expected to be ready for operation during Q2 2023

28 July

Building contracts with Colombo Dockyard PLC, Sri Lanka, were cancelled 28 July

99.5%

Close to 100% utilisation in Q3 2022 with no unscheduled downtime and zero incidents to personnel

Management report Q3 2022

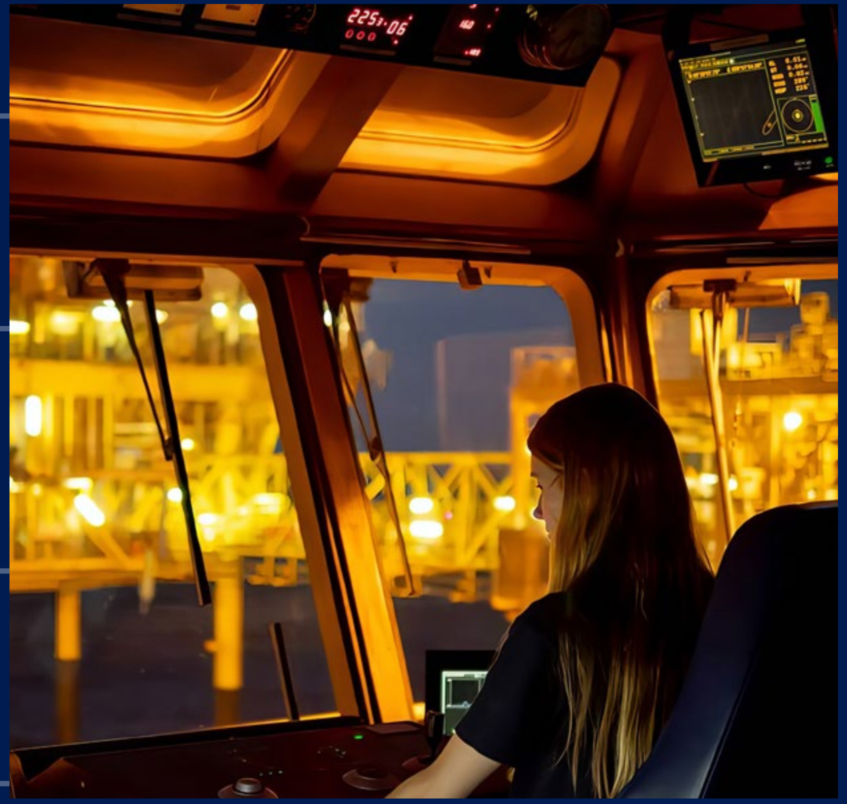
Photo: Håvard Melvær

Operating income
€7.4m

Operating expenses
€6.0m

Operating profit before depreciation
€1.4m

Profit before tax
€0.4m

Investment in vessels and newbuildings
€262.8m

Operations

Edda Wind ASA and its subsidiaries ("the Group") is a pure-play offshore wind service company.

Currently, the Group owns and operates two purpose-built SOVs and operates one chartered-in frontrunner vessel.

Edda Passat and Edda Mistral operate in the North Sea on charters for Ørsted on Race Bank and Hornsea 1 windfarms, while Edda Fjord is chartered in as a frontrunner for a long-term contract with Ocean Breeze at the Bard Offshore 1 windfarm. All three vessels had near full utilisation throughout the quarter with no unscheduled downtime and zero injuries.

The Group has a newbuilding programme for further SOVs and CSOVs at yards in Spain which will bring the fleet up to nine vessels.

Group consolidated results Q3 2022

Operating income for Q3 2022 was EUR 7.4 million, up 10.8% from EUR 6.7 million in the same quarter in 2021. The increase in operating income is primarily related to increases in day rates in firm contracts as well as compensation received from Colombo Dockyard PLC.

Operating expenses in Q3 2022 were EUR 6.0 million. In Q3 2021, the operating expenses were EUR 5.1 million, with the increase this year primarily due to an increase in the day rate for the leased frontrunner as well as costs related to the terminated building contracts.

Operating profit before depreciation in Q3 2022 was EUR 1.4 million, versus EUR 1.7 million in Q3 2021. Net financial result in Q3 2022 was EUR -0.2 million, compared to EUR -0.5 million in the same quarter last year, mainly due to currency effect.

Profit before tax was EUR 0.4 million, same as in Q3 2021.

Capital structure and financing

Cash and cash equivalents ended at EUR 60.2 million, down from EUR 74.7 million at the end of Q2 2022 due to investments in newbuildings.

Investment in newbuildings was EUR 195.1 million, up from EUR 176.2 million at the end of Q2 2022 due to payments in relation to the seven newbuildings on order.

Total interest-bearing debt was EUR 144.2 million, up from EUR 143.6 million in Q2 2022.

Total equity was EUR 183.6 million by the end of Q3 2022, down from EUR 184.3 million at the end of Q2 2022.

Outlook

According to the latest report from United Nations Environment Programme, we would need to cut current greenhouse gas emissions by 45% by 2030 to get on track to limiting global warming to 1.5°C. Currently, including updated nationally determined contributions, a 2.6°C increase in temperatures by 2100 is estimated, far beyond the goals of the Paris Agreement. Existing policies point to a 2.8°C increase, hence more renewable energy is needed.

The Russian invasion of Ukraine, with its consequential impact on European energy security, has further emphasised the need for alternative sources of energy.

Management report Q3 2022

continued

Photo: Nicki Pløk, UNIFLY

Outlook continued
Market reports indicate a demand for more than 250 service vessels in offshore wind industry by the end of this decade. The supply of existing C/SOVs plus newbuilds amounts to 50 vessels, most of which are engaged on firm contracts. We expect that the demand-supply gap will result in favourable day rates, particularly in the shorter commissioning segment. The fact that subsea tonnage is exiting from offshore wind back to oil & gas is expected to increase this trend. This demand represents a tremendous growth opportunity for Edda Wind, being a leading operator with a portfolio of both long- and short-/medium-term contracts, balancing stable cash flows with flexibility to capitalise on favourable market dynamics. We see opportunities for Edda Wind, being a pure play offshore wind operator targeting both the operation and maintenance segment as well as the commissioning segment.

According to the International Energy Agency, total offshore wind capacity is forecasted to more than triple by 2026, representing one-fifth of the global wind market. Global capacity additions of offshore wind are set to reach 21 GW by 2026, with rapid expansion in new markets beyond Europe and China. This includes large-scale projects that are expected to be commissioned in the United States, Taiwan, Korea, Vietnam and Japan. The expected growth is supported by a sharp increase in projects which are already secured by Final Investment Decision, as well as acceleration by many coastal nations of their ambitions for increasing the volume and pace of their offshore wind industry even further.

Increasing energy prices and activity levels in oil & gas has resulted in a number of offshore vessels returning to that sector, where the rates have increased during the past months. This has reduced the capacity of high-end swing-tonnage, that otherwise might be adapted for use in offshore wind, leading to a tighter market for C/SOVs.

The requirement for a future zero-emission operation of C/SOVs, during the entire operating cycle, and without interference with client's operation, is becoming stronger and stronger. Edda Wind proactively monitor solutions for reducing emissions from operation and expects to offer zero-emission operations in a few years.

The newbuilding programme
The Group has seven vessels under construction, two SOVs and five CSOVs, including two vessels that are delivered from shipyard but in the process of installing gangway systems. The SOV and CSOV newbuilds are sister-vessels with the same main components and technology, which will offer benefits in relation to operation, crew training and spares. The Group considers that its current fleet is ordered at attractive prices. All the newbuilding contracts are based on firm yard prices.

Inflation and supply chains have been impacted by the war in Ukraine, leading to shortages and further increasing uncertainty and cost relating to supply of materials, components and crew.

Management report Q3 2022

continued

Photo: Balenciaga Shipyard

The newbuilding programme continued
Although the Group is not directly exposed to Russian or Ukrainian suppliers there is still a risk that the disruptions, delays and increased cost may indirectly affect the Group, its suppliers or its clients.

Edda Breeze and Edda Brint are expected to be delivered to clients in January 2023 and C416 and C490 are expected to be ready for operations in Q2 2023.

Adverse development in Sri Lanka unfortunately led to a situation whereby Colombo Dockyard PLC was unable to fulfil shipbuilding contracts. On 28 July 2022 Edda Wind entered into an agreement with Colombo Dockyard PLC for the cancellation of two newbuilding contracts signed 31 January 2022. Edda Wind has not made any payments to Colombo Dockyard PLC under these agreements and Edda Wind will receive compensation in excess of incurred project costs.

Gangway deliveries
As reported previously in the Q2 2022 report, the Company has suffered from substantial delays on the gangway systems which again has resulted in delayed final commissioning and on-hire for Edda Breeze and Edda Brint.

Edda Wind, together with the supplier, has worked hard to mitigate the consequences of the delays to ensure delivery of the gangway systems as early as possible (see note 10). This involved taking delivery of the vessels from the shipyard with the gangway system only partly completed. The final completion is planned to take place in Poland/Denmark starting in November in order to have the vessels operational in January 2023.

The gangway system for Edda Breeze has passed the Factory Acceptance Test (FAT), witnessed by the Client, DNV and Owners, in October while the system for Edda Brint has a planned FAT at the end of November. Following the FAT, the systems are lifted onboard the vessels at the Makers facility in Poland before final installation and testing in Denmark. Thereafter the vessels will be presented ready for operation to vessels charterers in January 2023.

Events after the balance sheet date
Edda Brint was delivered from the yard on 25 October 2022 and will proceed to complete the installation of the gangway system prior to commencement of her long-term charter in January 2023.

On 14 November 2022 Edda Wind entered into a charter agreement with Ørsted for Edda Passat for seven months in 2023 in direct continuation of the current firm period. The day rate for the new contract is in excess of 25% over the current level and Ørsted will have no further options in relation to Edda Passat.

On 14 November Edda Wind entered into a shipbuilding contract with Gondan for a Commissioning Service Operation Vessel (CSOV) for delivery in April 2025. The vessel will be prepared for future zero-emission operations and has a ready for sea cost in the low EUR 60's million whereof the equity was secured by the IPO in 2021. This will be the sixth CSOV from Gondan and will increase the Edda Wind fleet to ten vessels.

Key figures Q3 2022

(EUR 1,000)

Key figures	Q3 2022	Q2 2022	Q3 2021	FY 2021
Revenue	**7,432**	6,892	6,710	24,416
Profit/(loss) for the period	**398**	567	395	2,242
Total assets	**337,762**	332,286	204,533	305,602
Equity	**183,594**	184,320	66,166	184,332
APM				
EBITDA	**1,424**	1,833	1,660	6,182
EBIT	**630**	1,031	865	3,013
NIBD	**77,134**	62,330	73,791	20,940
Equity ratio	**54.4%**	55.5%	32.3%	60.3%

Definitions of APMs

- EBITDA is defined as Operating income and gain/(loss) on sale of assets less Operating expenses.
- EBIT is defined as Total income (Operating income and gain/(loss) on sale of assets) less Operating expenses, other gains/(losses) and depreciation and amortisation.
- Net interest-bearing debt (NIBD) is defined as total interest-bearing debt (non-current interest-bearing debt and current interest-bearing debt) less Cash and cash equivalents, restricted cash and Current financial investments.
- Equity ratio is defined as Total equity as a percentage of Total assets.

Statement from the Board

We confirm that the consolidated accounts for the period 01 January 2022 to 30 September 2022 are to the best of our knowledge, prepared in accordance with IAS 34.

The interim condensed consolidated financial statements give a fair and true value of the enterprise and Group's assets, debt, financial position and result which, in its entirety, gives a true overview of the information in accordance with the securities trading act.

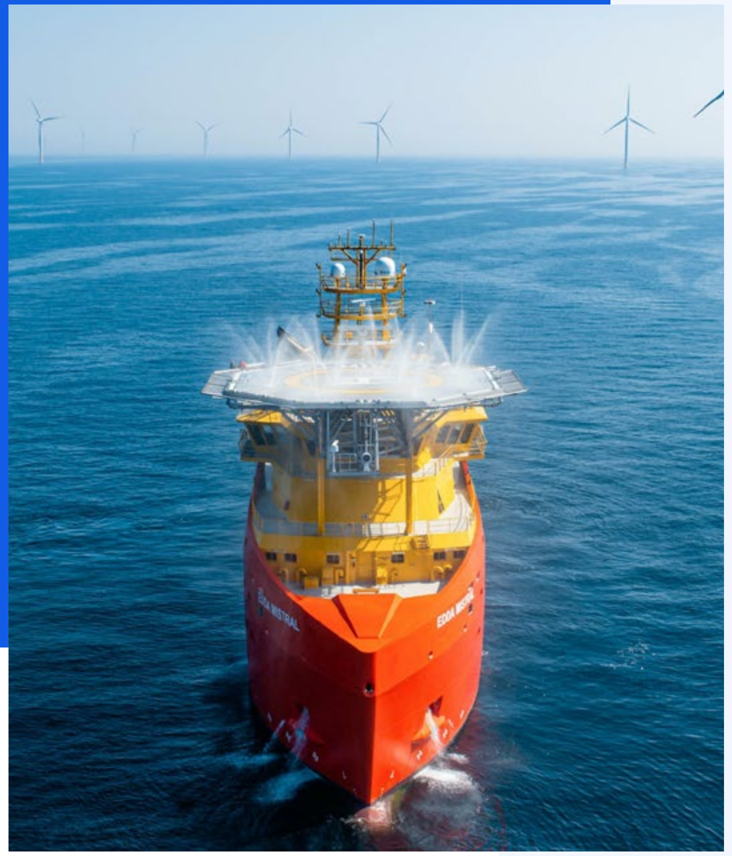

Photo: Nicki Pløk, UNIFLY

Håvard Framnes
Chairman of the Board

Martha Kold Bakkevig
Board member

Toril Eidesvik
Board member

Jan Eyvin Wang
Board member

Adrian Geelmuyden
Board member

Duncan J. Bullock
Board member

Cecilie Wammer Serck-Hanssen
Board member

Haugesund, 14 November 2022
(signed electronically)

Income statement

(unaudited)

(EUR 1,000)

	Notes	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	Full year 2021
Freight income	2	6,810	6,592	20,226	17,243	23,933
Other operating income	2, 9	622	118	866	353	484
Total operating income		**7,432**	**6,710**	**21,092**	**17,596**	**24,416**
Payroll and remuneration	10	(2,518)	(1,925)	(6,407)	(5,243)	(7,320)
Other operating expenses	2, 10	(3,490)	(3,125)	(9,524)	(6,551)	(10,914)
Total operating expenses		**(6,008)**	**(5,050)**	**(15,931)**	**(11,794)**	**(18,234)**
Operating profit before depreciation		**1,424**	**1,660**	**5,162**	**5,802**	**6,182**
Depreciation	3	(794)	(795)	(2,413)	(2,366)	(3,169)
Operating profit		**630**	**865**	**2,749**	**3,436**	**3,013**
Financial income and expenses						
Other financial income		–	–	4	–	8
Net currency differences		182	(37)	238	(1)	946
Unrealised gain/(loss) financial derivatives	5	47	189	189	374	208
Realised gain/(loss) financial derivatives	5	–	–	–	–	299
Interest expenses		(461)	(412)	(1,318)	(1,354)	(1,282)
Other interest expenses to related parties	9	–	(6)	–	(9)	(18)
Other financial expenses		–	(204)	(114)	(478)	(932)
Financial income/(expense)		**(232)**	**(470)**	**(1,001)**	**(1,468)**	**(772)**
Profit/(loss) before tax		**398**	**395**	**1,748**	**1,968**	**2,242**
Tax (income)/expense	8	–	–	–	–	–
Profit/(loss) for the year		**398**	**395**	**1,748**	**1,968**	**2,242**
Basic/diluted earnings per share in EUR	7	0.01	0.01	0.03	0.06	0.06

Comprehensive income

(unaudited)

(EUR 1,000)

	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	Full year 2021
Profit/(loss) for the year	398	395	1,748	1,968	2,242
Items that may be reclassified to the income statement					
Currency translation differences	(1,124)	(202)	(2,486)	1,015	2,145
Other comprehensive income, net of tax	**(1,124)**	**(202)**	**(2,486)**	**1,015**	**2,145**
Total comprehensive income for the year	**(727)**	**193**	**(738)**	**2,983**	**4,386**

Balance sheet

(unaudited)

(EUR 1,000)

	Notes	30.09.2022	30.09.2021	31.12.2021
ASSETS				
Non-current assets				
Deferred tax asset	8	–	37	23
Vessels	3	67,694	72,186	73,611
Newbuildings	3	195,115	95,208	131,077
Other non-current assets	10	2,418	–	–
Machinery and equipment	3	–	3	3
Total non-current assets		**265,227**	**167,434**	**204,715**
Current assets				
Account receivables		4,440	3,210	3,575
Other current receivables		1,078	–	–
Other current assets		6,702	14,977	7,791
Financial derivatives	5	97	–	–
Cash and cash equivalents		60,217	18,913	89,520
Total current assets		**72,534**	**37,100**	**100,886**
Total assets		**337,762**	**204,533**	**305,602**
EQUITY AND LIABILITIES				
Equity				
Share capital	6, 7	644	9	644
Share premium		116,128	–	116,128
Other equity		66,822	66,157	67,560
Total equity		**183,594**	**66,166**	**184,332**
Non-current liabilities				
Non-current interest-bearing debt	4	133,197	101,359	110,545
Total non-current liabilities		**133,197**	**101,359**	**110,545**
Current liabilities				
Account payables		8,140	848	1,555
Financial derivatives	5	–	223	91
Taxes payable		–	50	–
Public duties payable		91	51	96
Current interest-bearing debt	4	10,953	6,322	6,951
Loan from related parties	9	–	27,000	–
Other current liabilities		1,786	2,513	2,031
Total current liabilities		**20,970**	**37,009**	**10,724**
Total equity and liabilities		**337,762**	**204,533**	**305,602**

Cash flow statement

(unaudited)

(EUR 1,000)

	Notes	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	Full year 2021
Cash flow from operations						
Profit/(loss) before tax		398	395	1,748	1,968	2,242
Financial (income)/expenses		232	470	1,001	1,468	772
Depreciation and amortisation	3	794	795	2,413	2,366	3,169
Change in working capital		(172)	3,499	1,239	1,302	583
Net cash flow from operations		**1,252**	**5,159**	**6,400**	**7,104**	**6,765**
Cash flow from investment activities						
Investments in fixed assets	3	(18,949)	(20,642)	(64,038)	(59,250)	(93,476)
Changes in restricted cash – investment commitment		679	6,372	(357)	18,763	25,964
Net cash flow from investment activities		**(18,270)**	**(14,271)**	**(64,395)**	**(40,487)**	**(67,512)**
Cash flow from financing activities						
Proceeds from issue of interest-bearing debt	4	6,349	7,025	36,378	24,886	32,190
Repayment of interest-bearing debt	4	(3,622)	(2,161)	(6,412)	(4,497)	(4,497)
Proceeds from other interest-bearing debt		–	(318)	–	27,000	43,500
Repayment of other debt		–	–	–	–	(16,500)
Interest paid including interest derivatives		(461)	415	(1,318)	(752)	(1,101)
Paid other financial expenses		–	(1,036)	(114)	(1,088)	(1,187)
Proceeds from issuance of new shares		–	–	–	–	90,131
Net cash flow from financing activities		**2,265**	**3,923**	**28,533**	**45,548**	**142,536**
Effects of currency rate changes on bank deposits, cash and equivalents						
Net change in bank deposits, cash and equivalents		(14,753)	(5,188)	(29,461)	12,165	81,789
Translation difference		265	34	156	34	1,016
Cash and cash equivalents at period start		74,702	24,068	89,520	6,715	6,715
Cash and cash equivalents at period end		**60,214**	**18,913**	**60,214**	**18,913**	**89,520**

Statement of changes in equity

(unaudited)

(EUR 1,000)

	Share capital	Share premium	Other paid-in capital	Retained earnings	Foreign currency translation reserve	Other equity	Total equity
Balance at 01.01.2022	**644**	**116,128**	**27,608**	**36,522**	**3,431**	**67,560**	**184,332**
Profit for the period	–	–	–	1,748	–	1,748	1,748
Other comprehensive income	–	–	–	–	(2,486)	(2,486)	(2,486)
Balance at 30.09.2022	**644**	**116,128**	**27,608**	**38,270**	**945**	**66,822**	**183,594**

	Share capital	Share premium	Other paid-in capital	Retained earnings	Foreign currency translation reserve	Other equity	Total equity
Balance at 01.01.2021	**9**	**–**	**27,608**	**34,280**	**1,286**	**63,174**	**63,183**
Profit for the period	–	–	–	1,968	–	1,968	1,968
Other comprehensive income	–	–	–	–	1,015	1,015	1,015
Balance at 30.09.2021	**9**	**–**	**27,608**	**36,248**	**2,301**	**66,158**	**66,166**

	Share capital	Share premium	Other paid-in capital	Retained earnings	Foreign currency translation reserve	Other equity	Total equity
Balance at 01.01.2021	**9**	**–**	**27,608**	**34,280**	**1,286**	**63,174**	**63,183**
Share capital increase by conversion of debt	327	26,673	–	–	–	–	27,000
Share capital increase by issuance of new shares	281	81,102	–	–	–	–	81,383
Share capital increase by issuance of new shares	27	8,353	–	–	–	–	8,380
Profit for the period	–	–	–	2,242	–	2,242	2,242
Other comprehensive income	–	–	–	–	2,145	2,145	2,145
Balance at 31.12.2021	**644**	**116,128**	**27,608**	**36,522**	**3,431**	**67,560**	**184,332**

Notes

(EUR 1,000)

Note 1
General accounting principles

Basis of preparation
These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standards (IAS 34), "interim financial reporting". The interim condensed consolidated financial report is unaudited and should be read in conjunction with the consolidated Annual Financial Statements for the year ended 31 December 2021 for Edda Wind ASA (Group), which were prepared in accordance with IFRS as endorsed by the EU. Consolidated interim and yearly financial statements are available on the news services from Oslo Stock Exchange, www.newsweb.no, and the Company's webpage, www.eddawind.com.

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

The interim financial report is prepared on the assumption of a going concern.

Basic policies
The accounting policies applied are consistent with those applied in the Annual Financial Statements for Edda Wind ASA for the year ended 31 December 2021. No new standards have been applied in 2022.

Notes

continued

(EUR 1,000)

Note 2
Revenue from contracts with customers

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

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

The Group has one reportable segment being the Offshore Wind segment.

	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	Full year 2021
Offshore Wind operating revenue					
Revenue from contracts with customers:					
Service element from contracts with day rate, including victualling	4,117	4,126	12,560	10,718	14,900
Other revenue	622	118	866	353	484
Lease revenue:					
Lease element from contracts with day rate	2,693	2,466	7,666	6,525	9,033
Total operating income	**7,432**	**6,710**	**21,092**	**17,596**	**24,416**

Leasing
In April 2021 the Group entered into a 12-month lease for the OSV vessel Edda Fjord from related party West Supply VIII AS. This contract is a lease in scope of IFRS 16, however, the Group have elected to apply the recognition exemption for short-term leases and the Group has recognised the lease payments as an expense over the lease period. The vessel is operating as a frontrunner for Edda Wind with the newbuilding vessel expected to be ready for use in January 2023. As such, the lease was extended during the quarter until year end, with an optional period until 31 March 2022. During Q3 2022, the Group recognised a lease expense of EUR 2,311 thousand (EUR 1,835 thousand in Q3 2021).

On 28 July 2022 Edda Wind entered into an agreement with Colombo Dockyard PLC for the cancellation of two newbuilding contracts signed 31 January 2022. Under this agreement, Edda Wind will receive a compensation in excess of incurred project costs. EUR 500 thousand has been recognised in Q3. The remaining agreed compensation will be recognised as revenue when payment is received.

Notes

continued

(EUR 1,000)

Note 3
Tangible assets

The tables below show the Group's tangible assets as of 30 September 2022, 30 September 2021 and 31 December 2021.

30.09.2022	Vessels	Periodical maintenance	Equipment	Newbuildings	Total
Cost 01.01.2022	**83,128**	**2,390**	**69**	**131,077**	**216,664**
Additions	–	–	–	65,748	65,748
Currency translation differences	(4,064)	(117)	(0)	(1,710)	(5,891)
Cost 30.09.2022	**79,064**	**2,273**	**69**	**195,115**	**276,521**
Accumulated depreciation and impairment losses 01.01.2022	**(10,153)**	**(1,753)**	**(66)**	**–**	**(11,972)**
Depreciation	(2,068)	(356)	(3)	–	(2,427)
Currency translation differences	586	101	0	–	687
Accumulated depreciation and impairment losses 30.09.2022	**(11,635)**	**(2,008)**	**(69)**	**–**	**(13,712)**
Carrying amounts	**67,429**	**265**	**0**	**195,115**	**262,809**
Remaining instalments newbuildings 30.09.2022	**–**	**–**	**–**	**145,182**	**145,182**

30.09.2021	Vessels	Periodical maintenance	Equipment	Newbuildings	Total
Cost 01.01.2021	**77,254**	**2,221**	**70**	**35,957**	**115,501**
Additions	–	–	–	58,680	58,680
Currency translation differences	3,374	97	–	570	4,041
Cost 30.09.2021	**80,628**	**2,318**	**69**	**95,207**	**178,222**
Accumulated depreciation and impairment losses 01.01.2021	**(6,859)**	**(1,185)**	**(66)**	**–**	**(8,110)**
Depreciation	(2,019)	(347)	–	–	(2,366)
Currency translation differences	(298)	(53)	–	–	(351)
Accumulated depreciation and impairment losses 30.09.2021	**(9,176)**	**(1,585)**	**(66)**	**–**	**(10,826)**
Carrying amounts	**71,452**	**734**	**3**	**95,207**	**167,397**
Remaining instalments newbuildings 30.09.2021	**–**	**–**	**–**	**182,312**	**182,312**

Notes

continued

(EUR 1,000)

Note 3 continued
Tangible assets continued

31.12.2021	Vessels	Periodical maintenance	Equipment	Newbuildings	Total
Cost 01.01.2021	**77,254**	**2,221**	**69**	**35,957**	**115,501**
Additions				93,476	93,476
Currency translation differences	5,874	169	–	1,644	7,687
Cost 31.12.2021	**83,128**	**2,390**	**69**	**131,077**	**216,664**
Accumulated depreciation and impairment losses 01.01.2021	**(6,859)**	**(1,185)**	**(66)**	**–**	**(8,110)**
Depreciation	(2,704)	(465)	(0)	–	(3,169)
Currency translation differences	(591)	(103)	0	–	(694)
Accumulated depreciation and impairment losses 31.12.2021	**(10,153)**	**(1,753)**	**(66)**	**–**	**(11,972)**
Carrying amounts	**72,975**	**637**	**3**	**131,077**	**204,692**
Remaining instalments newbuildings 31.12.2021	**–**	**–**	**–**	**149,382**	**149,382**

The depreciation schedule for vessels is 30 years straight-line depreciation. For periodic maintenance, the depreciation is set to five years based on time expected until next maintenance.

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

Impairment assessment
The Group considers the relationship between its market capitalisation and its book value, among other factors as mentioned above, when reviewing for indicators of impairment. As of 30 September 2022, the market capitalisation of the Group was below the book value of its equity. As a result, the Group performed an impairment test at the end of the third quarter of 2022 for each of its operational SOVs.

The impairment test is performed through a value-in-use calculation. Cash flows are estimated throughout the useful lifetime of the vessels. The estimates for 2022 reflect the current market conditions. The weighted average cost of capital is used as the discount rate. The discount rate used is 8.8%. This is also an assumption when performing the impairment assessment.

The book value of the cash-generating units is total EUR 67 million. The recoverable amount exceeded the carrying amount in the value-in-use calculation and thus the impairment test did not reveal any need for impairment.

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(EUR 1,000)

Note 4
Interest-bearing debt

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

	30.09.2022	30.09.2021	31.12.2021
Non-current interest-bearing debt	133,197	101,359	110,545
Current interest-bearing debt	10,953	33,322	6,951
Total interest-bearing debt	**144,150**	**134,681**	**117,496**

Loan agreements entered into by the Group contain financial covenants related to liquidity, working capital, book equity ratio, and market value. The Group was in compliance with these covenants at 30 September 2022 (analogous for 30 September 2021).

The table below shows specifications of the Group's interest-bearing debt.

	30.09.2022	30.09.2021	31.12.2021
Pledged debt to financial institutions	66,854	41,072	42,021
Bonds	77,296	66,609	75,476
Shareholder loan	0	27,000	0
Total interest-bearing debt	**144,150**	**134,681**	**117,496**

The table below shows the repayment schedule of the Group's interest-bearing debt.

	30.09.2022	30.09.2021	31.12.2021
Repayment schedule for debt to financial institutions			
Due in year 1	6,903	4,694	4,839
Due in year 2	9,203	19,558	4,839
Due in year 3	9,203	2,492	4,839
Due in year 4	9,203	2,492	4,839
Due in year 5 and later	32,343	11,836	22,663
Total repayment schedule for debt to financial institutions	**66,854**	**41,072**	**42,021**
Repayment schedule for bond			
Due in year 1	4,050	1,628	2,111
Due in year 2	4,044	4,327	4,161
Due in year 3	4,222	4,156	4,159
Due in year 4	4,712	4,336	4,342
Due in year 5 and later	60,268	52,162	60,702
Total repayment schedule for bond	**77,296**	**66,609**	**75,476**

Notes

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(EUR 1,000)

Note 5
Fair value financial liabilities

The table below shows the Group's financial derivatives measured at fair value.

Financial liabilities at fair value	30.09.2022	30.09.2021	31.12.2021
Financial liabilities/(financial assets) measured at fair value at 01.01	91	598	598
Changes in fair value through the income statement (+loss/-profit)	(189)	(374)	(208)
Derecognition of interest swap due to termination	–	–	(299)
Total financial liabilities/(financial assets) measured at fair value	**(97)**	**223**	**91**

The Group's financial liabilities measured at fair value consists of an interest rate swap for a portion of the Group's interest-bearing debt to financial institutions in order to mitigate risk related to interest rate, as well as an outright foreign exchange contract. The Group terminated one of its interest rate swaps in December 2021.

The fair value of financial instruments nominated in other currencies than EUR is determined based on the currency exchange rate at the balance sheet date. The financial instruments are not traded in an active market (over-the-counter contracts) and are based on level 2 input, consisting of third-party quotes. These quotes use observable market rates for price discovery. Specific valuation techniques used by financial counterparties (banks) to value financial derivatives include quoted market prices for similar derivatives, and calculations of the net present value of the estimated future cash flows based on observable yield curves.

The Group does not hold fair value financial assets or liabilities measured using significant unobservable inputs (level 3).

All other financial assets and liabilities held by the Group are measured at amortised cost.

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Note 6
Share capital

Edda Wind's share capital amounts to NOK 6,431,449 divided into 64,314,488 shares, each with a nominal value of NOK 0.1.

20 Largest shareholders at 30.09.2022

Shareholder	Country	Number of shares	Ownership share
ØSTENSJØ WIND AS	Norway	16,500,000	25.7%
WILHELMSEN NEW ENERGY AS	Norway	16,500,000	25.7%
GEVERAN TRADING CO LTD	Cyprus	7,505,890	11.7%
Credit Suisse (Switzerland) Ltd.	Ireland	6,888,331	10.7%
J.P. Morgan SE	Luxembourg	1,124,416	1.7%
VJ INVEST AS	Norway	1,009,615	1.6%
Morgan Stanley & Co. Int. Plc.	United Kingdom	887,209	1.4%
FORENEDE INDUSTRIER SHIPPING AS	Norway	585,716	0.9%
VARNER EQUITIES AS	Norway	518,767	0.8%
KONTRARI AS	Norway	500,000	0.8%
PORTIA AS	Norway	500,000	0.8%
VERDIPAPIRFONDET NORDEA NORGE VERD	Norway	455,285	0.7%
VERDIPAPIRFONDET DNB SMB	Norway	404,354	0.6%
Oslo Venture Pte Ltd	Singapore	404,101	0.6%
LUDVIG LORENTZEN AS	Norway	365,000	0.6%
VERDIPAPIRFONDET NORDEA AVKASTNING	Norway	357,724	0.6%
Ultranav International II, S.A.	Panama	325,000	0.5%
LØREN HOLDING AS	Norway	300,000	0.5%
BERGEN KOMMUNALE PENSJONSKASSE	Norway	300,000	0.5%
VERDIPAPIRFONDET STOREBRAND NORGE	Norway	265,041	0.4%
20 largest shareholders		**55,696,449**	**86.6%**
Others		8,618,039	13.4%
Total		**64,314,488**	**100.0%**

Notes

continued

(EUR)

Note 7
Earnings per share

The table below shows the earnings per share.

Earnings per share	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	Full year 2021
Net profit attributable to ordinary shareholders of Edda Wind ASA	397,868	395,070	1,747,676	1,967,813	2,241,853
Weighted average number of outstanding shares to calculate EPS	64,314,488	33,000,000	64,314,488	33,000,000	35,843,280
Earnings per share	**0.01**	**0.01**	**0.03**	**0.06**	**0.06**

Earnings per share is calculated based on the average number of outstanding shares during the period. Basic earnings per share is calculated by dividing profit for the period by average number of total outstanding shares. The Group does not have any dilutive instruments.

The Group performed a share split during 2021 and increased its number of shares to 33 million. The EPS calculation has been adjusted for this in all periods presented.

Note 8
Tax

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

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

The Group recorded a tax expense of EUR nil during the second quarter of 2022 (EUR 0 during third quarter 2021), and recognised a deferred tax asset of EUR 0 as of 30 September 2022 (deferred tax asset of EUR 37 thousand as of 30 September 2021).

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(EUR 1,000)

Note 9
Related party transactions

Related party transactions include shared services and other services provided and purchased from entities outside of the Edda Wind Group that are under control directly or indirectly, joint control or significant influence by the owners of Edda Wind ASA. This includes operation and supervision of vessels, crew hire and corporate management services.

Services are priced on commercial market terms and in accordance with the principles set out in the OECD Transfer Pricing Guidelines and are delivered according to agreements that are renewed annually.

	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	Full year 2021
Transactions with related parties					
Leasing of Edda Fjord from West Supply VIII AS (incl. victualling)	2,496	2,051	6,489	3,821	5,836
Purchase of management services, operation and supervision of vessels from Østensjø Rederi AS	196	170	569	619	758
Sale of services to Østensjø Rederi	(97)	(105)	(306)	(316)	(395)
Hired crew from Østensjø Rederi AS	1,441	1,460	4,245	4,040	5,138
Guarantee commission to Johannes Østensjø d.y. AS	265	236	659	346	529
Interest on shareholder loan	–	272	–	409	581
Insurance cost to Wilhelmsen Insurance Services AS	(2)	–	121	–	61
Interest expenses to Johannes Østensjø d.y. AS on other short-term debt	–	4	–	7	9
Total transactions with related parties	**4,299**	**4,088**	**11,777**	**8,925**	**12,517**

Note 10
Other circumstances recognised

The delivery of Edda Breeze and Edda Brint to clients has been postponed due to delayed delivery of gangway systems. Following the delay, Edda Wind will incur liquidated damages for both vessels until delivery. As per 30.09.2022, Edda Wind has incurred a total of EUR 2.4 million in liquidated damages. The amount has been capitalised as other non-current assets and will be recognised in the P&L on a straight-line basis over the contract period from the date the vessels are delivered to the clients.

Due to delay on the gangway systems Edda Wind have experienced a prolonged construction period. As a consequence of this, the Group has incurred additional costs directly attributable to bringing the asset to the condition necessary for it to be capable of operating. During Q3, the Group has capitalized EUR 1.8 million in ready for use cost on Edda Breeze and Edda Brint.

In relation the cancelled shipbuilding contracts with Colombo Dockyard PLC Edda Wind has expensed EUR 487k as project expense and recognized EUR 500k in income in Q3 2022.

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Note 11
Subsequent events

Edda Brint was delivered from the yard on 25 October 2022 and will proceed to complete the installation of the gangway system prior to commencement of her long-term charter in January 2023.

On 14 November 2022 Edda Wind entered into a charter agreement with Ørsted for Edda Passat for seven months in 2023 in direct continuation of the current firm period. The day rate for the new contract is in excess of 25% over the current level and Ørsted will have no further options in relation to Edda Passat.

On 14 November Edda Wind entered into a shipbuilding contract with Gondan for a Commissioning Service Operation Vessel (CSOV) for delivery in April 2025. The vessel will be prepared for future zero-emission operations and has a ready for sea cost in the low EUR 60's million whereof the equity was secured by the IPO in 2021. This will be the sixth CSOV from Gondan and will increase the Edda Wind fleet to ten vessels.

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