
CADELER

# Interim Financial Report

## For the period 1st January to 30th June 2021

Cadeler A/S. Incorporated in Denmark. Registration Number (CVR no.): 3118 0503
Arne Jacobsens Allé 7, 7. Floor, DK-2300 Copenhagen S, Denmark

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# Management Review

# Management Review

**Business Review**
The Group is a leading offshore wind farm transportation and installation ("T&I") contractor headquartered in Copenhagen, Denmark with offices in Vejle, Denmark and Taipei, Taiwan. The Company operates two offshore jack-up windfarm installation vessels, Wind Orca and Wind Osprey. In addition to wind farm installation, these vessels can perform maintenance, construction, decommissioning, and other tasks within the offshore industry. The Company has a leading market position and strong relations with blue-chip customers in the industry.

**Finance Review**
Revenue in the first half of 2021 amounting to EUR 32 million is an increase of 253% against the same period in 2020. Main drivers include:
1) During H1 2021, both vessels have achieved 87% utilization and at competitive market rates
2) During H1 2020 Wind Osprey was off hire due to the 2018 crane incident, and returned to service in June 2020;
3) During 2020 Wind Orca realized lower rates on maintenance related projects.

Cost of sales amounting to EUR 19 million was 20% lower compared to 2020, which was mainly driven by absence of bareboat charges as Cadeler purchased both vessels in September 2020. Crew costs have increased in the first half of the year driven by COVID-19 disruptions, investment in safety and in preparation for future projects.

Administrative expenses increased vs. 2020 by 37%, mainly driven by increase in headcount, as Cadeler has been able to accelerate the planned organizational investment including recruitment of key staff to ensure a strong level of support for daily operations and new key projects.

EBITDAR of the reported period is EUR 16 million, which is EUR 21 million higher when compared to H1 2020 and within the EBITDAR range expected for full year 2021 (EUR 26 million to EUR 33 million in 2021).

End of April 2021, the Company successfully completed the private placement of 23 million shares priced at NOK 34.5 per share. Considering the 115.5 million shares at the beginning of the reporting period, the Company has 138.5 million shares in issue as of June 30th 2021.

The development in equity is driven by profits, share based payments and capital raised in April 2021.

On 17th June 2021, the company called the option of replacing the main crane on Wind Osprey by H1 2024. The option is part of the contract signed on the 18th December 2020 with NOV to replace the crane on the Wind Orca vessel.

On 30th June 2021, Cadeler A/S announced the signing of a contract with COSCO SHIPPING Heavy Industry Co., Ltd. to build two new X-class wind turbine installation vessels. In July and August 2021, Cadeler A/S made payments in total of EUR 137 million to COSCO SHIPPING Heavy Industry Co., Ltd. in relation to these contracts.

# Management Review

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**Related Party Transactions**
Related party transactions over the reported period with Swire Group are now limited to crew hire expenses, management fees and costs related to performance guarantees.

On 8th July 2021, BW Group provided COSCO SHIPPING Heavy Industry Co. Ltd. with a guarantee in respect of the sums owed by Cadeler pursuant to the two X-class vessels.

**2021 Outlook**
In the 2020 Annual Report, Cadeler gave guidance that 2021 revenue would be between EUR 56 to 63 million while EBITDAR would be in the range EUR 26 to 33 million.

The revenue guidance has now been narrowed and is expected to be between EUR 59 to 63 million, which is due to clients calling more options within the contracts. EBITDAR guidance has also been narrowed and is now expected to be within the range of EUR 26 to 30 million due to higher crewing costs and a faster investment in headcount.

# Financial Highlights for the Group

# Financial Highlights for the Group

| Key figures | H1 2021 | H1 2020[1] | 2020[1] |
|---|---|---|---|
| EUR'000 | IFRS | IFRS | IFRS |
| Time charter hire revenue | 27,098 | 7,848 | 16,912 |
| Other revenue | 5,191 | 1,301 | 2,589 |
| Revenue (total) | 32,289 | 9,149 | 19,501 |
| EBITDAR[2] | 15,540 | -4,803 | -10,480 |
| Gross profit/(loss) | 13,220 | -14,294 | -26,258 |
| Operating profit/(loss) | 7,745 | -18,285 | -35,914 |
| Net financials | -2,824 | -1,971 | 8,881 |
| Profit/(loss) for the period | 4,926 | -20,256 | -27,032 |
| | | | |
| Total assets | 413,199 | 98,161 | 336,811 |
| Non-current asset | 256,871 | 85,403 | 253,270 |
| Total liabilities | 89,708 | 131,517 | 95,739 |
| Equity | 323,491 | -33,356 | 241,072 |
| | | | |
| Cash flow from operating activities | 17,356 | -4,062 | -9,597 |
| Cash flow from investing activities | -11,352 | -49 | -256,138 |
| Of which investment in property, plant and equipment | -11,352 | -49 | -256,138 |
| Cash flow from financing activities | 69,704 | 4,437 | 338,812 |
| Cash and cash equivalents | 139,344 | 1,569 | 63,636 |

[1] Up until the 25th September 2020, the consolidated figures only included numbers for the parent company, Cadeler A/S.

As of the 25th September 2020, the two subsidiaries, Wind Osprey and Wind Orca, were established. From this point in time, the consolidated figures comprised Cadeler A/S, Wind Osprey and Wind Orca.

[2] EBITDAR is earnings before interest, tax, depreciation, amortization, foreign exchange gains/losses and bareboat rent in the form of variable lease fee and right-of-use asset amortisation.

# Financial Highlights for the Group

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| EUR'000 | H1 2021 | H1 2020[1] | 2020[1] |
|---|---|---|---|
| **Financial ratios** | | | |
| Return on assets (%), annualised | 1.2% | -41.3% | -8.1% |
| Equity ratio (%) | 78.3% | -34.0% | 71.6% |
| Contracted days (no. of days) | 314 | 204 | 470 |
| Utilization (%) | 87% | 56% | 64% |
| Average day rate (EUR'000) | 86.3 | 38.6 | 35.9 |
| **Share related key figures** | | | |
| Earnings per share (EPS) | 0.04 | -26 | -1.04 |
| Diluted earnings per share (diluted EPS) | 0.04 | -26 | -1.04 |
| **Average number of employees** | **54** | **33** | **42** |

[1] Up until the 25th September 2020, the consolidated figures only included numbers for the parent company, Cadeler A/S.

As of the 25th September 2020, the two subsidiaries, Wind Osprey and Wind Orca, were established. From this point in time, the consolidated figures comprised Cadeler A/S, Wind Osprey and Wind Orca.

Financial ratios are calculated in accordance with the terms and definitions included in the 2020 consolidated financial statements.

# Interim Condensed Consolidated Financial Statements

# Interim Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income

| EUR'000 | Note | H1 2021 | H1 2020[1] | 2020 |
|---|---|---|---|---|
| Revenue | 3 | 32,289 | 9,149 | 19,501 |
| Cost of sales | | -19,069 | -23,443 | -45,759 |
| **Gross profit/(loss)** | | **13,220** | **-14,294** | **-26,258** |
| Administrative expenses | | -5,474 | -3,991 | -9,646 |
| **Operating profit/(loss)** | 10 | **7,745** | **-18,285** | **-35,914** |
| Finance income | | 960 | 297 | 16,811 |
| Finance costs | | -3,784 | -2,268 | -7,930 |
| **Profit /(loss) before income tax** | | **4,921** | **-20,256** | **-27,033** |
| Income tax expense | | 5 | - | 1 |
| **Profit/(loss) for the period** | | **4,926** | **-20,256** | **-27,032** |
| **Other comprehensive income** | | | | |
| Other comprehensive income/(loss) for the period, net of tax | | - | - | - |
| **Total comprehensive income/(loss) for the period, net of tax** | | **4,926** | **-20,256** | **-27,032** |

[1] Parent company IFRS figures included in the consolidated financial statements for comparative purposes.

# Interim Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income

*Continued from previous page*

| EUR'000 | Note | H1 2021 | H1 2020[1] | 2020 |
|---|---|---|---|---|
| *Profit/loss for the period attributable to:* | | | | |
| Equity holders of the parent | 4 | 4,926 | -20,256 | -27,032 |
| | | **4,926** | **-20,256** | **-27,032** |
| *Total comprehensive income attributable to:* | | | | |
| Equity holders of the parent | 4 | 4,926 | -20,256 | -27,032 |
| | | **4,926** | **-20,256** | **-27,032** |
| *Earnings per share* | | | | |
| Basic, profit/loss for the period attributable to ordinary equity holders of the parent (EUR per share) | 4 | **0.04** | **-25.97** | **-1.04** |
| Diluted, profit/loss for the period attributable to ordinary equity holders of the parent (EUR per share) | 4 | 0.04 | -25.97 | -1.04 |

[1] Parent company IFRS figures included in the consolidated financial statements for comparative purposes.

# Interim Condensed Consolidated Balance Sheet

| EUR'000 | Note | 30th June H1 2021 | 30th June H1 2020[1] | 31st December 2020 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 5 | 255,712 | 140 | 252,327 |
| Intangible assets | | 332 | | |
| Rights-of-use assets | | 603 | 85,053 | 740 |
| Leasehold deposits | | 224 | 210 | 203 |
| Deferred tax assets | | - | - | - |
| **Total non-current assets** | | **256,871** | **85,403** | **253,270** |
| | | | | |
| **Current assets** | | | | |
| Inventories | | 285 | 534 | 312 |
| Trade and other receivables | | 15,684 | 10,654 | 11,788 |
| Receivables from Swire group | 9 | 0 | - | 7,463 |
| Other current assets | | 865 | - | 190 |
| Current income tax receivables | | 150 | - | 152 |
| Cash and bank balances | | 139,344 | 1,569 | 63,636 |
| **Total current assets** | | 156,328 | 12,758 | 83,541 |
| **Total assets** | | **413,199** | **98,161** | **336,811** |

[1] Parent company IFRS figures included in the consolidated financial statements for comparative purposes.

# Interim Condensed Consolidated Balance Sheet

*Continued from previous page*

| EUR'000 | Note | 30th June H1 2021 | 30th June H1 2020[1] | 31st December 2020 |
|---|---|---|---|---|
| **EQUITY** | | | | |
| Share capital | 6 | 18,641 | 104 | 15,557 |
| Share premium | | 340,160 | - | 265,742 |
| (Accumulated losses)/retained earnings | | -35,310 | -33,460 | -40,236 |
| **Total equity** | | **323,491** | **-33,356** | **241,063** |
| | | | | |
| **LIABILITIES** | | | | |
| **Non-current liabilities** | | | | |
| Lease liabilities | | 366 | 80,035 | 507 |
| Deferred charter hire income | 3 | - | 4,321 | 5,740 |
| Debt to credit institutes | | 54,372 | - | 63,867 |
| **Total non-current liabilities** | | **54,738** | **84,356** | **70,114** |

[1] Parent company IFRS figures included in the consolidated financial statements for comparative purposes.

| EUR'000 | Note | 30th June H1 2021 | 30th June H1 2020[1] | 31st December 2020 |
|---|---|---|---|---|
| **Current liabilities** | | | | |
| Trade and other payables | | 9,085 | 3,859 | 7,262 |
| Payables to Swire group | 9 | 1,665 | 25,166 | 5,384 |
| Deferred charter hire income | 3 | 9,487 | 679 | 3,070 |
| Lease liabilities | | 285 | 15,819 | 285 |
| Current income tax liabilities | | - | 1,637 | - |
| Debt to credit institutes | | 14,448 | - | 9,633 |
| **Total current liabilities** | | **34,970** | **47,160** | **25,634** |
| **Total liabilities** | | **89,708** | **131,517** | **95,739** |
| **Total equity and liabilities** | | **413,199** | **98,161** | **336,811** |

# Interim Condensed Consolidated Statement of Changes in Equity

| EUR'000 | Share capital | Share premium | (Accumulated losses) / retained earnings | Total |
|---|---|---|---|---|
| **2021** | | | | |
| Beginning of period | 15,557 | 265,742 | -40,236 | 241,063 |
| Profit for the period | - | - | 4,926 | 4,926 |
| Other comprehensive income for the period, net of tax | - | - | - | - |
| **Total comprehensive loss for the period** | **0** | **0** | **4,926** | **4,926** |
| Capital increase | 3,084 | 76,134 | - | 79,218 |
| Transaction costs in relation with capital increase | - | -2,102 | - | -2,102 |
| Share-based payments | - | 386 | - | 386 |
| **End of 30th June 2021** | **18,641** | **340,161** | **-35,310** | **323,492** |
| **2020[1]** | | | | |
| Beginning of period | 104 | - | -13,204 | -13,100 |
| Loss for the period | - | - | -20,256 | 20,256 |
| Other comprehensive income for the period, net of tax | - | - | - | - |
| **Total comprehensive loss for the period** | **-** | **-** | **-20,256** | **-20,256** |
| **End of 30th June 2021** | **104** | **-** | **-33,460** | **-33,356** |

[1] Parent company IFRS figures included in the consolidated financial statements for comparative purposes.

# Interim Condensed Consolidated Statement of Cash Flows

| EUR'000 | H1 2021 | H1 2020[1] | 2020 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Profit/(loss) for the period | 4,926 | -20,256 | -27,032 |
| | | | |
| **Adjustments for:** | | | |
| Depreciation and amortization | 7,772 | 7,799 | 15,482 |
| Gain on derecognition of lease assets and liabilities | 0 | - | -7,703 |
| Interest expenses | 2,590 | 2,267 | 1,131 |
| Income tax expense | 0 | - | -1 |
| Share-based payment expenses | 386 | - | 156 |
| | **15,674** | **-10,189** | **-17,967** |
| **Changes in working capital:** | | | |
| Inventories | 27 | -273 | -51 |
| Trade and other receivables | -4,592 | 5,859 | 4,541 |
| Trade and other payables | 1,821 | 501 | 3,893 |
| Receivables from Swire group entities | 7,463 | - | -7,463 |
| Payables to Swire group entities | -3,717 | - | 5,384 |
| Deferred revenue | 677 | 41 | 3,851 |
| **Net change in working capital** | **1,679** | **6,128** | **10,155** |
| Income tax paid | 3 | - | -1,785 |
| **Net cash provided by operating activities** | **17,356** | **-4,062** | **-9,597** |

[1] Parent company IFRS figures included in the consolidated financial statements for comparative purposes.

# Interim Condensed Consolidated Statement of Cash Flows

*Continued from previous page*

| EUR'000 | H1 2021 | H1 2020[1] | 2020 |
|---|---|---|---|
| **Cash flow from investing activities** | | | |
| Additions to property, plant and equipment | -11,352 | -49 | -256,138 |
| **Net cash (used in)/provided by investing activities** | **-11,352** | **-49** | **-256,138** |
| **Cash flow from financing activities** | | | |
| Principal repayment of lease liabilities | -141 | -7,620 | -11,226 |
| Interest paid | -2,270 | -2,264 | -4,136 |
| Payables to Swire group entities | 0 | 14,320 | -10,846 |
| Proceeds from issue of share capital | 79,217 | - | 284,381[2] |
| Transaction costs on issues of shares | -2,102 | - | -3,342 |
| Proceeds from borrowing | 0 | - | 73,287 |
| Repayment of loan | -5,000 | - | - |
| **Net cash used in financing activities** | **69,704** | **4,437** | **338,812** |
| **Net increase/(decrease) in cash and cash equivalents** | **75,708** | **326** | **62,393** |
| Cash and cash equivalents at beginning of the period | 63,636 | 1,243 | 1,243 |
| **Cash and cash equivalents at end of the period** | **139,344** | **1,569** | **63,636** |

[1] Parent company IFRS figures included in the consolidated financial statements for comparative purposes.

[2] Proceeds from capital increase consists of receivables from group enterprises. These receivables were used to purchase the vessels and are therefore considered cash equivalent.

# Notes to the Interim Condensed Consolidated Financial Statements

Note 1

# General Information

**Corporate Information**
Cadeler A/S is incorporated and domiciled in Denmark with a sales office in Taiwan. The addresses of its registered offices are:

Headquarters: Arne Jacobsens Allé 7, 7th Floor, DK-2300 Copenhagen S, Denmark.

Office: Enghavevej 9D, 1st Floor, Right - DK-7100 Vejle

Sales office: 12th Floor, No. 129, Minsheng E. Rd, Section 3
Songshan District, Taipei City Taiwan

The Group is a leading offshore wind farm T&I contractor operating two offshore jack-up windfarm installation vessels, Wind Orca and Wind Osprey. In addition to wind farm installation, these vessels can perform maintenance, construction, decommissioning, and other tasks within the offshore industry.

The interim condensed consolidated financial Statements of the Group is composed of the Financial Statements of the company Cadeler A/S and its subsidiaries (which are fully owned by the parent company Cadeler A/S).

The subsidiaries of Cadeler A/S are the two companies owning the wind farm installation vessels, Wind Orca Ltd. and Wind Osprey Ltd.

Note 2

# Significant Accounting Policies

**2.1 Basis for Preparation**
The interim condensed consolidated financial statements for the six months ended 30th June 2021 are prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU ("IFRS") as well as additional Danish disclosure requirements applying to listed companies.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as of 31st December 2020.

The interim condensed consolidated financial statements are presented in euros and all values are rounded to the nearest thousand (EUR'000), except when otherwise indicated. The Group applies EUR as its functional currency.

The accounting policies, judgements and estimates are consistent with those applied in the annual report for 2020.

**Comparative Figures**
2020 is the first year of preparing consolidated IFRS financial statements as the Group was established in 2020 in connection with the establishment of the two subsidiaries Wind Orca and Wind Osprey.

Comparative figures reflects the IFRS financial statements for the parent company, Cadeler A/S. The activities between the two years are unchanged, hence the numbers are comparable.

**Going Concern Assessment**
In connection with the preparation of the financial statements, the Board of Directors, the Audit Committee, and the Executive Board have assessed whether it is well-founded that the going concern assumption is used as a basis.
The Board of Directors, the Audit Committee and the Executive Board have concluded that at the time of the presentation of the accounts, there are no factors that give rise to uncertainties as to whether the Group and the company can and will continue operations for at least 12 months after the balance sheet date.

## 2.2 Changes in Accounting Policies and Disclosures

The Group has adopted standards and interpretations effective as of 1st January 2021. The Group has not early adopted any other standard, interpretation or amendments that have been issued but are not yet effective.

**Adoption of New or Amended IFRSs**
The Group has implemented the amendments and interpretations to existing standards, which came into effect on 1st January 2021.

None of these interpretations or amendments have had any effect on the accounting policies for recognition and measurement applied by the Group.

For a complete description of accounting policies, see the notes to the financial statements for 2020.

## 2.3 Significant Accounting Judgements, Estimates and Assumptions

The accounting estimates and judgements, which Management deems to be significant to the preparation of the interim financial statements, are unchanged from year-end 2020:

- Property, plant and equipment
- Leases – Estimating the incremental borrowing rate and lease term
- Impairment of non-financial assets

The accounting judgements and significant estimates are consistent with those set out in notes 2.21 to the consolidated financial statements for 2020, to which reference is made.

COVID-19 has not had any specific impact on these.

Note 3

# Revenue

### Disaggregation of Revenue From Contracts With Customers

| EUR'000 | H1 2021 | H1 2020 | 2020 |
|---|---|---|---|
| **Revenue from contracts with customers** | | | |
| Time charter hire | 27,098 | 7,848 | 16,912 |
| Catering and accommodation | 1,154 | 338 | 1,130 |
| Mobilisation | 165 | 300 | 400 |
| Sundry income | 3,872 | 663 | 1,059 |
| **Total revenue** | **32,289** | **9,149** | **19,501** |
| | | | |
| **Revenue from contracts with customers** | | | |
| Service component | 7,926 | 6,379 | 12,374 |
| Lease component | 20,491 | 2,107 | 6,068 |
| Sundry income | 3,872 | 663 | 1,059 |
| **Total revenue** | **32,289** | **9,149** | **19,501** |

The majority of revenues are recognized over-time. Mobilisation fee and sundry income might be recognised at a point in time depending on the contract.

Time charter hire services are contracts with customers where the Group utilizes its vessels, equipment and crew to deliver a service to the customer based on either a fixed day rate or milestone deliverables.

Despite the accounting treatment difference of a leasing component (use of the vessels) and a service component (vessel operation) of time charter contracts, these components are not treated or priced separately in the contracts, nor does the Group offer either of the services separately.

Time charter hire revenue derived from milestone-based time charters or contracts with a fixed price is deemed to be 100% service revenue as the risk is with the Group. The Group will have a higher concentration of milestone and fixed price contracts going forward.

Time charter hire revenue derived from day rate contracts is split into service and lease component. This split is determined by calculating service revenue as crewing costs for the contract at a 6% mark-up. The residual is deemed to be lease component.

Catering and accommodation income are derived from the provision of food and accommodation on the vessels and is deemed service revenue.

Mobilization are the fees earned for the movement of the vessel from one location to another in order to deliver a project, it is deemed to be lease component.

Sundry income derived from non-recurring items directly related to the execution of the projects and is deemed to be Sundry income.

By 2021 half year, revenue with two customers exceed 10% of total revenue. The revenue derived from these two customers was EUR 19 million and EUR 13 million respectively.

Customers are typically invoiced on a monthly basis, when the vessels are on contract. Payment terms with customers vary by contract and do not include a finance component.

**Operating Segments**
The Group's management are not operating or making decisions based on customers types, type of services or geographical segments. The Group operates two windfarm installations vessels, which are viewed as one segment and can operate in all geographical areas required for the specification of a specific windfarm project. Accordingly, the Group only has one operating segment.

**Deferred Charter Hire Income**
Revenue recognized in relation to deferred charter hire income

| EUR'000 | H1 2021 | H1 2020 | 2020 |
|---|---|---|---|
| **Revenue recognized in current period that was included in the contract liabilities balance at the beginning of the period** | | | |
| Time charter hire services | 1,665 | 0 | 4,959 |
| **Total liabilities at the beginning of the period** | **1,665** | **0** | **4,959** |

The contract liabilities relate to consideration received from customers for the unsatisfied performance obligation in the charter contracts. Revenue will be recognized when the related services are provided to the customers.

**Contract Backlog**
The Group has an order backlog amounting to EUR 278 million and represents the value of the outstanding performance obligations in current contracts and future contracts. This backlog includes lease component (use of vessels). Of this total backlog, EUR 31 million relates to performance obligations of contracts for the remaining of the year 2021.

Note 4

# Earnings per Share (EPS)

Basic EPS is calculating by dividing the result for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the result attributable to ordinary holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

| EUR'000 | H1 2021 | H1 2020 | 2020 |
|---|---|---|---|
| Result attributable to ordinary equity holders of the parent for basic earnings | 4,926 | -20,256 | -27,032 |
| Result attributable to ordinary equity holders of the parent adjusted for the effect of dilution | 4,926 | -20,256 | -27,032 |

| Thousands | H1 2021 | H1 2020 | 2020 |
|---|---|---|---|
| Weighted average number of ordinary shares for basic EPS[1] | 123,541 | 780 | 25,934 |
| Effect of dilution from shared based payments programme | 386 | - | 258 |
| Weighted average number of ordinary shares adjusted for the effect of dilution[1] | 123,927 | 780 | 26,192 |

[1] The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the year

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these Financial Statements.

Note 5

# Property Plant and Equipment

| EUR'000 | Vessels | Assets under Contruction | Dry Dock | Other fixtures and fittings | Total |
|---|---|---|---|---|---|
| **H1 2021 Cost** | | | | | |
| Beginning of period | 252,638 | 2,393 | 1,050 | 379 | **256,460** |
| Additions | 1,074 | 9,005 | 828 | 113 | **11,020** |
| End of period | 253,712 | 11,398 | 1,878 | 492 | **267,480** |
| **Accumulated depreciation** | | | | | |
| Beginning of period | 3,853 | 0 | 0 | 280 | **4,133** |
| Depreciation charge | 7,461 | 0 | 134 | 40 | **7,635** |
| End of period | 11,314 | 0 | 134 | 320 | **11,768** |
| **Net book value** | **242,398** | **11,398** | **1,744** | **172** | **255,712** |

Note 5

# Property Plant and Equipment

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| EUR'000 | Vessels | Assets under Construction | Dry Dock | Other fixtures and fittings | Total |
|---|---|---|---|---|---|
| **H1 2020 Cost** | | | | | |
| Beginning of period | | | | 323 | **323** |
| Additions | | | | 50 | **50** |
| Disposals | | | | - | **-** |
| End of period | | | | 373 | **373** |
| **Accumulated depreciation** | | | | | |
| Beginning of period | | | | 193 | **193** |
| Depreciation charge | | | | 39 | **39** |
| Disposals | | | | - | **-** |
| End of period | | | | 232 | **232** |
| **Net book value** | | | | **140** | **140** |

Additions during the first half of 2021 are mainly driven by the down payments of the new crane for Wind Orca (EUR 7 million).

**Impairment Test**

No event has occurred since the date of the evaluations disclosed in the annual report for 2020.
Therefore, Management has not performed an impairment test of the value of the vessels as of 30th June 2021.

Note 6

# Issued Share Capital

| | No. of shares '000 | H1 2020 EUR'000 |
|---|---|---|
| **Ordinary shares** | | |
| Beginning of period | 780 | 104 |
| **End of period** | **780** | **104** |

| | No. of shares '000 | H1 2021 EUR'000 |
|---|---|---|
| **Ordinary shares** | | |
| Beginning of period | 115,574 | 15,557 |
| Issued on April 2021 for capital increase | 23,000 | 3,084 |
| **End of period** | **138,574** | **18,641** |

As of the 1st of January 2021, the Group's issued and paid in share capital amounted to DKK 115,574 thousand, equal to EUR 15,557 thousand, consisting of 115,574,468 shares of DKK 1.

In April 2021, the authorized share capital was increased by DKK 23,000 thousand, equal to EUR 3,084 thousand, consisting of 23,000,000 shares of DKK 1.

Note 7

# Commitments and Pledges

Low value and short-term lease commitments.

The future minimum lease payables under non-cancellable low value and short-term leases contracted for at the balance sheet date but not recognized as liabilities, are as follows:

| EUR'000 | 30th June H1 2021 | H1 2020 |
|---|---|---|
| Not later than one year | 19 | 26 |
| Between one and five years | - | 6 |
| **Total** | **19** | **32** |

Low value and short-term leases relate to AV equipment, cars and coffee machines.

**Pledge of Fixed Assets**
The Debt Facility detailed in the note 7.21 of the consolidated financial statements for 2020, is secured by, inter alia, a first priority mortgage over the Wind Orca and Wind Osprey Vessels and a first priority assignment of the insurances and earnings of the Wind Orca and Wind Osprey Vessels.

**X-class Vessels**
On the 30th of June 2021 the company signed a contract with COSCO SHIPPING Heavy Industry Co. Ltd. to build two new X-class wind turbine installation vessels. The total sum of the contract for the new vessels is approximately EUR 548 million, i.e. USD 651 million, which will be due over the years from 2021 to 2025.
Of the total contract, USD 390 million will be paid in USD and EUR 220 million will be paid in EUR.

**Wind Osprey & Wind Orca New Crane Contract**
On the 17th of June 2021 the Company called the option of replacing the main crane on Wind Osprey by H1 2024. The called option is part of the contract signed on the 18th December 2020 with NOV to replace the crane on the vessel Wind Orca.

The total sum of the contract for replacement of both cranes is EUR 83 million, which will be due over the years from 2021 to 2024.

Note 8

# Financial Risk Management

**Financial Risk Factors**
The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The financial risk management of the Group is managed by the Management of Cadeler and overseen by the Board of Directors and Audit Committee. The fair value of the Group's financial assets and liabilities as of 30th June 2021 does not deviate materially to the carrying amounts as of 30th June 2021.

**Market Risk**
Currency risk
The Group's business is exposed to the Danish Kroner ("DKK"), Norwegian Kroner ("NOK") and United States Dollar ("USD") as certain operating expenses are denominated in these currencies.

The Company will manage the currency risk from payments in USD for the new X-Class vessels and evaluate on an ongoing basis how to mitigate the currency risk.

The private placement done in April 2021 resulted in cash inflow in NOK, and the cash balances as of 30th June 2021 included material NOK cash holdings, which was not hedged, since the payment terms of the new vessel contract were not agreed at the time.

If the NOK:EUR exchange rate deteriorated by 1% the result before tax would have decreased by EUR 762 thousand based on the NOK cash holdings as at 30th June 2021.

The Group also holds cash balances in USD. If the USD:EUR exchange rate deteriorated by 1% the result before tax would have decreased by EUR 468 thousand based on the USD cash holdings as of 30th June 2021.

As the EUR is pegged to DKK, no material currency risk has been identified against the DKK even though the Company has costs denominated in DKK.

**Liquidity Risk**
The Group manages liquidity risk by maintaining sufficient cash and available funding through committed credit facilities to enable it to meet its operational requirements and initial payments for the new X-Class vessels recently signed.

Further financing will be required from 2023 in connection to milestone payments for the new X-Class vessels. The Company is currently exploring numerous options for securing funds to fulfil the contract.

The remaining risk factors are consistent with those set out in note 21 of the consolidated financial statements for 2020.

Note 9

# Related Party Transactions

The following significant transactions took place between the Company and related parties within the Swire Pacific Offshore Holdings Group at terms agreed between the parties:

| EUR'000 | H1 2021 | H1 2020 | 2020 |
|---|---|---|---|
| Bareboat rental payments to the Swire Pacific Offshore Holdings Group | **-** | -7,622 | -14,155 |
| Variable bareboat rental expenses paid to the Swire Pacific Offshore Holdings Group | **-** | -5,683 | -9,952 |
| Crew hire expenses paid to the Swire Pacific Offshore Holdings Group | **-6,105** | -5,698 | -11,287 |
| Management fees paid to the Swire Pacific Offshore Holdings Group | **-130** | - | -947 |
| Interest to the Swire Pacific Offshore Holdings Group | **-** | - | -789 |
| Costs related to performance guarantees to the Swire Pacific Offshore Holdings Group | **-469** | - | - |
| Receivables from the Swire Pacific Offshore Holdings Group at reported period | **-** | - | 7,463 |
| Payables to the Swire Pacific Offshore Holdings Group at reported period | **1,665** | 25,166 | 5,384 |

Related party transactions over the reported period are limited to Crew hire expenses, Management fees and costs related to performance guarantees issued by the Swire Pacific Offshore Holdings Group on behalf of Cadeler A/S; lower amounts against the same period in 2020 are driven by the acquisition of Wind Orca and Wind Osprey on September 2020 as disclosed in the annual report for 2020.

Note 10

# Operating Profit/(Loss)

As a performance measure, the Company uses EBITDAR as it provides an estimate of the EBITDA that would be derived, if the Company directly owned its vessels instead of leasing them from a related party.

EBITDAR is Earnings Before Interest, Tax, Depreciation, Amortization, foreign exchange gains/losses and bareboat Rent in the form of variable lease fee (and right-of-use asset amortization).

EBITDAR is calculated as shown below:

| EUR'000 | H1 2021 | H1 2020 | 2020 |
|---|---|---|---|
| Operating profit or loss as reported in the statement of profit | 7,745 | -18,285 | -35,914 |
| Right-of-use asset amortization | 137 | 7,760 | 11,542 |
| Depreciation and amortization | 7,657 | 39 | 3,940 |
| Bareboat charter hire (variable on hire lease fee) | - | 5,683 | 9,952 |
| **EBITDAR** | **15,540** | **-4,803** | **-10,480** |

Note 11

# Events After Reporting Period

In July and August 2021 Cadeler A/S made down payments in total of EUR 137 million to COSCO SHIPPING Heavy Industry Co. Ltd. in relation to the two X Class Vessels.

On 8th July 2021 BW Group provided COSCO SHIPPING Heavy Industry Co. Ltd. with a guarantee in respect of the sums owed by Cadeler pursuant to the two X Class Vessels. Cadeler will pay BW Group an arm's length fee in relation to these guarantees.

# Statement by Management

# Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the interim condensed consolidated financial statements of Cadeler A/S for the period 1st January to 30th June 2021.

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the interim condensed consolidated financial statements give a true and fair view of the financial position of the Group at 30th June 2021 and of the results of its operations and cash flows for the period 1st January to 30th June 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's activities and financial matters, results for the period and financial position as well as a description of material risks and uncertainties that the Group faces.

*Copenhagen, 24th August 2021*

**Executive Management**

M. Gleerup
CEO

M. Konrad
CFO

**Board of Directors**

A. Sohmen-Pao
J. Lok
C. Hedegaard
D. Wedell-Wedellsborg
R. Shearer
A. Beroutsos

# Independent Auditor's Report

# Independent Auditor's Review Report on the Interim Condensed Consolidated Financial Statements

**To the Shareholders of Cadeler A/S**

We have reviewed the condensed interim consolidated financial statements of Cadeler A/S for the period 1st January – 30th June 2021, which comprise a condensed consolidated income statement, balance sheet, statement of changes in equity, cash flow statement and selected explanatory notes. The condensed interim consolidated financial statements are prepared in accordance with IAS 34 *Interim Financial Reporting*, as adopted by the EU, and additional requirements of the Danish Financial Statements Act.

**Management's Responsibilities for the Condensed Interim Consolidated Financial Statements**

Management is responsible for the preparation of the condensed interim consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting*, as adopted by the EU, and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of condensed interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibilities**

Our responsibility is to express a conclusion on the condensed interim consolidated financial statements. We conducted our review in accordance with the International Standard on Review of Interim Financial Information Performed by the Independent Auditor of the Entity and additional requirements applicable in Denmark.

This requires us to conclude whether anything has come to our attention that causes us to believe that the condensed interim consolidated financial statements, taken as a whole, are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*, as adopted by the EU, and additional requirements of the Danish Financial Statements Act. This standard also requires us to comply with ethical requirements.

A review of the condensed interim consolidated financial statements in accordance with the International Standard on Review of Interim Financial Information Performed by the Independent Auditor of the Entity is a limited assurance engagement. The auditor performs procedures primarily consisting of making enquiries of Management and others within the company, as appropriate, applying analytical procedures and evaluate the evidence obtained.

The procedures performed in a review are substantially less that those performed in an audit conducted in accordance with the International Standards on Auditing. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that these condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*, as adopted by the EU, and additional requirements of the Danish Financial Statements Act.

Copenhagen, 24th August 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Mikkel Sthyr
State Authorised
Public Accountant
mne26693

# Forward-Looking Statements

# Forward-Looking Statements

The annual report contains certain forward-looking statements relating to the business, financial performance and results of the company and/or the industry in which it operates.

Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes”, "expects”, "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions.
The forward-looking statements contained in the annual report, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. Such factors may for example include a change in the price of raw materials.

None of the Company or any of its parent or subsidiaries undertakings or any such person's officers or employees provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in the annual report or the actual occurrence of the forecasted developments.

The Company assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to its actual results.

The annual report contains information obtained from third parties. You are advised that such third-party information has not been prepared specifically for inclusion in the annual report and the Company has not undertaken any independent investigation to confirm the accuracy or completeness of such information.

Several other factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by statements and information in the annual report.

Should any risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the annual report.

No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, neither the Company nor any of its subsidiaries or shareholders or any officers, directors, board members or employees accept any liability whatsoever arising directly or indirectly from the use of the annual report.

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