PROSPECTUS

CADELER

CADELER A/S

(a public limited liability company incorporated under the laws of Denmark)

Initial Public Offering of up to 78,551,728 Shares

Indicative Price Range: From NOK 23.50 to NOK 24.70 per Share

---

The information contained in this prospectus (the "**Prospectus**") relates to (i) listing and admission to trading of common shares, each with a nominal value of DKK 1 (the "**Shares**") in Cadeler A/S ("**Company**", and taken together with its consolidated subsidiaries, the "**Group**") on Oslo Børs or alternatively Oslo Axess (expected to be renamed Euronext Growth)(collectively, the "**Oslo Stock Exchange**")(the "**Listing**") and (ii) the initial public offering (the "**Offering**") of up to 39,031,915 Shares (assuming an Offer Price at the low-end of the Indicative Price Range) to be issued by the Company (the "**New Shares**") to raise gross proceeds in the amount of approximately NOK 917,250,000 (equivalent of approx. USD 100 million) and between 20,424,595 and 29,273,936 existing Shares (the "**Sale Shares**") offered by Swire Pacific Offshore Operations Pte Ltd (the "**Selling Shareholder**" or the "**Parent**"). Unless the context indicates otherwise, the New Shares, the Sale Shares and any Additional Shares (as defined below) are herein referred to as the "**Offer Shares**".

The Offering comprises (a) a private placement to (i) institutional and professional investors in Norway, (ii) institutional investors outside of Norway and the United States of America (the "**US**" or the "**United States**"), subject to applicable exemptions from applicable local prospectus or other filing requirements, and (iii) investors in the United States who are reasonably believed to be "qualified institutional buyers" ("**QIBs**") as defined in, and in reliance on, Rule 144A ("**Rule 144A**") under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") (the "**Institutional Offering**"), and (b) a retail offering to the public in Norway (the "**Retail Offering**"). All offers and sales of Offer Shares in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in reliance on Regulation S ("**Regulation S**") under the U.S. Securities Act.

Investing in the Offer Shares involves a high degree of risk. Prospective investors should read the entire Prospectus and in particular consider Section 2 "Risk Factors" beginning on page 14 before investing in the Offer Shares and the Company. The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and are being offered and sold: (i) in the United States only to persons who are reasonably believed to be QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States pursuant to Regulation S. Prospective purchasers are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A thereunder. The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. See Section 19 "Selling and Transfer Restrictions".

The price at which the Offer Shares are expected to be sold (the "**Offer Price**") is expected to be between NOK 23.50 and NOK 24.70 per Offer Share. This price range (the "**Indicative Price Range**") is indicative only and the final Offer Price may be set within, below or above the Indicative Price Range. The Offer Price will be determined through a bookbuilding process in connection with the Institutional Offering, and will be set by the Company and the Selling Shareholder in consultation with the Joint Bookrunners (as defined below). See Section 18 "The Terms of the Offering" for further information on how the Offer Price will be set. The offer period for the Institutional Offering (the "**Bookbuilding Period**") will commence at 9:00 a.m. (Central European Time, "**CET**") on 17 November 2020 and expire at 14:00 p.m. CET on 25 November 2020, and the application period for the Retail Offering (the "**Application Period**") will commence at 9:00 a.m. CET on 17 November 2020 and expire at 12:00 noon CET on 25 November 2020, in each case subject to shortening or extension. The Company expects to announce the Offer Price and the number of Offer Shares sold and issued under the Offering through the information system of the Oslo Stock Exchange on or before 22:00 p.m. CET on 25 November 2020. The Company has received commitments from the following Cornerstone Investors that have, subject to certain terms and conditions, committed to purchase, and be allocated, Offer Shares at the Offer Price up to the high-end of the Indicative Price Range; BW Wind Services, Handelsbanken Fonder, DNB Asset Management, Nordea Investment Management and Fjärde AP-fonden, for USD 33 million, NOK 130 million, NOK 110 million, NOK 50 million and NOK 50 million, respectively, equal to a total amount of approx. NOK 643m (subject to USD vs NOK currency adjustments). See Section 18.1 for further information.

As a part of the Offering, the Company and the Selling Shareholder are expected to grant the Joint Bookrunners with a right to over-allot (the "**Over-allotment Facility**") a number of Shares amounting to a maximum of 15% of the aggregate number of New Shares and Sale Shares allocated in the Offering (the "**Additional Shares**"). In order to facilitate delivery in respect of any such over-allotments made, the Selling Shareholder is expected to grant the Joint Bookrunners a right to borrow a corresponding number of Shares (the "**Lending Option**"). If the Over-allotment Facility is utilised in full, the number of Offer Shares issued in the Offering may amount to a maximum of 78,551,728 Offer Shares (assuming an Offer Price at low-end of the Indicative Price Range). In order to facilitate for settlement of any borrowed Shares under the Lending Option, the Selling Shareholder is expected to grant the Joint Bookrunners a right to purchase, at the Offer Price, a number of Shares amounting up to the number of Additional Shares placed, within a 30-day period from commencement of trading in the Shares on the Oslo Stock Exchange (the "**Over-allotment Option**"). DNB Markets, a part of DNB Bank ASA, on behalf of the Joint Bookrunners, is expected to act as stabilisation manager (the "**Stabilisation Manager**"). A stock exchange notice will be published on the first day of trading in the Shares if the Joint Bookrunners over-allot shares in connection with the Offering, which notice will also state that stabilisation activities may occur.

This is an initial public offering and there was no regulated public trading market for the Shares prior to the Offering. The Company will on or about 17 November 2020 apply for the Shares to be admitted to trading and listing on the Oslo Stock Exchange, and completion of the Offering is subject to the approval of the listing application by the board of directors or listing committee of the Oslo Stock Exchange and the satisfaction of the conditions for admission to listing set by the Oslo Stock Exchange for listing on Oslo Børs, or alternatively Oslo Axess (expected to be renamed Euronext Growth).

All of the Shares (including the Offer Shares issued as part of the Offering) will be registered with the Norwegian Central Securities Depository (Nw. Verdipapirsentralen) (the "**VPS**") in book-entry form. All the Shares will rank in parity with one another and carry one vote per Share. It is expected that the payment date for allocated Offer Shares will be 27 November 2020 for the Retail Offering and 30 November 2020 for the Institutional Offering, and that the Offer Shares paid for will be delivered on 30 November 2020 for the Institutional Offering ("delivery vs payment", "**DVP**") and 30 November 2020 for the Retail Offering. Trading in the Shares on the Oslo Stock Exchange is expected to commence on 27 November 2020, under the trading symbol "CADLR". The Company retains the right to cancel or withdraw the Offering for any reason and at any time prior to completion, resulting in all applications for Offer Shares being disregarded any allocations made being deemed not to have been made and any payments made will be returned without any interest or other compensation. All dealings in the Offer Shares prior to settlement and delivery are at the sole risk of the parties concerned.

Except where the context otherwise requires, references in this Prospectus to the Shares refer to all issued and outstanding ordinary shares of the Company and will be deemed to include the Offer Shares. For the definitions of capitalised terms used throughout this Prospectus, see Section 22 "Definitions". **Investing in the Shares involves risks; see Section 2 "Risk Factors" beginning on page 14.**

Joint Bookrunners:

DNB Markets, a part of DNB Bank ASA **SpareBank 1 Markets AS**

The date of this Prospectus is 16 November 2020.

IMPORTANT INFORMATION

This Prospectus has been prepared in order to provide information about the Company and its business in relation to the Offering and Listing and to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (as amended from time to time, the "**Norwegian Securities Trading Act**") and Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2014/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language.

The Company has engaged DNB Markets, a part of DNB Bank ASA, ("**DNB Markets**") and SpareBank 1 Markets AS ("**SpareBank 1 Markets**"), to act as joint global coordinators and joint bookrunners (collectively, the "**Joint Global Coordinators**", the "**Joint Bookrunners**" or the "**Managers**").

The Managers are acting exclusively for the Company and no one else in connection with the Offering or the matters referred to in this document, will not regard any other person (whether or not a recipient of this document) as their client in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Offering or any transaction or arrangement referred to in this document.

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment of the Offer Shares between the time when this Prospectus is approved by the Norwegian FSA (as defined below) and the date of listing of the Shares on the Oslo Stock Exchange, will be included in a supplement to this Prospectus. Neither the publication nor the distribution of this Prospectus, nor any sale of Offer Shares made hereunder, shall under any circumstances create any implication that there has been no change in the Company's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

No person is authorised to give any information or to make any representation concerning the Group or in connection with the Offering or the sale of the Offer Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or any of the Managers or by any of the affiliates, representatives, advisors or selling agents of any of the foregoing.

In making an investment decision, each investor must rely on his or her own examination, and analysis of, and enquiry into the Group and the terms of the Offering, including the merits and risks involved. None of the Company or the Managers, or any of their respective affiliates, representatives or advisers, is making any representation to any offeree, subscriber or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree, subscriber or purchaser under the laws applicable to such offeree, subscriber or purchaser. Each investor should consult with its own advisors as to the legal, tax, business, financial and other aspects of a subscription or purchase of the Offer Shares.

The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any of, the Offer Shares in any jurisdiction in which such offer, subscription or sale would be unlawful. No one has taken any action that would permit a public offering of Shares to occur outside of Norway. Accordingly, neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company and the Managers require persons in possession of this Prospectus to inform themselves about and to observe any such restrictions.

The Offer Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of relevant jurisdictions. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. For further information on the manner of distribution of the Offer Shares and the selling and transfer restrictions to which they are subject, see Section 19 "*Selling and Transfer Restrictions*".

This Prospectus and the terms and conditions of the Offering as set out herein and any sale and purchase of Offer Shares hereunder shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offering or this Prospectus.

The prospective investors acknowledge that: (i) they have not relied on the Managers or any person affiliated with the Managers in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (ii) they have relied only on information contained in this Prospectus, and (iii) that no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries or the Offer Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or the Managers.

All Sections of the Prospectus should be read in context with the information included in Section 4 “General Information”.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process, which has determined that the Offer Shares are: (i) compatible with an end target market of (a) retail investors in Norway, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares.

NOTICE TO INVESTORS IN THE UNITED STATES

THE OFFER SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE OFFER SHARES ARE BEING OFFERED AND SOLD: (i) IN THE UNITED STATES ONLY TO QIBS IN RELIANCE UPON RULE 144A OR ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT; AND (ii) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S. FOR CERTAIN RESTRICTIONS ON THE SALE AND TRANSFER OF THE OFFER SHARES, SEE SECTION 19 “SELLING AND TRANSFER RESTRICTIONS”.

THE OFFER SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION. SUCH AUTHORITIES HAVE NOT PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE UNDER THE LAWS OF THE UNITED STATES. THIS PROSPECTUS IS NOT FOR GENERAL DISTRIBUTION IN THE UNITED STATES. FOR CERTAIN SELLING AND TRANSFER RESTRICTIONS SEE SECTION 19 “SELLING AND TRANSFER RESTRICTIONS”.

Prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares, and are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A thereunder. See Section 19 “Selling and Transfer Restrictions”.

In the United States, this Prospectus is being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the particular securities described herein. The information contained in this Prospectus has been provided by the Company and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Joint Bookrunners or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of the Company, is prohibited. Any reproduction or distribution of this Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Offer Shares or subscribe for or otherwise acquire any Shares.

NOTICE TO UNITED KINGDOM INVESTORS

This communication is only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the "**UK**") or (ii) persons in the UK who are qualified investors as defined in the EU Prospectus Regulation that are also: (a) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (b) high net worth companies or other persons falling within Article 49(2)(a) to (d) of the Order; or (c) otherwise persons to whom it may lawfully be directed (all such persons together being referred to as **"relevant persons"**). In the UK, the Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Offer Shares will be engaged in only with, relevant persons. Any person in the UK who is not a relevant person should not act or rely on this Prospectus or any of its contents.

NOTICE TO INVESTORS IN THE EEA

In any member state of the European Economic Area (the "**EEA**"), other than Norway (each a "**Relevant Member State**"), this communication is only addressed to and is only directed at persons who are "qualified investors" within the meaning of Article 2(e) of the EU Prospectus Regulation. The Prospectus has been prepared on the basis that all offers of Offer Shares outside Norway will be made pursuant to an exemption under the EU Prospectus Regulation from the requirement to produce a prospectus for offer of shares. Accordingly, any person making or intending to make any offer of Offer Shares which is the subject of the Offering contemplated in this Prospectus within any Relevant Member State should only do so in circumstances in which no obligation arises for the Company or any of the Managers to publish a prospectus or pursuant to Article 1 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation, in each case, in relation to such offer. Neither the Company, the Selling Shareholder nor the Managers have authorized, nor do they authorize, the making of any offer of Shares through any financial intermediary, other than offers made by Managers which constitute the final placement of Offer Shares contemplated in this Prospectus.

Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway, who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company that:

(a) it is a "qualified investor" within the meaning of Article 2(e) of the EU Prospectus Regulation; and

(b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) such Offer Shares acquired by it in the Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where such Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

The Company, the Selling Shareholder and the Joint Bookrunners and their affiliates and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor, and who has notified the Joint Global Coordinators of such fact in writing, may, with the consent of the Joint Global Coordinators, be permitted to subscribe for or purchase Shares in the Offering.

See Section 19 "Selling and Transfer Restrictions" for certain other notices to investors.

STABILISATION

In connection with the Offering, DNB Markets as the Stabilisation Manager, or its agents, on behalf of the Managers, may (but has no obligation to), upon exercise of the Lending Option, engage in transactions that stabilise, maintain or otherwise affect the price of the Shares for up to 30 days from the commencement of trading and the Listing of the Shares on the Oslo Stock Exchange. Specifically, the Stabilisation Manager may effect transactions with a view to supporting the market price of the Shares at a level higher than that which might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. The Stabilisation Manager and its agents are not required to engage in any of these activities and, as such, there is no assurance that these activities will be undertaken; if undertaken, the Stabilisation Manager or its agents may end any of these activities at any time and they must be brought to an end at the end of the 30-day period mentioned above. Save as required by law or regulation, the Stabilisation Manager does not intend to disclose the extent of any stabilisation transactions in conjunction with the Offering.

Any stabilisation activities will be conducted in accordance with Section 3-12 of the Norwegian Securities Trading Act and the EC Commission Regulation 2273/2003 regarding buy-back programmes and stabilisation of financial instruments as well as article 5(4) of the EU Market Abuse Regulation and chapter III of the supplemental rules set out in the Commission Delegated (EU) 2016/1052 of 8 March 2016 with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures.

ENFORCEMENT OF CIVIL LIABILITIES

Cadeler A/S is a public limited liability company incorporated under the laws of Denmark. As a result, the rights of holders of the Shares will be governed by Danish law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Danish law may differ from the rights of shareholders of companies incorporated in other jurisdictions. The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the executive management of the Company (the "**Management**" or "**Executive management**") are not residents of the United States. Virtually all of the Company's assets and the assets of the Board Members and members of Management are located outside the United States. As a result, it may be impossible or difficult for investors in the United States to effect service of process upon the Company or the Board Members and members of Management in the United States or to enforce against the Company or those persons judgments obtained in U.S. courts, whether predicated upon civil liability provisions of the federal securities laws or other laws of the United States.

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or the Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway.

Likewise, the United States and Denmark do not have a treaty providing for reciprocal recognition and enforcement of judgements, other than arbitration awards, in civil and commercial matters. Accordingly, a final judgement for the payment of money rendered by a United States court based on civil liability will not be directly enforceable in Denmark. However, if the party in whose favour such final judgement is rendered brings a new lawsuit in a competent court in Denmark, that party may submit to the Danish court the final judgement that has been rendered in the United States. A judgement by a federal or state court in the United States against the Company, the Principal Shareholder or any of the Company’s directors and officers will neither be recognized nor enforced by a Danish court, but such judgement may serve as evidence in a similar action in a Danish court.

Similar restrictions may apply in other jurisdictions.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, if at any time it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from reporting requirements pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, it will, upon request, furnish to each holder or beneficial owners of Shares, or any prospective purchaser designated by any such holder or beneficial owner, such information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act. The Company will also make available to each such holder or beneficial owner all notices of shareholders' meetings and other reports and communications that are made generally available to the Company's shareholders.

DATA PROTECTION

As data controllers, each of the Managers processes personal data to deliver the products and services that are agreed between the parties and for other purposes, such as to comply with laws and other regulations, including the General Data Protection Regulation (EU) 2016/679 (the "**GDPR**") and the Norwegian Data Protection Act of 15 June 2018 No. 38. The personal data will be processed as long as necessary for the purposes, and will subsequently be deleted unless there is a statutory duty to keep it. For detailed information on each Manager’s processing of personal data, please review such Manager’s privacy policy, which is available on its website or by contacting the relevant Manager. The privacy policy contains information about the rights in connection with the processing of personal data, such as the access to information, rectification, data portability, etc. If the applicant is a corporate customer, such customer shall forward the relevant Manager’s privacy policy to the individuals whose personal data it discloses to the Managers.

CONTENTS

Clause **Page**

1. SUMMARY

Introduction	
Warning........	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Relevant Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
The Securities	The Company has one class of Shares in issue, and all Shares in that class have equal rights in the Company. The Shares are issued under Danish law, and are registered in book-entry form with the Norwegian Central Securities Depository (*Nw. Verdipapirsentralen*) under ISIN DK0061412772, with DNB Bank ASA as its VPS registrar.
The Issuer	Cadeler A/S is registered with the Danish Business Authority with registration (CVR) number 31 18 05 03. The Company has its registered address at Arne Jacobsens Allé 7, 2300 Copenhagen, Denmark. The Company's main telephone number is (+45) 3246 3100 and the Group's website can be found at www.cadeler.com. The Company's LEI is 9845008439EUED140282.
The Offeror(s)	Swire Pacific Offshore Operations (Pte.) Ltd. (the "**Selling Shareholder**" or the "**Parent**") is the immediate parent of the Company and the Selling Shareholder of Sale Shares in the Offering. Swire Pacific Offshore Operations (Pte) Ltd has its registered address at 300 Beach Road #15-01, The Concourse Singapore 199555. The Selling Shareholder's main telephone number is +65 63093600, its registration number is 199804749H and its LEI is 549300O53AUJA04E4M86.
Competent Authority Approving the Prospectus	The Financial Supervisory Authority of Norway (Nw.: Finanstilsynet), with registration number 840 747 972 and registered address at Revierstredet 3, 0151 Oslo, Norway, and with telephone number +47 22 93 98 00 has reviewed and on 16 November 2020, approved this Prospectus following the Danish Financial Supervisory Authority's acceptance of transfer of the authority to approve the Prospectus to the Financial Supervisory Authority of Norway.
Key information on the Issuer	
Who is the Issuer of the Securities?	
Corporate Information ...	Cadeler A/S was incorporated under the laws of Denmark on 15 January 2008, as a public limited liability company (A/S) under the laws of Denmark. The Company's registration (CVR) number in the Danish Business Authority's Central Business Register (in Danish: Det Centrale Virksomhedsregister) is 31 18 05 03 and its LEI is 9845008439EUED140282. The Company's registered address is at Arne Jacobsens Allé 7, 2300 Copenhagen, Denmark, and the Company's main telephone number is (+45) 3246 3100. The Group's website can be found at www.cadeler.com.
Principal activities.......	It is the Company's view that the Group is a leading[1] offshore wind farm vessel contractor. The Group is headquartered in Copenhagen, Denmark and operates two offshore jack-up windfarm installation vessels, Pacific Orca and Pacific Osprey. In addition to wind farm installation, these vessels can perform maintenance and other tasks. The Group completed approximately 30 offshore projects from 2012 to 2020 and has a solid market position and contracts with blue-chip customers (including Siemens Gamesa Renewable Energy, MHI Vestas, DEME and Vattenfall).
Major Shareholders..	The Company is currently wholly-owned by the Selling Shareholder. Upon completion of the Offering, the Selling Shareholder's ownership in the Company is expected to be reduced to approximately 41.63% assuming that the Offer Price is set at the low-end of the Indicative Price Range, all the Sale Shares are sold in the Offering and that the Over-allotment Option is not exercised, and 32.88% if the Over-allotment Option is exercised in full with respect to the Selling Shareholder.
Key managing directors.......	The Company's key management comprises of the following members: **Name** — **Position** Mikkel Gleerup — CEO

[1] Company's view based on its track record compared to its peers. BNEF "New Vessels for Installing Turbines" 2019.

	Mark Konrad CFO
Statutory auditor.........	The Company's independent auditors are EY Godkendt Revisionspartnerselskab which have their registered address at Dirch Passers Allé 36, 2000 Frederiksberg, Denmark and are members of FSR - Danish Auditors (*FSR - danske revisorer*).
What is the Key Financial Information Regarding the Issuer?	
Selected Historical Key Financial Information ...	The table below sets out key figures derived from the Company's income statement for six months ended 30 June 2020 and 2019 (derived from the Interim Financial Statements (as defined herein)) and from the income statements for the years ended 31 December 2019, 2018 and 2017 (derived from the Financial Statements (as defined herein)).

EUR'000	**For the Six Months Ended 30 June**		**For the Year Ended 31 December**			
	2020 (IFRS) (unaudited)	**2019 (IFRS) (unaudited)**	**2019 (IFRS) (audited)***	**2018 (IFRS) (audited)***	**2018 (DGAAP) (unaudited)****	**2017 (DGAAP) (unaudited)****
Revenue	9,149	26,998	38,382	71,653	71,653	44,644
Operating profit (loss)	(18,285)	(87)	(13,645)	6,718	2,476	(7,819)
Profit (loss) after income tax and total comprehensive loss	(20,256)	(6,399)	(23,763)	(6,339)	916	(6,338)

** Figures are derived from the audited Financial Statements, but the figures included in the table are not audited as such. The 2019 Financial Statements were restated. The restatement relates to the recognition of EUR 3,500 thousand revenue in 2019. Refer to section 9.1 or note 25 of the 2019 Financial Statements for further details on the restatement.*

*** Audited DKK figures have been converted from DKK to EUR using a currency conversion ratio of 0.1334 DKK/EUR.*

The table below sets out the key figures for the Company's balance sheet information as of 30 June 2020 and 2019 (derived from the Interim Financial Statements) and the Company's balance sheet information as of 31 December 2019, 2018 and 2017 (derived from the Financial Statements).

EUR'000	**As of 30 June**		**As of 31 December**			
	2020 (IFRS) (unaudited)	**2019 (IFRS) (unaudited)**	**2019 (IFRS) (audited)***	**2018 (IFRS) (audited)***	**2018 (DGAAP) (unaudited)****	**2017 (DGAAP) (unaudited)****
Total assets	98,161	118,577	111,169	134,843	26,467	25,789
Total equity	(33,356)	4,264	(13,100)	10,663	17,917	17,002

** Figures are derived from the audited Financial Statements, but the figures included in the table are not audited as such. The 2019 Financial Statements were restated. The restatement relates to the recognition of EUR 3,500 thousand revenue in 2019. Refer to section 9.1 or note 25 of the 2019 Financial Statements for further details on the restatement.*

*** Audited DKK figures have been converted from DKK to EUR using a currency conversion ratio of 0.1334 DKK/EUR.*

The table below sets out the key figures for the Company's cash flow information for the six months ended 30 June 2020 and 2019 (derived from the Interim Financial Statements) and the Company's cash flow information for the years ended 31 December 2019, 2018 and 2017 (derived from the Financial Statements).

EUR'000	For the Six Months Ended 30 June		For the Year Ended 31 December			
	2020 (IFRS) (unaudited)	2019 (IFRS) (unaudited)	2019 (IFRS) (audited)*	2018 (IFRS) (audited)*	2018 (DGAAP) (unaudited)**	2017 (DGAAP) (unaudited)**
Cash flows from operating activities............................	(4,062)	6,822	(2,012)	12,151	(7,616)	(2,351)
Cash flow from investing activities............................	(49)	(28)	(64)	28	28	(22)
Net cash used in financing activities............................	4,437	(5,975)	2,922	(12,579)	7,188	3,168

** Figures are derived from the audited Financial Statements, but the figures included in the table are not audited as such. The 2019 Financial Statements were restated. The restatement relates to the recognition of EUR 3,500 thousand revenue in 2019. Refer to section 9.1 or note 25 of the 2019 Financial Statements for further details on the restatement.*

*** Unaudited DKK figures have been converted from DKK to EUR using a currency conversion ratio of 0.1334 DKK/EUR.*

<table>
<tr><td>Selected Key Pro Forma Financial Information...</td><td>The table below sets out key figures derived from the Company's unaudited pro forma statement of profit and loss and comprehensive income for 2019 (derived from the pro forma financial information).

<table>
<tr><th>EUR'000</th><th>2019 (pro forma) (unaudited)</th></tr>
<tr><td>Revenue ....</td><td>38,382</td></tr>
<tr><td>Operating profit (loss)..</td><td>(4,810)</td></tr>
<tr><td>Profit (loss) after income tax and total comprehensive loss ....</td><td>448</td></tr>
</table>
The table below sets out the key figures for the Company's pro forma balance sheet information as of 31 December 2019 (derived from the pro forma financial information).

<table>
<tr><th>EUR'000</th><th>2019 (pro forma) (unaudited)</th></tr>
<tr><td>Total assets ....</td><td>268,033</td></tr>
<tr><td>Total equity ....</td><td>197,434</td></tr>
</table></td></tr>
<tr><td>Profit Forecast or Estimate ...</td><td>The prospective financial information for the year ending 31 December 2020 has been prepared for the purpose of this Prospectus in accordance with the Company's ordinary forecasting and budgeting procedures and on a basis comparable to the historical financial information included elsewhere in this Prospectus. However, the prospective financial information is based on a large number of estimates made by the Company based on assumptions on future events, which are subject to numerous and significant uncertainties, for example, caused by business, economic and competitive risks and uncertainties, which could cause the Company's actual results to differ materially from the prospective financial information presented herein.

The financial performance for the Company for the year ending 31 December 2020 is expected to result in (i) revenue between EUR 19 to 24 million and (ii) EBITDAR between EUR -6 to -1 million.</td></tr>
<tr><td>Audit Report Qualification..</td><td>Not applicable.</td></tr>
</table>

What are the Key Risks That are Specific to the Issuer?	
Key Risks Specific to the Issuer	*Key risks related to the Issuer:* • The Company's fleet consists of two windfarm installation vessels, Pacific Orca and Pacific Osprey (together the "**Vessels**"). If any of the Vessels are taken out of operation, due to e.g. one of the risks described in this Prospectus materializing, this could materially impact the Group's business, prospects and financial results and condition, including its ability to be compliant with the financial covenants pursuant to its financing arrangements. • By only having the two Vessels in operation and thus only operating two revenue generating vessels, the Company is more exposed to hazardous conditions compared to those of its peers in the offshore wind industry that have more windfarm installation vessels and/or similar vessels in operation. • The Vessels may be subject to operational incidents and/or need for upgrades, following which the Vessels may be out of operation for a shorter or longer period of time. For example, Pacific Osprey had a crane accident in 2018 following which the Vessel was out of operation for more than a year. Also, Vessel upgrades are expected going forward. Periods without operations for one or more of the Vessels may have a material adverse effect on the business and financial results. • The Group's revenues are dependent on project contracts and vessel charters for the employment of the Vessels. • Upgrades, such as upgrading the cranes on Pacific Orca and Pacific Osprey, refurbishment and repair projects are subject to risks, including delays and cost overruns, which could have an adverse impact on the Group's available cash resources, results of operations and its ability to comply with financial covenants pursuant to its financing arrangements. • In the ordinary course of business, the Company seeks to enter into new contracts for the operation of the Vessels. From time to time, the Company has a contract backlog of existing customer contracts that imply revenues going forward – indicated herein as "firm" contracts and/or "options" for such contracts. Such contracts and options, and revenues derived therefrom, are based on various terms and conditions including cancellation events. Further, any exercise of options is exclusively at the discretion of the customer. In addition, such contracts and options could be subject to termination, amendments and/or delays resulting in revenues being more limited, occurring at different time periods or not occurring at all. Under the customer contracts, the Company may also become liable to the customers for liquidated damages if there are delays in delivering a Vessel or for delays that arise during the operation of the Vessels under the contracts. • As the Company only has two operational Vessels, the Group is more exposed to risks resulting from not expanding and renewing a fleet compared to those other companies in the offshore wind industry that have larger operational fleets. • If the Company proceeds to order new vessels, the ordering, construction, supervision and delivery of such vessels are subject to a number of risks, including the risk of cost overruns and delays, as well as risk of obtaining sufficient financing at attractive terms or at all. Further, if and when such vessels are delivered, the Company will be subject to market risk at such time including fulfilling conditions in any pre-committed customer contracts for such vessels (if such pre-commitments are in place). Further, failure to secure employment at satisfactory rates for such vessels could affect the Company's financial results and condition.
Key Information on the Securities	
What are the Main Features of the Securities?	
Type, Class of Securities Identification and ISIN Number........	All of the Shares are ordinary shares in the Company and have been issued under Danish law and registered with the Danish Business Authority. The existing Shares (including the Sale Shares) are, and the New Shares will be, registered in book-entry form with the Norwegian Central Securities Depository (*Nw. Verdipapirsentralen*) under ISIN DKK0061412772.
Currency, Number and Par Value of the Securities	As of the date of this Prospectus, the Company's nominal share capital is DKK 78,000,000, divided into 78,000,000 Shares, each having a nominal value of DKK 1. The shares are issued in DKK, but will be quoted and traded in NOK on the Oslo Stock Exchange.

Rights Attaching to the Securities	The Company has one class of Shares, and all Shares provide equal rights in the Company in respect of, inter alia, voting rights, pre-emption subscription rights, redemption, conversion and restrictions or limitations in accordance with Articles of Association of the Company or eligibility to receive dividends or proceeds in the event of dissolution and liquidation pursuant to Danish law. Each Share carries one vote. The holders of Shares have no pre-emptive rights in connection with transfer of existing Shares.
Restrictions on Transfer	The Shares are freely transferable. The Articles of Association do not provide for any restrictions, or a right of first refusal, on transfer of Shares. Share transfers are not subject to approval by the Board of Directors.
Dividend Policy	There can be no assurances that in any given period a dividend will be proposed or declared, or if proposed or declared, that the dividend will be as expected.
Where will the securities be traded?	
Admission to Trading	The Company is expected to, on or about 17 November 2020, apply for admission to trading of its Shares on Oslo Børs, or alternatively Oslo Axess (expected to be renamed Euronext Growth). The Company currently expects commencement of trading in the Shares on the Oslo Stock Exchange on or about 27 November 2020 under the trading symbol "CADLR", subject to completion of the Offering and fulfilling applicable listing conditions. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market or a multilateral trading facility (MTF).
What are the key risks that are specific to the securities?	
Key Risk Specific to the Securities	*Key risks related to the Shares*: • The price of the Shares may fluctuate significantly, which could cause investors to lose a significant part of their investment. • There can be no assurance that an active and liquid market for the Shares will develop and the price of the Shares may be volatile. • Future sales of Shares after the Offering may affect the market price of the Shares. • Future issuance of shares or other securities could dilute the holdings of existing shareholders and could materially affect the price of the Shares. • The Selling Shareholder, the Company's controlling shareholder, has significant voting power and the ability to influence matters requiring shareholder approval. • U.S. and other shareholders may not be able to exercise pre-emptive rights to participate in future rights offerings in the Company. • Investors are exposed to exchange rate risks, as the nominal value of the Shares is DKK while the Shares are expected to be traded on the Oslo Stock Exchange (through the facilities of the VPS) in NOK. • Investors may be unable to exercise their voting rights for Shares held in a nominee account. • The Company's ability to pay dividends in the future may be constrained.
Key information on the Offering and/or the admission to trading on a regulated market	
Under which conditions and timetable can I invest in this security?	
Terms and Conditions for the Offer.......	The Offering comprises up to 78,551,728 Offer Shares (assuming an Offer Price at the low-end of the Indicative Price Range), each with a par value of DKK 1, consisting of (i) issuance by the Company of up to 39,031,915 New Shares, (ii) sale of minimum 20,424,595 and maximum 29,273,936 Sale Shares and (iii) over-allotment and allocation of the maximum number of Additional Shares. All the Sale Shares are existing, validly issued and fully paid-up Shares, offered by the Selling Shareholder. The Offering comprises: (a) An Institutional Offering, in which Offer Shares are being offered to (i) institutional investors and professional investors in Norway, (ii) investors outside Norway and the United States subject to exemptions from local prospectus or other filing requirements, and (iii) in the United States, to QIBs as defined in Rule 144A under the U.S. Securities Act; in each case subject to a lower limit per application of an amount of NOK 2,500,000. (b) A Retail Offering, in which Offer Shares are being offered to the public in Norway subject to a lower limit per application of an amount of NOK 10,500, and an upper limit per application of an amount of NOK 2,499,999 for each investor. Investors who intend to place an order in excess

	of an amount of 2,499,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit and the discount. All offers and sales in the United States will be made only to QIBs in reliance on Rule 144a and outside the United Stated in reliance on Regulation S under the U.S. Securities Act. BW Wind Services Pte. Ltd ("**BW Wind Services**"), Handelsbanken Fonder, DNB Asset Management, Nordea Investment Management and Fjärde AP-fonden have, subject to certain terms and conditions, committed to purchase, and being allocated, Offer Shares at the Offer Price up to the high-end of the Indicative Price Range, for USD 33 million, NOK 130 million, NOK 110 million, NOK 50 million and NOK 50 million, respectively, equal to a total amount of approx. NOK 642.7 million (subject to USD vs NOK currency adjustments). In the agreement with BW Wind Services, a pre-money valuation of up to USD 230 million (i.e. equal to an Offer Price of approx. NOK 27.05, subject to USD vs NOK currency adjustments) has been set as the maximum Offer Price, and so that should the Offer Price be set at a higher level, BW shall nonetheless still be allocated Offer Shares for its cornerstone committed amount at a price per Offer Share at such maximum amount. The Selling Shareholder has entered into a MOU (as defined in Section 15.7) with BW Wind Services, as part of being a lead investor in the Offering, the Selling Shareholder has granted BW Wind Services certain rights of first refusal in the event of additional sale(s) of Shares by the Selling Shareholder, effective as of first day of Listing, and a letter of intent regarding BW Wind Services' intention to support the Company in future capital raises. The Bookbuilding Period for the Institutional Offering is expected to take place from 9:00 a.m. CET on 17 November 2020 to 14:00 p.m. CET on 25 November 2020. The Application Period for the Retail Offering will commence at 9:00 a.m. CET on 17 November 2020 and expire at 12:00 p.m. CET on 25 November 2020. The Company and the Selling Shareholder, in consultation with the Joint Lead Bookrunners, reserve the right to shorten or extend the Bookbuilding Period and/or the Application Period at any time on one or more occasions. The Company and the Selling Shareholder have, together with the Managers, set an Indicative Price Range for the Offering from NOK 23.50 to NOK 24.70 per Offer Share. The Offer Price will be determined on the basis of the bookbuilding process in the Institutional Offering, such bookbuilding process only to be conducted in connection with the Institutional Offering; as well as the number of applications received in the Retail Offering. The Indicative Price Range may be amended during the Bookbuilding Period. The number of Offer Shares to be sold and issued in the Offering will be determined on the basis of the bookbuilding process in the Institutional Offering and the number of applications received in the Retail Offering. The Managers expect to issue notifications of allocation of Offer Shares in the Institutional Offering on or about 26 November 2020. Payment by applicants in the Institutional Offering will take place against delivery of Offer Shares. Delivery and payment of the Offer Shares, either in the form of New Shares or Sale Shares, is expected to take place on or about 30 November] 2020. DNB Markets, acting as settlement agent for the Retail Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or about 26 November 2020. Payment due date for applicants in the Retail Offering is expected to be on or about 27 November 2020. Delivery of Offer Shares in the Retail Offering is expected to take place on or about 30 November 2020, subject to timely payment.
Dilution	Following completion of the Offering, the immediate dilution by the share capital increase pertaining to the issue if the New Shares for the Selling Shareholder is estimated to be approximately 33.35%, based on that the Company issues 39,031,915 New Shares (assuming an Offer Price at the low-end of the Indicative Price Range in the Offering, and excluding any ownership reduction in relation to sale of Sale Shares and any exercise of the Over-allotment Option).
Estimated Expenses.......	The expenses related to the Offering will be paid by the Company and the Selling Shareholder.
Who is the Offeror and/or the Person asking for admission to Trading?	
Brief description of the Offeror(s).	Both the Company and the Selling Shareholder are Offerors. The Company was incorporated under the laws of Denmark on 15 January 2008, with registration number 840 747 972 and LEI 9845008439EUED140282, as a public limited liability company under the Danish Companies Act. The Selling Shareholder was incorporated under the laws of Singapore on 30 September 1998, with registration number 199804749H and LEI 549300O53AUJA04E4M86, as a private company limited by shares under the Singapore Companies Act.

Why is this Prospectus being produced?	
Reasons for the Offering/ Admission to Trading.........	The Group believes that the Offering and the Listing will (i) enable access to equity capital markets to fund further growth; (ii) diversify the shareholder base; (iii) enhance the Company's profile with investors, business partners, vendors and customers; (iv) further improve the ability of the Company to attract and retain key management and employees; and (v) enable the Selling Shareholder to partially monetize its shareholding, and facilitating a liquid market for the Shares going forward.
Use of proceeds	The Company expects to receive gross proceeds from the Offering of approximately NOK 917,250,000 and intends to use such proceeds for the first down-payment on the purchase of a possible new vessel (currently expected to be around USD 60 million). The remaining proceeds, if any, will be used for working capital, general corporate purposes, repayment of any outstanding intercompany balances or to repay any amounts under the overdraft tranche of the Debt Facility (as defined herein).
Underwriting..	The Offering is not subject to an underwriting agreement.
Material and Conflicting Interests.......	The Managers or their affiliates have provided, and/or may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. Further, a portion of the commissions that are to be paid for the services of the Managers in respect of the Offering are calculated on the basis of the gross proceeds of the Offering. The Company will receive the proceeds of the New Shares, and the Selling Shareholder will receive the proceeds of the Sale Shares. The Selling Shareholder will receive any proceeds from the sale of any Shares if the Over-allotment Option is exercised. See Section 18.21 for further information, including bonus for Group management upon a successful Listing and Offering. Other than as set out above, the Company is not aware of any interest of any natural and legal persons involved in the Offering that is material to the Offering.

2. RISK FACTORS

An investment in the Shares involves inherent risks. An investor should consider carefully all information set forth in this Prospectus and, in particular, the specific risk factors set out below. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of the entire investment. If any of the risks described below materialise, individually or together with other circumstances, they may have a material adverse effect on the Group's business, financial condition, results of operations and cash flow, which may affect the ability of the Group to pay dividends and cause a decline in the value and trading price of the Shares that could result in a loss of all or part of any investment in the Shares. The risks and uncertainties described in this Section 2 are the material known risks and uncertainties faced by the Group as of the date hereof, and represent those risk factors that the Company believes to represent the most material risks for investors when making their investment decision in the Offer Shares. An investment in the Company is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 2 are presented in a limited number of categories, where each risk factor is sought to be placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative affect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor that they are based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Offer Shares. Additional factors of which the Company is currently unaware, or which it currently deems not to be risks, may also have corresponding negative effects.

2.1 Risks Relating to the Company and the Industry in which the Company Operates

The Company may only have a limited number of vessels and is vulnerable in the event of a loss of revenue of any such vessel(s)

The Company's fleet consists of two windfarm installation Vessels, *Pacific Orca* and *Pacific Osprey*. If any of the Vessels are taken out of operation, due to e.g. one of the risks described in this Prospectus materializing, this could materially impact the Group's business, prospects and financial results and condition, including its ability to be compliant with the financial covenants pursuant to its financing arrangements.

The Vessels may be subject to operational incidents and/or the need for upgrades, refurbishments and/or repairs following which the Vessels may be out of operation for a shorter or longer period of time. For example, Pacific Osprey had a crane accident in 2018 following which the Vessel was out of operation for more than a year. This was due in part to the incident and in part to the Company's decision to design and procure an upgraded crane boom. The incident resulted in a claim from the charterers of EUR 6.25 million, while the Company also lost an estimated revenue of approximately EUR 15 million as a result of the vessel being out of operation for more than a year. The majority of the physical damage was covered by insurance. However, the Vessel was required to be off-hire during the repair and upgrade process. With a fleet of only two vessels, an incident of this nature reduced the Company's earning potential by approximately 50%.

Also, Vessel upgrades are expected. Expenditures may be incurred when repairs or upgrades are required by law, in response to an inspection by a governmental authority, when damaged, or because of market or technological developments. These upgrades, such as upgrading the cranes on *Pacific Orca* and *Pacific Osprey* (as further described in Section 6.2), refurbishment and repair projects are subject to risks, including delays and cost overruns, which could have an adverse impact on the Group's available cash resources, results of operations and its ability to comply with e.g. financial covenants pursuant to its financing arrangements. Periods without operations for one or more of the Company's vessels may have a material adverse effect on the business and financial results.

If the Company does not acquire additional windfarm installation vessels or similar vessels in the future, the Company will have a limited asset base of only two Vessels, and any failure to maintain and/or perform secured contracts or failure to secure future employment at satisfactory rates for such Vessel(s) will affect its results significantly more than those of a company in the offshore wind industry with a larger fleet, and may thus have a material adverse effect on the earnings and the value of the Company.

The Company is exposed to hazards that are inherent to offshore operations

The Group is operating in the offshore industry and is thus subject to inherent hazards, such as breakdowns, technical problems, harsh weather conditions, environmental pollution, force majeure situations (nationwide strikes etc.), collisions and groundings. These hazards can cause personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by third parties or customers and suspension of operations. Windfarm installation vessels, including the Company's Vessels, will also be subject to hazards inherent in marine operations, either while on-site or during mobilization, such as capsizing, sinking, grounding, collision, damage from severe weather and marine life infestations. Operations may also be suspended because of machinery breakdowns, abnormal operating conditions, failure of subcontractors to perform or supply goods or services or personnel shortages.

The Company is covered by industry standard hull and machinery and P&I insurance. Standard P&I insurance for vessel owners provides limited cover for damage to project property during windfarm installation operations, as such damage is expected to be covered by the construction all risks insurance procured by the Company's customers. However, in recent years, the Company has seen more contracts imposing liability for property damage to contractors such as the Company. Such risks are difficult to adequately insure under standard P&I insurance for vessel owners. The Company has also considered obtaining insurance for loss-of-hire, but has evaluated and considered such insurance not to be commercially viable.

By only having the two Vessels *Pacific Orca* and *Pacific Osprey* in operation and thus only operating two revenue generating vessels, the Company may be more exposed to certain of the above-mentioned hazards compared to its peers with more diverse fleets and revenue bases.

The Group is dependent on the employment of the Vessels and the backlog of contracts may not materialize

The Group's income is dependent on project contracts and vessel charters for the employment of the Vessels. Typically, these contracts are concluded several years in advance. In the ordinary course of business, the Company seeks to enter into new contracts for the employment of the Vessels. The Company has a contract backlog of existing customer contracts that imply revenues in the future – indicated herein as "firm" contracts and/or "options" for such contracts. Such contracts and options, and revenues derived therefrom, are subject to various terms and conditions including cancellation events. Further, any exercise of options is exclusively at the discretion of the customer. In addition, such contracts and options could be subject to termination, amendments and/or delays resulting in revenues being more limited, occurring at different time periods or not occurring at all. The Company's current customer contracts include express cancellation rights on the part of the customers, however typically with obligations to compensate the Company for fixed sums, depending on the timing of the cancellation. Under the customer contracts, the Company may also become liable to the customers for liquidated damages if there are delays in delivering a Vessel or for delays that arise during the operation of the Vessels under the contracts. The Company also identifies potential project contracts it may be able to secure – indicated herein as "prospects" - but there is no guarantee that contractual commitments of future revenue will result from these prospects.

Furthermore, there is a risk that it may be difficult for the Group to obtain future employment for the Vessels and utilisation may drop. Windfarm installation projects are also sanctioned at irregular intervals and installation projects in some locations are seasonal. Consequently, the Vessels may need to be deployed on lower-yielding work or remain idle for periods without any compensation to the Group. There can also be off-hire periods as a consequence of accidents, technical breakdown and non-performance.

The cancellation, amendments to or postponement of one or more contracts can have a material adverse impact on the earnings of the Company and may thus affect the pricing of its Shares. As the Company currently has two Vessels in its fleet, the Group's financial condition, business and prospects could be materially impacted if one or both of the Vessels became disabled or otherwise unable to operate for an extended period. The Group is thus disproportionately exposed to the Vessels not getting contracts and vessel charters compared to other companies in the offshore wind industry that have several windfarm installation vessels and/or similar vessels in operation.

Possible ordering of new windfarm installation vessel(s) in the future

The Company may from time to time consider ordering new vessel(s), and as further set out in Section 6.4 is currently considering ordering one new windfarm installation vessel with an option for a further vessel. No contract has been entered into, nor has any final decision been made in this regard. If such order is made, the ordering, construction, supervision and delivery of such vessels are subject to a number of risks, including the risk of cost overruns and delays. Further, if such vessels are delivered, they will be subject to market risk at the time of delivery including fulfilling conditions in any pre-committed customer contracts for such vessels (if such pre-commitments are in place), and the risk of failure to secure future employment at satisfactory rates, which could have a material adverse effect on the financial performance of the

Company. If the Company is not able to procure the newbuild windfarm vessel or similar vessels in the future, this could also have an adverse impact on the Group's financial condition, business and prospects.

Ordering such vessel(s) would incur material capital expenditures on the purchase price and associated costs and would require significant financing (debt and/or equity). There can be no guarantee that such newbuild financing is obtained at attractive terms or at all. If the required financing is not obtained, the Company may default on its obligations and be liable towards the relevant yard and/or other suppliers of goods and services related thereto, as well as the Company not being able to expand its fleet and thereby maintain its competitive position. The Company is currently considering to order one new vessel with a first instalment to be financed with net proceeds from the Offering. There can be no guarantee that the Offering will be successful and that the Company will raise sufficient funding in connection therewith. Furthermore, the Company has not secured financing for the remaining instalment(s) for the potential newbuild. If any order for a newbuild is made, but not fully financed at the time of such order, the delivery of such vessel(s) will be subject to necessary financing which may not be obtainable on attractive terms or at all – with the aforementioned consequences. As the Company only has two operational Vessels, the Group is more exposed to the risk of not expanding and renewing its fleet compared to other companies in the offshore wind industry that have a larger operational fleet.

The Group is dependent on technical, maintenance, transportation and other commercial services from third parties

The Group is and will continue to be dependent on technical, maintenance, transportation and other commercial services from third parties to manage the Vessels and complete its contracts. Performance by such service providers is critical. While the Company will use its best efforts to select the right providers and monitor their performance, no assurances can be given in this respect. If third party service providers fail to perform at an optimal level, this could adversely affect the Group's ability to complete its contracts, as well as its business, prospects, financial results and condition, including its ability to be compliant with the financial covenants pursuant to its financing arrangements. If the amount the Group is required to pay for subcontractors, equipment or supplies exceed what has been estimated, the profitability of such contracts will be adversely affected. If a subcontractor, supplier, or manufacturer fails to provide services, supplies or equipment as required under a contract for any reason, the Group may be required to source these services, equipment or supplies from other third parties leading to delays or higher prices than anticipated.

By only having two operational Vessels and hence limited sources of revenue, the Group is more exposed to suboptimal performance from third parties that provide technical, maintenance, transportation and/or other commercial services compared to those of its peers holding more than two operational vessels in the offshore wind industry that are not as dependent on services from third parties.

The Group is exposed to risks resulting from demand volatility and increased competition

The demand for the Group's services may be volatile and is subject to variations for a number of reasons, including such reasons as uncertainty in demand, regulatory changes and competition from other suppliers. Due to the fact that the Company invests in capital assets with life-spans of approximately 25 years and any market visibility beyond 10 years is difficult to estimate, the Group's long-term performance and growth depend heavily on the supply of vessels relative to the demand. Any oversupply of vessels compared to the market demand for such vessels or similar capacity could cause contract rates to decline, and falling rates could materially adversely affect the Group's financial performance. As the Vessels are highly specialised, redeploying them to other sectors of the marine industry may be difficult or impossible to achieve, both practically and commercially. As the Group only has two operational Vessels, the Group may be more exposed to volatility in the demand for the Group's services and increased competition from other suppliers compared to companies in the offshore wind industry that have a larger fleet.

The Group may be materially impacted by the coronavirus known as COVID-19

COVID-19, which was recognized as a pandemic by the World Health Organization in March 2020, has severely impacted companies and markets globally. At present, Norway, Denmark and the rest of the world are experiencing a serious financial and economic downturn. It is not possible to predict all the consequences for the Group, its business partners, Denmark and the other countries in which the Group operates, nor the global economy, other than that there may be material adverse effects that may be long-term. Potential investors should note that the COVID-19 situation is continuously changing and that new laws and regulations that affect the Group's operations may enter into force. The Group's business, operations and financial performance may be adversely impacted by COVID-19. Due to the Company only operating the two Vessels *Pacific Orca* and *Pacific Osprey* and hence having limited sources of revenue, the Company is more exposed to the potential financial consequences of COVID-19 compared to its peers in the offshore wind industry that have several sources of revenue through having a larger operational fleet.

Technological progress might render the technologies used by the Group obsolete

If the Group is not able to offer commercially competitive products and to implement commercially competitive services in response to changes in technology, the business, results of operations and financial condition of the Group could be materially and adversely affected. This risk is exacerbated by the relatively rapid pace of technological development in the offshore wind sector in which the Group operates. There are currently vessels in the market belonging to competitors that have become obsolete due to the growth in the size of turbines only ten years into their lifespan. Although the Company seeks to build assets that can be upgraded, there is no certainty that they will remain viable for the entirety of their planned 25-year lifespan. As the Vessels are unique to the wind industry, they cannot easily be repurposed for use in other segments of the marine industry.

Risk relating to estimates, targets, forecasts, assumptions and forward-looking information

The Prospectus includes forward-looking information, including estimates, targets, forecasts, plans and similar projected information, including that the Company has prepared and presented consolidated prospective financial information for the financial year ending 31 December 2020 as further set out in Section 11. Such information is based on various assumptions made by the Company and/or third parties that are subject to inherent risks and may prove to be inaccurate or unachievable. Such assumptions are not verified. Forward-looking information included is based on current information, estimates and plans that may be changed within a short period without notice. Investors are cautioned against placing undue reliance on such forward-looking information.

2.2 Risks related to the Group's business

Restrictive covenants and conditions on financing agreements

The Group has entered into debt financing agreements as further set out in Section 10.6. Such agreements and arrangements contain many terms, conditions and covenants that may be challenging to comply with, restrict the Groups' ability to obtain new debt or other financing and/or restrict the Group's freedom to operate. There are specific financial covenants in the Debt Facility on the minimum liquidity of the Company, fair market value of the Vessels and equity ratio of the Company as further set out in Section 10.6. Failure to meet these covenants could trigger the mandatory repayment of the Debt Facility and may thus have an adverse effect on the financial position of the Group. Additionally, the Debt Facility is subject to a change of control covenant related to shareholders becoming large shareholders exceeding certain ownership as well as that the Selling Shareholder shall maintain a minimum ownership in the Company. See Section 10.6 for further information.

Since the Company only has two Vessels in operation, its ability to be compliant with financial covenant requirements pursuant to its financing arrangements will to a great extent depend on the market value of the Vessels and their earnings generating ability to generate revenue. Further, by only having two operational Vessels, the Group is more exposed to not being able to meet its obligations as they fall due compared to other companies in the offshore wind industry that have a larger fleet of windfarm installation vessels and/or similar vessels and hence several sources of revenue. If future cash flows are insufficient to meet all the Group's financial obligations and contractual commitments, any such insufficiency could negatively impact the Group's business. To the extent that the Group is unable to repay any indebtedness as it becomes due or at maturity, the Group may need to refinance its debt, raise new debt, sell assets or repay the debt with proceeds from equity offerings.

The Group's indebtedness could affect the Group's future operations, since a portion of the Group's cash flow from operations will be dedicated to the payment of interest and principal on such indebtedness and will not be available for other purposes. Covenants may or will require the Group to meet certain financial tests and non-financial tests, which may affect the Group's flexibility in planning for, and reacting to, changes in its business or economic conditions, may limit the Group's ability to dispose of assets or place restrictions on the use of proceeds from such dispositions, withstand current or future economic or industry downturns, and compete with others in the Group's industry for strategic opportunities, and may limit the Group's ability to obtain additional financing for working capital, capital expenditures, acquisitions, general corporate and other purposes.

The Company's inability to rely on Swire Pacific Offshore Operations (Pte.) Ltd. (the "Parent") for parent company guarantees in the future could have an adverse effect on the Group

Most of the Company's contracts require the Company to procure a parent company guarantee from its current Parent to the Company's customers, to secure the Company's performance of its obligations under its contract. After the Listing, the Company will not be able to rely on its former Parent to provide parent company guarantees for future contracts. This could impact the Group's business, financial condition and prospects if the Company's inability to procure parent company guarantees results in the Company's customers not awarding future contracts to the Company. In this context, please also see the risk factor *The Group is exposed to risks tied with demand volatility and increased competition*.

2.3 Risks related to law, regulation and potential litigation

The outcome of future claims and litigation could have a material adverse impact on the business, results of operation and financial condition of the Group

The nature of the business of the Group may sometimes result in clients, subcontractors, employees/manning agencies or vendors claiming for, among other things, recovery of costs related to accidents, contracts and projects. See Section 6.11 for further description of certain claims related to the Company's business and the Pacific Orca crane accident in 2018. Similarly, the Group may present change orders and other claims to its clients, subcontractors, and vendors. In the event that the Group fails to document properly the nature of the claims and change orders or is otherwise unsuccessful in negotiating reasonable settlements with its clients, subcontractors, vendors or others, the Group could incur cost overruns, reduced profits, liabilities, claim for damages or, in some cases, a loss for a project or a contract. As part of the Group's windfarm installation operations, it manages large, high-value components. Any claims from its clients, subcontractors or vendors resulting from damage to such components while within the Group's control may therefore be significant and could also require extensive resources to assess and defend the Group from such potential claims. Future claims against the Group could result in professional liability, product liability, criminal liability, warranty obligations, and other liabilities which, to the extent the Group is not insured against such loss or the insurer fails to provide coverage, could have a material adverse impact on the business, results of operation and financial condition of the Group.

Litigation outcomes are unpredictable and may result in fines, penalties or other sanctions imposed by regulators and other governmental authorities, general damages payable by the Company in respect of third party claims such as personal injury claims, employment claims, property damage, and governmental claims for taxes or duties. Litigation may arise in the ordinary course of business. The Group cannot predict with certainty the outcome of any claim, investigation or other litigation matter. The ultimate outcome of any such proceedings and the potential costs associated with prosecuting or defending such matters, including the diversion of management's attention to these matters, could have a material adverse effect on the Group.

Risk related to tax, including the Danish tonnage taxation

From time to time the Group's positions in respect of taxes may be subject to review or investigation by tax authorities of the jurisdictions in which the Group operates. Please refer to Section 9.10 for further information regarding Danish tonnage taxation. If any tax authority successfully challenges the Company's operational structure, the taxable presence of its subsidiaries in certain countries or the Group's interpretation of applicable tax laws and regulations, or if the Group were to lose a material tax dispute in any country, or any tax challenge or the Company's tax payments were to be successful, this could result in an increase in the Group's tax expenses and/or a higher effective tax rate.

Risks related to BREXIT

The UK and the EU are negotiating with the aim to agree on a plan for BREXIT including (the free or restricted) transfer of people, goods, capital and services post BREXIT. There are uncertainties as to the final outcome of BREXIT but a possible outcome is that there will be restrictions on free movement of services between the UK and the EU. This may, *inter alia*, restrict the Group from providing services in offshore waters of the UK. The Company has a number of upcoming contracts in UK waters, which could be threatened. Furthermore, the UK is the largest market in Europe for offshore wind and restrictions on market access could damage the Company's backlog and future revenue prospects. BREXIT may adversely affect the stability and development of financial markets (including interest rates) and business in the EU and adversely affect the Group's business and customers and the wider economy, thereby affecting the Company's shares.

Regulations specific to the Company's operations

The Group is subject to the laws and regulations governing the offshore industry. The Group is required to comply with the regulations introduced by the authorities where its operations take place and by flag states and with the guidelines of the International Maritime Organisation (IMO) where applicable. In the event that the Group is unable at any time to comply with existing regulations or any changes in such regulations, or any new regulations introduced by local or international bodies, the Group's operations may be adversely affected. Any change in or introduction of new regulations, may increase the costs of operations, which could have an adverse effect on the Group's profitability. For example, changes in regulations on fuel for vessels could materially affect the Company's cost base. In the past, the shipping industry has been exposed to a shift from heavy fuel oil to low sulphur fuels, adding costs to shipping companies. If the Group's Vessels do not comply with the extensive regulations applicable from time to time, the consequence may be that the Vessels are unable to continue their operations, without costly and time-consuming retro-fits, and/or that the Group is in non-compliance with applicable rules and regulations. Since the Group only has two operational Vessels, the Groups is more exposed to e.g. one of the Vessels being taken out due to regulatory action compared to its peers in the offshore industry that have several operational windfarm installation vessels and/or similar vessels.

2.4 Risks Relating to the Listing and the Shares

Future issuances of shares or other securities in the Company may dilute the holdings of shareholders and could materially affect the price of the Shares

In addition to the Offering, it is possible that the Company may decide to offer additional shares or other securities in order to finance new capital investments in the future, in connection with unanticipated liabilities or expenses or for any other purposes. Any such offer could reduce the proportionate ownership and voting interests of holders of Shares as well as the earnings per Share and the net asset value per Share of the Company, and any offering by the Company could have a material adverse effect on the market price of the Shares. The Company is currently considering to order a newbuild with an option for one additional vessel, which will require significant funding. Such funding is not currently in place and may need to be raised through future equity offering(s), in part or in whole.

The Selling Shareholder, the Company's controlling shareholder, has significant voting power and the ability to influence matters requiring shareholder approval

The Selling Shareholder currently has sole ownership of the Company, and is expected to retain a 41.63% shareholding following any listing on the Oslo Stock Exchange, assuming that (i) 39,031,915 New Shares are issued in the Offering (assuming an Offer Price at the low-end of the Indicate Price Range), (ii) all of the Sale Shares are sold in the Offering and (iii) the Over-allotment Option is not exercised. See Section 18.2 for further information. Accordingly, the Selling Shareholder will continue to be a major shareholder, and its shareholding will depend on the number of Offer Shares actually sold in the Offering, and may have the ability to determine or influence matters that require approval by a majority of shareholders at a general meeting of the Company's shareholders (a "**General Meeting**"), including the appointment of directors and payment of dividends, and exercise of significant influence in matters where a majority or special majority is required, including mergers and other extraordinary transactions, as well as amendments of the Company's organisational documents and alterations of its capital structure, including authorising the issue of new shares or share buy-backs of existing shares. The interests of the Selling Shareholder may differ significantly from or compete with the Company's interests or those of other shareholders and it is possible that the Selling Shareholder may exercise significant influence or control over the Company in a manner that is not in the best interests of all shareholders. This concentration of ownership and voting power could delay, postpone or prevent a change of control in the Company, impede mergers, consolidation, takeover or other forms of combinations involving the Company, or discourage a potential acquirer from attempting to obtain control of the Company. Further, the interest of the Selling Shareholder may not always coincide with the interests of other shareholders, and other investors may not agree with the manner in which the Selling Shareholder acts.

3. RESPONSIBILITY STATEMENT

The Board of Directors of Cadeler A/S accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and that the Prospectus makes no omissions likely to affect its import.

Oslo, 16 November 2020

The Board of Directors of Cadeler A/S

Richard Sell (Chairman)
Roy Shearer
Jesper T. Lok
Ditlev Wedell-Wedellsborg
Connie Hedegaard

4. GENERAL INFORMATION

This Section provides general information on the presentation of financial and other information, as well as the use of forward-looking statements, in this Prospectus. You should read this information carefully before continuing.

4.1 The approval of this Prospectus by the Norwegian Financial Supervisory Authority

The Financial Supervisory Authority of Norway (Nw. Finanstilsynet) (the "**Norwegian FSA**") has reviewed and approved this Prospectus, as competent authority under the EU Prospectus Regulation (Regulation (EU) 2017/1129) following the Danish Financial Supervisory Authority's acceptance of transfer of the authority to approve the Prospectus to the Norwegian FSA. The Norwegian FSA has not verified or approved the accuracy or completeness of the information included in this Prospectus. The approval by the Norwegian FSA only relates to the information included in accordance with pre-defined disclosure requirements imposed by the EU Prospectus Regulation (Regulation (EU) 2017/1129). The Norwegian FSA has not made any form of verification or approval relating to corporate matters described in or referred to in this Prospectus. The Norwegian FSA approved this Prospectus on 16 November 2020.

4.2 Other Important Investor Information

The Company has furnished the information in this Prospectus. No representation or warranty, express or implied is made by the Managers as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. The Managers assume no responsibility for the accuracy or completeness or the verification of this Prospectus and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Prospectus or any such statement.

The Managers are acting exclusively for the Company and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their clients nor for giving advice in relation to the Offering or any transaction or arrangement referred to herein.

Neither the Company, the Selling Shareholder, the Managers, nor any of their respective affiliates, representatives, advisers or selling agents, are making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

4.3 Cautionary Note Regarding Forward-Looking Statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance; including, but not limited to, statements relating to the risks specific to the Company's business, future earnings or revenues, the ability to distribute dividends, the solution to contractual disagreements with counterparties, the implementation of strategic initiatives as well as other statements relating to the Company's future business development and economic performance ("**Forward-looking Statements")**. These Forward-looking Statements can be identified by the use of forward-looking terminology; including the terms "assumes", "projects", "forecasts", "estimates", "expects", "anticipates", "believes", "plans", "intends", "may", "might", "will", "would", "can", "could", "should" or, in each case, their negative or other variations or comparable terminology. These Forward-looking Statements are not historical facts. They appear in a number of places throughout this Prospectus including in; Section 6 "Business Overview", Section 7 "Industry Overview", Section 11 "Consolidated Prospective Financial Information for the Financial Information for the Financial Year ending 31 December 2020" and Section 14 "Dividend and Dividend Policy" and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, goals, objectives, financial condition and results of operations, revenues, liquidity, outlook and prospects, growth, strategies, impact of regulatory initiatives, capital resources and capital expenditure and dividend targets, and the industry trends and developments in the markets in which the Group operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates may differ materially from those contained in or suggested by the Forward-looking Statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations that these forward-looking statements are based will occur.

By their nature, forward-looking statements involve and are subject to known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the Forward-looking Statements. Should one or more of these risks and uncertainties materialize, or should any underlying assumption prove to be incorrect, the Company's business, financial condition, cash flows or results of operations could differ materially from those described herein as anticipated, believed, estimated or expected.

The information contained in this Prospectus, including the information set out under Section 2 "Risk Factors", identifies additional factors that could affect the Company's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all sections of this Prospectus and, in particular, Section 2 "Risk Factors" for a more complete discussion of the factors that could affect the Company's future performance and the industry in which the Company operates when considering an investment in the Shares.

The Forward-looking Statements speak only as at the date of this Prospectus. Except as required according to Section 7-15 of the Norwegian Securities Trading Act, the EU Market Abuse Regulation or the Danish Financial Statements Act, the Company undertakes no obligation to publicly update or publicly revise any Forward-looking Statement, whether as a result of new information, future events or otherwise. All subsequent written and oral Forward-looking Statements attributable to the Company or to persons acting on the behalf of the Company are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

4.4 Presentation of Financial Information

4.4.1 Financial Information

The Company is domiciled in Denmark and has therefore historically prepared its financial reporting in accordance with Danish Generally Accepted Accounting Principles pursuant to the Danish Financial Statements Act ("**DGAAP**").

In 2020, the Company decided to convert its financial reporting from DGAAP to International Financial Reporting Standards (“**IFRS**”) as adopted by the European Union and in line with additional requirements of the Danish Financial Statements Act, with a 1 January 2018 IFRS opening balance sheet. The Company has therefore prepared audited financial statements in accordance with IFRS as of and for the year ended 31 December 2019, and with unaudited comparative figures for the year 2018 (the “**2019 Financial Statements**”). The 2019 Financial Statements were restated with a EUR 3.5 million adjustment and EY (as defined below) restated their audit opinion in this regard. An explanation for this is set out in note 25 for the 2019 Financial Statement and section 9.1. The 2019 Financial Statements are included as Appendix A to this Prospectus.

The Company’s audited financial statements as at, and for the year ended 31 December 2018, and with comparative figures for the year ended 31 December 2017 (the "**2018 Financial Statements**"), have been prepared in accordance with DGAAP. The 2018 Financial Statements are included as Appendix A to this Prospectus.

The Company’s audited financial statements as at, and for the year ended 31 December 2017, and with comparative figures for the year ended 31 December 2016 (the “**2017 Financial Statements**”), have been prepared in accordance with DGAAP. The 2017 Financial Statements are included as Appendix A to this Prospectus.

Unaudited interim condensed financial statements for the six months ended 30 June 2020, with comparable figures for the six months ended 30 June 2019, have been prepared in accordance with International Accounting Standard 34 “**Interim Financial Reporting**” as adopted by the EU (“**IAS 34**”) (the “**Interim Financial Statements**”). The Interim Financial Statements are included as Appendix A.

The 2019 Financial Statements, the 2018 Financial Statements and the 2017 Financial Statements (together the “**Financial Statements**”) have been audited by EY Godkendt Revisionspartnerselskab (Denmark)(“**EY**”), as set forth in their auditor’s reports included with the respective Financial Statements. EY has also issued a report on review of the Interim Financial Statements, which is included in Appendix D.

The cashflows related to the 2018 Financial Statements and the 2017 Financial Statements are however not audited, as the Company was not required to prepare such cashflow statements at that time. The unaudited cashflow statements related to the 2018 Financial Statements and the 2017 Financial Statements are included in Appendix A.

The Company has until recently applied DKK as functional and presentation currency (under DGAAP) for its financial reporting. Upon conversion to IFRS as mentioned above, the Company has determined that its functional currency is EUR and has changed its presentation currency to EUR as well.

As a result, the Company has changed its presentation currency from DKK to EUR for the 2019 Financial Statements which include 2018 comparable figures. The 2018 Financial Statements prepared in accordance with DGAAP were prepared with DKK as presentation currency. To ensure consistency, the presentation in the Prospectus of the financial information for all three years (2017, 2018 and 2019) is in EUR, as well as for the first half 2020. To facilitate the presentation of all figures in EUR, the 2017 figures are translated on a convenience translation basis and these figures therefore appear as unaudited.

Denmark conducts a fixed exchange rate policy against the EUR at a central rate of DKK 7.46038 kroner per EUR 1 and a fluctuation band of +/- 2.25 per cent. This means that the DKK can only fluctuate between DKK 7.62824 and DKK 7.29252 per EUR 1. Given the stability in the relationship between DKK and EUR over the relevant period, the 2017 figures are translated using the exchange rate EUR/DKK as of 31 December 2019. The exchange rate as of 31 December 2019 is 0.1334.

4.4.2 The Restructuring

On 25 September 2020, the Group acquired the two Vessels (Pacific Orca and Pacific Osprey) through its two wholly owned single purpose vehicle companies (the "**SPVs**"), which were newly incorporated in Cyprus for the purpose of owning the Vessels. Each Vessel was as such acquired by an SPV and will be bare-boat chartered by the SPV to the Company to perform the contracts of the Company (the "**Restructuring**"). Prior to the Restructuring, the Vessels were owned by an affiliated company controlled by the Selling Shareholder and on bare-boat charter to the Company.

The Vessels were acquired by the SPVs for a total consideration of USD 290,212 thousand, which was settled by way of settling various inter-company receivables in the aggregate sum of USD 290,212 thousand (the "**Receivables**"). To fund the SPVs' acquisition of the Vessels, the Parent transferred the Receivables to the Company on form of a shareholder loan from the Selling Shareholder of USD 57,000 thousand (the "**Shareholder Loan**") and capital increase in kind by the Selling Shareholder into the Company of USD 233,212 thousand. The Company subsequently used the Receivables received as capital injection in kind into the SPVs to fund the acquisition of the Vessels by the SPVs.

With the acquisition of the Vessels from CYP, the bareboat lease agreements were terminated at no additional consideration or penalties. Accordingly, on 25 September the rights-of-use asset (EUR 84.2 million as of 30 June 2020) and lease liability (EUR 94.9 million in total as of 30 June 2020) were derecognised. The net difference (EUR 10.7 million as of 30 June 2020) is recognised as finance income in the profit and loss.

4.4.3 Assessment of the Company's complex financial history and pro forma information

As the Vessels have been under common control by the Selling Shareholder, the Company has prepared an analysis of the impact of the Restructuring on the Company's accounting. The Company has determined that the acquisition of the Vessels constitutes an asset acquisition, and that IAS 16 Property Plant and Equipment is applicable. In accordance with IAS 16, the Company has determined that the acquisition will be recognised in line with the value of the consideration exchanged in the transfer. Hence, the Vessels will be recognised in the Company's balance sheet in amounts equal to the value of the consideration received by the seller for the sale of the Vessels.

As this transaction is also deemed to be a significant transaction impacting the Company's balance sheet by more than 25% (measured as at 31 December 2019), the Company presents the acquisition of the Vessels with pro forma financial information. Please see Section 9.10 "Pro Forma Financial Information" for further information.

4.4.4 Non-IFRS Financial Information

The Company will communicate with its investors certain non-IFRS measures and financial ratios (referred to as Alternative Performance Measures, "**APMs**").

The APMs included in this Prospectus, such as EBITDA, are not required by, or presented in accordance with, IFRS or the accounting standards of any other jurisdiction. Such measures are not measurements of financial performance or liquidity under IFRS, are not audited, and should not replace measures of liquidity or operating profit that are derived in accordance with IFRS. The Company defines the relevant APMs as follows:

- **EBITDAR** is defined as earnings before interest, tax, depreciation, amortization, unrealized foreign exchange gains/losses and bareboat rent (in the form of variable lease fee and right-of-use asset amortization calculated in accordance with IFRS 16). Reference is made to note 20 to the 2019 Financial Statements for reconciliation. Effects from business combinations are not included. 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. EBITDA is a common measure in the industry in which the Company operates. However, it may be calculated differently by other companies and may not be comparable. The Company believes that EBITDAR is a measure relevant to investors who want to understand the generation of earnings before investment in fixed assets and the Group's ability to service debt.
- **ER** is the Equity Ratio, which is the total shareholders' equity divided by total assets, multiplied by 100. The Company applies this measure as it provides insight for investors to the capital structure of the Company.
- **ROA** is the Return on Assets, which is the net income for a period divided by the total assets at the end of the period. End of the period assets are used given the adoption of IFRS and the impact of IFRS 16 on total assets. The Company applies this measure as it provides an indication of how efficient a company is at using its assets to generate earnings.

- **Free Liquidity** is the freely available cash and cash equivalents (including any undrawn portion of overdraft facility) available to the Company. The Company applies this measure as it reflects what financial resources the Company can draw upon, beyond mere cash.
- **Average day rate** is the average charter hire revenue earned per day, when the Vessels are on hire. The Company applies this measure as it allows for comparison of the Company's performance from period to period for when the vessel is on hire.

Please refer to Section 9.9 “Other Selected Financial and Operating Information” for an overview of these APMs as of 31 December 2019, 2018 and 2017 as well as for the first six months of 2020.

The APMs presented in this Prospectus may not be indicative of the Group’s historical operating results, nor are such measures meant to be predictive of the Group’s future results. The Group believes however that the APMs included herein are useful supplemental indicators that may be used to assist in evaluating a company’s future operating performance, and its ability to service its debt. Accordingly, this information has been disclosed to permit a more complete and comprehensive analysis of the Group’s operating performance, consistently with how the Group’s business performance is evaluated by management.

The Group believes that the presentation of these APMs enhances an investor’s understanding of the Group’s operating performance and the Group’s ability to service its debt. In addition, the Group believes that these APMs are commonly used by companies in the market in which it competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation and amortization, which can vary significantly depending upon accounting methods or based on non-operating factors. Accordingly, the Group discloses the APMs presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies and across periods, and of the Group’s ability to service its debt. However, these APMs may be calculated differently by other companies and may not be comparable. APMs may not be comparable with similarly titled measures used by other companies. The Group’s APMs are not measurements of financial performance under IFRS and should not be considered as alternatives to other indicators of our operating performance, cash flows or any other measures of performance derived in accordance with IFRS. The Group’s APMs have important limitations as analytical tools, and they should not be considered in isolation or as substitutes for analysis of the Group’s results of operations as reported under IFRS.

Because companies calculate the APMs presented herein differently, the Group’s presentation of these APMs may not be comparable to similarly titled measures used by other companies.

4.5 Presentation of Industry Data and Other Information

Sources of Industry and Market Data

To the extent not otherwise indicated, the information contained in this Prospectus on the market environment, market developments, growth rates, market trends, market positions, industry trends, competition in the industry in which the Company operates and similar information are estimates based on data compiled by professional organisations, consultants and analysts; in addition to market data from other external and publicly available sources, including market data from BNEF[2], IEA[3], IRENA[4], 4C Offshore[5], Lazard[6] and Earth System Research Laboratories (ESRL)[7]. Market data from BNEF and 4C Offshore are not publicly available but can be obtained against payment.

While the Company has compiled, extracted and reproduced such market and other industry data from external sources, the Company has not independently verified the correctness of such data. Thus, the Company takes no responsibility for the correctness of such data. The Company cautions prospective investors not to place undue reliance on such data.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

In addition, although the Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and the Company cannot assure prospective investors as to their accuracy or that a third party

---

[2] https://about.bnef.com/new-energy-outlook/, https://about.bnef.com/
[3] https://www.iea.org/reports/offshore-wind-outlook-2019,
[4] https://www.irena.org/publications/2019/Oct/Future-of-wind, https://www.irena.org/publications/2019/May/Renewable-power-generation-costs-in-2018,
[5] https://www.4coffshore.com/windfarms/
[6] https://www.lazard.com/perspective/lcoe2019
[7] https://www.esrl.noaa.gov/gmd/ccgg/trends/ (Study on atmospheric CO2 concentration)

using different methods to assemble, analyse or compute market data would obtain the same results. The Company does not intend to or assume any obligations to update industry or market data set forth in this Prospectus. Finally, behaviour, preferences and trends in the marketplace tend to change. As a result, prospective investors should be aware that data in this Prospectus and estimates based on those data may not be reliable indicators of future results.

Vessel Valuation Reports

The information and data contained in the vessel valuation reports relating to the Company's vessels in this Prospectus have been provided by Fearnleys Asia (Singapore) Pte Ltd ("**Fearnleys Asia**") and Clarksons Valuation Limited ("**Clarksons**") at the request of the Company. Both Fearnleys Asia and Clarksons are independent and specialized ship brokerage firms with no material interests in the Company. The address of Fearnleys Asia is 3 Killiney Rd, Singapore 239519 and the address of Clarksons is Commodity Quay, St Katharine Docks, London, E1W 1BF, UK. Both Fearnleys Asia and Clarksons have given their consent to the inclusion of the vessel valuation reports in this Prospectus. Fearnleys Asia's valuation report relating to the Vessels is as of 27 August 2020 and Clarksons' valuation report relating to the Vessels is as of 8 September 2020. There have not been material changes to the values since this date. See Appendix E — "Valuation Reports" to this Prospectus for further information about the basis of preparation of the vessel valuation reports.

Other Information

In this Prospectus, all references to "NOK" are to the lawful currency of Norway, all references to "DKK" are to be the lawful currency of Denmark, all references to "EUR" are to the lawful currency of the EU and all references to "U.S. dollar", "US$", "USD", or "$" are to the lawful currency of the United States of America.

In this Prospectus all references to "EU" are to the European Union and its Member States as of the date of this Prospectus; all references to "EEA" are to the European Economic Area and its member states as of the date of this Prospectus; and all references to "US", "U.S." or "United States" are to the United States of America.

Certain figures included in this Prospectus have been subject to rounding adjustments. As a result of the rounding, the totals of data presented in this Prospectus may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100 per cent.

5. USE OF PROCEEDS; REASONS FOR THE OFFERING

The discussion about use of proceeds below only addresses the intentions of the Company as of the date of this Prospectus; and no assurance can be made that the proceeds actually will be applied to all or any of the purposes identified herein.

5.1 Use of Proceeds

Assuming that the Offering is fully subscribed, the gross proceeds of the Offering will be approx. NOK 917,250,000 for the issue of the New Shares, and up to approx. NOK 687 937 500 for the sale of the Sale Shares, assuming the sale of all of the Sale Shares and assuming an Offer Price at the low-end of the Indicate Price Range.

Assuming that the Offering of the New Shares is fully subscribed, the Company estimates that the net proceeds to the Company will be approximately NOK 853,250,000 million.

The figure in the preceding paragraph is after deduction of the estimated commissions and expenses to the Managers and other advisors payable by the Company, as well as other costs associated with the Listing of the Shares on the Oslo Stock Exchange.

In addition, the Selling Shareholder will receive any proceeds from the sale of any additional Shares if the Over-allotment Option is exercised. See Section 18.12 "Over-Allotment and Price Stabilisation" for further information.

The Company estimates that the commissions and expenses to the Managers[8] and other advisors, as well as other costs associated with the Listing of the Shares on the Oslo Stock Exchange will amount to approximately NOK 64 million, payable by the Company.

The Company intends to apply the net proceeds from the New Shares in making the first down-payment for a new vessel planned to be ordered for construction (should such vessel be ordered), with the first down-payment currently estimated to be about USD 60 million. Any remaining proceeds, are expected to be used for working capital, general corporate purposes, repayment of any outstanding intercompany balances or to repay any amounts under the overdraft tranche of the Debt Facility (as defined herein).

The Offering is further intended to bring the Company in compliance with the requirements for a listing on the Oslo Stock Exchange, including of having at least 500 shareholders for Oslo Børs, or at least 100 shareholders for Oslo Axess (expected to be renamed Euronext Growth), each holding Shares of value no less than NOK 10,000, as well as more than 25% free float and minimum equity raise. See Section 18.10 for further information. A stock exchange listing will provide a regulated place for trading in the Shares to facilitate liquidity in the Shares. In addition, it will facilitate the use of capital markets in order to raise equity should the Company need so in the future.

5.2 Dilution

The table below shows the split of the Company's share capital following the Offering; split by pre-Offering share capital and the New Shares to be issued in the Offering on the basis that the Company issues 39,031,915 New Shares in the Offering on the assumption that the Offering is priced at the low-end of the Indicative Price Range:

Pre-Offering share capital	DKK 78,000,000
Post-Offering share capital	DKK 117,031,915

The Offering of New Shares will accordingly result in a dilution of the Selling Shareholder of approximately 33.35% on the aforementioned assumptions (and excluding any ownership reduction for the Selling Shareholder in relation to sale of Sale Shares and sale of any additional Shares in connection with exercise of the Over-allotment Option).

[8] Based on a fixed success fee and an additional discretionary fee.

6. BUSINESS OVERVIEW

This Section provides an overview of the business of the Group as of the date of this Prospectus. The following discussion contains Forward-looking Statements that reflect the Group's plans and estimates; see Section 4.3 "General Information—Cautionary Note Regarding Forward-Looking Statements". You should read this Section in conjunction with the other parts of this Prospectus, in particular Section 2 "Risk Factors".

6.1 Overview of the Group's operations

Introduction

It is the Company's view that the Group is a leading[9] offshore wind farm vessel contractor. The Group is headquartered in Copenhagen, Denmark and operates two offshore jack-up windfarm installation Vessels, *Pacific Orca* and *Pacific Osprey*. In addition to wind farm installation, these Vessels can perform maintenance and other tasks. The Group completed approximately 30 offshore projects from 2012 to 2020 and has a solid market position[10] and contracts with blue-chip customers (including Siemens Gamesa Renewable Energy, MHI Vestas, DEME and Vattenfall).

Operations

The Group installs offshore wind turbines and foundations and provides operations and maintenance ("**O&M**"), accommodation, met mast installation and removal and decommissioning services in the offshore windfarm industry. Its customer base consists of offshore wind farm developers, original equipment manufacturers and various offshore contractors.

Track record

Following delivery of the Vessels in 2012 and 2013, the Group has operated some of the largest wind farm installation vessels in the world, and today the Vessels remain among the largest and highest capability vessels in the industry.

Most of the Group's early work was in the installation of foundations. The large size of the Vessels made them highly competitive at doing this. The Vessels were better suited to this work than to installing what were then small wind turbine generators ("**WTGs**"). The Group has installed 414 foundations. Now that WTGs have become bigger, installing WTGs is the most appropriate work for the Group's Vessels and is expected to generate most value for the Group. It is where the Group has demonstrable competence and has built customer relations. In WTG installation, floating crane vessels present less competition to jack-up vessels than in foundation installation, except where the water is too deep for jack-up vessels. There is no competition from oil service vessels in WTG installation.

The Group has installed 287 wind turbines. Based on, *inter alia*, information received form WTG suppliers, the Company estimates that industry records have been achieved in terms of fastest installation, deepest soil penetration, largest offshore wind turbine installation and first hurricane turbine installation. The number of WTGs installed by the Group is expected to double in the coming years based on the Company's contract backlog.

The Group has done three O&M projects, including the largest O&M project done by Siemens Gamesa Renewable Energy, with 600 days of work on over 20 sites. The Group has done accommodation work for the electrical completion of offshore substations and decommissioning work. These types of work help to keep utilisation high between installation projects and to cover operating costs.

Vision

The Group's vision is to provide excellence in offshore marine services to the offshore wind industry and to be environmentally sustainable. The Vessels have contributed to over 3 GW of offshore wind energy in European waters. The Group's aim is to increase its involvement in the offshore wind industry, supporting a sustainable energy source for millions of households, in Europe and elsewhere.

Sustainability

Sustainability is a strategic objective for the Group, and is considered key to its ability to create long-term value for its shareholders. It represents an opportunity for innovation and improved efficiency and a foundation for building sustained growth.

---

[9] Company's view based on its track record compared to its peers. BNEF "New Vessels for Installing Turbines" 2019.
[10] BNEF "New Vessels for Installing Turbines" 2019, Company.

The Group aims to optimise efficiency. The Group does its best to identify and reduce the negative impact that its business has on the environment, to monitor performance and to identify areas for improvement. After the Listing it is expected that the Company will undertake its own sustainability initiatives and implement its own standards. The Company expects to recruit a sustainability officer.

The Company has received a medium green company assessment from Cicero Shades of Green.

6.2 The fleet

As of the date of this Prospectus, the Group owns two windfarm installation Vessels, Pacific Orca and Pacific Osprey:

Vessel name	Pacific Orca	Pacific Osprey
Flag state	Cyprus	Cyprus
Delivery year	2012	2013
Yard	Samsung Heavy Industries	Samsung Heavy Industries
Leg length	Max. leg protrusion 80m below the hull	Max. leg protrusion 80m below the hull
Length overall	160.90m	160.90m
Breadth overall	49.0m	49.0m
Variable deck load	8,400t	11,000t
Gross tonnage	24,586t	24,586t
Accommodation	111 pax (single berth cabins)	111 pax (single berth cabins)
Main crane type	Amclyde ATL-60	Amclyde ATL-60
Main crane capacity	1,200t @ 31m	1,150t @ 31m
Hook height above deck	97m	132m (new boom in 2020)
Auxiliary crane	35t at 6.5m to 30m	35t at 6.5m to 40m
Helideck	22m / 12.8t	22m / 12.8t
Service speed	13.0 knots	13.0 knots
Vessel owning company	Wind Orca Limited	Wind Osprey Limited

The Vessels were acquired by the Group through the Restructuring, and are subject to first priority ship mortgages under the Debt Facility, as further described in Section 10.6.

6.3 Competitive strengths

The Group has the following competitive strengths.

Close relations with clients

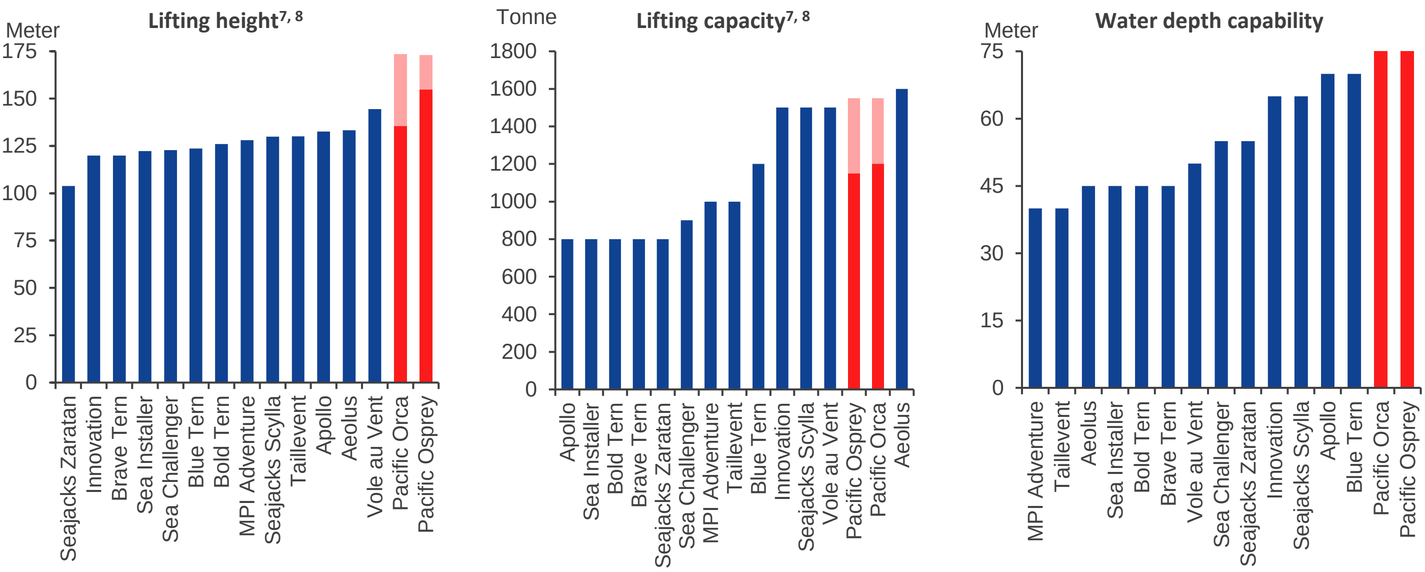
The Group has regular access to, and established relations with, top management at its clients, resulting in the ability to gain knowledge about future projects in advance of them being tendered. The Group is consulted by turbine original equipment manufacturers on WTG design development. Contract templates and heads of terms have been developed with certain clients, allowing for quick execution of new contracts.

The large size and capability of the Vessels

When launched, the Group's two Vessels set an industry benchmark for vessel transit speed, lifting capability, station keeping and jacking speed and offered a significantly improved operating weather window. The Vessels are fitted with high-quality equipment, supported by advanced preventative maintenance systems, and incorporate significant operating redundancy. The Vessels are designed to operate at sites with the most challenging seabed conditions. With a large cargo area and high capacity deck loading, the Vessels offer flexibility in the transportation and installation ("**T&I**") of turbines and foundations of various types and sizes.

Pacific Orca and *Pacific Osprey* are among the most capable in the global fleet of similar vessels. They can install the newest generation turbines (>10 MW) and are well positioned to compete in future tenders. After planned crane upgrades, the Vessels are expected to have specifications matching those of competitors' planned new-build vessels.

Figure 6.1: Self-propelled jack-up WIVs, existing fleet[11] [12]:



Source: BNEF "New Vessels for Installing Turbines" 2019, Company

Experienced directors and management

The registered executive management team consists of two members, CEO Mikkel Gleerup and CFO Mark Konrad. Mr. Gleerup has a significant track record in the shipping and energy fields, especially within offshore wind power. Both executives have served in a variety of operational and commercial positions, making them well qualified as a group to manage the Group's operations and take the Group into its next stage of development.

The board of directors includes Chairman Richard Sell, who has held senior management positions and directorships in a number of marine and energy related businesses, and director Roy Shearer who is a chartered accountant with the Institute of Chartered Accountants of Scotland and holds a first-class honours degree in finance and accounting. He brings considerable experience from leadership positions in finance in the energy industry. Jesper T. Lok is a board member and chairman of the remuneration committee. He has held leadership positions in multinational corporations in the transport and logistics, energy and infrastructure sectors. Ditlev Wedell-Wedellsborg is a board member and chairman of the audit committee with extensive experience in the shipping industry. He is the owner and chairman of Weco Invest A/S, an active investment company mostly involved in the travel industry. Connie Hedegaard is a board member and chairman of the nomination committee. Ms. Hedegaard served as a member of parliament and the Danish Minister of the Environment and was the European Commissioner for Climate Action from 2010 to 2014. Subject to completion of the Offering, Andreas Beroutsos is expected to join the board of directors after the end of the Offer Period and prior to the first day of listing on Oslo Børs. Mr. Beroutsos works at BW Group as Managing Director, responsible for strategic investments / new businesses, and senior investment officer.

[11] Orca/Osprey shown both for existing and for new cranes planned to be installed
[12] Mid-point reference values for the new cranes

6.4 Overall strategy

Continue to focus on the high-capability offshore wind farm installation market

The Group intends to focus on its position and presence in the European offshore wind farm installation market, with a view to establishing itself as a leading T&I contractor globally with a fleet of high-capability vessels.

Vessel upgrades

The Group is planning to replace the main cranes on the Vessels with new cranes with increased capabilities for turbine installation, including the capacity to install the expected next generation of 20+ MW turbines. The Group is discussing tenders with experienced European and US crane manufacturers. Detailed engineering work is taking place. If they proceed, the replacements are expected to be completed by early 2024 and early 2025 for Pacific Orca and Pacific Osprey, respectively. The Group has currently budgeted capital expenditure of USD 104 million for the two new cranes, which is expected to be financed using cash from operations.[13] See below possible upgrades to Pacific Orca:

	Pacific Orca 2020	**Pacific Orca early 2024**[14]
Nacelle/tower installation	AUX Hook	Main Hook
Blade installation	AUX Hook	Whip Hook[15]
Boom length	102m (AUX)	140m
SWL (incl. DAF 1.1) @ R40m	500mt (AUX)	1,500-1,600mt[16]
SWL (incl. DAF 1.1) @ R50m	500mt (AUX)	1,200mt
Hook height to deck @ R40m	112m (AUX)	155m
Hook height to deck @ R50m	108m (AUX)	150m
Payload[17]	8,400mt	10,000mt
Pre-load value	8,500 mt/leg	10,000 mt/leg

Fleet expansion

The Group intends to grow prudently, sustainably and within acceptable risk parameters. It aims to order additional wind farm installation vessels if it can secure, or is in advanced discussions with creditworthy clients about, contracts on which such vessels can be deployed. Following the Offering, the Group is expected to have balance sheet capacity to support growth.

A key opportunity for the Group is a possible order for a new-build X-class wind farm installation vessel ("**Cadeler X-Class**") that is expected to be able to transport five 20+ MW turbines. It is expected that such a vessel would have industry leading lifting height and payload capabilities. The Group is discussing a construction contract with reputable shipyards. With this new vessel, the Group would be able to stay at the forefront of the industry. The currently budgeted capital expenditure on the vessel is expected to be USD 300 million.[18] A new vessel would be expected to have attractive economics. Its specifications are higher than those of the Group's existing Vessels, which (having regard to the order backlog) are expected to generate day rates of USD 180,000 to USD 200,000 from 2022 to 2025.[19] There should be economies of scale as a new vessel would not add much to general and administrative costs. A new vessel would enable the Group to bid competitively for contracts requiring multiple vessels.

[13] Subject to finalised contracts, including inter alia finalisation of design, specifications etc.
[14] Reference values, subject to detailed engineering.
[15] Subject to blade installation tool size/weight.
[16] Subject to detailed engineering and deck layout.
[17] Including ballast and consumables.
[18] Subject to finalized contract, including inter alia, finalization of design, equipment, specifications etc.
[19] Reflecting contract backlog including options.

Cadeler X-Class – indicative and preliminary specifications[20]	
Type of vessel	DP2 self-propelled jack-up vessel, 4 legs
Design	GustoMSC NG-20000X-G (bespoke version)
Maximum water depth	80m (max. leg protrusion 95m below the hull)
Length overall	146.0m
Breadth overall	60.0m
Variable deck load	17,000t
Deck area	5,600m
Accommodation	120 pax
Main crane capacity	1,500t @ 50m
Hook height above deck	180m
Helideck	22.2m (EH 101)
Service speed	11.0 knots

The O&M market may (as WTGs continue to get bigger) be an attractive growth opportunity for the Group in the longer term. There may be synergies between the O&M and T&I markets. O&M vessels may help installation vessels to do quicker installations. Despite regulatory restrictions, they may be able to operate offshore the US in combination with Jones Act-compliant feeder vessels transporting equipment from US ports to windfarms.

Increase cost efficiencies without compromising on health and safety standards

As the business grows, it should be possible to improve the current cost structure and make it more efficient. This will not be done at the expense of health and safety standards.

Achieve a balanced portfolio of clients and work

The Group intends to continue to build long-term relationships with diverse energy clients, to have a mix of long- and short-term contracts and to be present in different market segments.

6.5 History and development

Year	Milestone
2008	The Company was established as Blue Ocean Ships.
2010	The Company was acquired by Swire Pacific Offshore and ordered its first wind farm installation vessel from Samsung Heavy Industries. The Company's name was changed to Swire Blue Ocean.
2011	The Company placed an order with Samsung Heavy Industries for a second wind farm installation vessel.
2012-13	Pacific Orca and the Pacific Osprey became available to the Company through bare-boat charters.
2013-20	Pacific Orca and Pacific Osprey were employed on more than 20 wind farm installation projects.
2018	Crane accident. While Pacific Osprey was jacked up at the quayside in Eemshaven with the crane undergoing maintenance, the box section of the crane boom collapsed onto the bridge of the vessel, resulting in 4 crew members being injured and significant damage to Pacific Osprey. The vessel was fully reinstated in 2020.

[20] Subject to finalized contract, including inter alia finalization of design, equipment, specifications etc.

2019 The Company secured a long-term O&M contract for Pacific Orca with Siemens Gamesa Renewable Energy.

2020 Installation of a new crane boom on Pacific Osprey.

The Company entered into turbine installation contracts with Vattenfall for the Hollandse Kust Zuid 1-4 offshore the Netherlands, the Company's largest contract ever (>1.5GW), and with MHI Vestas Offshore Wind for the Seagreen project (>1GW) offshore Scotland.

The Company completed the Restructuring (including the acquisition of the Vessels), changed its name to Cadeler A/S and announced the Offering.

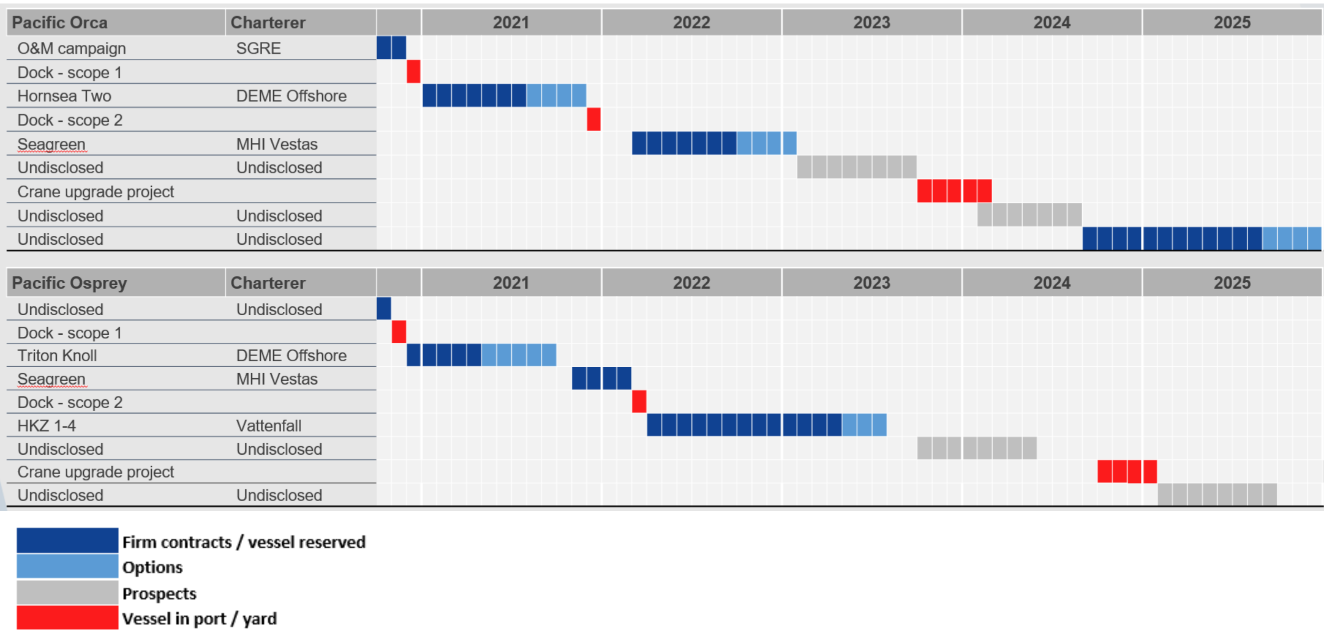
6.6 Contract coverage and backlog

The Company's contract backlog, inclusive of options, represents approximately 5.4 years of expected future work.

The revenue backlog, inclusive of options, is estimated to be MUSD 332, comprising MUSD 249 from firm fixed term contracts and MUSD 83 if customers exercise contractual options. The Company's contract counterparties include Vattenfall, MHI Vestas and Siemens Gamesa Renewable Energy.

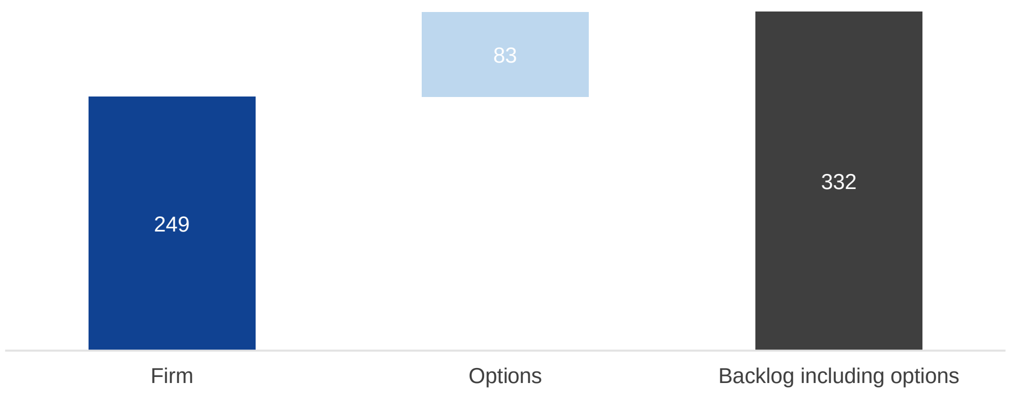
"Firm contracts" are those which have been entered into with customers. The chart below includes expected revenue from five firm contracts. "Options" are options to extend firm contracts. Firm contracts can be cancelled by customers and are otherwise subject to certain terms and conditions. One firm contract is subject to a final investment decision by the customer's client. Cancellation of this contract by the client is conditional upon the customer paying significant break-away fees to the Company. The exercise of options is at the discretion of the customer. From 2014 – 2018, options have been exercised in respect of 86% of the numbers of days of work which they represented on time charter contracts. Contracts and options can be amended and delayed. Revenue from them can be less and later than expected and may not arise at all. Prospects are specific projects for which the Vessels are being marketed, but where no contracts or commitments are entered into. Ongoing contracts will typically not overlap each other, and each vessel will work on one contract at a time.

Figure 6.2 Contract pipeline 2020 - 2025



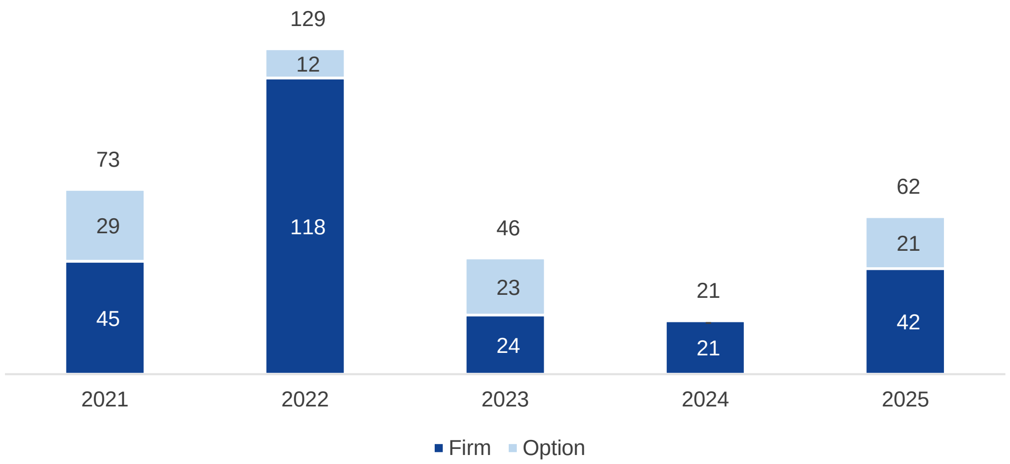
Contracts are either entered into with daily rates (i.e. BIMCO-contracts) or a lump-sum rate is agreed. The day rates do not usually vary once agreed in either type of contract. Most of the Company's contracts are entered into on a lump-sum basis. While the Group will prioritise tenders for windfarm installations, as such contracts (if won by the Group) provide the best day rates, the Vessels may in between wind farm projects or at times with fewer tenders be deployed on lower-yielding maintenance and service agreements.

Figure 6.3: Contract status[21]



The backlog includes lump-sum and day rate contracts. Typically, there is an initial agreement for reservation of the vessel on payment of a commitment fee. Final contracts are entered into when the relevant projects are sanctioned. This is typically two or three years before the offshore installation.

Figure 6.4: Contract revenue backlog 2021 - 2025 (USDm)



Turbine installations account for 90% of the revenue backlog.[22] Foundation installations account for 9% of the backlog. Foundations are installed when this can be efficiently done with turbine installations or when the site is suitable for a jack-up vessel. O&M, accommodation, met mast installation and removal and decommissioning services account for the rest of the backlog.

[21] Including options. Contract backlog from 2021.
[22] Reflecting the share of contract backlog from and including 4Q20.

Figure 6.5: Contracted days 2021 – 2025 (days)

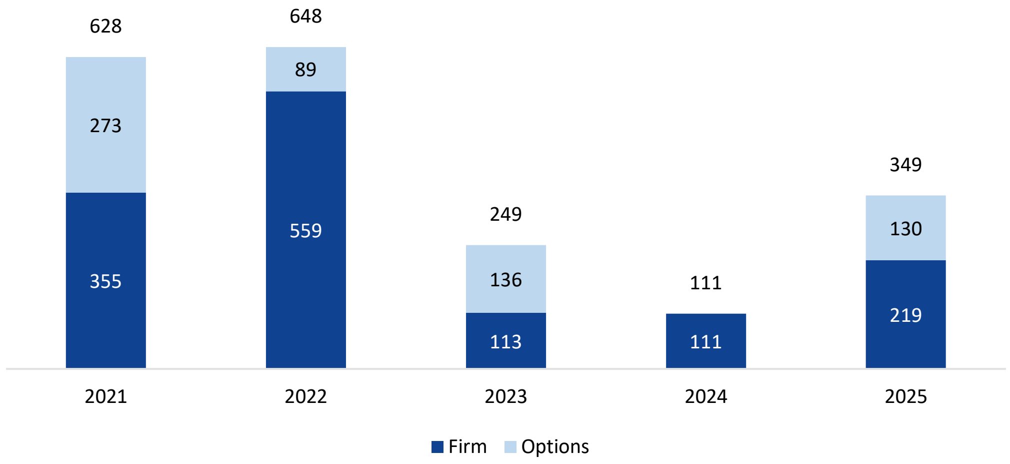
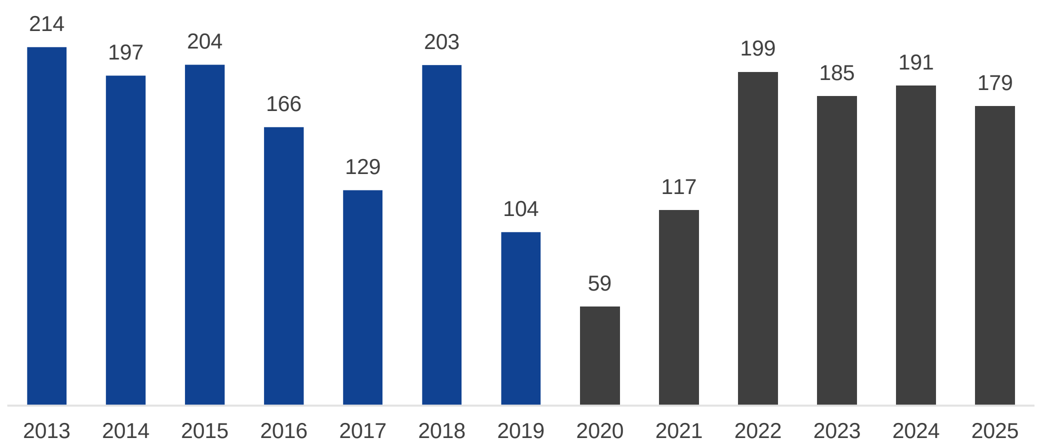


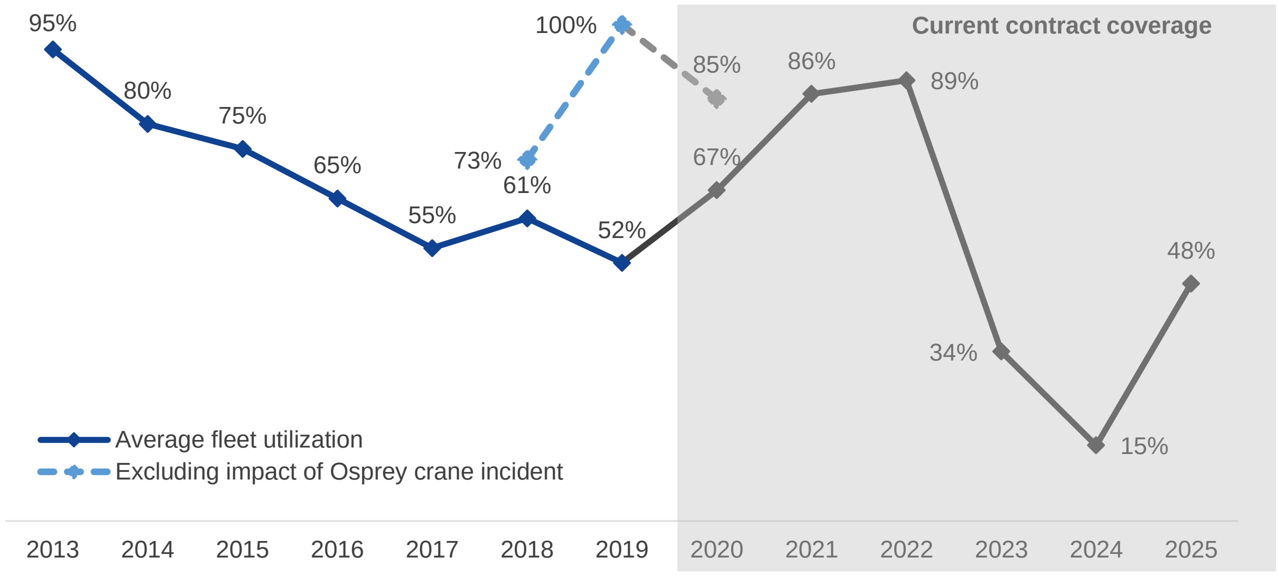
Figure 6.6: Implied average day rate (USDk/day)[23]



Historical day-rates have been around USD 200,000, with the exception of 2019 and 2020, which are regarded by the Company as transition years. During this period, the Company had to adapt itself to an industry shift away from traditional marine charters towards T&I contracts in order to improve the commercial outlook. Having developed T&I capabilities, the Company's day-rates are recovering and are projected for the purpose of this section to stabilise at around USD 180,000 to USD 200,000 from 2022 onwards. All figures for 2020-2025 reflect the current contract backlog.

[23] Company estimates. Forward looking figures reflecting backlog, including options. Figures include charter hire revenues only.

Figure 6.7: Average historical fleet utilization and current coverage[24]



Utilisation of the Vessels averaged 69% from 2013 – 2019, and 78% excluding the impact of the Pacific Osprey crane incident. 2019 utilisation was 52% (100% excluding the impact of the Pacific Osprey crane incident). The Group's average adjusted EBITDA margin was ~56% in the period 2013 – 2018.[25] [26] [27]

Below is a summary of selected contracts entered into by the Group in the ordinary course of business.
O&M Contract with SGRE (May 2019)

The Group has a long-term maintenance and service agreement with Siemens Gamesa Renewable Energy (SGRE). The agreement covers wind farms located in the North, Baltic and Irish Seas. Mobilisation of the *Pacific Orca* started in June 2019 and was followed by the first operations at the Meerwind Süd/Ost wind farm, off the north-western coast of Germany, and at the Galloper Offshore Wind Farm, off the south-eastern coast of England, where wind turbines were originally installed by the Group. The *Pacific Orca* was a natural choice for servicing the different types of wind turbines (G4, D7 and Adwen) without any need for vessel modification. With its large cargo area and high capacity deck loading, *Pacific Orca* offers considerable flexibility and availability. Mobilisation time was reduced from 12 hours to three or four hours. This and a better weather window reduced costs for the customer.

Triton Knoll – DEME Offshore (April 2020)

The Group has a contract with DEME Offshore for the transportation and installation of wind turbines for the Triton Knoll project. The Triton Knoll wind farm is in the North Sea, off the coast of Lincolnshire, England. 90 wind turbines are planned to be installed between the fourth quarter of 2020 and 2021.

Hornsea Two – DEME Offshore (September 2020)

The Group has a contract with DEME Offshore for the transportation and installation of foundations, monopiles and transition pieces for the Hornsea Two-project. Hornsea Two will be in the North Sea, off the coast of Yorkshire, England and next to Hornsea One. Hornsea Two is a 1.4 GW project. Approximately 160 monopiles and transition pieces are planned to be installed in 2021.

[24] Forward looking figures reflecting backlog, including options
[25] 2019 has not been included in the average calculation as the year was colored by Pacific Osprey awaiting installation of new crane boom and Pacific Orca was employed on a lower yielding O&M contract
[26] Adjusted EBITDA based on the Group's reported EBITDA less bare-boat charter costs and less inter-company transactions plus vessel insurance costs for all years equal to the actual cost of the vessel's insurance policies in 2019. 2015-19 figures have been derived from the Company's financial statements. 2013-14 figures are derived from gross profit and office depreciation in the financial statements whereas revenue and bare-boat charter costs are from the trial balances used in the relevant financial statements as neither the revenue figures nor the bare-boat charter costs were disclosed. 2013-17 converted from DKK to USD based on DKKEUR 0.1344 and 2018 and 2019 from EUR to USD based on average exchange rates of 0.848 and 0.893, respectively
[27] Reflecting figures as if vessel ownership had been under the Company

Seagreen – MHI Vestas (July 2020)

The Group has a contract with MHI Vestas Offshore Wind for the transportation and installation of 114 wind turbine generators at Seagreen offshore windfarm. The project is expected to be Scotland's largest offshore windfarm upon completion, supplying sufficient energy to meet the needs of approximately one million homes. The Group plans to start installing wind turbines in the second half of 2021.

Vattenfall HKZ (January 2020)

The Group has a contract with Vattenfall to transport approximately 140 wind turbines and to install them at the Hollandse Kust Zuid 1-4 wind farm.

6.7 Group Organisation and Employees

The Group is headquartered in Copenhagen, Denmark, and has an employee based in Taiwan. It directly employs 45 head office employees, with 135 mariners supplied by a related external manning agency. The Selling Shareholder provides financial reporting, tax, insurance, internal audit, IT, HR, procurement and health, safety, environment and quality ("**HSEQ**") support and services to the Group. The Group has entered into a transitional service agreement (**"Transitional Service Agreement"** or **"TSA"),** under which the Selling Shareholder will continue to provide these services on a commercial basis until the Group is capable of performing these functions independently or procures them elsewhere (see Section 13.1 for further information).

6.8 Disclosure About Dependency on Contracts, Patents and Licenses

The Group is not materially dependent on any patents, licences, industrial, commercial or financial contracts or new manufacturing processes, except for the Transitional Service Agreement and contracts described in Section 6.10 "Material Contracts".

6.9 Research and Development

The Group is not involved in any material research and development activities.

6.10 Material Contracts

Debt Facility

The Company has obtained a debt facility of EUR 95 million from DNB Bank ASA and SpareBank 1 SR-Bank (the "**Debt Facility**"). The Debt Facility is secured by, inter alia, a first priority mortgage over the Vessels and a first priority assignment of the insurances and earnings of the Vessels and contains customary financial and other covenants. The Debt Facility consists of (i) a three-year amortizing term loan of EUR 75 million, repayable in semi-annual instalments of EUR 5 million in month 6 and 12, EUR 10 million in month 18 and 24, EUR 7.5 million in month 30 and 36, in addition to a final balloon payment of EUR 30 million, and (ii) an overdraft facility of up to EUR 20 million. The term loan bears interest at 3-month EURIBOR + 325 bps, subject to a 5 basis point green loan margin discount as long as the Company is in compliance with certain green asset criteria such as earmarked investments in green assets. The overdraft facility bears interest at EURIBOR + 275 bps. Please refer to Section 10.6 "Liquidity and Capital Resources" for further information about the Debt Facility and covenants related thereto.

*Recourse Agreement for Parent Company Guarantees ("**PCGs**") issued by the Selling Shareholder and bank guarantees ("**BGs**") procured by the Parent*

The Selling Shareholder, as the sole shareholder of the Company prior to the Offering, has issued four PCGs and has committed to issue two further PCGs to guarantee the performance of the Company's obligations under its relevant customer contracts. The Selling Shareholder has also procured two BGs in favour of the Company's customer as security for performance of the Company's obligations under its customers contracts. Each of the PCGs will be in force until all of the Company's obligations under the relevant contract have been fully discharged, which is expected to happen progressively from 2021 to 2023. Given the Selling Shareholder's continuing obligations under the PCGs, even though the Selling Shareholder will no longer be the sole shareholder of the Company following completion of the Offering, the Company has entered into a deed of recourse with the Selling Shareholder containing the following key terms:

(i) the Company will indemnify the Selling Shareholderfor any liabilities incurred by the Selling Shareholderin performing its obligations under the PCGs or in respect of any payments made under the BGs;

(ii) the Company will pay the Selling Shareholder an arm's length fee for each PCG and BG issued and procured respectively by the Selling Shareholder in favour of the Company's costumer;

(iii) the Company is restricted from amongst others, (i) transferring its obligations under the customer contracts; (ii) amending or varying any term of the customer contracts without the prior written consent of the Selling Shareholder if such amendment or variation will increase the Selling Shareholder's obligations under the PCGs; and (iii) settling any claim under the contracts without the Selling Shareholder's prior written consent.

Shareholder loan agreement

In connection with the Restructuring, and to finance the Group's acquisition of the Vessels, the Selling Shareholder entered into a loan agreement with the Company to provide the Shareholder Loan of USD 57 million. The Shareholder Loan provides for (i) an arm's length interest rate and a default interest rate in addition to the interest rate in the event of any late payment, with the interest payable at the end of June and December each year, commencing on 20 June 2021, and on repayment of the loan, (ii) the loan to be repaid in full or in part on demand by the Selling Shareholder, and (iii) a mandatory prepayment clause obliging the Company to fully repay the Shareholder Loan with third party external financing obtained by the Company for the purposes of acquiring the Vessels or for its working capital. See Section 4.4.2 "The Restructuring" for further information about the Company's acquisition of the Vessels and the Shareholder Loan and bare-boat charters in relation thereto.

Transitional Service Agreement

As set out in Section 6.7 "Group Organisation and Employees", the Company has entered into the TSA with the Selling Shareholder for the Selling Shareholder to provide financial reporting, tax, insurance, internal audit, IT, HR, procurement, technical and HSEQ support and services. The support services may be requested by the Company through a service order and are intended to be provided as interim support only until the Company is capable of performing these functions independently or procures them elsewhere. The term of the agreement is 1 year, and the TSA may be terminated by either party at any time with 3 months' prior written notice. The TSA is on arm's length terms.

See Section 6.6 "Contract coverage and backlog" for a description of selected commercial contracts and Section 4.4.2 "The Restructuring" for a description of agreements entered into in relation to the Restructuring.

Except for the above, the Group has not entered into any material contracts outside the ordinary course of business during the two years preceding the date of this Prospectus.

6.11 Legal and Arbitration Proceedings

The Group is not aware of any governmental, legal or arbitration proceedings during the twelve months preceding the date of this Prospectus, including any such proceedings which are pending or threatened, of such importance that they have had in the recent past, or may have, a significant effect on the Company or the Group's financial position or profitability. The Company is currently assisting its manning company in respect of the following claims brought by four seafarers involved in the Pacific Osprey crane incident in 2018: (i) one personal injury claim filed against the Company in the English courts, (ii) two personal injury claims expected to be filed in the Scottish courts before the end of 2020 and (iii) one personal injury and unfair dismissal claim expected to be filed in the Irish courts. The four seafarers were employed by the manning company. As of the date of this Prospectus, it is uncertain if the seafarers will succeed in their claims against the Company and, if so, at what quantum, as this depends on the applicable law, the basis for the seafarer's claims, the status of the seafarers' injuries and the quantification on their claims. It is not expected that their claims will have a significant effect on the Company's or the Group's financial position or profitability.

7. INDUSTRY OVERVIEW

This Section discusses the industry and markets in which the Group operates. Certain information in this Section relating to market environment, market developments, growth rates, market trends, industry trends, competition and similar information are estimates based on data compiled by professional organisations, consultants and analysts; in addition to market data from other external and publicly available sources, and the Company's knowledge of the markets, see Section 4.5 "General Information—Presentation of Market Data and Other Information—Sources of Industry and Market Data". The following discussion contains Forward-looking Statements, see Section 4.3 "General Information—Cautionary Note Regarding Forward-Looking Statements". Any forecast information and other Forward-looking Statements in this Section are not guarantees of future outcomes and these future outcomes could differ materially from current expectations. Numerous factors could cause or contribute to such differences, see Section 2 "Risk Factors" for further details.

7.1 Introduction to the transportation and installation process for offshore wind farms

The Group operates within the offshore wind farm transportation and installation vessel market, which constitutes a part of the global wind energy industry. The fundamental driver of the wind energy installation activity is energy companies' investments in developing and installing renewable energy capacity. At the heart of these investment decisions are the decarbonization of the energy sector and the reduction of carbon emissions to limit climate change and achieve a more sustainable energy mix globally.

The engineering challenges presented by the transportation and installation of turbines at sea have resulted in the development of specialist equipment and innovative construction techniques. The wind turbine itself is constructed on shore in sections. The sections split the structure into main components which include: the substructure, tower sections, nacelle, hub and blades. These components are assembled at sea by the wind farm installation vessels always attempting to do this in the fewest possible lifts.

Purpose-built wind farm installation vessels, such as *Pacific Orca* and *Pacific Osprey*, transport the turbine components from port to the windfarm location out at sea, where they jack up to provide a stable platform where precision lifting can occur. In order to lift the turbine components, the Vessels need to be equipped with high performance cranes. The Vessels also carry hydraulic hammers which are used for the installation of the turbine foundations. Among the most common foundation designs are monopiles - cylindrical steel structures used in everything from shallow to deeper water. These are often the preferred foundation design due to the relatively simple fabrication process. The steel cylinder is piled into the sea floor by the hydraulic hammer. Once the foundation has been set in the sea bed, a transition piece is then fitted on top, the transition piece ensures that the base for installing the wind turbine is completely level, and in many cases also features a small crane, a boat landing and possibility for mounting the transformer, so energisation of the foundation is possible before the wind turbine is installed. The transition piece is slowly lowered into position and secured carefully as it has the important job of connecting the wind turbine generator and the monopile together. For windfarm projects in more complex site conditions, jacket foundations are often used. Jacket foundations are more complex to produce, and take up much more space in the marshalling ports, but have distinct advantages in challenging soil conditions, where these can either be based on pin-pilling or suction buckets.

The next stage is installation of the turbine tower which is craned into position. The tower is a key parameter in the whole installation sequence, as it has proven more effective to have a completed tower loaded onshore that allows for installation in one piece offshore. This reduces the amount of offshore work required, with cable pulling and bolting, and hence the market has a clear preference for vessels able to install the tower in one lift. With the increasing size of nacelles and blades, the tower is becoming higher and higher, and today only a limited number of vessels are able to do this installation in one lift. The nacelle is attached to the top and the generator connected. The final step is attaching the turbine blades.

Key competitive parameters for wind farm transportation and installation vessels include, *inter alia*:

- Lifting height capacity above sea level: for the next generation of turbines, it is expected that the hub heights may reach 160 – 180 meters;
- Lifting heights above main deck: for the next generation turbines, it is anticipated that towers may be 125 – 150 meters high;
- Large deck space and variable load capacity: in order to be able to transport large and heavy foundations and also nacelles of up to 1200 tons per unit and blades with lengths exceeding 120m; and
- Crane capacity: if targeting installation of heavy foundations/substructures or focusing on next generation wind turbine jacket foundations, the crane capacity is a key parameter due to the overturning moment capacity required.

7.2 General Industry Drivers

Growth and demand within the offshore wind farm transportation and installation vessel market are affected by, among others, the following factors:

a) **Energy companies' investment levels in renewable energy:** Energy companies' investment levels in developing offshore wind farms are the key driver of demand for transportation and installation vessels, which are, in turn, dependent on energy prices and the competitiveness of developing offshore wind projects.

b) **Cost of completing offshore wind projects (levelized cost of energy - "LCOE"):** Long term prospects for offshore wind depend to a large extent on how competitive offshore wind is compared to other sources of electricity. The LCOE combines all of the cost elements that are attributed to offshore wind projects into a single number representing the average generation cost for the projects. This metric measures the attractiveness of developing offshore wind projects versus other sources of energy. Hence, the developments in all of the cost components are key elements for the future attractiveness of offshore wind. The cost elements in the LCOE term include capital costs, offshore transmission costs, operation and maintenance cost, cost of financing and capacity factors. Commercial banks' willingness to finance, better financing terms and lower cost of equity are key elements for lowering the LCOE for offshore wind projects. The distance from shore is a key component for the transmission cost of the projects. Technological improvements and digitalisation will bring new techniques for monitoring and maintenance of operating wind farms, bringing overall maintenance costs down. Technological advances and larger turbines are increasing the capacity factors enhancing better scale economies. The LCOE of offshore wind is also influenced by the quality of wind resources and water depths in areas available for energy development.

c) **Consumer pricing (Consumer willingness to pay):** Using renewable energy for domestic consumption has been identified as a key strategy by the Intergovernmental Panel on Climate Change to reduce greenhouse gas emissions. As part of the success of offshore wind, the declining costs and increased competitiveness have made the outbuild of offshore wind much faster, and today we see projects being built in a "zero subsidy" regime. Critical to the success of this is to know whether consumers are willing to pay to increase the proportion of electricity generated from renewable energy in their electricity portfolio. Analysis of studies shows that consumers have significantly higher willingness to pay for electricity generated from solar, wind or a generic renewable energy source (i.e. not a specific source) than hydro power or biomass.

d) **Technology and innovation:** The global offshore wind market has been gaining momentum over the last decade, and has according to the International Energy Association ("**IEA**") grown by nearly 30% per year between 2010 and 2018, benefitting from rapid technology improvements. Equipment suppliers have focused research and development spending on bigger and better performing offshore wind turbines, a technology that has grown dramatically in physical size and rated power output. New offshore wind projects now have capacity factors of 40% - 50% as larger turbines and other technology improvements are helping to make the most of available wind resources.

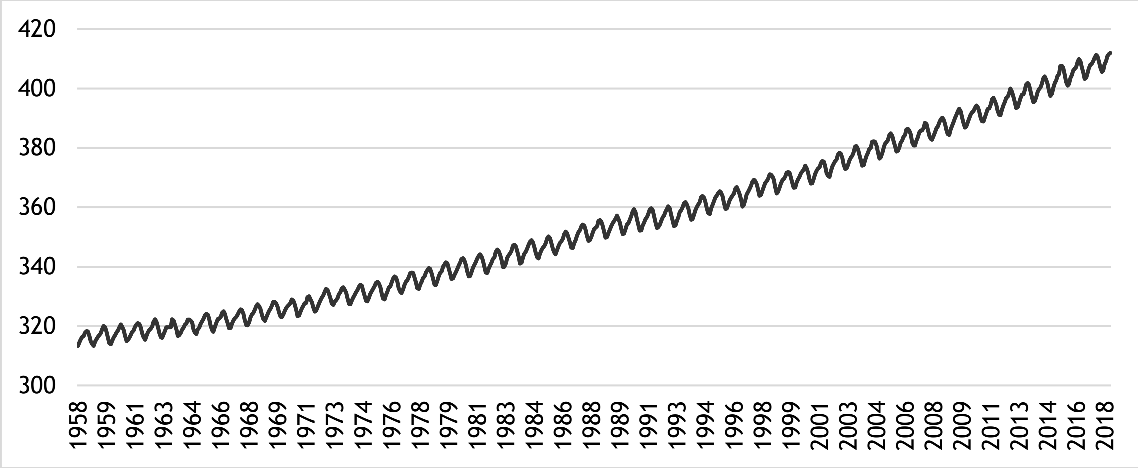
   With the continuous technology leaps propelling the offshore wind industry, larger and larger turbines are coming to market, in terms of size and swept area, which in turn raises the turbines' maximum output. The tip height of commercially available turbines increased from just over 100 metres in 2010 (~3 MW turbine) to more than 200m in 2016 (8 MW turbine) and the swept area increased by 230%. The industry is targeting even larger turbines, expected in the range of 15-20 MW, for 2030. Larger turbines require larger foundations and hence construction becomes more challenging. The trend is expected to lead to increased demand for high-end transportation and installation vessels. Naturally, larger foundations and turbines are putting upward pressure on capital costs, but are at the same time contributing to lowering plant costs and operation and maintenance costs, ultimately leading to lower levelized cost of electricity. As a result, technology and innovation are expected to continue to make offshore wind a sustainable energy solution while at the same time making it more economically attractive.

e) **Political and environment:** Changes in the political, economic and regulatory environment across regions affect the global demand for offshore wind development. The political and regulatory regimes of a country also have a significant impact on the economic attractiveness of developing offshore wind farms.

f) **Global energy transition:** Focus on the environment has been and will continue to be one of the most important drivers for developing offshore wind projects. The global energy markets are currently in a megatrend towards greener and sustainable energy solutions. Reducing energy-related CO_2 emissions is at the heart of this transformation. Shifting the world away from the consumption of fossil fuels that cause climate change and towards cleaner, renewable forms of energy is key to the world reaching agreed climate goals. Despite the Kyoto and Paris agreements, the CO_2 concentration in the air has increased further, and it has become evident that even stronger measures are required to achieve these goals. As a result, governments are increasing taxes on CO_2

emissions, and are expected to continue doing so. Hence, the willingness to shift investments into more sustainable energy solutions is increasing.

Figure 7.1: Atmospheric CO2 concentration 1958 – 2019 (ppm)



Source: Earth System Research Laboratories (ESRL), study on atmospheric CO2 concentration.

g) **Low interest rates:** Lower interest rates have contributed to the solid appetite for infrastructure investments, including renewable energy generation assets, and have consequently caused increased focus on development of further renewable generation projects.

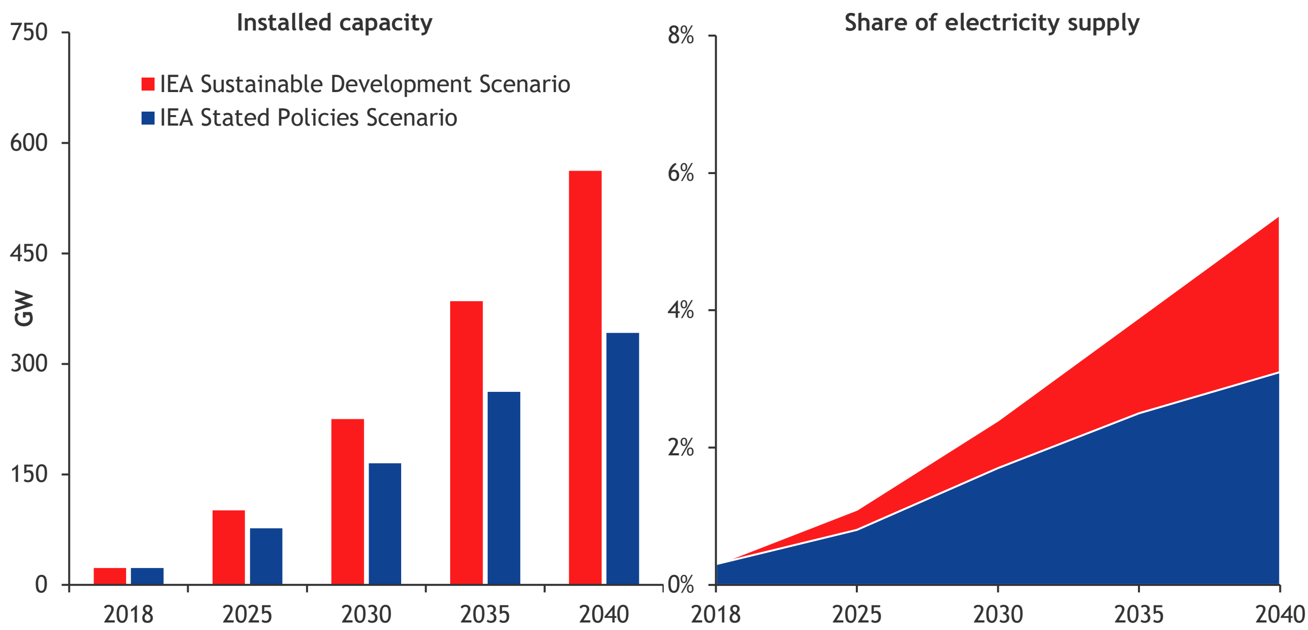
7.3 Outlook for the offshore wind power market

Offshore wind to play an important role in the energy transition

Offshore wind technology allows countries to exploit the generally higher and sometimes smoother wind resources offshore, while achieving gigawatt-scale projects close to densely populated coastal areas prevalent in many parts of the world. Naturally, this makes offshore wind an important addition to the portfolio of low carbon technologies available to decarbonize the energy sector. Offshore wind technology has been one of the emerging renewables technologies that has come of age in the last few years, with rapid technological improvements, supply chain efficiencies and logistical synergies. This has lowered overall costs and hence opened up potential in new markets.

The global offshore wind market is set to expand significantly over the next two decades, growing by 13% per year in the IEA's stated policies scenario ("**Stated Policies Scenario**"), and even faster in the IEA's sustainable development scenario ("**Sustainable Development Scenario**"). Annual offshore wind capacity additions are set to double over the next five years and increase almost fivefold by 2030 to over 20 GW per year. Beyond 2030 the cost competitiveness of offshore wind will help to maintain the pace of growth.

Figure 7.2: Projected global offshore wind capacity and share of electricity supply by scenario



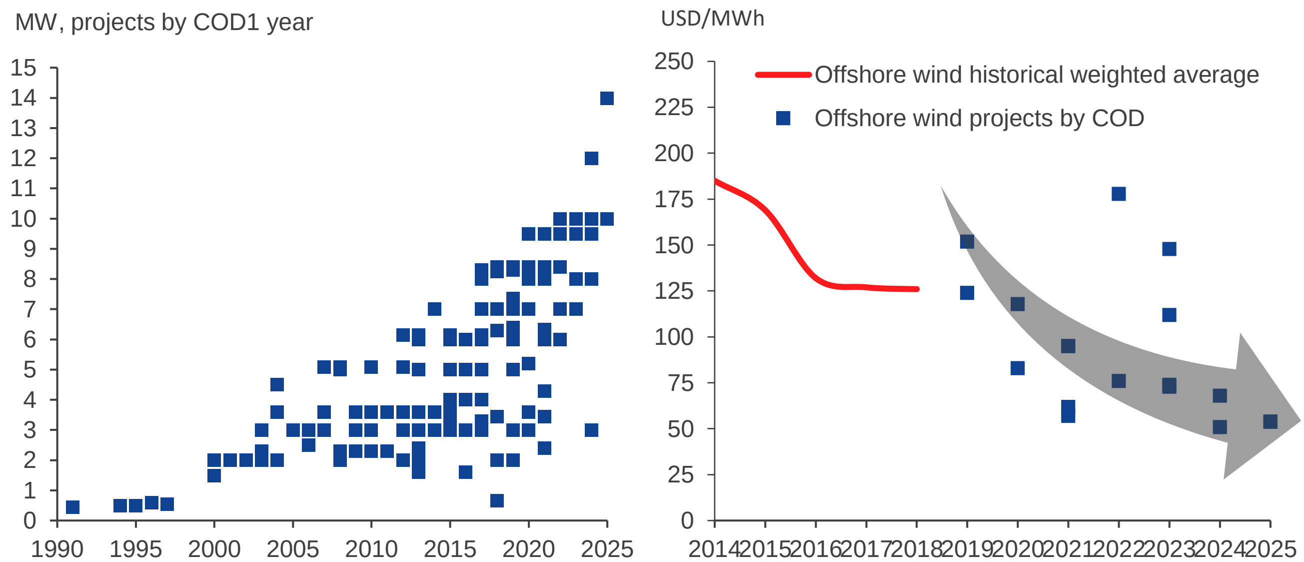
Source: IEA 2019 Offshore Wind Energy Report

As the global offshore wind markets expand, so does their role in supplying electricity around the world. In the Stated Policies Scenario, offshore wind accounts for 3% of global electricity supply in 2040. In the Sustainable Development Scenario, its share of global electricity supply rises to 5%.

Turbines are getting larger and more efficient

Larger and cheaper turbines, smarter operations and maintenance, lower cost of finance and better performing machines combine to lower the cost of wind energy.

Figure 7.3: Turbine size in offshore wind farm projects (left) and LOCE - levelized cost of energy (right)



Source: BNEF "New Vessels for Installing Turbines" 2019, IRENA "Renewable Power Generation Costs in 2018" (2019)
Note: [1]COD = Commercial Operational Date

As set out in the above charts, there is a clear trend of increasing turbine size and lower weighted average LCOE for more recent projects.

Offshore wind is now a cost competitive source of energy

The development of offshore wind is gathering momentum. Developers are continuing to work on bringing down costs in established and new markets with support from governments and regulators. Project-level upfront capital costs will continue to depend on the choice of site and on the trade-off between distance from shore, water depth and quality of the wind resource.

With the technological leaps achieved to date, policy design and price pressure from auctions and tenders, there has been a step-change in the price for offshore wind that has propelled the sector from a niche technology to a serious contender in the market, with several projects now auctioned at zero subsidy levels. A number of factors have contributed to the rapid cost declines:

- *Larger turbines*: need fewer foundations, less cabling and fewer parts to install and maintain, to obtain the same overall windfarm capacity. Fewer turbines are better for park layouts with regards to wake effects and seabed conditions and can reduce overall operation and maintenance costs.

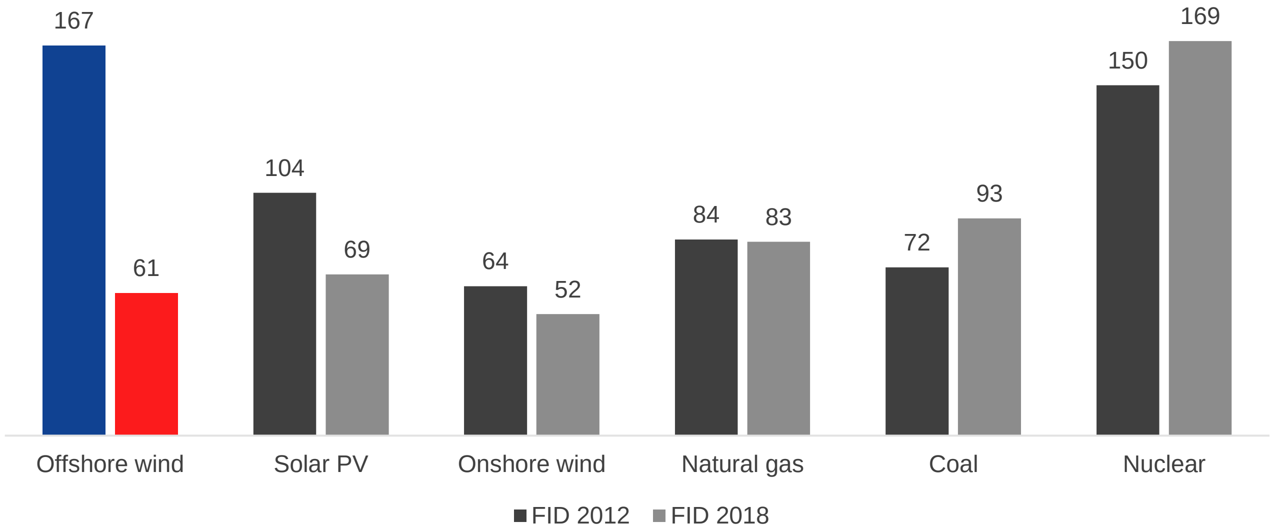
- *Project scale*: economies of scale start to materialize in parks larger than 500 MW, and some European offshore wind farms have already broken the 1GW mark. Scale benefits are also obtained where new projects are clustered with existing parks operated by the same or different developers, which especially provides operational benefits in the O&M phase of a project. Savings come from a reduced setup both onshore and offshore, with further benefits from using existing infrastructure and knowledge of the ground conditions, which also reduces uncertainty related to yield calculations.

- *Growing global supply chain and developer experience*: developers have moved from a pioneering *ad hoc* approach to streamlining projects with experience and know-how, more efficient installation practices, better marine logistics and a clearer understanding of the supply chain. Engineering standards are being re-designed specifically to reflect sector needs, rather than being adapted from oil and gas standards.

- *Competitive auctions*: Developers in the European markets now compete on price in order to secure contracts, and several projects have been awarded without subsidies. The emerging markets in the US and North Asia are not at that level yet, but it is a clear expectation, that a downward trending subsidy scheme will be seen quite rapidly.

- *Policy design and project scope*: more than in other renewable technologies, governments can take larger and more active role in the project scope of their countries' domestic offshore wind markets.

Figure 7.4: Costs for new electricity generation (NWE) - LCOE EUR/MWh

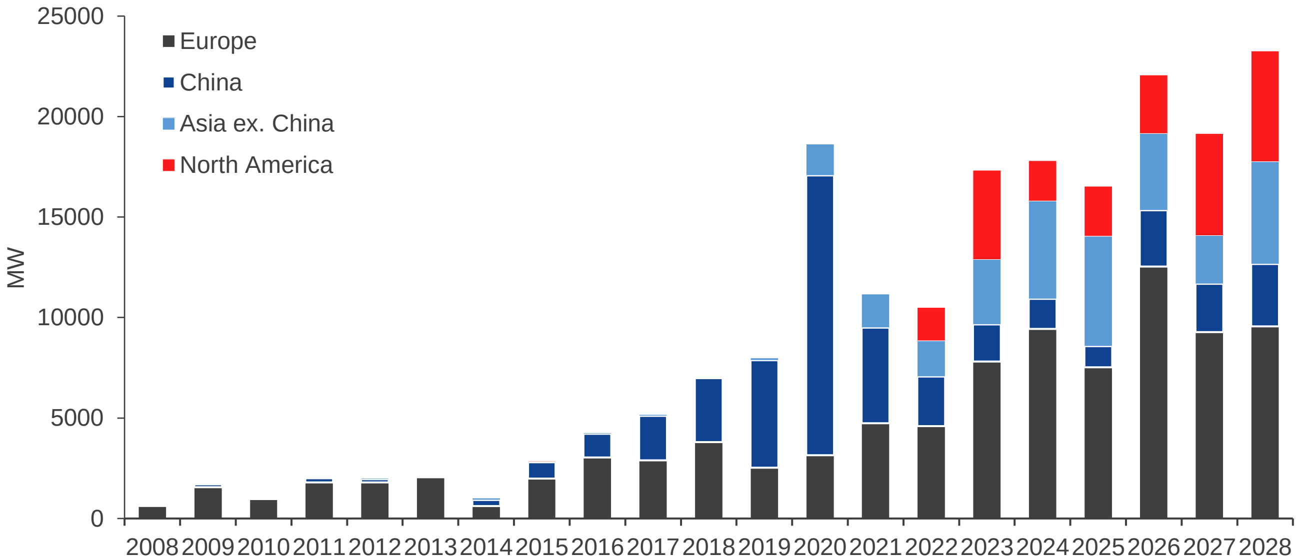


Source: Clarksons Platou Renewables, BNEF, IEA Offshore Wind Outlook Report

Offshore wind costs have been brought down significantly, reducing LCOE by 64% to EUR 61 per MWh and making offshore wind more competitive than solar, gas, coal and nuclear. These cost reductions are driven by improvements in all of the cost components in the LCOE metric. More attractive financing terms, lower cost of equity and higher willingness to finance from commercial banks are key elements for lowering the cost of capital attributed to offshore wind projects. Technological and digital advances have been key elements for lowering operational and maintenance costs. Larger turbines ensure more attractive capacity factors and scale economies. Improvements in wind turbine and foundation designs, construction processes and O&M procedures have spill over effects, driving down costs in all markets as global deployment increases. The cost trends that have been observed over the past decade taken together mean that the global LCOE will continue to trend downwards. Individual markets can accelerate those cost reductions further by encouraging the development of a healthy project pipeline to help establish efficient supply chains for both equipment manufacturing and technical expertise.

Historically, Europe has by far been the most important market for offshore wind. However, in the five years before the date of this Prospectus China has outpaced Europe in capacity entering construction. In 2020, China accounted for nearly 14,000 MW capacity versus 3,100 MW from Europe. Due to the large volumes starting construction in China in 2020, there is an overall decline in capacity entering construction in 2021 and 2022, although there is a positive growth y-o-y in Europe and Asia excluding China. After Asia and Europe, North America is another emerging offshore wind market, with nearly 1,700 MW capacity entering construction in 2022 and 4,500 MW in 2023. With the growth in Europe and China in addition to new regional markets opening up, the offshore wind market is a robust and long-term growth story.

Figure 7.5: Offshore wind farm capacity entering construction



Source: 4C Offshore "Offshore Wind Farms Project Opportunity Pipeline (POP)" June 2020

7.4 The Offshore Wind Installation Vessel Market

7.4.1 Demand

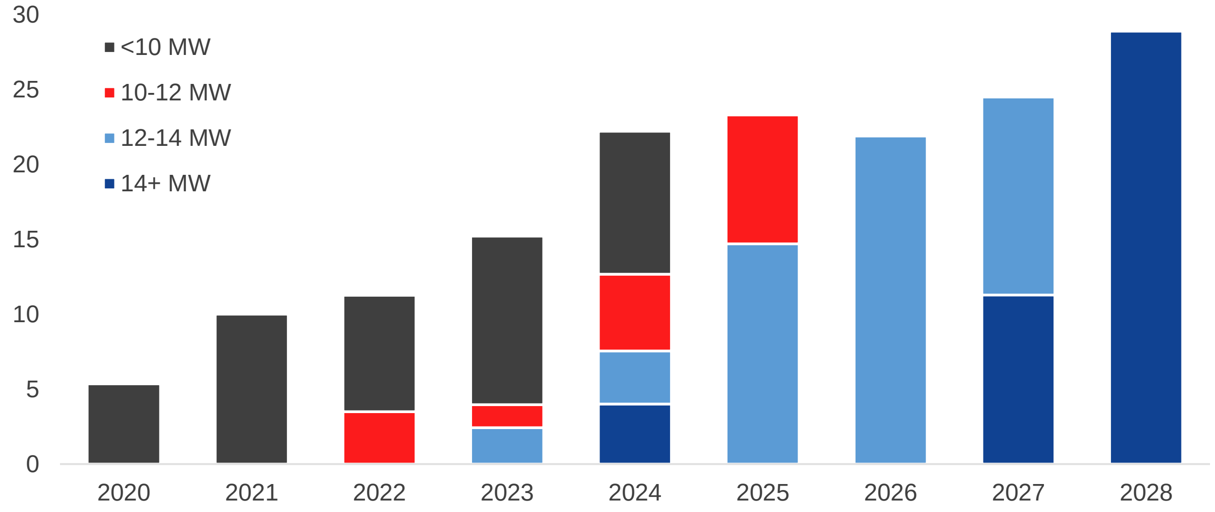
The demand for high capability windfarm installation vessels is growing and the market trend towards larger scale projects implies that a project is expected to take a windfarm installation vessel a significant portion of the year to complete the installation. Larger wind turbines are exponentially more efficient as production increases in line with the square of the motor radius and wind speed increase with the height of the turbine. The hub heights of the largest offshore wind turbines announced today range up to 150 meters[28] compared to just over 100 meters in 2015. This trend is expected to continue and next generation turbines may be as large as 20 MW.

There is no indication of movement away from a summer focused installation cycle, so the annual peak demand for windfarm installation vessels during the summer is likely to match the total number of projects reaching construction during any given year. One project is considered equivalent to one available installation contract unless the windfarm is expected to consist of more than 120 turbines on site, as windfarms of such large scale would likely use a single vessel for more than a year or use two vessels.

Visibility through 2025 is considered high as almost all projects included by market analysts for construction during this period are at advanced stages of development.

[28] EIA estimated hub height for a 15 MW turbine

Figure 7.6: Possible demand for high-end WIVs defined by turbine rating (#vessels)[29 30 31 32 33 34 35]



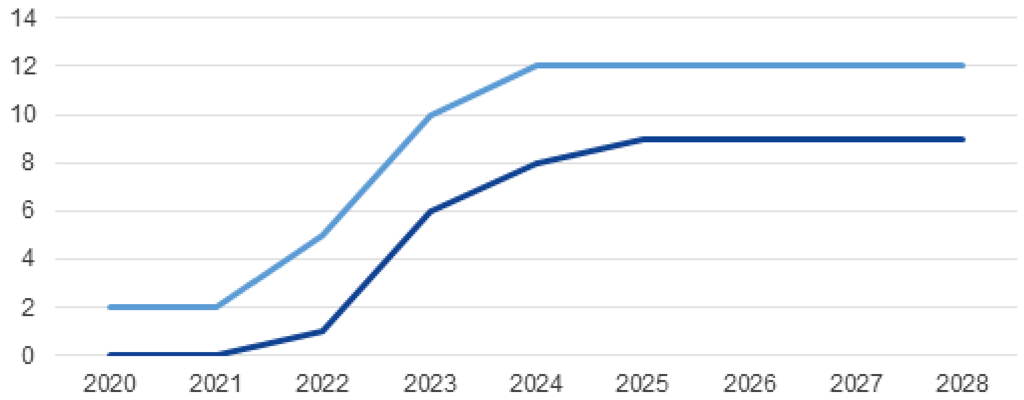
Source: BNEF, 4C Offshore "Offshore Wind Farms Project Opportunity Pipeline (POP)"

As set out in the above chart, possible global demand for high-end vessels is expected to exceed 20 vessels p.a. for the period 2024 – 2027, with further growth in 2028. Based on the various vessels' cranes and other specifications, it is expected that 8 vessels, including new-builds, will be capable of installing turbines rated 14 MW or greater.

7.4.2 Supply

With no new vessels entering the market in 2020-2021 and considering that turbines are becoming significantly bigger, the larger WIVs are likely to have a competitive advantage in the tightening T&I market.

Figure 7.7: WIV fleet by expected capacity to install turbines of given MW rating[36 37]



Source: BNEF 2019, company press releases and vessel specification brochures, offshorewind.biz, Company

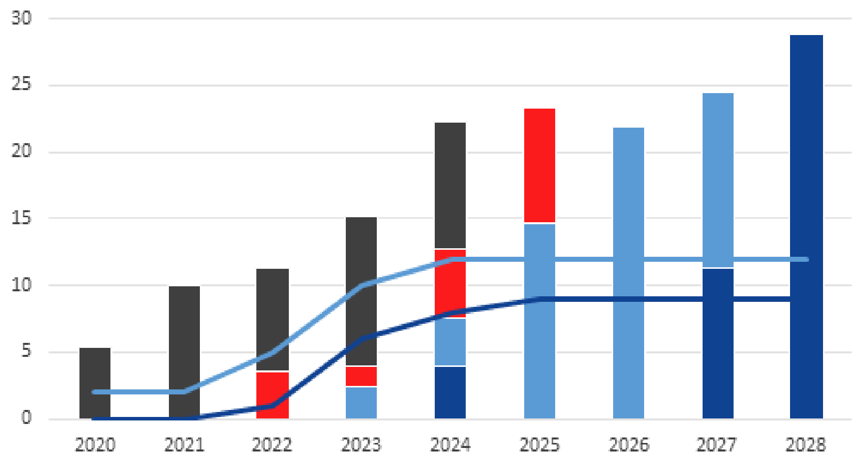
[29] 2020-24 based on 4C Offshore, 2025-2028 based on BNEF/4C Offshore
[30] World excluding China
[31] For 2020-24, installation of foundation assumed same year as "start of offshore construction", whereas turbine installation assumed one year later. For 2025-28, installation is assumed one year prior to COD.
[32] Assumed that WIVs will install 25% of foundations and 100% of turbines
[33] Assumes average installation time of 2.9 days per foundation and per turbine, and that average effective vessel availability per year is equal to 70% of calendar days
[34] For 2020-24 the split per turbine rating is according to pro rata share of total capacity to be installed, based on turbine sizes listed for the various projects by 4C Offshore, however, with adjustment to 14+ MW turbines for projects Sofia, Hai Long and Dominion based on announcements
[35] For the period 2025-28, it is assumed that the turbine size for projects where the turbine model has not been listed will be according to 4C Offshore's estimated average turbine size for the relevant year and region
[36] Global market excl. China
[37] New-builds included in year of delivery

The above chart presents the global fleet (excluding China) by expected capacity to install turbines of a given MW rating. In 2020 there are 15 vessels in total, of which nine are estimated to be capable of installing 10-12 MW turbines; only two vessels are found to be capable of installing 10-14 MW ratings. Moving forward to 2023, there are 23 vessels, of which 17 are expected to be capable of installing 10-12 MW turbines, 10 to be capable of installing 12-14 MW turbines and six to be capable of installing 14+ MW turbines. The latter is expected to increase to eight vessels by 2025.

7.4.3 Outlook

There is a strong demand outlook for offshore wind and offshore windfarm installation, with continued growth in installed turbine capacity expected over the next 6-year period. Furthermore, new regions are increasingly commencing offshore wind farm construction projects, with both the Asian and North American markets expected to contribute substantially to the global growth in the years ahead. The importance of the new geographical markets can be seen in that these have absorbed and continue to absorb incremental vessel capacity (e.g. 4 jack-up vessels mobilizing from Europe to Asia during 2019 - 2021).

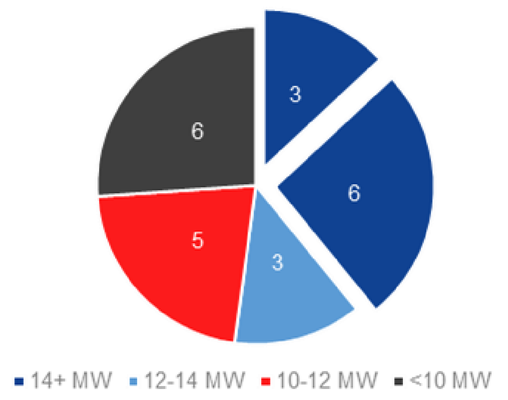
Figure 7.8: Possible supply and demand for WIVs (#vessels)



Source: 4C Offshore "Offshore Wind Farms Project Opportunity Pipeline (POP)" June 2020, BNEF 2019, company press releases and vessel specification brochures, offshorewind.biz, Company

There is a tight supply of wind farm installation jack-ups, as turbines continue to grow bigger and several of the existing vessels in this market are expected to become obsolete, given that the components will grow beyond the upgradeability of these vessels. There are currently several pending new-build projects scheduled for delivery in the next two to four years targeting different regional markets, however, based on the demand outlook and the estimate that a large portion of future installation work will require vessels capable of installing the larger turbines with MW rating of 12 MW or greater, the supply is expected to remain tight beyond 2024-25.

Figure 7.9: WIVs by expected capacity to install turbines of given MW rating[38] [39]



Source: BNEF 2019, company press releases, offshorewind.biz, Company

[38] Global market excluding China, including announced planned new-builds
[39] Including Pacific Orca, Pacific Osprey and Brave Tern based on capabilities following planned crane upgrades

8. CAPITALISATION AND INDEBTEDNESS

This Section provides information about (a) the Company's capitalisation and net financial indebtedness on an actual basis as of 30 June 2020 and (b) in the "As Adjusted" columns, the Company's capitalisation and net financial indebtedness on an adjusted basis to show the estimated effects of the following items only to the Company's capitalisation and net financial indebtedness:

- ***The Restructuring:*** on 25 September 2020 the Group acquired the two Vessels (Pacific Orca and Pacific Osprey) through its wholly owned SPVs. Prior to such date, the Vessels were owned by an affiliated company controlled by the Selling Shareholder and on bare-boat charter to the Company. The Vessels were acquired for a total consideration of USD 290,212 thousand, and the consideration was settled by way of a Shareholder Loan from the Selling Shareholder of USD 57,000 thousand and capital injection in kind by the Selling Shareholder into the Company of USD 233,212 thousand. The Company thereafter used the Shareholder Loan and capital injection as further capital injection in kind into the SPVs. The Shareholder Loan is expected to be repaid from the funds raised by the Group through the Debt Facility (see below). For further details, see Section 4.2.2 "Restructuring" and 9.10 "Pro Forma Financial Information".

- ***The Offering:*** the assumed net proceeds from the sale of the New Shares received by the Company in the amount of NOK approximately 853,250,000, with gross proceeds from the Offering of the New Shares of NOK 917,250,000 and expenses related to the Offering of NOK approximately 64,000,000 payable by the Company.

- ***Debt Facility:*** On 4 November 2020, the Company secured a Debt Facility (as defined and further described in Section 10.6 "Liquidity and Capital Resources") of EUR 95 million from DNB Bank ASA and Sparebank 1 SR Bank, consisting of a three year term loan of EUR 75 million and an overdraft facility of EUR 20 million.

- ***Intercompany payables:*** It is estimated that intercompany payables from 30 June 2020 to the date of this Prospectus will increase by EUR 10.3 million (the "**Intercompany Payables**"). The increase relates to bareboat charges, manning fee and working capital funding. The Intercompany Payables will be settled in connection with the Offering via the Debt Facility or Offering proceeds.

Other than this, there has been no material change to the Group's unaudited consolidated capitalisation and net financial indebtedness since 30 June 2020.

The information presented below should be read in conjunction with the other parts of this Prospectus, in particular Section 9 "Selected Financial Information and Other Information", Section 10 "Operating and Financial Review", and the Company's Financial Statements and the notes related thereto included in Appendix A—Financial Statements to this Prospectus.

8.1 Capitalisation

The following table sets forth information about the Group's capitalisation, where the Company's capitalisation as of 30 June 2020 (see the "As of 30 June 2020" column – figures derived from the Interim Financial Statements) has been adjusted with the Restructuring, the Offering, the Debt Facility and the Intercompany Payables in the "Adjustments" column, in order to reflect the Company's capitalisation as of the date of this Prospectus, presented in the final column "As Adjusted as of the date of the Prospects".

EUR' 000	As of 30 June 2020 (unaudited)		As Adjusted as of the date of the Prospectus (unaudited)
	Actual	**Adjustments**	**As Adjusted**
Total current liabilities	**47,160**	**(20,985)**	**26,175**
—Guaranteed(1)	6,175	-	6,175
—Secured	-	-	0
—Unguaranteed/unsecured	40,985	(20,985)(2)	20,000
Total non-current liabilities	**84,356**	**(5,035)**	**79,321**
—Guaranteed(1)	4,321	-	4,321
—Secured	-	75,000(3)	75,000
—Unguaranteed/unsecured	80,035	(80,035)(4)	0
Total liabilities (A)	**131,517**	**(26,020)**	**105,496**

Shareholders' equity			
—Share capital	104	15,406[5]	15,510
—Legal reserves	-	-	0
—Other reserves	(33,460)	263,464[5]	230,004
Total equity (B)	**(33,356)**	**278,870**	**245,514**
Total capitalization (A)+(B)	**98,161**	**252,850**	**351,010**

[1] Guaranteed by the Parent.
[2] Additional parent company funding of EUR 10.3 million for the period 30 June 2020 to the date of this Prospectus, settlement of payables to group entities of EUR 35 million (EUR 25 million of group payables as of 30 June 2020 and settlement of the EUR 10.3 million parent company funding after 30 June 2020), elimination of current lease liability due to asset transfer (EUR 16 million) and draw down of overdraft facility entities (EUR 20 million), a net adjustment of negative EUR 20.9 million (EUR 10-35-16+20 million).
[3] EUR 75 million term loan facility fully drawn.
[4] Elimination of non-current lease liability due to asset transfer (EUR 80 million).
[5] EUR 200m equity injection by the parent company to facilitate the asset transfer (EUR 10.5 million as share capital and EUR 189.5 million as premium reserve). Estimated net proceeds from the Offering of approximately EUR 78.9 million (EUR 4.9 million as share capital and EUR 74.0 million has premium reserve) after deducting estimated expenses of EUR 5.9 million related to the Offering.

8.2 Net Financial Indebtedness

The following table sets forth information about the Group's net financial indebtedness, where the Company's net financial indebtedness as of 30 June 2020 (see the "As of 30 June 2020" column – figures derived from the Interim Financial Statements) has been adjusted with the Restructuring, the Offering, the Debt Facility and the Intercompany Payables in the "Adjustments" column in order to reflect the Company's net financial indebtedness as of the date of this Prospectus, presented in the final column "As Adjusted as of the date of the Prospectus".

EUR' 000	**As of 30 June 2020 (unaudited)**		**As Adjusted as of the date of the Prospectus (unaudited)**
	Actual	**Adjustments**	**As Adjusted**
A. Cash	1,569	78,890[1]	86,359
B. Cash equivalents	-	-	-
C. Trading securities	-	-	-
D. Liquidity (A)+(B)+(C)	**1,569**	**78,890**	**80,459**
E. Current financial receivables	-	-	
F. Current bank debt	-	20,000[2]	20,000
G. Current portion of non-current debt	-	-	-
H. Other current financial debt	15,819	(15,819)[3]	*
I. Current financial debt (F)+(G)+(H)	**15,819**	**4,181**	**20,000**
J. Net current financial indebtedness (I)-(E)-(D)	**14,250**	**(74,709)**	**(60,459)**
K. Non-current bank debt	-	75,000[4]	75,000
L. Bonds issued	-	-	-
M. Other non-current financial debt	80,035	(80,035)[3]	-
N. Non-current financial debt (K)+(L)+(M)	**80,035**	**(5,035)**	**75,000**
O. Net financial indebtedness (J)+(N)	**94,285**	**(79,744)**	**14,540**

[1] Estimated net proceeds from the Offering of approximately EUR 78.9 after deducting estimated expenses of EUR 5.9 million related to the Offering.
[2] Draw down of overdraft facility of EUR 20 million.
[3] Elimination of current and non-current lease liability due to asset transfer.
[4] EUR 75 million term loan facility fully drawn.

Indirect and Contingent Indebtedness

There is no indirect or contingent indebtedness of the Company. While the Parent will look towards the Company for recourse in the event the Parent is required to honour the PCGs and BGs the Parent has issued and procured respectively in favour of the Company's customers to guarantee the Company's obligations under its customer contracts, it is the Company that has the primary liability towards its customers to perform its obligations under the customer contracts. See Section 6.10 "Material Contracts" for further information.

9. SELECTED FINANCIAL INFORMATION AND OTHER INFORMATION

The following selected financial information has been extracted from the Company's audited financial statements as of and for the years ended 31 December 2019, 2018 and 2017 and the Company's unaudited interim financial statements for the six months ended 30 June 2020 and 2019, which are included in Appendix A—Financial Statements to this Prospectus. This Section should be read together with Section 10 "Operating and Financial Review".

9.1 Introduction and basis for preparation

The Company is domiciled in Denmark and has as such historically prepared its financial reporting in accordance with Danish Generally Accepted Accounting Principles (DGAAP).

In 2020 the Company decided to convert its financial reporting from DGAAP to IFRS as adopted by the European Union and in line with additional requirements of the Danish Financial Statements Act, with a 1 January 2018 IFRS opening balance sheet. As such the Company has prepared audited financial statements in accordance with IFRS as of and for the year ended 31 December 2019, and with unaudited comparative figures for the year 2018. The 2019 Financial Statements were restated with a EUR 3.5 million adjustment and EY restated their audit opinion in this regard. An explanation for this is set out in note 25 for the 2019 Financial Statement. The 2019 Financial Statements are included as Appendix A to this Prospectus.

Note 25 of the 2019 Financial Statements states that those financial statements for 2019 are a restatement of the initial version dated 30 September 2020 due to a subsequent identified error in the recognition of revenue related to 2019. The error related to a non-recurring revenue stream in the form of contract cancellation fee income, which has been invoiced and received in 2020, but related to 2019 in the amount of EUR 3,500 thousand. The correction of the error has increased revenue and reduced the reported loss for 2019 by EUR 3,500 thousand and increased total assets and equity at 31 December 2019 by a corresponding amount. Reported cash flows from operating activities for 2019 as well as all comparative figures for 2018 are not impacted. Furthermore, deferred charter hire income in the amount of EUR 4,959 thousand has been reclassified from current to non-current liabilities at 31 December 2019. No other changes have been made to the restated financial statements for 2019. The restated financial statements are included as Appendix A to this Prospectus.

The Company's audited financial statements as at, and for the year ended 31 December 2018, and with comparative figures for the year ended 31 December 2017, have been prepared in accordance with DGAAP. The 2018 Financial Statements are included as Appendix A to this Prospectus.

The Company's audited financial statements as at, and for the year ended 31 December 2017, and with comparative figures for the year ended 31 December 2016, have been prepared in accordance with DGAAP. The 2017 Financial Statements are included as Appendix A to this Prospectus.

Interim condensed statements for the six months ended 30 June 2020 with comparable figures for the six months ended 30 June 2019 have been prepared in accordance with IAS 34. The Interim Financial Statements are included as Appendix A.

The 2019 Financial Statements, the 2018 Financial Statements and the 2017 Financial Statements have been audited by EY, as set forth in their auditor's reports included with the 2019 Financial Statements, the 2018 Financial Statements and 2017 Financial Statements. EY has also issued a limited review report for the Interim Financial Statements, which is included in Appendix D.

The selected financial information presented in this section has been extracted from the Company's audited Financial Statements and from the unaudited Interim Financial Statements for the six months ended 30 June 2020.

The Company has until recently applied DKK as functional and presentation currency (under DGAAP) for its financial reporting. Upon conversion to IFRS as mentioned above, the Company has determined that its functional currency is EUR and has changed presentation currency to EUR as well.

As such the Company has changed its presentation currency from DKK to EUR for the 2019 statutory financial statements which include 2018 comparable figures. The 2018 and 2017 statutory financial statements prepared in accordance with DGAAP were historically prepared with DKK as presentation currency. To ensure consistency, financial information for all three years (2017, 2018 and 2019) in the Prospectus is presented in EUR. To facilitate that all figures are presented in EUR, the 2017 and 2018 figures from the 2018 Financial Statements are translated from DKK to EUR on a convenience translation basis and these figures therefore appear as unaudited in the Prospectus. Denmark conducts a fixed exchange rate policy against the EUR at a central rate of DKK 7.46038 kroner per EUR 1 and a fluctuation band of +/- 2.25 per cent. This means that the DKK can only fluctuate between DKK 7.62824 and DKK 7.29252 per EUR 1. Given the stability in the relationship between DKK and EUR over the relevant period, the exchange rate that is applied is 0.1334 (DKK/EUR) as of 31 December 2019. Attached to the 2018 Financial Statements is an overview over the recalculated figures, where the audited financial figures for 2018 and 2017 are recalculated from DKK to EUR by applying the convenience rate.

The selected financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Interim and the Financial Statements included in Appendix A respectively, of this Prospectus. See note 2.1 in the 2019 Financial Statement for the Basis of Preparation.

The Group operates only one operating segment.

9.2 Significant accounting policies and estimates

For information regarding accounting policies and the use of estimates and judgements, please refer to notes 2 and 2.17 of the 2019 Financial Statements as of, and for the year ended, 31 December 2019, included in this Prospectus as Appendix A.

9.3 Significant changes

Other than the Offering, the Restructuring (Section 4.4.2) and the Debt Facility (Section 10.6), there has been no significant change in the Company's financial or trading position since 30 June 2020.

With the acquisition of the Vessels from CYP, the bareboat lease agreements were terminated at no additional consideration or penalties. Accordingly, on 25 September the rights-of-use asset (EUR 84.2 million as of 30 June 2020) and lease liability (EUR 94.9 million in total as of 30 June 2020) were derecognised. The net difference (EUR 10.7 million as of 30 June 2020) is recognised as finance income in the profit and loss.

Section 11.2 Prospective Financial Information provides guidance on the financial performance for the Company for the year ending 31 December 2020. For revenue and EBITDAR guidance, and the assumptions used to derive these, please refer to Section 11.2 Prospective Financial Information. From 30 June 2020 to the date of this Prospectus, there has been no material change to the assumptions set out in Section 11.2.

9.4 Summary of new accounting policies and principles and main changes when converting from DGAAP to IFRS

The Company's significant accounting policies are summarised in Note 2 to the 2019 Financial Statements, incorporated by reference to this Prospectus as Appendix A.

With effect from (and including) the financial year 2018, the Company converted its financial reporting from DGAAP to IFRS. The conversion did not result in any major changes, except for the implementation of IFRS 16 leasing; which requires the lessee to recognise assets and liabilities for all leases with a term of more than 12 months.

The table below sets for a reconciliation between DGAAP and IFRS for:

EUR'000

	Note	DGAAP	Reclassifications and remeasurements	IFRS
Revenue		71,653	-	71,653
Cost of sales	A	(59,660)	4,205	(55,455)
Gross profit		11,993	4,205	16,198
Other income		-	-	-
Administrative expenses		(9,517)	37	(9,480)
Operating profit		2,476	4,242	6,718
Finance income/(costs)	A	152	(11,498)	(11,345)
Profit/(loss) before income tax		2,628	(7,255)	(4,627)
Income tax expense		(1,712)	-	(1,712)
Profit/(loss) and total comprehensive loss		916	(7,255)	(6,339)

Note A: The adoption of IFRS and thus the application of IFRS 16 requires that operating leases that were previously not recognised in the balance sheet under DGAAP now be recognised as right of use assets and lease liabilities. The cost of operating and financing these assets are recognised in the P&L via depreciation (Cost of sales) and interest expenses.

DGAAP and IFRS have different categorisation of expenses. In the above table, the DGAAP figures are based on IFRS categorisation to facilitate the reconciliation between DGAAP and IFRS, and the impact of IFRS 16 on the accounts.

9.5 Selected Income Statement Information

The table below sets out a summary of the Company's statement of profit and loss and other comprehensive income information for the years ended 31 December 2019, 2018 and 2017 and the Company's unaudited statement of profit and loss and other comprehensive income information for six months ended 30 June 2020 and 2019.

To facilitate the comparison of 2019 and 2018 figures presented in EUR with the 2018 and 2017 historically reported in DKK, the 2018 and 2017 DKK figures are translated on a convenience translation basis from DKK to EUR and therefore appear as unaudited. Given the stability in the relationship between DKK and EUR over the relevant period the 2018 and 2017 figures are translated using the exchange rate DKK/EUR as of 31 December 2019 of 0.1334.

EUR'000	For the Six Months Ended 30 June		For the Year Ended 31 December			
	2020 (IFRS) (unaudited)	2019 (IFRS) (unaudited)	2019 (IFRS) (audited)*	2018 (IFRS) (audited)*	2018 (DGAAP) (unaudited)**	2017 (DGAAP) (unaudited)**
Revenue................................	9,149	26,998	38,382	71,653	71,653	44,644
Cost of sales...........................	(23,443)	(23,307)	(44,631)	(55,455)	(65,272)	(49,557)
Gross (loss)/profit	**(14,294)**	**3,691**	**(6,249)**	**16,198**	**6,381**	**(4,913)**
Other income	-	7	7	-	-	304
Administrative expenses.............	(3,991)	(3,785)	(7,403)	(9,480)	(3,905)	(3,210)
Operating profit......................	**(18,285)**	**(87)**	**(13,645)**	**6,718**	**2,476**	**(7,819)**
Finance income	297	-	-	200	200	9
Finance cost...........................	(2,268)	(4,686)	(8,538)	(11,545)	(48)	(75)
Profit (loss) before income tax.....	**(20,256)**	**(4,773)**	**(22,183)**	**(4,627)**	**2,628**	**(7,885)**
Income tax expense	-	(1,626)	(1,580)	(1,712)	(1,712)	1,547
Profit (loss) for the year	**(20,256)**	**(6,399)**	**(23,763)**	**(6,339)**	**916**	**(6,338)**
Other comprehensive income/(loss) for the year, net of tax	**-**	**-**	**-**	**-**	**-**	**-**
Profit (loss) and total comprehensive loss	**(20,256)**	**(6,399)**	**(23,763)**	**(6,339)**	**916**	**(6,338)**

** Figures are derived from the audited Financial Statements, but the figures included in the table are not audited as such. The 2019 Financial Statements were restated. The restatement related to the recognition of EUR 3,500 thousand revenue in 2019. Refer to section 9.1 or note 25 of the 2019 Financial Statements for further details on the restatement.*

***Audited DKK figures have been converted from DKK to EUR using a currency conversion ratio of 0.1334 DKK/EUR. Under DGAAP cost of sales includes all administration expenses except for staff costs and depreciation.*

9.6 Selected Balance Sheet Information

The table below sets out a summary of the Company's unaudited balance sheet information as of 30 June 2020 and 2019 and the Company's balance sheet information as of 31 December 2019, 2018 and 2017.

To facilitate the comparison of 2019 and 2018 figures presented in EUR with the 2018 and 2017 historically reported in DKK, the 2018 and 2017 DKK figures are translated on a convenience translation basis from DKK to EUR and therefore appear as unaudited. Given the stability in the relationship between DKK and EUR over the relevant period the 2018 and 2017 figures are translated using the exchange rate DKK/EUR as of 31 December 2019 of 0.1334.

EUR'000	As of 30 June		As of 31 December			
	2020 (IFRS) (unaudited)	2019 (IFRS) (unaudited)	2019 (IFRS) (audited)*	2018 (IFRS) (audited)*	2018 (DGAAP) (unaudited)**	2017 (DGAAP) (unaudited)**
ASSETS						
Non-current assets						
Property, plant and equipment........	140	126	130	147	147	50
Rights-of-use assets	85,053	100,657	92,813	108,376	-	-
Leasehold deposits	210	210	210	206	206	271

EUR'000	As of 30 June		As of 31 December			
	2020 (IFRS) (unaudited)	2019 (IFRS) (unaudited)	2019 (IFRS) (audited)*	2018 (IFRS) (audited)*	2018 (DGAAP) (unaudited)**	2017 (DGAAP) (unaudited)**
Deferred tax assets.....................	-	-	-	-	-	1,575
	85,403	100,993	93,153	108,729	353	1,896
Current assets						
Cash and bank balances	1,569	1,216	1,243	397	397	797
Trade and other receivables	10,654	8,014	16,425	12,877	12,877	3,269
Receivables from group entities.......	-	8,102	-	11,882	11,882	19,118
Inventories	534	251	261	842	842	646
Other current assets	-	-	87	116	116	63
	12,758	**17,584**	18,016	26,114	26,114	23,893
Total assets	**98,161**	**118,577**	**111,169**	**134,843**	**26,468**	**25,789**
EQUITY						
Share capital	104	104	104	104	104	104
(Accumulated losses)/retained	(33,460)	4,160	(13,204)	10,559	17,814	16,898
Total equity	**(33,356)**	**4,264**	**(13,100)**	**10,663**	**17,918**	**17,002**
LIABILITIES						
Non-current liabilities						
Lease liabilities	80,035	94,620	87,951	101,173	-	-
Deferred charter hire income..........	4,321	-	4,959	-	-	-
Other non-current liabilities	-	-	134	64	64	-
	84,356	**94,620**	**93,044**	**101,237**	**64**	**-**
Current liabilities						
Trade and other payables	3,859	2,668	3,226	1,795	1,795	1,653
Payables to group entities	25,166	-	10,846	-	-	-
Lease liabilities	15,819	15,176	15,519	14,457	-	-
Current income tax liabilities..........	1,637	1,759	1,634	151	151	-
Deferred charter hire income..........	679	90	-	6,540	6,540	7,134
	47,160	19,692	31,225	22,943	8,486	8,787
Total liabilities	**131,517**	**114,312**	**124,269**	**124,180**	**8,550**	**8,787**
Total equity and liabilities	**98,161**	**118,577**	**111,169**	**134,843**	**26,467**	**25,789**

** Figures are derived from the audited Financial Statements, but the figures included in the table are not audited as such. The 2019 Financial Statements were restated. The restatement related to the recognition of EUR 3,500 thousand revenue in 2019. Refer to section 9.1 or note 25 of the 2019 Financial Statements for further details on the restatement.*

***Audited DKK figures have been converted from DKK to EUR using a currency conversion ratio of 0.1334 DKK/EUR.*

9.7 Selected Changes in Equity Information

The table below sets out a summary of the Company's audited changes in equity information for the years ended 31 December 2019, 2018 and 2017 and the Company's unaudited changes in equity information for the six months ended 30 June 2020 and 2019.

The table below sets forth the changes in equity for 2019 and 2018 in accordance with IFRS:

EUR'000	Share Capital	(Accumulated losses)/retained earnings*	Total*
2018			
Beginning of financial year	104	16,898	17,002
Loss for the year..........................		(6,339)	(6,339)
Other comprehensive income for the year, net of tax		-	-

EUR'000

	Share Capital	(Accumulated losses)/retained earnings*	Total*
Total comprehensive income for the year	-	(6,339)	(6,339)
End of financial year	**104**	**10,559**	**10,663**
2019			
Beginning of financial year	**104**	**10,559**	**10,663**
Loss for the year..........................		(23,763)	(23,763)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year	-	(23,763)	(23,763)
End of financial year	**104**	**(13,204)**	**(13,100)**

** The 2019 Financial Statements were restated. The restatement related to the recognition of EUR 3,500 thousand revenue in 2019. Refer to section 9.1 or note 25 of the 2019 Financial Statements for further details on the restatement.*

The table below sets forth the changes in equity for 2018 and 2017 in accordance with DGAAP:

EUR'000

	Share capital	(Accumulated losses)/retained earnings	Total
2017			
Beginning of financial year	**104**	**23,235**	**23,339**
Total comprehensive loss for the year	-	(6,338)	(6,338)
End of financial year	**104**	**16,898**	**17,002**
2018			
Beginning of financial year	**104**	**16,898**	**17,002**
Total comprehensive loss for the year	-	916	916
End of financial year	**104**	**17,814**	**17,918**

**) Note that the figures in the table above have been converted from DKK as reported in the audited 2018 and 2017 Financial Statements (prepared in accordance with DGAAP) to EUR using a currency conversion ratio of 0.1334 DKK/EUR.*

9.8 Selected Cash Flow Information

The table below sets out a summary of the Company's cash flow information for the years ended 31 December 2019, 2018 and 2017 and the Company's unaudited cash flow information for the six months ended 30 June 2020 and 2019.

To facilitate the comparison of 2019, 2018 figures presented in EUR with the 2018 and 2017 figures historically reported in DKK, the 2018 and 2017 DKK figures are translated on a convenience translation basis from DKK to EUR. Given the stability in the relationship between DKK and EUR over the relevant period the 2018 and 2017 figures are translated using the exchange rate DKK/EUR as of 31 December 2019 of 0.1334.

In 2017 and 2018, the financial statements of the Company were prepared under DGAAP. As the Company was classified as a class-C company, the preparation of a cash flow statement was not required under Danish legislation. However, in order to provide investors with cash flow statements for the years 2017, 2018 and 2019, the below cash flow statements for 2017 (DGAAP) and 2018 (DGAAP) have been produced from the audited DGAAP balance sheet and profit and income statement, and are unaudited. Further, the Company acknowledges that is may be deemed to have a complex financial history as a result of the Restructuring, see Section 4.4.3.

EUR'000	For the Six Months Ended 30 June		For the Year Ended 31 December			
	2020 (IFRS) (unaudited)	**2019 (IFRS) (unaudited)**	**2019 (IFRS) (audited)***	**2018 (IFRS) (audited)***	**2018 (DGAAP) (unaudited) ****	**2017 (DGAAP) (unaudited) ****
Cash flows from operating activities						
Profit/(Loss) after tax	(20,256)	(6,399)	(23,763)	(6,339)	916	(6,338)
Adjustments for:						
- Depreciation and amortisation.	7,799	7,768	15,644	15,638	75	45
- Interest expense.	2,267	4,560	8,288	11,506	48	75
- Interest income	-	-	-	(200)	(200)	(9)
- Income tax expense	-	1,626	1,580	1,712	1,712	(1,547)
	(10,189)	7,556	1,749	22,317	2,551	(7,774)
Changes in working capital						
- Inventories......................	(273)	591	581	(196)	(196)	79
- Trade and other receivables .	5,858	4,335	(3,523)	(9,597)	(9,597)	2,453
- Trade and other payables	502	873	923	143	143	772
- Deferred revenue..............	41	(6,514)	(1,645)	(530)	(530)	2,576
Net change in working capital..........	6,128	(716)	(3,664)	(10,180)	(10,180)	5,880
Income tax paid	-	(18)	(97)	14	14	(456)
Net cash provided by operating activities	**(4,062)**	**6,822**	**(2,012)**	**12,151**	**(7,616)**	**(2,350)**
Cash flow from investing activities						
Additions to property, plant and equipment.................................	(49)	(28)	(64)	(172)	(172)	(31)
Interest received	-	-	-	200	**200**	**9**
Net cash used in investing activities	**(49)**	**(28)**	**(64)**	**28**	**28**	**(22)**
Cash flow from financing activities						
Principal repayment of lease liabilities	(7,620)	(7,150)	(14,784)	(14,136)	-	-
Interest paid	(2,264)	(2,606)	(5,022)	(5,679)	(48)	(75)
Receivables from group entities	-	3,780	11,882	7,236	7,236	3,243
Payables to group entities	14,320	-	10,846	-	-	-
Net cash used in financing activities	**4,437**	**(5,975)**	**2,922**	**(12,579)**	**7,188**	**3,168**
Net increase/(decrease) in cash and cash equivalents.........................	**326**	**819**	**846**	**(400)**	**(400)**	**796**
Cash and cash equivalents at beginning of period	**1,243**	**397**	397	797	797	1
Cash and cash equivalents at end of period	**1,569**	**1,216**	**1,243**	**397**	**397**	**797**

** Figures are derived from the audited Financial Statements, but the figures included in the table are not audited as such. The 2019 Financial Statements were restated. The restatement related to the recognition of EUR 3,500 thousand revenue in 2019. Refer to section 9.1 or note 25 of the 2019 Financial Statements for further details on the restatement.*

*** DGAAP did not require the disclosure of a cash flow statement. However, to provide a cash flow for 2017 and provide a comparison between DGAAP and IFRS for 2018, cash flow statements were produced from the audited balance sheet and profit and income statement. In the production of these, the unaudited DKK figures have been converted from DKK to EUR using a currency conversion ratio of 0.1334 DKK/EUR.*

9.9 Other Selected Financial and Operating Information

The table below sets out certain other unaudited key financial and operating information for the Company.

EUR'000	As of 30 June		As of 31 December			
	2020 (IFRS) (unaudited)	2019 (IFRS) (unaudited)	2019 (IFRS) (audited)*	2018 (IFRS) (audited)*	2018 (DGAAP) (unaudited) **	2017 (DGAAP) (unaudited) **
EBITDAR(1)	(4,803)	13,444	11,774	36,964	36,964	19,568
Equity ratio(2)	-33.98	3.60	-11.78	7.91	67.70	65.93
Debt-to-equity ratio(3)	-3.94	26.81	-9.49	11.65	0.48	0.52
Return on assets(4)..........	-41 %	-11 %	-21 %	-5 %	3 %	-25 %
Utilisation(5)	56.0 %	54.8 %	52.5%	60.7%	60.7%	55.2%
Average day rate(6)	40	128.2	85.3	138.1	138.1	102.8
Free liquidity(7)	1,569	1,216	1,243	397	397	797
FMV (USD)(8)	410,000					

(1) The Company defines EBITDAR as earnings before interest, tax, depreciation, amortization, unrealized foreign exchange gains/losses and bareboat rent (in the form of variable lease fee and right-of-use asset amortization calculated in accordance with IFRS 16). Refer to Section 4.4.4 ("Non-IFRS Financial Information) and note 20 in the 2019 Financial Statements for reconciliation.

(2) Total shareholders' equity divided by total assets, multiplied by 100.

(3) Total liabilities to shareholders equity.

(4) Annualised net income for the period divided by assets at the end of the period.

(5) Utilisation is the percentage of days in a year the Vessels are on hire to a customer.

(6) Average day rate is the average charter hire revenue earned per day, when the Vessels are on hire.

(7) Free Liquidity is the freely available cash and cash equivalents (including any undrawn portion of overdraft facility) available to the Company

(8) FMV is the Fair Market Value of the Vessels as determined by an independent broker

** Figures are derived from the audited Financial Statements, except for the line item shown in the table above named FMV which is based on independent broker valuations which are included in Appendix E, but the figures included in the table are not audited as such. The 2019 Financial Statements were restated. The restatement related to the recognition of EUR 3,500 thousand revenue in 2019. Refer to section 9.1 or note 25 of the 2019 Financial Statements for further details on the restatement.*
*** Unaudited DKK figures have been converted from DKK to EUR using a currency conversion ratio of 0.1334 DKK/EUR.*

9.10 Pro Forma Financial Information

Introduction

The unaudited pro forma financial information has been prepared for inclusion in this Prospectus to give effect to the Restructuring, which is summarised as follows.

The Group has acquired the two Vessels Pacific Orca and Pacific Osprey that for the past years have been on bare-boat charter to the Company. These two Vessels were previously owned by another company controlled by the Selling Shareholder. As the Vessels have been under common control, an analysis of the internal transaction has been prepared by the Group. The Group has determined that the acquisition of the Vessels constitutes an asset acquisition, and that IAS 16 Property Plant and Equipment is applicable. In accordance with IAS 16, the Group has determined that the transfer will occur at the consideration value, hence the Vessels will upon the Restructuring be recognised in the Company's balance sheet at the consideration paid between the seller and the Company. See further details in Section 4.4.2 "The Restructuring" in the Prospectus.

As this transaction is deemed by the Company to be a significant transaction impacting the Company's balance sheet (as at 31 December 2019) with more than a 25% increase in total assets, the Company presents the acquisition of the Vessels with pro forma financial information.

The unaudited pro forma financial information has been prepared solely for illustrative purposes to show how ownership of the Vessels would impact the Company's income statement had the Restructuring been executed with effect from January 1 for the year ended 31 December 2019, and for the statement of financial position as of 31 December 2019.

The unaudited pro forma financial information is based on certain management assumptions and adjustments. Because of its nature, the unaudited pro forma financial information addresses a hypothetical situation, and therefore, does not represent the Company's actual financial position or results if the Company had direct ownership of the Vessels, and is not representative of the results of operations for any future periods. It should be noted that greater uncertainty is attached to the unaudited pro forma financial information than historical financial information. Investors are cautioned against placing undue reliance on this unaudited pro forma financial information.

The assumptions underlying the pro forma adjustments are described in the notes to the unaudited pro forma financial information. Neither these adjustments nor the resulting unaudited pro forma financial information have been audited in accordance with Norwegian or Danish generally accepted auditing standards. In evaluating the unaudited pro forma financial information, each reader should carefully consider the historical financial statements of the Company and the notes thereto and the notes to the unaudited pro forma financial information.

The pro forma adjustments are preliminary and are based upon available information and certain assumptions which management believes are reasonable under the circumstances and which are described in the accompanying notes to the unaudited pro forma condensed financial information. Actual results may differ materially from the assumptions within the accompanying unaudited pro forma condensed financial information.

The unaudited pro forma condensed financial information has been prepared by management in accordance with Annex 20 to Commission delegated Regulation (EU) 2019/980 supplementing the EU Prospectus Regulation as incorporated in Norwegian law through Section 7-1 of the Norwegian Securities Trading Act and in accordance with the principles that are consistent with the accounting principles as applied by the Company.

The unaudited pro forma information has been prepared for illustrative purposes only. Because of its nature, the unaudited pro forma information addresses a hypothetical situation and, therefore, does not represent the Group's actual results. The unaudited pro forma condensed financial information is hence not necessarily indicative of the financial position or results of operations that would have been realized had the Restructuring occurred as of the dates indicated, nor is it meant to be indicative of any anticipated financial position or future results of operations that the Group will experience after the Restructuring.

The Company's auditor, EY has given an assurance report on the pro forma financial information, included in this Prospectus as Appendix D — "Assurance Report on Pro Forma Financial Information". No audit and no review report have been prepared or issued for the sources of the pro forma adjustments.

Unaudited Pro Forma Condensed Income Statement

The table below sets out the Company's unaudited pro forma condensed Income Statement for 2019, as if the Restructuring had taken place at 1 January 2019.		**For the year ended 31 December 2019 (IFRS)***	**Pro forma adjustments**			**Pro forma for the year ended 31 December 2019 (unaudited)**
EUR'000	**Note**		**Bareboat reversal (unaudited)**	**Vessel ownership (unaudited)**	**Financing and other cost implications (unaudited)**	
Revenue		38,382	-	-	-	38,382
Cost of sales	1,2,3	(44,631)	25,059	(14,627)	(1,598)	(35,797)
Gross (loss)/profit		(6,249)	25,059	(14,627)	(1,598)	2,585
Other income		7	-	-	-	7
Administrative expenses		(7,403)	-	-	-	(7,403)
Operating profit		**(13,645)**	**25,059**	**(14,627)**	**(1,598)**	**(4,811)**
Finance income	1		10,612			10,612
Finance expenses	1,4	(8,538)	7,646		(2,877)	(3,769)
Loss before income tax		**(22,183)**	**43,318**	**(14,627)**	**(4,475)**	**2,032**
Income tax expense	2, 5	(1,580)	-	(5)	-	(1,584)

Loss for the year and total comprehensive income for the year, net of tax	**(23,763)**	**43,318**	**(14,632)**	**(4,475)**	**448**

* Extracted from the Company's 2019 Financial Statements.

In connection with the preparation of the pro forma income statement, the following pro forma adjustments have been made:

Note 1. Bareboat reversal (removal of bareboat right-of-use asset and lease liability costs)

In the 2019 Financial Statements for the Company, the intercompany bareboat leases were required to be reflected as lease liabilities and right-of-use assets.

The pro forma adjustment amounting to EUR 25,059 thousand comprise reversal of the amortisation of the right-of-use asset of EUR 15,285 thousand and the variable vessel lease expenses of EUR 9,774 thousand incurred during 2019 in respect of on-hire additional lease fee, which are not part of the lease liability. Further, the interest cost relating to the lease liability (EUR 5,021 thousand), and the foreign exchange rate adjustment related to the USD based lease liability (EUR 2,625 thousand), amounting to EUR 7,646 thousand in total is reversed. These pro forma adjustments will have a continuing impact.

With the acquisition of the Vessels from CYP, the bareboat lease agreements will terminate at no additional consideration or penalties. Accordingly, the rights-of-use asset (EUR 91.8 million) and lease liability (EUR 102.4 million in total) will be derecognised. The net difference (EUR 10.6 million) is recognised as a pro forma finance income in the profit and loss and retained earnings increase by an equivalent amount. This pro adjustment will not have continuing impact.

Note 2. Vessel ownership (depreciation charge and tonnage tax charge on Cyprus)

Adjustment to reflect the depreciation charge, which the Company would have incurred had they owned the Vessels during 2019. This adjustment is the estimated annual depreciation on a straight-line basis, using the acquisition costs (EUR 248.7 million) and assuming remaining useful lives of 17 years and residual values for each vessel of EUR 0, which will imply an annual depreciation charge of EUR 14,627 thousand. These pro forma adjustments will have a continuing impact.

The two newly established subsidiary companies owning the Vessels will be under the tonnage tax scheme in Cyprus. An estimated annual tax expense under the tonnage tax scheme of EUR 5 thousand is included in the pro forma profit and loss and other comprehensive income related to the ownership of the Vessels. These forma adjustments will have a continuing impact.

Note 3. SBO insurance cost adjustment

Prior to the acquisition of the Vessels, these were insured by the vessel owner (CYP) and covered as a part of the payments under the bareboat lease agreements. The Vessels will after the Restructuring be insured directly by the Company. The 2019 insurance premium paid for both vessels by CYP totalled EUR 1,598 thousand is included as a pro forma adjustment. This pro forma adjustment will have a continuing impact.

Note 4. Interest expense adjustment

As part of funding the Restructuring, the Company will draw on external funding in the amount of EUR 60 million and, accordingly, the Company would had incurred financing costs in 2019 had the Restructuring been carried out 1 January 2019.

Based on an interest rate of 3.20% (pursuant to the Debt Facility (see Section 10.6 "Liquidity and Capital Resources")) and expected amortisation of estimated arrangement fee, as well as commitment fee on the overdraft facility, an estimated annual finance cost would have been EUR 2,877 thousand. As set out in note 3 to the pro forma balance sheet, it has been assumed that EUR 59,685 thousand will be raised in external funding and used for intercompany debt settlement. As the actual amount of the term loan raised in connection with the Restructuring was EUR 75 million, this amount was the basis for the interest calculation. No interest expense for the overdraft facility has been assumed apart from the commitment fee. The actual debt amount to be raised to facilitate repayment of intercompany debt in 2020 will be EUR 95 million. This pro forma adjustment will have a continuing impact.

As explained in note 5 below, these pro forma adjustments have not given rise to any pro forma adjustments in respect of tax.

Note 5. Income tax effect

No tax effects have been recognised related to the pro forma adjustments set out under 1, 3 and 4 as all the Company's deferred taxes related to both temporary differences and tax losses carried forward that are not recognized at 31 December 2019.

Tonnage tax

An expansion of the Danish tonnage tax legislation to cover wind farm installation vessels was passed in January 2020 with retroactive effect from and including 2017. The Company has informed the Danish Tax Authorities that it elects tonnage taxation. That choice has retroactive effect from 2017 inclusive. However, uncertainty exists over whether the Company has met all the requirements for tonnage taxation and thus been eligible for tonnage tax in the financial years 2017-2019. Given that uncertainty, Executive Management has concluded not to account for the adoption of tonnage tax in these pro forma financial statements. Executive Management has applied for a binding ruling from the Danish National Tax Council on the applicability of tonnage taxation in 2017-2019.

If the binding ruling is in favour of the Company, the tonnage tax regime will be adopted with retrospective effect from the income year 2017, which will result in the reversal of the Company's current and deferred taxes accounted for in 2017, 2018 and 2019. Further, the value of the Company's tax loss to be carried forward as at 31 December 2019 (not recognized) would then be reduced to nil. The EUR 1,580 thousand recognized as a tax expense in 2019 would however not be reversed, as this tax expense relates to a transfer pricing audit of income years prior to 2017. It would also require the recognition of tonnage tax charges for 2017, 2018 and 2019, which will amount to approximately EUR 12 thousand per year. Any such adjustments have not been reflected in these pro forma financial statements. The binding rule is expected in November 2020.

Unaudited Pro Forma Condensed Balance Sheet

The table below sets out the unaudited condensed pro forma balance sheet as of 31 December 2019, as if the Company had acquired ownership of the Vessels as of year end 2019, with an expectation that the Company will receive the opinion regarding tonnage taxation in November 2020.

		For the Year ended 31 December 2019 (IFRS)*	**Pro forma adjustments**			**Pro forma for the year ended 31 December 2019 (unaudited)**
EUR'000	**Note**		**Bareboat termination (unaudited)**	**Acquisition of vessels (unaudited)**	**External borrowings for debt settlement (unaudited)**	
ASSETS						
Non-current assets						
Property, plant and equipment	2	130	-	248,660	-	248,790
Rights-of-use assets	1	92,813	(91,796)	-	-	1,017
Leasehold deposits		210			-	210
		93,153	(91,796)	248,660	-	250,017
Current assets						
Inventories		261	-	-	-	261
Trade and other receivables		16,425	-	-	-	16,425
Other current assets		87	-	-	-	87
Cash and bank balances		1,243	-	-	-	1,243
		18,016	-	-	-	18,016
TOTAL ASSETS		**111,169**	**(91,796)**	**248,660**	**-**	**268,033**
EQUITY						
Issued share capital and premium	2	104	-	199,821	-	199,925
(Accumulated losses)/retained earnings	1	(13,204)	10,612	-	-	(2,592)

	Note					
Total equity		(13,100)	10,612	199,821	-	197,334
LIABILITIES						
Non-current liabilities						
Lease liabilities	1	87,951	(87,162)	-	-	789
Other payables		134	-	-	-	134
Deferred charter hire income		4,959	-	-	-	4,959
Borrowings	3	-	-	-	59,685	59,685
		93,044	(87,162)	-	-	65,567
Current liabilities						
Trade and other payables		3,226	-	-	-	3,226
Payables to group entities	2, 3	10,846	-	48,839	-59,685	-
Deferred charter hire income		-	-	-	-	-
Lease liabilities	1	15,519	(15,247)	-	-	272
Income tax payable		1,634	-	-	-	1,634
		31,225	(15,247)	48,839	-59,685	5,132
Total liabilities		**124,269**	**(102,409)**	**48,836**	**-**	**70,699**
TOTAL EQUITY AND LIABILITIES		**111,169**	**(91,796)**	**248,660**	**-**	**268,033**

* Extracted from the Company's 2019 Financial Statements.

Note 1. Bare-boat termination

With the acquisition of the Vessels from CYP, the bareboat lease agreements were terminated at no additional consideration or penalties. Accordingly, the rights-of-use asset (EUR 91.8 million) and lease liability (EUR 102.4 million in total) will be derecognised and these are therefore reflected as pro forma adjustments. The net difference (EUR 10.6 million) is recognised as finance income in the profit and loss and retained earnings is increased by an equivalent amount. These adjustments will have a continuing impact.

Note 2. Acquisition of vessels

The Vessels are recognised at the consideration paid by SBO to CYP (USD 290.2 million), which based on an exchange rate of 0.85682 EUR/USD at the acquisition date and corresponds to EUR 248.7 million. The agreed consideration for the Vessels is the source for the pro forma information, and this consideration has not been subject to any audit or review report.

The acquisition of the Vessels was as described above financed through intercompany debt issuance of EUR 48.8 million and a non-cash equity injection (by the way of the injection of intercompany receivables) from the parent company of EUR 200 million. These adjustments will have a continuing impact.

Note 3. Funding to facilitate vessel ownership

Post Restructuring and to facilitate repayment of intercompany debt, the Company has obtained external funding (See Section 10.6 "Liquidity and Capital Resources") through a senior secured term loan facility of EUR 75 million and an overdraft facility of EUR 20 million, which facilities will be used for repayment of the Company's current debt to affiliated entities outside the Group. For the purpose of the pro forma balance sheet, it has been assumed that EUR 59,685 thousand will be raised in external funding and used for intercompany debt settlement. The actual debt amount to be drawn down in 2020 will be EUR 95 million. This adjustment will have a continuing impact.

10. OPERATING AND FINANCIAL REVIEW

This operating and financial review should be read together with Section 9 "Selected Financial Information and Other Information" and the financial statements which are included in Appendix A — "Financial Statements" to this Prospectus. The following discussion contains Forward-looking statements that reflect the Company's plans and estimates. Factors that could cause or contribute to differences to these Forward-looking Statements include those discussed in Section 2 "Risk Factors", see also Section 4.1 "General Information—Cautionary Note Regarding Forward-Looking Statements".

10.1 Introduction

The Company was founded in 2008 and is, in the view of the Company, a leading[40] marine service provider to the offshore windfarm industry. The Group supports the installation of offshore wind foundations and turbines, as well as the decommissioning of offshore oil and gas operations. It also provides operation and maintenance support, and offshore accommodation.

The Company has until recently applied DKK as functional and presentation currency for its financial reporting. Upon the conversion to IFRS as mentioned above, the Company has determined that its functional currency is EUR and has changed presentation currency to EUR as well. Figures as discussed below are all presented in EUR, and 2018 and 2017 figures historically reported and presented in DKK have been translated from DKK to EUR using a convenience exchange rate of DKK/EUR of 0.1334. See further details about the change of presentation currency in Section 9.1 "Introduction and basis for preparation".

As further set out in Section 9.10, an expansion of the Danish tonnage tax legislation to cover wind farm installation vessels was passed in January 2020 with retroactive effect from and including 2017. The Company has informed the Danish Tax Authorities that it elects tonnage taxation. That choice has retroactive effect from 2017 inclusive. However, uncertainty exists over whether the Company has met all the requirements for tonnage taxation and thus been eligible for tonnage tax in the financial years 2017-2019.

10.2 Principal Factors Affecting the Company's Financial Condition and Results of Operations

The Group's results of operations have been, and will continue to be, affected by several factors, most are beyond the Group's control. The key factors that Management believes have had a material effect on the Group's results of operations during the period under review, as well as those considered likely to have a material effect on its results of operations in the future, are described below.

The COVID-19 pandemic negatively impacted Denmark and the rest of the world. However, with no material cancellations or deferrals, the COVID-19 pandemic has not impacted current projects. Crew changes have been made more difficult due to the pandemic and the cost per crew change has gone up. However, the Company has reduced the number of crew changes, so the overall cost impact has been limited.

Number of offshore windfarm projects and turbines put out to tender

The Group's business model is closely linked up to the number of offshore wind turbines and offshore windfarm bids that at any time are put out to tender. The Group's income is dependent on winning project contracts and vessel charters for the employment of the Vessels.

With any increase in windfarm installations offshore tenders in the market, the limited amount of specialised wind farm offshore support vessels will lead to increased day rates for the Group's two Vessels, while day rates will decrease with fewer wind farm installations being put out to tender.

Demand for maintenance work of wind farm installations

While the Group will prioritise tenders with windfarm installations, as such contracts (if won by the Group) provide the best day rates, the Vessels may in between wind farm projects or at times with fewer tenders be deployed on lower-yielding maintenance and service agreements. Demand for maintenance services affects the day rate that is achieved.

Technical utilisation

A key factor for the Group's financial performance is that the Vessels have the best uptime possible. Technical issues with

[40] Company's view based on its track record compared to its peers. BNEF "New Vessels for Installing Turbines" 2019.

any of the Vessels can on the one hand reduce the earnings generated by the Group, and can on the other hand also increase operating costs through additional dry docking and maintenance costs.

See also Section 7.2 “General Industry Drivers” for an overview over the main drivers of profitability in the Group’s industry.

10.3 Reporting Segments

The Group has only one reporting segment, represented by the Vessels working primarily with installation of wind turbines on offshore windfarms, but which also can be used for a wide range of maintenance, construction and decommissioning tasks offshore.

This operating segment is reported in a manner consistent with the internal financial reporting provided to the chief operating decision-maker, who is responsible for allocating resources, making strategic decisions and assessing performance. The chief operating decision-maker has been identified by the Group as the Executive Management (as defined herein) and the Board of Directors (as defined herein).

As the financial statement is consistent with the internal financial reporting for this segment and thus is equal to the Income Statement, Statement of Financial Position and Cash flow statement, no further disaggregation of any segment information is provided.

10.4 Recent Developments

Other than the Offering, the Debt Facility discussed below in Section 10.6“Liquidity and Capital Resources” and the Restructuring as discussed in Section 4.4.2, there have been no significant changes in the Group’s financial and trading position since 30 June 2020.

10.5 Results of Operations

The table below sets forth the key figures (obtained from the Financial Statements and the Interim Financial Statement) being discussed in the following sections.

EUR’000	**As of 30 June**		**As of 31 December**			
	2020 (IFRS) (unaudited)	**2019 (IFRS) (unaudited)**	**2019 (IFRS) (audited)***	**2018 (IFRS) (audited)***	**2018 (DGAAP) (unaudited)****	**2017 (DGAAP) (unaudited)****
Revenue	9,149	26,998	38,382	71,653	71,653	44,644
Operating profit/(loss)	(18,285)	(87)	(13,645)	6,718	2,476	(7,819)
Net financials...........	(1,971)	(4,686)	(8,538)	(11,345)	152	(66)
Profit/(loss) for the period	**(20,256)**	**(6,399)**	**(23,763)**	**(6,339)**	**916**	**(6,338)**
Total assets	**98,161**	**118,577**	**111,169**	**134,843**	**26,467**	**25,789**
Property, plant and equipment	140	126	130	147	147	50
Total equity...........	**(33,356)**	**4,264**	**(13,100)**	**10,663**	**17,917**	**17,002**
Financial ratios* **						
Return on assets	-41 %	-11 %	-21 %	-5 %	3 %	-25 %
Equity ratio	-34 %	4 %	-12 %	8 %	68 %	66 %

** Figures are derived from the audited Financial Statements, but the figures included in the table are not audited as such. The 2019 Financial Statements were restated. The restatement related to the recognition of EUR 3,500 thousand revenue in 2019. Refer to section 9.1 or note 25 of the 2019 Financial Statements for further details on the restatement.*

*** Audited DKK figures have been converted from DKK to EUR using a currency conversion ratio of 0.1334 DKK/EUR.*

**** Unaudited.*

Financial ratios are calculated in accordance with the terms and definitions as set out in Section 4.4.4 “Non-IFRS Financial Information”. Key financial figures for 2018 and 2017 (in accordance with DGAAP) have translated from DKK to EUR based on an exchange rate as of 31 December 2019 of 0.1334, which (based on the stability in the relationship between DKK and EUR over the last years) provides a convenient basis for translation of DKK to EUR.

Operating Results for the Six Months Ended 30 June 2020 Compared with Six Months Ended 30 June 2019

Revenues (IFRS)

Operating revenues for the six months ended 30 June 2020 were EUR 9,149 thousand compared to EUR 26,998 thousand for the six months ended 30 June 2019, a decrease which was primarily a reduction on day rates due to market conditions and a management decision to build specific maintenance capabilities and experience, and to achieve this the entering into a long term maintenance project during the second half of 2019 and 2020.

Cost of sales (IFRS)

Operating expenses for the six months ended 30 June 2020 were EUR 23,443 thousand compared to EUR 23,307 thousand for the six months ended 30 June 2019. There is no material difference on cost of sales between the two periods and this is primarily due to the utilisation rates across the two periods being similar, utilisation in 2020 was 56% and in 2019 it was 54.8%.

Operating Profit/Loss (IFRS)

Operating loss for the six months ended 30 June 2020 was EUR 18,285 thousand compared to a loss of EUR 87 thousand for the six months ended 30 June 2019, an increase in loss which was primarily due to a decrease in revenue.

Loss after income tax and total comprehensive loss (IFRS)

Operating loss for the six months ended 30 June 2020 was EUR 20,256 thousand compared to a loss of EUR 6,399 thousand for the six months ended 30 June 2019, an increase in loss which was primarily due to a decrease in revenue.

Operating Results for the Year Ended 31 December 2019 Compared with the Year Ended 31 December 2018 (IFRS)

Revenues (IFRS)

Operating revenues for the year ended 31 December 2019 were EUR 38,382 thousand compared to EUR 71,653 thousand for the year ended 31 December 2018, a decrease of EUR 33,271 thousand which was primarily due to only Pacific Orca being operated, as Pacific Osprey was off-hire for the full year due to an incident with its crane in August 2018.

Cost of sales (IFRS)

Cost of sales for the year ended 31 December 2019 were EUR 44,631 thousand compared to EUR 55,455 thousand for the year ended 31 December 2018. The decrease of 10,824 was primarily due to lower bareboat charter costs which were EUR 4,834 thousand lower and specific charter costs which were EUR 3,330 thousand lower (see note 6 to the 2019 Financial Statement). The reduced vessel operating expenses and vessel charter expenses were due to only a single vessel being operated as Pacific Osprey was not operational due to the crane incident as set out above.

Operating Profit/Loss for the period (IFRS)

Operating loss for the year ended 31 December 2019 was EUR 13,645 thousand compared to a profit of EUR 6,718 thousand for the year ended 31 December 2018, a decrease in profit of EUR 20,363 thousand primarily due to the loss of revenue from only operating a single vessel for 2019, and also the fact that the reduced revenues were not offset with a similar reduction in operating costs.

Loss after income tax and total comprehensive loss (IFRS)

The income statement for 2019 shows a loss after income tax of EUR 23,763 thousand against a loss of EUR 6,339 thousand for the year ended 31 December 2018. This increase in loss was caused primarily by the above-mentioned crane incident in 2018 which also impacted operations throughout 2019, but also due to revenues being negatively impacted by changing market conditions.

The income statement for 2019 reflects EUR 8,538 thousand in net finance cost compared to EUR 11,345 thousand for 2018. Both years reflect an interest cost in relation to the lease liability recognised in the Income statement (in accordance with IFRS 16) of EUR 5,021 thousand for 2019 and EUR 5,670 thousand for 2018. The finance cost in 2019 and 2018 in addition includes EUR 2,625 thousand for 2019 and EUR 5,827 thousand for 2018 in relation to the foreign currency loss on the revaluation of the USD denominated bare-boat lease in 2019 and 2018 (see note 7 to the 2019 Financial Statement).

Operating Results for the Year Ended 31 December 2018 (DGAAP) Compared with the Year Ended 31 December 2017 (DGAAP)

Revenues (DGAAP)

Operating revenues for the year ended 31 December 2018 were EUR 71,653 thousand compared to EUR 44,644 thousand for the year ended 31 December 2017, an increase which was primarily due to improved market conditions, which only partially was negatively impacted with the loss of earnings and reduced operating costs from Pacific Osprey being off hire with the crane incident in August 2018.

Cost of sales (DGAAP)

Cost of sales for the year ended 31 December 2018 were EUR 65,272 thousand compared to EUR 49,557 thousand for the year ended 31 December 2017, an increase which was primarily due to an increase in the bare-boat charges due to higher utilisation rates.

Under DGAAP cost of sales includes all administration expenses except for staff costs and depreciation.

Operating Profit/Loss (DGAAP)

Operating profit for the year ended 31 December 2018 was EUR 2,476 thousand compared to a loss of EUR 7,819 thousand for the year ended 31 December 2017, an increase in profit of EUR 10,295 thousand. The increased operating profit was primarily due to improved market conditions, which only partially was impacted negatively with the loss of earnings and reduced operating costs from Pacific Osprey being off-hire with the crane incident in August 2018.

Loss after income tax and total comprehensive loss (DGPAAP)

Profit after income tax and total comprehensive loss for the year ended 31 December 2018 was EUR 916 thousand compared to a loss of EUR 6,338 thousand for the year ended 31 December 2017, an increase in profit of EUR 7,254 thousand primarily due to improved market conditions in 2018. The impact of net financial items for 2018 and 2017 was insignificant, as the Company had no loan facilities.

10.6 Liquidity and Capital Resources

Overview; Sources and Uses of Funds

The Group's cash balance amounted to EUR 1,569 thousand at 30 June 2020. Cash and cash equivalents are held in various currencies, but primarily in DKK and EUR. The Group has a pooling arrangement with its cash balances. When the Company has a cash surplus, surplus cash balances are remitted to the Parent. When the Company has a cash deficit, funding is remitted from the Parent to the Company. These positions are netted off and the Company will recognise either an intercompany receivable or payable.

The Group's liquidity requirements relate to maintenance and any upgrading of vessels, potential investments in a third vessel, payments of interest on debt to be raised upon acquisition of the two Vessels, debt repayment instalments and funding of working capital requirements.

The Group's principal sources of liquidity are cash flow from operations, debt financing raised as a consequence of the acquisition of the two Vessels (see Section 4.4.2 "Restructuring") and cash available from the balance sheet as well as trade receivables/payables in the ordinary course of business.

The Group's objective is to provide financial ability to execute the Group's operational strategy, manage operational and financial risks and maintain an efficient capital structure, and deliver attractive returns to the shareholders.

Borrowings

On 4 November 2020, the Company obtained the Debt Facility of EUR 95 million from DNB Bank ASA and Sparebank 1 SR-Bank ASA.

The Debt Facility consist of:

(i) a three-year amortizing term loan of EUR 75 million, repayable in semi-annual instalments of EUR 5 million in month 6 and 12, EUR 10 million in month 18 and 24, EUR 7.5 million in month 30 and 36, in addition to a final balloon payment of EUR 30 million; and

(ii) an overdraft facility of up to EUR 20 million.

The term loan bears interest at 3-month EURIBOR + 325 bps, subject to a 5 basis point green loan margin discount as long as the Company is in compliance with certain green asset criteria's such as earmarked investments in green assets. The overdraft facility bears interest at EURIBOR + 275 bps. There is a commitment fee of 40% of the margin calculated on the undrawn and uncancelled overdraft facility.

The Debt Facility is secured (inter alia) by first priority cross-collateralized ship mortgages on the Vessels, first priority assignments of insurances of the Vessels, first priority assignments of earnings in relation to each Vessel and, if obtainable (on a best efforts basis), assignments of all other rights under any charterparty with duration of more than 12 months, a first priority pledge of the Company's earnings accounts, first priority pledges of the shares in Wind Osprey Limited and Wind Orca Limited (the "**Guarantors**"), unconditional and irrevocable on-demand guarantees from the Guarantors, first priority assignment of any amounts owing or payable under any current or future loans or similar from companies within the Group, and first priority assignment of rights under any derivative product agreement entered into by the Company or the Guarantors relating to a Vessel .

Any drawdown under the Debt Facility assumes that the Company receives at least USD 80 million from the issue of the New Shares in the Offering. Further, the Debt Facility contains customary financial and general covenants, see below the key covenants:

Change of control: If (i) Swire Pacific Limited (.e. the Selling Shareholder) directly or indirectly ceases to own and/or control at least 25% of the voting and/or ordinary shares of the Company, or (ii) any person or group of persons acting in concert gains control, directly or indirectly, of ⅓ or more of the voting and/or ordinary shares of the Company, the facility agent (acting on instructions from the majority lenders) may by written notice of ten (10) business days cancel the facilities and require repayment of all amounts outstanding under the facilities.

Minimum Free Liquidity: Freely available cash and cash equivalents (including undrawn portion of overdraft facility) at all times to be the higher of EUR 5,000,000 or an amount equal to 7,5% of the gross interest-bearing debt.

Equity Ratio: The ratio of book equity to total assets at all times to be minimum 40%.

Fair market value of vessels: The fair market value (free of any charterparty or other employment contract) of the Vessels shall at all times cover at least 200% of the drawn amounts under the Debt Facility (including any outstanding guarantees under the overdraft facility) measured on a consolidated basis for the Vessels.

Restriction on dividends: The Company is not permitted to pay any dividends or other distributions without DNB Bank ASA and Sparebank 1 SR Bank's written consent.

Maturity Overview

The table below shows the contractual maturities of financial liabilities of the Group, including estimated interest payments, specified per category of interest bearing liabilities as of the first day of listing assuming that the term loan is fully drawn.

EUR	**Original Loan**	**Outstanding**	**Payments Due by Period**			
Loan	**Amount**	**Principal**	**2020**	**2021**	**2022**	**2023—**
Term Loan	75m	75m	0.3m	12.3m	21.80m	46.1m
Total*	**75m**	**75m**	**0.3m**	**12.3m**	**21.8m**	**46.1m**

** The overdraft facility is not included in the maturity profile given that this is a 12 month rolling facility.*

Negative equity as of year end 2019

The loss for the Company in 2019 resulted in the Company losing its share capital. As of 31 December 2019, the equity of the Company was EUR (13,100) thousand.

The Restructuring (see Sections 4.4.2 and 8) under which new equity was contributed to the Company in September 2020, re-established a positive equity and ensured an appropriate capitalization of the Company.

10.7 Cash Flows

To ensure comparability, when comparing 2019 to 2018, the values used for 2018 are those prepared under IFRS. When comparing 2018 to 2017, the values used for 2018 are those prepared under Danish GAAP.

Operating Cash Flows

Net cash flow from operating activities was EUR (4,062) thousand and EUR 6,822 thousand for the six months ended 30 June 2020 and 2019, respectively. The decrease was primarily due to the loss for the period increasing (EUR 13,857 thousand). A favourable movement in working capital (EUR 6,218 thousand) partial mitigated the increase in loss for the period. This favourable movement was due to a decrease in trade and other receivables of EUR 5,858 thousand which was primarily due to receipt of EUR 3,500 thousand for a contract cancellation.

Net cash flow from operating activities was EUR (2,012) thousand and EUR 12,151 thousand for the years ended 31 December 2019 and 2018, respectively. The difference of EUR 14,163 thousand was primarily caused by loss after tax being EUR 17,424 thousand greater in 2019 compared to 2018 (EUR 23,763 thousand in 2019 and EUR 6,339 thousand in 2018), with the difference in net cash flow from operations being partially offset by 2018 having greater unfavourable movements in working capital which was primarily caused by a EUR 9,597 thousand increase in trade and other receivables. This increase in trade and other receivables was primarily due to timing of contracts. In December 2017, the Company was finalizing a project with one vessel, while the other was off-hire. As of 31 December 2017, the outstanding amounts related to this project were 18 days on hire, demobilisation fees and other operating costs that were contracted to be recharged to the client. As of 31 December 2018, the Company had EUR 8,362 thousand outstanding from one customer for a completed project in 2018 that was settled in early 2019, and EUR 5,410 thousand that related to ongoing projects that was settled in 2019.

Net cash flow from operating activities was EUR (7,616) thousand and EUR (2,350) thousand for the year ended 31 December 2018 and 2017, respectively despite the Company incurring a loss of EUR 6,338 thousand for 2017 and a profit of EUR 916 thousand for 2018. In 2018 cash generated from operations was significantly impacted by an unfavourable movement in working capital (EUR 10,180 thousand), which was primarily caused by a EUR 9,597 thousand increase in trade and other receivables. This increase in trade and other receivables was primarily due to timing of contracts and trade terms.

Investing Cash Flows

For the period 2017 to 30 June 2020, the Company did not own the Vessels, and as such did not undertake any major investments. Cash flows from investing in previous financial periods have been immaterial.

Net cash flow from investing activities was EUR (49) thousand and EUR (28) thousand for the six months ended 30 June 2020 and 2019, respectively. Cash flow from investing activities and the change between the two periods are immaterial.

Net cash flow from investing activities was EUR (64) thousand and EUR 28 thousand for the year ended 31 December 2019 and 2018, respectively. Cash flow from investing activities and the change between the two periods are immaterial.

Net cash flow from investing activities was EUR 28 thousand and EUR (22) thousand for the year ended 31 December 2018 and 2017, respectively. Cash flow from investing activities and the change between the two periods are immaterial.

Financing Cash Flows

The Company has historically had no external financing.

Net cash flow from financing activities was EUR 4,437 thousand and EUR (5,975) thousand for the six months ended 30 June 2020 and 2019, respectively. The increase was primarily due to EUR 14,320 funding from related parties.

Net cash flow from financing activities was EUR 2,922 thousand and EUR (12,579) thousand for the year ended 31 December 2019 and 2018, respectively. With no external financing, the shortfall in cash from operations to cover principal repayments of lease liabilities and the interest on lease liabilities was funded by drawing down on receivables from related entities and increasing payables to related entities.

Net cash flow from financing activities was EUR 7,188 thousand and EUR 3,168 thousand for the year ended 31 December 2018 and 2017, respectively. In 2018 the unfavourable working capital movement was funded by the Company drawing down on its receivables from related entities.

10.8 Balance Sheet Data

Total Assets

As of 30 June 2020, the Company's total assets were EUR 98,161 thousand compared to EUR 111,169 thousand as of 31 December 2019, a decrease which was primarily due to a reduction in right-of-use assets of EUR 7,760 thousand due to depreciation in the period.

As of 31 December 2019, the Company's total assets were EUR 111,169 thousand compared to EUR 134,843 thousand as of 31 December 2018, a decrease of EUR 23,674 thousand. The decrease was primarily due to a reduction in right-of-use assets of EUR 15,563 thousand due to depreciation in the period, as well as a reduction in related party receivables of EUR 11,882 thousand.

As of 31 December 2018, the Company's total assets under DGAAP were EUR 26,468 thousand compared to EUR 25,789 thousand as of 31 December 2017, an increase of only EUR 679 thousand. The Company for the 2018 and 2017 DGAAP figures in accordance with DGAAP did not recognise the bareboat hire as a "right-of-use" and the 2018 and 2017 DGAAP balance sheets do not reflect any "right-of-use" assets nor any reduction from year to year of depreciation, and no lease liabilities.

Total Equity

As of 30 June 2020, the Group's total equity was EUR (33,356) thousand compared to EUR (13,100) thousand as of 31 December 2019, a decrease which was primarily due to the loss of EUR 20,256 thousand.

As of 31 December 2019, the Group's total equity was EUR (13,100) thousand compared to EUR 10,663 thousand as of 31 December 2018, the decrease in equity being due to the loss in 2019 of EUR 23,763 thousand.

As a result, the Company's intermediate holding company provided the Company with a letter of support in which the intermediate holding company undertook to provide financial support to enable the Company to meet its liabilities as and when they fall due for at least 12 months from the signing date of the Financial Statements for the year ending 31 December 2019.

On 25 September 2020, the Selling Shareholder made a non-cash contribution (by the way of the injection of intercompany receivables) of EUR 200 million of equity and provided an intercompany Shareholder Loan of EUR 49 million, which were used to acquire the Vessels which were previously held under bareboat leasing arrangements to the Company (via the newly established, fully owned SPVs) for a total consideration of USD 290 million. This equity injection strengthened the financial position and returned the Company to a net asset position as well as improving the cash flow generation going forward due to the discontinuation of the leasing arrangements.

Against this background, the Company is considered as going concern.

As of 31 December 2018, the Group's total equity under DGAAP was EUR 17,917 thousand compared to EUR 17,002 thousand as of 31 December 2017, the increase being due to the profit for 2018 of EUR 916,000.

Total Liabilities

As of 30 June 2020, the Group's total liabilities were EUR 131,517 thousand compared to EUR 124,269 thousand as of 31 December 2019, a decrease which was primarily due to an increase of EUR 14,320 thousand of payables to group entities, which was partially offset by a EUR 7,616 thousand decrease in lease liabilities.

As of 31 December 2019, the Group's total liabilities were EUR 124,269 thousand compared to EUR 124,180 thousand as of 31 December 2018, an insignificant increase of EUR 89 thousand. Total liabilities remained flat as the reduction of lease liabilities of EUR 12,160 thousand (lease being paid down) that was partially offset with an increase of EUR 10,846 in payables to related parties.

As of 31 December 2018, the Group's total liabilities under DGAAP were EUR 8,550 thousand compared to EUR 8,787 thousand as of 31 December 2017, and thus there was no material change. As the Company for the 2018 and 2017 DGAAP figures in accordance with DGAAP did not recognise the bareboat hire as a "right-of-use", the 2018 and 2017 DGAAP balance sheets do not reflect any "right-of-use" assets nor any lease liabilities.

10.9 Funding and Treasury Policies and restrictions on Transfer of Funds

The Group's objectives when managing capital are to ensure the ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital including compliance with covenants in the loan agreements. While the Group has no treasury department per se, it is the responsibility of the

Group's CFO and finance department to supervise and monitor financial risk management, cash and liquidity management and secure funding for the Group's operations.

In order to maintain or adjust the capital structure in the future, the Group may adjust the amount of dividends paid to shareholders, issue new shares and/or sell assets to reduce debt.

The Company has no derivatives or financial hedging instruments.

The Company is a pure holding company without operating revenues of its own and may not be able to pay dividends or meet financial obligations in case of lack of dividends from its subsidiaries. Pursuant to the Debt Facility, the Company is not permitted to pay any dividends or other distributions without DNB Bank ASA and Sparebank 1 SR Bank's written consent.

10.10 Working Capital Statement

As of the date of this Prospectus, the Company is of the opinion that the Group's working capital is sufficient for its present requirements and for at least the next twelve months from the date of this Prospectus.

10.11 Investing Activities

Principal Investments for the years ended 2017, 2018 and 2019

The Company made no material investments for the period 2017 to 2019. The upgrade to Pacific Osprey's crane boom in 2019 was undertaken by the vessel owner which at the time was CYP.

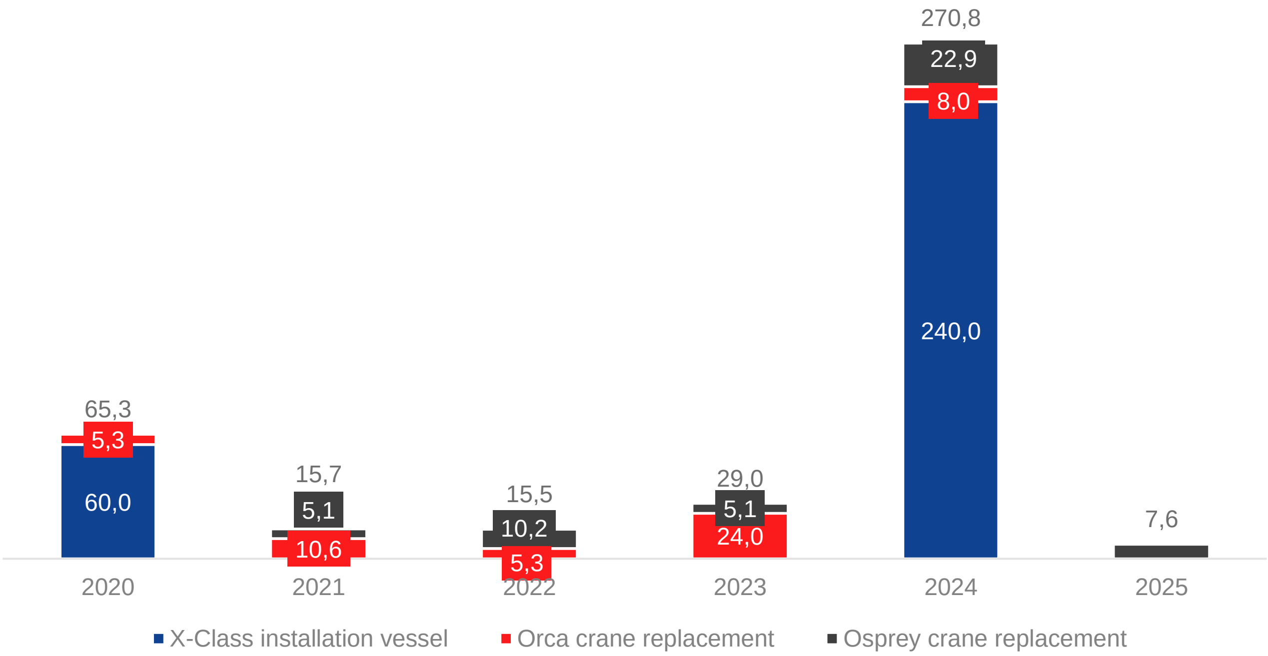
It should be noted, however, that the Company with effect from the financial year 2018 converted its financial statements from DGAAP to IFRS, hence the bare-boat hire the Company paid for the two Vessels was – in accordance with IFRS 16 Leases – recognised as "right-of-use" assets and with a corresponding lease liability. See further details in Section 9.4 "Summary of new accounting policies and principles and main changes when converting from DGAAP to IFRS".

The Company has made no major investments during the six months period ended 30 June 2020.

Principal Investments in Progress and Planned Principal Investments

The Company has not committed to any major investments as of the date of this Prospectus. However, the Company is contemplating investing in a third offshore vessel (for a possible planned delivery in 2024 and with an option for a further vessel) and crane upgrades (possibly in the fourth quarter 2020) as described in more detail in Section 6.4 "Overall Strategy" of this Prospectus. No contracts have been entered into nor has any final decision been made with regard to the possible fleet expansion or crane upgrades. The Group expects that the investments related to the new vessel and the crane upgrades will amount to USD approximately 300 million for the new-build and USD approximately 104 million for the crane upgrades, respectively (subject to final contract).

Figure 10.1: Indicative key capex items including new-build vessel (USDm)[41]



The Company intends to finance any first instalment for a new build and crane upgrades from cash from operations and share capital, given that the Company raises sufficient proceeds in the Offering.

Apart from the above, the Company does not have any other investments in progress, firm commitments or obligations to make significant future investments.

10.12 Property, Plant and Equipment

The Group's material assets are the two Vessels that for the past years have been on bare-boat charter to the Company. These two Vessels were previously owned by another company controlled by the Selling Shareholder. On 25 September 2020, the Vessels were acquired for a total consideration of USD 290,212 thousand. The acquisition was financed with Shareholder Loan from the Parent of USD 57,000 thousand and equity injected by the Parent into the Company of USD 232,212 thousand. The Company has obtained a loan from DNB Bank ASA and Sparebank 1 SR Bank which will be used to repay the Shareholder Loan and payables to group entities. The two Vessels are used as collateral for the debt facilities, see further details in Sections 8 "Capitalization and Indebtedness", 9.10 "Selected Financial Information - Pro Forma Financial Information" and 10.6 "Liquidity and Capital Resources" in the Prospectus.

The Group's operations are subject to numerous QHSE laws and regulations in the form of international treaties and maritime regimes, flag state requirements, national environmental laws and regulations, navigation and operating permits requirements, local content requirements, and other national, state and local laws and regulations in force in the jurisdictions in which the Vessels operate or are registered. Among other things, such laws govern the discharge of materials into the environment or otherwise relate to environmental protection.

For example, the Company is subject to the following conventions under the International Maritime Organisation (a United Nations Body):

- The International Convention for the Safety of Life at Sea (SOLAS), which include the International Safety Management Code (ISM).
- The Standards for Training, Certification, and Watchkeepings (STCW).
- The Maritime Pollution Regulations (MARPOL).
- The Nairobi Convention on Wreck Removal.

[41] Figures and timing subject to finalized contracts, including inter alia finalization of design, equipment, specification etc.

The Company is also bound by International Maritime Labour Convention (MLC) by the International Labour Organization (ILO – a United Nations body). European Union regulations, such as the General Data Protection Regulation (GDPR) for protection of personal data, also apply.

In certain circumstances, these laws may impose strict liability, rendering the Group and any similar company liable for environmental and natural resource damages without regard to negligence or fault. Implementation of new environmental laws or regulations that may apply to the Group's Vessels may cause increased costs or limit the operational capabilities of such companies, including the Group. Further, pollution and environmental risks generally are not totally insurable and any available insurance policies and contractual rights to indemnity may not adequately cover losses.

10.13 **Significant Recent Trends**

The global energy markets are currently in a megatrend towards greener and sustainable energy solutions. Reducing energy-related CO2 emissions is at the heart of this transformation. Shifting the world away from the consumption of fossil fuels that cause climate change and towards cleaner, renewable forms of energy is key to the world reaching agreed climate goals. Despite the Kyoto and Paris agreements, the CO2 concentration in the air has increased further. As a result, governments are increasing taxes on CO2 emissions, and will likely continue to do so. Hence, the willingness to shift investments into more sustainable energy solutions is increasing.

Offshore wind has become a key element in this "green" transition megatrend. With the continuous technology leaps propelling the offshore wind industry, larger turbines are coming to market, in terms of size and swept area. Larger wind turbines are exponentially more efficient as production increases in line with the square of the motor radius and wind speeds increasing with the height of the turbine. The hub heights of the largest offshore wind turbines announced at the time around the date of this Prospectus range up to 150m[42] compared to just over 100m in 2010. This trend is expected to continue and the next generation turbines may be as large as 25MW. Developers have a clear preference for larger turbines, driving the demand for larger windfarm installation vessels to install then. With the trend towards larger scale projects, several vessels in the global fleet lack the required capabilities to install large turbines. As a result, the demand for high-capability windfarm installation vessels is set to increase, also for projects where smaller vessels are fully capable.

A tighter market, where clients have a strong preference for high-capability vessels is likely to materialize in the Company's books in terms of higher implied average day rates and higher fleet utilization.

10.14 **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet obligations.

[42] EIA est. hub height for a 15MW turbine

11. CONSOLIDATED PROSPECTIVE FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2020

11.1 Statement by the Board of Directors and the registered Executive Management

We have prepared and presented the consolidated prospective financial information for the financial years ending 31 December 2020, including the principal assumptions stated under "Methodology and Assumptions" below. The accounting policies applied are in accordance with the accounting policies set out in the notes to the Group's in the consolidated financial statements for year ended 31 December 2019 as well as the interim consolidated financial statements as of and for the six months ended 30 June 2020 and the related notes, except to the extent new accounting policies are required to be adopted in 2020 as disclosed in note 2 to 2019 Financial Statements. The consolidated prospective financial information for the financial years ending 31 December 2020 is prepared for the purpose of this Prospectus.

The consolidated prospective financial information for the financial years ending 31 December 2020 is based on a number of factors, including certain estimates and assumptions, many of which are outside of the Group's control or influence. The principal assumptions upon which we have based the consolidated prospective financial information for the financial years ending 31 December 2020 are described under "Methodology and Assumptions".

The consolidated prospective financial information for the financial years ending 31 December 2020 represents the best estimates of the Board of Directors and Executive Management at the date of publication of this Prospectus. Actual results are likely to be different from the consolidated prospective financial information for the financial years ending 31 December 2020 since anticipated events may not occur as expected and the variation may be material. You should read the consolidated prospective financial information for the financial years ending 31 December 2020 in this section 2 "Risk Factors" included elsewhere in this Prospectus. See also Section 4.3 "General Information—Cautionary Note Regarding Forward-Looking Statements".

Copenhagen, 16 November 2020

The Board of Directors

Richard Sell
Chairman

Connie Hedegaard
Board member

Jesper T. Lok
Board member

Roy Shearer
Board member

Ditlev Wedell-Wedellsborg
Board member

Executive Management

Mikkel Gleerup
CEO

Mark Konrad
CFO

11.2 Prospective Financial Information

Methodology and Assumptions

The prospective financial information for the financial year ending 31 December 2020 has been prepared on the basis of the Company's accounting policies, which are in accordance with IFRS as adopted by the EU and presented in the 2019 Financial Statements, which are included in Appendix A.

The prospective financial information has been prepared on a basis comparable to the historical financial information included elsewhere in this Prospectus. However, the prospective financial information is based on a large number of estimates made by the Company based on assumptions about future events, which are subject to numerous and significant uncertainties, for example, caused by business, economic and competitive risks and uncertainties, which could cause the Company's actual results to differ materially from the prospective financial information presented herein.

The prospective financial information for the financial year ending 31 December 2020 is based on a number of factors, including certain estimates and assumptions, many of which are outside the Group's control or influence. Certain of the assumptions, uncertainties and contingencies relating to the prospective financial information, which are outside of the Company's control, including those relating to changes in political, legal, fiscal, market or economic conditions, improvements in macroeconomic conditions, currency fluctuations and actions by customers or competitors.

While this prospective financial information is presented with numerical specificity, this information is based upon a number of assumptions and estimates, which the Company considers reasonable. As a result, this prospective financial information is inherently subject to significant business, operational, economic and competitive uncertainties and contingencies, and based upon future business decisions that are subject to change. It is also likely that one or more of the assumptions the Company has relied upon will not prove to be accurate in whole or in part.

The Company's actual results of operations could deviate materially from its forecasts as a result of other factors, including, but not limited to, those described under Section 2 "Risk Factors" and Section 4.3 "General Information—Cautionary Note Regarding Forward-Looking Statements". For more information regarding principal factors that the Company expects could have a substantial effect on its results of operations, see Section 10.2 "Operating and Financial Review - Principal Factors Affecting the Company's Financial Condition and Results of Operations".

The Company's expectations presented in the prospective financial information as to future developments may deviate substantially from actual developments, and the Company's actual results of operations are likely to be different from the prospective financial information since anticipated events may not occur as expected, or may materially differ from the forecast provided. Accordingly, shareholders and potential investors should treat this information with caution and not place undue reliance on the expectations set forth below.

For the purpose of preparing the prospective financial information for the year ending 31 December 2020, respectively, the Company has applied the principal assumptions set forth below.

Principal assumptions

- The current agreed contract coverage will be delivered and no unexpected off time will be realised. (Partly outside the Company's control.)

- The bareboat charter costs will reflect the above contract coverage. However, as the Company uses EBITDAR[43] as a performance metric, assumptions on the bareboat charter costs or assets depreciation post asset transfer (25 September 2020) have no impact on the EBITDAR figure stated. (Partly outside the Company's control.)

- Crewing costs are based on the utilisation rate and crew needs of the above contract coverage and based on current applicable salary levels. (Partly outside the Company's control.)

- Repair and maintenance work on the Vessels in 2020 will be carried out in accordance with the current repair and maintenance plans, which reflects an increased level compared to 2019, but no unexpected technical issues. (Partly within the Company's control.)

- It is assumed that the office staff compensation will increase by 30% since the Company has made a strategic decision to build up its capabilities as a transport and installation (T&I) contractor and having hired additional people mainly to handle bidding complexity as well as quality management, supply chain management and subcontractor management. (Within the Company's control.)

- It is assumed that general office costs excluding employee compensation will be below the level of 2019 primarily due to COVID preventing business travel. (Partly outside the Company's control.)

Expectations for the Year Ending 31 December 2020

Based on the above principal assumptions, the financial performance of the Company for the year ending 31 December 2020 is expected to result in:

- Revenue in the range of EUR 19 to 24 million.

- EBITDAR between EUR -6 to -1 million (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 the Vessels instead of leasing them

[43] The Company uses EBITDAR as a performance metric, as it provides an estimate of the EBITDA that would be derived if the Company directly owned the 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 amortisation, profit performance measure, no assumption on bareboat rate nor asset depreciation are relevant profitability is stated.

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 amortisation). This expectation excludes any cost implications from the Company's intended listing on the Oslo Stock Exchange in Norway.

12. THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND EMPLOYEES

This Section provides summary information about the Board of Directors and the Executive Management of the Company and disclosures about their employment arrangements with the Company and other relations with the Company.

12.1 Overview

The Company has a two-tier governance structure consisting of the Board of Directors and the Executive Management. The two bodies are separate and have no overlapping members. The Executive Management is supported by the key employees in its senior management team, who together with the members of the Executive Management, comprise the Group's management team.

Under Danish law, the Board of Directors is responsible for the overall and strategic management and proper organization of the Group's business and operations and it supervises the Group's activities, management and organization. The Board of Directors appoints and dismisses the members of the Executive Management, who are responsible for the day-to-day management of the Company (the "**Executive Management**").

12.2 Board of Directors and Executive Management

Board of Directors

The Company's Articles of Association provide that the Board of Directors shall have between three and seven members elected by the shareholders at the Company's general meeting.

The Company's Board of Directors currently consists of the following members:

Name	Position	Served Since	Principal Activity
Richard Sell	Chairman	2018	Commercial director of Swire Pacific Offshore Operations Pte Ltd
Roy Shearer	Director	2018	Finance director Swire Pacific Offshore Operations Pte Ltd
Jesper T. Lok	Director, Chairman of the Remuneration Committee	2020	Chairman of Dagrofa, EAC Invest, Vestergaard and World Marine Offshore
Ditlev Wedell-Wedellsborg	Director, Chairman of the Audit Committee	2020	Owner and manager of Weco Invest A/S
Connie Hedegaard	Director, Chairman of Nomination Committee	2020	Chairperson and board member of various foundations and executive boards

Further to the five board members presented in the table above, one additional board member, Andreas Beroutsos, will be elected prior to Listing. His bio is therefore set out below.

The Group's registered business address, Arne Jacobsens Allé 7, 2300 Copenhagen S, Denmark, serves as c/o address for the members of the Board of Directors in relation to their directorship of the Company.

The composition of the Company's Board of Directors is in compliance with the independence requirements of the Norwegian Code of Practice of 17 October 2018 (the "**Norwegian Code of Practice**"). The Norwegian Code of Practice provides that a board member is generally considered to be independent when he or she does not have any personal, material business or other contacts that may influence the decisions it makes as a board member.

Set out below are brief biographies of the directors of the Company, along with disclosures about the companies and partnerships of which each director has been member of the administrative, management and supervisory bodies in the previous five years, not including directorships and executive management positions in the Company or any of its subsidiaries.

Richard Sell, Chairman

Richard Sell is the commercial director of Swire Pacific Offshore Operations (Pte.) Ltd, where he oversees the Company's Offshore Service Vessel (OSV) and non-OSV business. Sell has been with the Swire group since 1999 where he has had various roles across divisions in several countries, including 10 years at Cathay Pacific Airways. Richard Sell holds a BA in modern languages from the University of Leeds, in addition to attending various management and finance programs.

Current other directorships and management positions.....	Directorships: Swire Emergency Response Services Pte. Ltd., Swire Pacific Offshore NZ Limited, Swire Salvage Pte. Ltd., Swire Seabed Shipping AS, Swire Seabed AS, Swire Seabed Sea AS, Swire Pacific Offshore Canada Limited, Swire Pacific Offshore Americas LLC, Swire Seabed Subsea AS, Swire Marine Services EG, S.A. Con C.A., Swire Pacific Offshore Holdings Limited, Swire Pacific Offshore Services (Pte.) Limited, Orange Rederiet ApS, Swire Pacific Offshore Pty Limited, Swire Pacific Ship Management (Australia) Pty. Ltd., Swire Pacific Offshore (North Sea) Limited, Swire Pacific Offshore Operations (Pte) Ltd, Swire Pacific Offshore (Cyprus) Limited. Management position(s): None.
Previous directorships and management positions held during the last five years	Directorships: Connaught Network Services Pvt. Limited, VX Supply Chain Management (Hong Kong) Company Limited, Guangdong Swire Cold Chain Logistics Co. Ltd., Akzo Nobel HK (Holdings) Limited, Reservoir Management Services (Shanghai) Company Limited, Swire Industrial Limited, Swire Duro Limited, Swire CTM Bulk Logistics (Middle East) Pte. Ltd., Akzo Nobel Paints Limited, Akzo Nobel Paints (Guangzhou) Limited. Akzo Nobel Paints (Shanghai) Limited, Akzo Nobel Decorative Coatings (Langfang) Co Ltd., Akzo Nobel Paints (Chengdu) Co., Ltd., Swire Marine Logistics Limited, Swire Production Solutions Holdings Limited, Swire Seabed Shipping AS, Swire Seabed Sea AS, Swire Seabed Subsea AS, Swire Brands Limited, United Sheen Limited, SRM Holdings, Inc., Nice Access Limited, Nice Access (Shanghai) Trading, Swire Resources Limited, Intermarket Agencies (Far East) Limited, Swire Trading Limited, Excel Marketing Limited, Chevon Holdings Limited, SCCH Limited, Columbia Sportswear, Commercial (Shanghai) Co., Ltd.. Management position(s): Director, Trading & Industrial Division, Swire Pacific, Hong Kong.

Roy Shearer, Director

Roy Shearer has been the finance director Swire Pacific Offshore Operations (Pte.) Ltd since 2018 and he has previously held the position as CFO in Swire Oilfield Services and group treasurer with Dana Petroleum plc, in addition to various positions with Schlumberger from 2002 – 2011 and KPMG from 1998-2002. Shearer has over 20 years of experience, of which 18 years have been spent in oil and gas industry. Roy Shearer is a chartered accountant with the Institute of Chartered Accountants of Scotland and holds a masters degree in accountancy and economics from University of Aberdeen.

Current other directorships and management positions.....	Directorships: Swire Pacific Offshore Holdings Limited,Swire Pacific Offshore Ltd, Swire Pacific Offshore Pty Ltd, Swire Pacific Ship Management (Australia) Pty Ltd, Swire Pacific Offshore NZ Ltd., Swire Bahagia (B) Sdn Bhd, Swire Pacific Offshore (Cyprus) Ltd, Orange Rederiet APS, Swire Seabed AS (under liquidation), Swire Pacific Ship Management Ltd, Gentry Investment Ltd, Swire Pacific Offshore (North Sea) Ltd, Gallivat Corporation, Serrata Investments LLC, Samudra Viper Sdn Bhd, Dromond

	Shipping Pte Ltd, Swire Production Solutions Pte Ltd, Swire Pacific Offshore Operations (Pte) Ltd, Swire Ocean Salvage (Pte.) Ltd, Swire Salvage Pte Ltd, Swire Pacific Offshore Services (Pte) Ltd, Swire Emergency Response Services Pte Ltd. Management position(s): None.
Previous directorships and management positions held during the last five years	Directorships: Swire Seabed AS, Swire Seabed Shipping AS, Swire Seabed Sea AS, Swire Seabed Subsea AS, Swire Oilfield Services (Holdings) Ltd, Monument Containers Limited, Swire Oilfield Services Ltd, Swire Oilfield Services Do Brasil Ltda, Swire Oilfield Services India Private Limited, Swire Oilfield Services Pty Ltd, Swire Oilfield Middle East Petroleum Equipment & Services LLC, Swire Oilfield Services (West Africa) Ltd, Swire Oilfield Services (Nigeria) Ltd, Swire Oilfield Services AS, Swire Oilfield Services Malaysia Limited, Swire Oilfield Services Pte Ltd, Swire Oilfield Services (US) Holdings LLC, Swire Oilfield Services LLC. Management position(s): Swire Oilfield Services Limited.

Jesper T. Lok, Director, Chairman of Remuneration Committee

Jesper T. Lok has held leadership positions in multinational corporations in the transport & logistics, energy and infrastructure sectors. Following a 25-year career with Maersk in multiple international locations, Mr Lok has been CEO of SVITZER (towage, salvage, oil & gas and offshore renewables solutions), Danish Railroads (DSB) and Falck Emergency. As a specialist in Board and Advisory positions, Mr Lok has acted as Interim CEO of Alliance+ and Dagrofa, while serving on, and chairing, a number of corporate boards. Mr Lok has an MBA from Nova University, Tokyo.

Current other directorships and management positions.....	Directorships: Dagrofa (Chairman), EAC Invest (Chairman), Vestergaard (Chairman), World Marine Offshor (Chairman), ALLINACE+, PISIFFIK, RelyOn Nutec, Silverstream Management position(s): None.
Previous directorships and management positions held during the last five years	Directorships: ESVAGT (Chairman), Danish Crown, Danish Shipfinance, Inchcape Shipping Services, NEWSEC, PostNord. Management position(s): None.

Ditlev Wedell-Wedellsborg, Director

Ditlev Wedell-Wedellsborg has extensive experience in the shipping industry. He has served as a director of Höegh LNG and Hoegh Autoliners since 2006 and has served on the companies' governance, compliance and compensation committees. He is the owner and chairman of Weco Invest A/S, an active investment company mostly involved in the travel industry. Mr Wedell-Wedellsborg serves as a director and advisor to more than 10 companies. He has also been a consultant with McKinsey & Co and held various management positions in the Danish shipping company Dannebrog Rederi A/S. Ditlev Wedell-Wedellsborg holds an MBA from INSEAD, and a BA in economics from Stanford University.

Current other directorships and management positions.....	Directorships: Wessel & Vett Foundation, Weco Travel International, Høegh LNG, Høegh Autoliners, Weco Invest, Donau Agro, Damptech, Travel House Gruppen, Vind and Goodwings. Management position(s): None.

Previous directorships and management positions held during the last five years	Directorships: JetTime.
	Management position(s): None.

Connie Hedegaard, Director

Connie Hedegaard was the European Commissioner for Climate Action from 2010 to 2014. With two decades of experience in policy-making, Ms Hedegaard holds several key positions in support of a low-carbon and green economy as of the date of this Prospectus. Having served as a member of parliament and the Danish Minister of the Environment, she subsequently pursued a career in the media, as a print journalist, TV anchor and as head of Danish Radio News (DR). Ms Hedegaard chairs a number of foundations and executive boards, including OECD's Round Table for Sustainability, KR Foundation, Aarhus University, and Denmark's green think tank, Concito. She serves as a board member in Danfoss, Nordex, Teknologisk Institut, European Climate Foundation and the Danish Annual Democracy Festival, Folkemødet. Ms. Hedegaard holds a master's degree in history.

Current other directorships and management positions.....	Directorships: DANFOSS.
	Management position(s): None.
Previous directorships and management positions held during the last five years	Directorships: None.
	Management position(s): None.

Andreas Beroutsos, Director[44]

Mr. Beroutsos works at BW Group as Managing Director, responsible for strategic investments / new businesses, and senior investment officer. He is a member of the BW Group Executive Committee and the chairman's office. During his 13-year career as an investor, Mr. Beroutsos has held the following positions: EVP & Senior Portfolio Manager for private equity & infrastructure at Caisse de Dépôt et Placement du Québec (CDPQ), Partner at HRS Management, and Partner/Senior MD leading Private Investment at Eton Park Capital Management, serving on the partnership and risk committees. Before his investing career, Mr. Beroutsos was a senior partner at McKinsey & Company, where he worked for 17 years. In 2013, Mr. Beroutsos served as one of the three independent board members of the Hellenic Financial Stability Fund (HFSF). Mr. Beroutsos holds BA and MBA degrees from Harvard University and has extensive experience with private and public boards.

Current other directorships and management positions.....	Directorships: PetSmart Inc. (parent of Chewy Inc; NYSE: CHWY), HIG Acquisition Corp. (NYSE: HIGA)
	Management position(s): BW Group
Previous directorships and management positions held during the last five years	Directorships: BW LPG (BWLPG.OL)
	Management position(s): HRS, CDPQ (Caisse de Dépôt)

Executive Management

The Company's registered business address, Arne Jacobsens Allé 7, 2300 Copenhagen S, Denmark, serves as c/o address for the Executive Management.

The Company's Executive Management comprises of the following members:

Name	Position	Employed From
Mikkel Gleerup	CEO	2017
Mark Konrad	CFO	2020

Set out below are brief biographies of the members of the Executive Management, along with disclosures about the companies and partnerships of which each member of the Executive Management has been member of the administrative,

[44] Mr. Beroutsos is expected to be elected as board member prior to Listing.

management and supervisory bodies in the previous five years, not including directorships and Executive Management positions in the Company or its subsidiaries.

Mikkel Gleerup, CEO

Mikkel Gleerup has been with the Company since 2017 and has been the CEO since November 2017. He has previously held the position as COO from February 2017. Gleerup has more than 16 years' experience in the offshore wind segment, with, *inter alia,* experience from Siemens Wind Power, Global Marine Systems Ltd. and A.P. Møller-Maersk. Mikkel Gleerup holds an MBA from INSEAD, M.Sc. Economics and SCM and a Master Mariner's certificate.

Current other directorships and management positions.....	Directorships: None. Management position(s): Member of advisory board at Copenhagen Business School.
Previous directorships and management positions held during the last five years	Directorships: None. Management position(s): Managing director and director, Global marine Systems LTD. (China and UK).

Mark Konrad, CFO

Mark Konrad has been with the Group since January 2020 and has been the CFO since November 2020. Konrad has more than 10 years of experience in finance and accounting. Konrad holds a 1st Class BA (Hons). in Finance, Accountancy and Management.

Current other directorships and management positions.....	Directorships: None. Management position(s): None.
Previous directorships and management positions held during the last five years	Directorships: CPCT Plus Limited Management position(s): Head of Finance – Cathay Pacific Cargo Terminal

12.3 Remuneration and Benefits

Board of Directors

For the financial year 2019 the members of the Board of Directors did not receive any remuneration. The compensation for the members of the Company's Board of Directors will be approved on an annual basis by the shareholders at the Company's general meeting. The Company's extraordinary general meeting has in October 2020 approved a resolution that, subject to completion of the Offering, members of the Board of Directors for the financial year 2020 are eligible to receive a fixed annual base fee of EUR 40,000, with the fee being calculated on a pro rata basis for the remainder of 2020. The members of the Audit Committee, the Remuneration Committee and the Nomination Committee will receive a supplementary fee of EUR 10,000 while the chair-people receive a supplementary fee of EUR 20,000, each calculated in a pro rata basis for the remainder of 2020. The non-independent members of the Board of Directors have waived their board fees.

Executive Management

The annual remuneration of the executive management (CEO, CFO, COO and CCO) at that time was DKK 5,157,297 in 2019. The remuneration structure comprises primary salaries, bonus, insurance cover, company-provided phones and other benefits which are of minor nature. The Company does not disclose the remuneration of the executive management on an individual basis. See Section 18.21 with respect to certain bonus for certain members of the Group management upon a successful Offering and Listing.

The CEO has a non-compete restriction in his employment contract. None of the members of the administrative, management or supervisory bodies of the Company have any service contracts with the Company or any of its subsidiaries in the Group providing for benefits upon termination of employment.

Pensions

No amount has been set aside or accrued by the Group to provide pensions, retirement or similar benefits.

12.4 Shares and Options held by Members of the Board of Directors and Executive Management

None of the members of the Board of Directors or Executive Management own any Shares in the Company nor do they have any option in respect of Shares in the Company. The Company implemented a share incentive programme for employees, see Section 12.11 "Employees" for further information.

Loans and Guarantees

The Company has not provided any guarantees, or granted any loans or made any other similar commitments to any member of the Board of Directors or the Executive Management.

12.5 Disclosure of Conflicts of Interests

It follows from the Danish statutory corporate law that a member of the Board of Directors or the Executive Management shall not participate in the preparation, discussions or the decision-making process concerning (a) an agreement between the Company (or another company within the Group) and the member in question, (b) legal proceedings between the member in question and the Company (or another company within the Group) or, (c) an agreement between the Company (or another company within the Group) and any third party or legal proceedings brought against any third party if the member in question has a significant interest therein that may conflict with the Group's interests.

To the Company's knowledge, there are currently no actual or potential conflicts of interest between the Company and members of the Board of Directors or Executive Management, including any family relationships between such persons as of the date of this Prospectus except that Richard Sell and Roy Shearer represent the Parent and Selling Shareholder on the Board of Directors and that Andreas Beroutsos will represent BW Wind Services on the Board of Directors if and when elected.

12.6 Disclosure About Convictions in Relation to Fraudulent Offences

During the last five years preceding the date of this Prospectus, no member of the Board of Directors or the Executive Management has:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his capacity as a founder, director or senior manager of a company.

12.7 Nomination Committee

The Company has a nomination committee, the members of which as of the date of this Prospectus are Connie Hedegaard (Chair) and David P. Cogman. Connie Hedegaard is also a member of the Board of Directors. The nomination committee is elected for a period of one or two years. The nomination committee shall make recommendations to the general meeting regarding election of shareholder-elected members to the Board of Directors and election of members to the nomination committee. The nomination committee shall furthermore make recommendations to the Board of Directors regarding remuneration of the members of the nomination committee as well as remuneration of the members of the Board of Directors, which is resolved by the general meeting pursuant to a proposal from the Board of directors.

12.8 Audit Committee

The Company has an audit committee, the members of which as of the date of this Prospectus are Ditlev Wedell-Wedellsborg (Chair) and Roy Shearer, who both are members of the Board of Directors. The primary purposes of the audit committee are to:

- assist the Board of Directors in discharging its duties relating to the safeguarding of assets; the operation of adequate systems and internal controls; control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards; and

- provide support to the Board of Directors on the risk profile and risk management of the Company.

The audit committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations. Both Ditlev Wedell-Wedellsborg and Roy Shearer have relevant qualifications within accounting/auditing.

12.9 Remuneration Committee

The Board of Directors has established a remuneration committee. The members at the date of this Prospectus are Jesper T. Lok (Chair) and Richard Sell, who are both members of the Board of Directors. The primary purpose of the remuneration committee is to advise the Board of Directors on salaries and other remuneration for Executive Management and the Board of Directors. The remuneration committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

12.10 Corporate Governance

The Company's corporate governance principles are based on, and in all material aspects in compliance with, the Norwegian Code of Practice and applicable Danish law, with the following exceptions:

Section 3 "Equity and dividends": The Board of Directors of the Company has been, and is expected to be, provided with authorisations to issue new shares. Not all of such authorisations have separate and specific purposes for each authorisation, as set out in section 3 of the Corporate Governance Code, as the purposes of the authorisations shall be explained in the notices to the general meetings adopting the authorisations.

Section 3 "Equity and dividends": Given that the Company is currently in a fleet expansion phase where it is considering investing in new vessels to facilitate future growth, the Company does not expect to make dividend payments in the medium term. The Company does not currently have a formal dividend policy and may revise its dividend policy from time to time.

Section 4 "Equal treatment of shareholders and transactions with related parties": The Board of Directors will consider and determine on a case-by-case basis whether independent third-party evaluations are required when/if the Company enters into agreements with close associates which do not require approval by the general meeting pursuant to applicable law. The Board of Directors may decide, however, due to the specific agreement or transaction, to deviate from the recommendation in the Norwegian Code of Practice section 4, if the interests of the shareholders in general are believed to be maintained in a satisfactory manner through other measures.

Section 7 "Nomination committee": The Company's nomination committee consist of two members, of which one is considered independent of the Company and the other is a member of the Company's Board of Directors. The Company believes that the relevant board member should be able to offer himself/herself for re-election to the Board of Directors, and the Company is of the opinion that this will not raise any material concerns regarding conflicts of interest, nor the nomination committee's independency and its capability to attend to the interest of the shareholders.

Section 14 "Take-overs": There are no defence mechanisms against take-over bids in the Articles of Association, nor have other measures been implemented to specifically hinder acquisitions of Shares. The Board of Directors has not established written guiding principles for how it will act in the event of a take-over bid, as set out in section 14 of the Corporate Governance Code, as such situations are normally characterized by concrete and one-off situations which make a guideline challenging to prepare. In the event a take-over was to occur, the Board of Directors will consider the relevant recommendations in the Corporate Governance Code and whether the concrete situation entails that the recommendations in the Corporate Governance Code can be complied with or not.

12.11 Employees

Employees

The Group currently has 45 employees. Below is an overview of the employees of the Company as of 31 December 2019, 2018 and 2017, respectively.

	Year		
	2019	**2018**	**2017**
Number of employees, at year end	36	34	25

Share Incentive Program for Employees

The Company has implemented a share-based incentive scheme for its key employees in connection with the Listing, with the following key terms:

(i) an incentive varying from 1 to 8 months of gross monthly salary of the key employee paid in shares in the event the Offering is successful. The gross monthly salary and share price for the basis of calculation of the shares to be issued is based on the gross monthly salary of the employee and share price on the first day of trading of the shares;

(ii) an incentive that is twice the value of 1 to 2 months of gross monthly salary of the key employee paid in shares for the continuous employment of the employee for each full calendar year of 2020 and 2021. The incentive will be paid with the employee's salary in June in the following year, i.e. in June 2021 and June 2022. The gross monthly salary and share price for the basis of calculation of the shares to be issued is based on the gross monthly salary of the employee and share price on the date the incentive will be paid in June 2021 and June 2022;

(iii) with effect from 2021, a tiered annual bonus scheme for the CEO of the Company linked to KPIs and business profitability, which is capped at 8 months of gross monthly salary of the CEO paid in shares. The gross monthly salary and share price for the basis of calculation of the shares to be issued is based on the gross monthly salary of the CEO and share price on the date falling 30 days from the date of filing of the audited accounts of the Company for the financial year;

(iv) the grant of shares is subject to a vesting period of 12 months in which continued employment is a condition for the grant of shares.

13. RELATED PARTY TRANSACTIONS

This Section provides information on certain transactions which the Company is, or has been, subject to with its related parties during the three years ended 31 December 2019, 2018 and 2017 and up to the date of this Prospectus. For the purposes of the following disclosures of related party transactions, "related parties" are those that are considered as related parties of the Company pursuant to IAS 24 "Related Party Disclosures".

The Company is a wholly-owned subsidiary of the Selling Shareholder. The ultimate parent of the Group is Swire Pacific Offshore Holdings Limited, incorporated in Bermuda. The ultimate holding corporation is John Swire & Sons Limited, incorporated in England and Wales.

13.1 Transactions carried out with related parties in the period following year end 2019

Transitional Service Agreement

On 2 October 2020, the Company entered into the TSA with Swire Pacific Offshore Operations Pte Ltd regarding services to be rendered to the Company during a transitional period following the Listing. Such services include, inter alia, assistance with financial reporting, tax, insurance, internal audit, IT, HR, procurement, technical and HSEQ support and services. The support services may be requested by the Company through a service order and are intended to be provided as interim support only until the Company is capable of performing these functions independently or procures them elsewhere. The term of the agreement is 1 year, and may be terminated by either party at any time with 3 months´ prior written notice, and is otherwise entered into on arm's length terms.

Restructuring

On 25 September 2020, the Company acquired the Vessels (Pacific Orca and Pacific Osprey) through its two wholly owned special purpose vehicle companies that were newly incorporated with the purpose of owning the Vessels. Each Vessel was as such acquired by an SPV and bareboat chartered by the SPV to the Company to perform the Company's customer contracts. Prior to 25 September 2020, the Vessels were owned by an affiliated company controlled by the Selling Shareholder and bareboat chartered by the affiliated company to the Company.

Bareboat charter agreement

Prior to 25 September 2020, the Vessels were on long-term bareboat charter by an affiliated company controlled by the Selling Shareholder to the Company (the "**Long-term Bareboat Charters**"). The bareboat charter rates were on arms' length terms. After the Vessels were acquired by the SPVs on 25 September 2020, the Long-term Bareboat Charters were terminated and the Vessels were thereafter bareboat chartered by the SPVs to the Company to perform the Company's customer contracts.

Crewing agreement

Crewing for the Vessels is provided by Swire Pacific Ship Management LTD (Singapore branch) ("**SPSM**"), a related company to the Company, under a BIMCO Crewman agreement (the "**Crewman Agreement**"). The commencement date of the Crewman Agreement was 1 October 2014, and continues until terminated by either party by giving notice to the other in which the Crewing Agreement may be terminated upon the expiration of a two-month period. The crew management fee is 2 % of the monthly manning costs, and severance costs are agreed to USD 20,000. The Crewing Agreement includes standard termination clauses.

The rates charged by SPSM are arms' length rates.

See also Section 6.10 for the Shareholder Loan and the recourse agreement.

13.2 Transactions carried out with related parties for the financial years 2019 and 2018

The following significant transactions took place between the Company and related parties (i.e. with companies controlled by Swire Pacific Offshore Holdings Limited) for 2019 and 2018:

EUR'000

	2019	2018
Sales and purchases of goods and services		
Bareboat lease payments to related corporation	(19,420)	(19,635)
Bareboat rental expenses to related corporation	(9,845)	(14,734)

EUR'000

	2019	2018
Crew hire expenses	(10,616)	(10,913)
Management fees paid to related corporations.......	(853)	(1,601)

As of the year ended 2019 trade payables to these related parties as recognised in the balance sheet of the Company amounted to EUR 10,846 thousand. As of the year ended 2018 trade payables to these related parties as recognised in the balance sheet of the Company amounted to nil.

The Company is of the opinion that these related party transactions are based on arm's length terms.

13.3 Transactions carried out with related parties for the financial year 2017

The following significant transactions took place between the Company and related parties (i.e. with companies controlled by Swire Pacific Offshore Holdings Limited) for 2017:

EUR'000

	2017*
Sales and purchases of goods and services	
Bareboat rental expenses from related corporation .	(27,335)
Crew hire expenses	(10,941)
Management fees paid to related corporations.......	(915)

** Audited DKK figures have been converted from DKK to EUR using a currency conversion ratio of 0.1334 DKK/EUR.*

The Company is of the opinion that these related party transactions are based on arm's length terms.

14. DIVIDEND AND DIVIDEND POLICY

This Section provides information about the dividend policy and dividend history of the Company, as well as certain legal constraints on the distribution of dividends under the Danish Companies Act. Any future dividends declared by the Company will be paid in NOK as this is the currency that currently is supported by the VPS. The following discussion contains Forward-looking Statements that reflect the Company's plans and estimates; see Section 4.1 "General Information—Cautionary Note Regarding Forward-Looking Statements".

14.1 Dividend Policy

There can be no assurances that in any given period a dividend will be proposed or declared, or if proposed or declared, that the dividend will be as contemplated by the above. In deciding whether to propose a dividend and in determining the dividend amount, the Company's Board of Directors will take into account legal restrictions, as set out in Section 14.3 “Legal and Regulatory Requirements", the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its borrowing arrangements or other contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintaining of appropriate financial flexibility.

14.2 Dividend History

The Company has not paid any dividends on its Shares during the financial years ended on 31 December 2019, 2018 and 2017.

14.3 Legal and Regulatory Requirements

In accordance with the Danish statutory corporate law, dividends, if any, are declared with respect to a financial year at the annual general meeting of shareholders in the following year at the same time as the statutory annual report, which includes that the audited financial statements for that financial year are approved.

Further, the Company’s general shareholder meeting may resolve to distribute interim dividends or authorize the Board of Directors to decide on the distribution of interim dividends. A resolution to distribute interim dividends within six months after the date of the balance sheet as set out in the Company’s latest adopted annual report shall be accompanied by a balance sheet from either the Company’s latest annual report or an interim balance sheet which must be reviewed by the Company’s auditors. If the decision to distribute an interim dividend is resolved more than six months after the date of the balance sheet as set out in the Company’s latest adopted annual report, an interim balance sheet must be prepared and reviewed by the Company’s auditors. The balance sheet or the interim balance sheet, as applicable, must in each case show that sufficient funds are available for distribution.

Dividends may not exceed the amount proposed or recommended by the Board of Directors. Moreover, dividends and interim dividends may only be made out of distributable reserves and may not exceed what is considered sound and adequate with regard to the Company’s financial condition and such other factors, as the Board of Directors may deem relevant.

Dividends paid to the Company’s shareholders may be subject to withholding tax. See “Norwegian and Danish Taxation” for a description of Danish and Norwegian withholding taxes in respect of dividends declared on the Shares and certain other Norwegian, Danish and U.S. federal income tax considerations relevant to the purchase or holding of Shares.

The Shares have a nominal value in DKK, and when listed will be priced in NOK. Dividends, if any, will be paid in accordance with the rules and procedures of VPS, as in force from time to time, and will be paid to the shareholders’ accounts with their account holding banks in Norwegian kroner to those recorded as beneficiaries. Accordingly, any investor outside Norway is subject to adverse movements in NOK against their local currency as the foreign currency equivalent of any dividends paid on the Shares listed on the Oslo Stock Exchange or price received in connection with sale of such Shares could be materially adversely affected.

Dividends not claimed by shareholders are forfeited in favour of the Company, normally after three years, under the general rules of Danish law or statute of limitations.

Under the Articles of Association and applicable Danish law, there are no dividend restrictions or special procedures for non-Danish resident holders of Shares.

15. CORPORATE INFORMATION; SHARES AND SHARE CAPITAL

The following is a summary of certain corporate information and other information relating to the Group, the Shares and share capital of Company, summaries of certain provisions of the Company's Articles of Association and applicable Danish and Norwegian law in effect as of the date of this Prospectus, including the Danish Companies Act. This summary does not purport to be complete and is qualified in its entirety by the Company's Articles of Association and applicable Danish and Norwegian law.

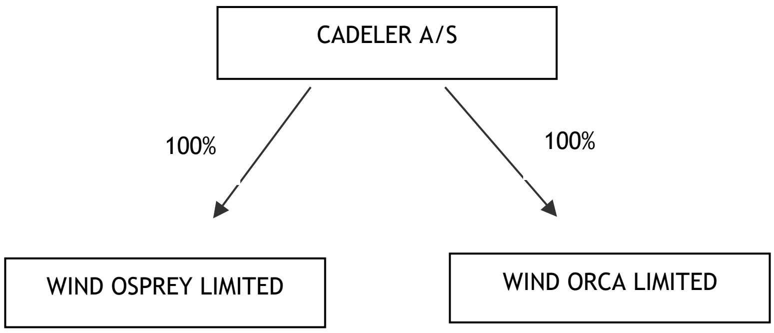
15.1 Incorporation; Registration Number; Registered Office and Other Company Information

The Company is a Danish public limited liability company (in Danish *aktieselskab* or *A/S*), incorporated under the laws of Denmark and in accordance with the Danish Companies Act. The Company's business registration (CVR) number is 31 18 05 03 and its LEI is 9845008439EUED140282. The legal and commercial name of the Company is Cadeler A/S. The Company was incorporated on 15 January 2008.

The head office and registered address of the Company is Arne Jacobsens Allé 7, 2300 Copenhagen S, Denmark, its telephone number is (+45) 3246 3100, and its website is www.cadeler.com. The information on the Company's website does not form part of this Prospectus, unless that information is incorporated by reference to this Prospectus.

15.2 Legal Structure

The chart below shows the current legal structure of the Group:



15.3 Information on Holdings

The following table sets out information about the entities in which the Company, as of the date of this Prospectus, holds (directly or indirectly) more than 10% of the outstanding capital and votes (dormant companies are not included).

Name	Country of Incorporation	Registered Office	Holding	Field of Activity
Wind Osprey Limited	Cyprus	23 Kennedy Avenue, GLOBE HOUSE, 4th floor, 1075 Nicosia, Cyprus	100%	Special purpose vehicle
Wind Orca Limited	Cyprus	23 Kennedy Avenue, GLOBE HOUSE, 4th floor, 1075 Nicosia, Cyprus	100%	Special purpose vehicle

The Restructuring

The Company has recently carried out the Restructuring where the Vessels have been acquired by the Company from Swire Pacific Offshore (Cyprus) Ltd. ("**CYP**), a limited company incorporated in Cyprus. The Vessels have been on bare-boat charter to the Company from CYP since 1 March 2013. The bare-boat agreements between the Company and CYP were terminated upon transfer of ownership of the Vessels to the Company. The Restructuring was completed prior to the Listing.

SPV's were established (Cyprus incorporated) for each of the Vessels and the Restructuring led to the corporate structure of the Group being as set out in the structure chart included above in Section 15.2 "Legal Structure".

15.4 Share Capital and Share Capital History

As of the date of this Prospectus, and prior to the Offering, the Company's nominal share capital is DKK 78,000,000.00 divided into 78,000,000.00 Shares, fully paid and each Share having a nominal par value of DKK 1. All Shares are issued and fully paid up.

The Shares are as of the date of this Prospectus not divided into share classes, and all Shares have the same rights and rank *pari passu* in respect of voting rights, pre-emption rights, redemption, conversion and restrictions or limitations according to the Articles of Associations or eligibility to receive dividend or proceeds in the event of dissolution and liquidation. No Shares carry special rights, restrictions or limitations pursuant to the Articles of Association.

Each Share of the nominal value DKK 1 gives the holder the right to one vote at the Company's general shareholder meetings.

The Company has not issued any securities that are convertible into new shares nor has warrants attached to them.

The table set forth below presents the development of the Company's share capital from 1 January 2017 to the date of this Prospectus. The capital increase was carried out in connection with the Restructuring and relates to the contribution on kind from the Selling Shareholder.

Date of approval	Transaction type	Share capital before change (DKK)	Share capital change (DKK)	Share capital after change (DKK)	Price per share of nominal value DKK 1[(1)] (DKK)
25 September 2020	Capital increase	780,000	77,220,000	78,000,000	1,925.89

[(1)] Calculated in accordance with the practice of the Danish Business Authority whereby payment of an amount equivalent to the nominal value of a Share is set at index price 100.

Assuming that the New Shares in the Offering are subscribed in full and the Offer Price is set at the low-end of the Indicate Price Range, the issued share capital of the Company will be increased by DKK 39,031,915, resulting in a total share capital of up to DKK 117,031,915, comprising of up to 117,031,915 Shares, each with a par value of DKK 1.

15.5 Authorisation to Increase the Share Capital and to Issue Shares and Other Financial Instruments

In accordance with article 3.1 of the Articles of Association, the Board of Directors is, until 31 December 2020, authorized to increase the share capital of the Company in one or more issues without pre-emption rights for the Company's existing shareholders by up to a nominal amount of DKK 55,000,000. The capital increase shall take place at market price as determined through a book-building process and shall be effected by cash payment. This authorization was exercised by the Board of Directors on 16 November 2020, where the Board of Directors resolved to (assuming an Offer Price at the low-end of the Indicative Price Range) issue up to 39,031,915 New Shares in connection with the completion of the Offering.

In accordance with article 3.2 of the Company's proposed Articles of Association, the Board of Directors will be, until 30 September 2025, authorized to increase the share capital for the Company in one or more issues of new shares without pre-emption rights for the Company's existing shareholders by up to a nominal amount up to DKK 23,000,000. The capital increase shall take place at or above market price and may be effected by cash payment, conversion of debt or by contribution of assets other than cash.

In accordance with article 3.3 of the Company's proposed Articles of Association, the Board of Directors will be, until 30 September 2025, authorized to increase the share capital of the Company in one or more issues without pre-emption rights for the Company's existing shareholders by up to a nominal amount of DKK 5,000,000 in connection with issue of new shares to members of the Board of Directors, Executive Management and/or employees of the Company and/or of the Company's subsidiaries. The capital increase be effected by cash payment at a subscription price to be determined by the Board of Directors, which may be below market price.

Shares issued pursuant to the Board of Directors' authorization shall be fully paid up, shall be issued in the name of the holder, shall be recorded in the holder's name in the Company's register of shareholders, shall be negotiable instruments and shall in every respect carry the same rights as the existing Shares. The Board of Directors is authorized to lay down the terms and conditions for capital increases pursuant to the above authorization. The Board of Directors is also authorized to amend the Articles of Association as required in connection with the utilization of the above authorization.

The Board of Directors is moreover authorized in the period until 30 September 2025 to approve the acquisition of ordinary Shares (treasury shares), on one or more occasion, with a total nominal value of up to 10% of the share capital of the Company. The consideration paid for such Shares may not deviate more than 10% from the official price quoted on Oslo Børs at the time of the acquisition.

15.6 Share Classes; Rights Conferred by the Shares

The Company has a single share class and all shares carry the same rights. At the Company's General Meetings, each share carries one vote.

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such Shares unless their ownership is (a) re-registered in their names with the VPS, prior to the registration date in advance of the Company's general meetings or (b) the registered nominee holds a proxy form such beneficial owner, which is able to demonstrate its beneficial ownership to the Shares in accordance with applicable Danish law. The Company cannot guarantee that beneficial owners of the Shares will receive the notice of a general meeting of shareholders of the Company in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners. Any persons that hold their Shares through a nominee arrangement should consult the nominee to ensure that any Shares beneficially held are voted for in the manner desired by such beneficial owner.

15.7 Disclosure on Notifiable Holdings

As of the date of this Prospectus, the Company is wholly owned by Swire Pacific Offshore Operations (Pte.) Ltd. A successful completion of the Offering may consequently result in a change of control in the Company.

Following the completion of the Offering, the Company is not aware of any persons or entities who, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company, and the Company is not aware of any arrangements, the operation of which may at a date subsequent result in a change of control in the Company. Notwithstanding the foregoing sentence the Selling Shareholder's shareholding may, for a short period of time of up to approx. 30 days following the first day of Listing on the Oslo Stock Exchange, be reduced to less than one third of the Company's total share capital and voting rights as a result of the share lending arrangement under the Lending Option. If, subsequently, the Over-allotment Option is not exercised, the number of Shares made available by the Selling Shareholder will be redelivered in full or in part, and the Selling Shareholder's shareholding could cross the one-third threshold again. Accordingly, such redelivery could trigger the requirement under Section 45 of the Danish Capital Market Act to make a mandatory takeover offer. See section 16.9 "Mandatory Offer Requirement". For this reason, the Danish FSA has confirmed in a non-binding statement that the Selling Shareholder can expect to be granted an exemption from such potential obligation to submit a mandatory takeover offer if the situation should arise during or shortly after the 30 days period after the first day of Listing on the Oslo Stock Exchange.

As part of BW Wind Services becoming a lead investor in the Offering as further set out in Section 18.1, the Selling Shareholder and BW Wind Services have on 4 November 2020 entered into a Memorandum of Understanding (the "MOU") subject to completion of the Offering whereby BW Wind Services, on certain terms and conditions, has been granted a right of first refusal to purchase a number of Shares held by the Selling Shareholder equal to 10% of the Shares outstanding in the Company, exercisable during a period of 18 months from the date of the MOU, if the Selling Shareholder wishes to sell such Shares (the "First ROFR"), and a similar right of first refusal for an additional 10% which is exercisable for a period commencing on the date of the MOU and expiring on the date which is the earlier of (i) two years from the date of the expiry of the First ROFR, and (ii) two years from the date that BW Wind Services has acquired all Shares that are subject to the First ROFR. The rights of first refusal shall however not apply in the event that the Selling Shareholder accepts an offer from a third party for all Shares in the Company. Furthermore, BW Wind Services has provided a letter of intent of a non-binding character where it has expressed its intent to support the Company going forward, and in particular its intent to participate in future capital raise(s) by the Company with an amount that will at least maintain and potentially increase BW Wind Services' ownership level in the Company at any such time, pursuant to which the Selling Shareholder and the Company have expressed their non-binding support.

15.8 Articles of Association

The Company's Articles of Association which were adopted by the extraordinary general meeting on 26 October 2020 and registered with the Danish Business Authority are appended as Appendix B—Articles of Association to this Prospectus. Below is a summary of certain provisions of the Articles of Association.

Objective

Pursuant to Section 1.2 of the Articles of Association, the Company's objective is to carry on business in the area of shipping and to develop ship projects.

Board of Directors

Pursuant to Section 9.1 of the Articles of Association, the general meeting of the Company shall elect a minimum of three and a maximum of seven members. The members of the Board of Directors elected by the general meeting are elected for a term of two years until the next annual general meeting. Members of the Board of Directors may be re-elected.

No Restrictions on Transfer of Shares

The Shares are negotiable instruments, and no restrictions under the Articles of Association or Danish law apply to the transferability of the Shares. Share transfers are not subject to approval by the Board of Directors. However, see "*Selling and Transfer Restrictions*" and "*Transfer Restrictions*" for certain restrictions applicable to the Offer Shares.

General Meetings

Pursuant to Section 4.6 of the Articles of Association, General meetings shall be convened by the Board of Directors with at least three weeks' and not more than five weeks' notice by publishing a notice on the Company's website. A notice of the general meeting shall furthermore be sent by email to all shareholders recorded in the Company's register of shareholders who have so requested.

For a period of at least three weeks prior to the general meeting, including the date of the general meeting, the following information shall be made available on the Company's website:

- The notice convening the general meeting
- The aggregate number of shares and voting rights of the Company as at the date of the notice
- The documents to be presented at the general meeting
- The agenda and the complete proposals and in connection with annual general meetings the annual report

The forms to be used for voting by proxy or by postal vote.

Board authorisations

Pursuant to Section 3 of the Articles of Association, the Board of Directors are authorised to increase the share capital of the Company on three different occasions. For further information, see Section 15.5 "Authorisation to Increase the Share Capital and to Issue Shares and Other Financial Instruments".

15.9 Certain Aspects of Danish Company Law

General Meetings

The Company's general meetings shall be held in the Capital Region of Denmark (*in Danish: Region Hovedstaden*).

The Company's annual general meeting shall be held each year early enough for the audited and adopted annual report to be submitted to and received by the Danish Business Authority not later than four months after the closing of the financial year. Not later than eight weeks before the contemplated date of the annual general meeting, the Company shall publish the date on which it intends to hold the general meeting as well as the date by which requests filed by Shareholders wishing to have specific items included on the agenda must be submitted.

Extraordinary general meetings shall be held at the request of the Board of Directors when deemed appropriate or upon request of the Company's external auditor or Shareholders holding a minimum of 5% of the share capital of the Company. The request shall be made in writing to the Board of Directors and contain a list of the issues to be dealt with at the general meeting.

General meetings shall be convened by the Board of Directors with a maximum notice of five weeks and a minimum notice of three weeks. An extraordinary general meeting shall be convened within 14 days after a proper request has been received by the Board of Directors. The notice shall be published on the Company's website.

Furthermore, a notice of the general meeting shall be sent all Shareholders recorded in the Company's register of shareholders who have requested such notice. If the information contained in the register of shareholders is insufficient or incorrect, the Board of Directors shall not be obliged to rectify the information or to give notice in any other way.

In accordance with Danish law, the notice shall specify the time and place of the general meeting and the agenda containing the business to be transacted at the general meeting. If a proposal to amend the Articles of Association is to be considered at the general meeting, the main contents of the proposal shall be specified in the notice.

The Company’s general meetings shall be held in the Capital Region of Denmark (in Danish: Region Hovedstaden). Annual reports and interim reports shall be prepared in English.

The right of a Shareholder to attend a general meeting and to vote is determined by the Shares held by the Shareholder on the record date. The record date is one week before the general meeting. The Shares held by each Shareholder are determined on the record date based on the number of Shares held by that Shareholder as registered in the Company’s register of shareholders and any notification of ownership received by the Company for the purpose of registration in its register of shareholders, but which have not yet been registered.

Voting Rights; Amendments to the Articles of Association

At the general meeting, each Share of the nominal value of DKK 1 shall carry one vote. No Shareholders have any special or different voting rights pursuant to the Articles of Association.

Any shareholder who is entitled to attend the general meeting pursuant to the Articles of Association and who wishes to attend the general meeting shall notify the Company no later than three calendar days before the date of the general meeting. A shareholder may, subject to having been registered in accordance with the Articles of Association, attend in person or by proxy, and the shareholder or the proxy may attend together with an advisor.

The right to vote may be exercised by a written and dated instrument of proxy in accordance with applicable law. A shareholder who is entitled to participate in the general meeting pursuant to the Articles of Association may vote by correspondence in accordance with the provisions of the Danish Companies Act. Such votes by correspondence must be received by the Company no later than the business day before the general meeting. Votes by correspondence cannot be withdrawn.

Resolutions at general meetings shall be passed by a simple majority of votes cast, unless otherwise prescribed under the Danish Companies Act or by the Articles of Association.

Adoption of changes to the Articles of Association, dissolution of the Company, merger or demerger requires that the resolution is adopted by at least 2/3 of the votes cast as well as of the share capital represented at the general meeting.

The provisions in the Articles of Association relating to a change of the rights of shareholders or a change to the capital are not more stringent than required by the Danish Companies Act.

Additional Issuances and Preferential Rights

If the Company issues any new Shares, including bonus share issues, the Company's Articles of Association must be amended, which requires the same vote as other amendments to its Articles of Association. Under Danish corporate law, the Shareholders generally have pre-emption rights if the general meeting of the Company resolves to increase the share capital by way of cash payment. However, the pre-emption rights of the Shareholders may be derogated by a majority comprising at least 2/3 of the votes cast and of the share capital represented at the general meeting if the share capital increase is made at market price, or at least 90% of the votes cast as well as at least 90% of the share capital represented at the general meeting if the share capital increase takes place below market price, unless (i) such capital increase below market price is directed at certain but not all Shareholders (in which case all Shareholders must consent); or (ii) such capital increase below market price is directed at the Group’s employees (in which case a majority comprising at least two thirds of the votes cast as well as at least two thirds of the share capital represented at the general meeting is required).

At a General Meeting the Company's shareholders may, by the same vote as is required for amending the Articles of Association, authorise the Board of Directors to issue new Shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorisation may be effective for a maximum of five years.

The exercise of pre-emption rights may be restricted for Shareholders resident in certain jurisdictions, including but not limited to the United States, Canada, Japan and Australia, unless the Company decides to comply with applicable local requirements. Consequently, U.S. holders and certain other holders of Shares may not be able to exercise their pre-emption rights or participate in a rights offer, as the case may be, unless a registration statement under the U.S. Securities Act is effective with respect to such rights or an exemption from the registration requirements is available.

The Company intends to evaluate at the time of any issuance of Shares subject to pre-emption rights or in a rights offering, as the case may be, the cost and potential liabilities associated with complying with any local requirements, including filing a registration statement with the SEC for such Shares or rights, as well as the indirect benefits to the Company of enabling the exercise of non-Danish Shareholders of their pre-emption rights to Shares or participation in any rights offer, as the case may be, and any other factors considered appropriate at the time, and then to make a decision as to whether to comply with any local requirements, including filing a registration statement with the SEC. No assurances are given by the Company that local requirements will be complied with or that any registration statement will be filed in the United States so as to enable the exercise of such Shareholders' pre-emption rights or participation in any rights offer.

Minority Rights

Danish law sets forth a number of protections for minority shareholders of the Company, including but not limited to those described in this paragraph and the description of General Meetings as set out above. Any of the Company's shareholders may petition Danish courts to have a decision of the Board of Directors or the Company's shareholders made at the General Meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. Minority shareholders holding five per cent or more of the Company's share capital have a right to demand in writing that the Company's Board of Directors convene an Extraordinary General Meeting of the Company's shareholders to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any General Meeting as long as the Company is notified in time for such item to be included in the notice of the meeting.

Furthermore, when a shareholder holds more than 90% of the shares in the Company and a corresponding proportion of the voting rights, the other shareholders may require such shareholder to acquire their shares pursuant to the Danish Companies Act.

Rights of Redemption and Repurchase of Shares

Except as provided for in the Danish Companies Act, see "*Securities Trading in Norway— Compulsory Acquisition*", no Shareholder is under an obligation to have his/her/its Shares redeemed in whole or in part by the Company or by any third party, and none of the Shares carry any redemption or conversion rights or any other special rights.

The share capital of the Company may be reduced by reducing the par value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a General Meeting of the Company's shareholders. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

If a Danish limited liability company purchases its own treasury shares for consideration, such consideration may only consist of the funds that may be distributed as interim dividends under the Danish Companies Act. As a general rule, a purchase of a company's own shares for consideration requires authorisation from the general meeting to the Company's board of directors. Such authorisation may only be given for a specified time, which may not exceed five years. However, where it is necessary in order to avoid significant and imminent detriment to the Company, the board of directors may acquire the Company's own shares on behalf of the company for consideration without authority from the general meeting.

Notwithstanding the above, a Danish limited liability companies may, directly or indirectly, acquire its own shares (i) in connection with a reduction of the share capital; (ii) in connection with a transfer of assets by merger, division or other universal succession; (iii) in satisfaction of a statutory takeover obligation of the company; or (iv) in connection with the purchase of fully paid-up shares in a forced sale for the satisfaction of a claim held by the company.

Shareholder Vote on Certain Reorganisations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the General Meeting of the shareholders passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the General Meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be made available on the Company's website or made available to the shareholders at the Company's address at least four weeks prior to the General Meeting of the Company's shareholders to pass upon the matter.

Liability of Directors

Members of the Board of Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the directors act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Where shareholders representing more than 10 per cent of the share capital oppose a resolution to grant an exemption from liability or waive the right to commence legal proceedings, any shareholder may commence legal proceedings for the purpose of making the person(s) liable for the loss suffered pay damages to the company. Shareholders commencing legal proceedings must pay legal costs, but may have such costs reimbursed by the company to the extent that the costs do not exceed the damages recovered by the company as a result of the proceedings. Such legal proceedings must be commenced no later than six months after the resolution by the general meeting to grant an exemption from liability or waive the right to commence legal proceedings was passed.

Indemnification of Directors

Neither Danish law nor the Articles of Association contain any provision concerning indemnification by the Company of the members of the Board of Directors. The Company has purchased insurance to cover the Company's directors against certain liabilities they may incur in their capacity as such.

Distribution of Assets on Liquidation

Under Danish law, the Company may be dissolved by a resolution of the Company's shareholders at the General Meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of dissolution and liquidation, the Shareholders are entitled to participate in the distribution of assets in proportion to their nominal shareholdings after payment of the Company’s creditors.

16. TRADING IN THE COMPANY'S SHARES ON THE OSLO STOCK EXCHANGE

The following is a summary of certain information in respect of trading and settlement of shares on the Oslo Stock Exchange, securities registration in Norway and certain provisions of applicable Norwegian and Danish securities law, including the Norwegian Securities Trading Act and the Danish Capital Markets Act, in effect as of the date of this Prospectus, which may be subject to changes occurring after such date. This summary does not purport to be complete and is qualified in its entirety by Norwegian and Danish law, respectively. Shareholders who wish to clarify the aspects of securities trading in Norway should consult with and rely upon their own advisors.

16.1 Introduction

The Oslo Stock Exchange was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway.

16.2 Trading and Settlement

The Oslo Stock Exchange comprise three separate trading markets for trading in equities, Oslo Børs, a stock exchange operated by Oslo Børs ASA, Oslo Axess (expected to be renamed Euronext Expand), a regulated market operated by Oslo Børs ASA, and Merkur Market (expected to be renamed Euronext Growth), a multilateral trading facility operated by Oslo Børs ASA.

Official trading on the Oslo Stock Exchange takes place between 9:00 a.m. CET and 16:30 p.m. CET each trading day.

The settlement period for trading on the Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor's account in the VPS two trading days after the transaction, and that the seller will receive payment after two trading days.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from a member state of the EEA or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

16.3 Information, Control and Surveillance

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and the bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company. Inside information means precise information about financial instruments, the issuer thereof or other matters that are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and that are not publicly available or commonly known in the market. A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

16.4 The VPS and Transfer of Shares

The Company's shareholder register is operated through the VPS and maintained on behalf of the Company by DNB Bank ASA, Registrars department, company registration number 984 851 006, and having its registered address at Dronning Eufemias gate 30, 0191 Oslo, Norway.

The VPS is the Norwegian paperless centralised securities depository register. It is a computerised book-keeping system in which the ownership of, and all transactions relating to, listed shares in Norway must be recorded. The VPS and the Oslo Stock Exchange are both wholly owned by Oslo Børs VPS Holding ASA.

All transactions relating to securities registered with the VPS are made through computerised book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (Norway's central bank), authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS's control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an on-going basis, as well as any information that the Norwegian FSA requests. Danish authorities and as determined in the Company's articles of association, other authorities including Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

16.5 Shareholder Register – Danish law

Under Danish corporate law, the Shares shall be registered in the name of the holder through the account-holding bank. An account may be kept on behalf of one or more owners, meaning that a shareholder may appoint a nominee. A nominee shareholder is entitled to receive dividends and to exercise all subscription and other financial and administrative rights attached to the shares held in its name with VPS. The relationship between the nominee shareholder and the beneficial owner is regulated solely by an agreement between the parties, and the beneficial owner must disclose its identity, if any, if its aforementioned shareholder rights are to be exercised directly by the beneficial owner e.g. with respect to attendance and voting at general meetings. The right to appoint a nominee does not eliminate a shareholder's obligation to notify the Company and the Danish FSA of a major shareholding. See "–Disclosure Obligations" below.

In addition, pursuant the Danish Companies Act, a Danish public limited liability company with shares admitted for trading on a regulated market in the EU/EEA has the right to request that an intermediary (as defined in article 2(d) of the 2017 EU/EEF Shareholder Rights' Directive) provides information to allow for determination of the identity of the company's shareholders including information on the shareholder's full name or company registration number, email address (if applicable), number of shares held by the shareholder in a specific share class and the date of acquisition. The company is allowed to keep the information of the shareholders' identity for 12 months after the company is becomes aware that a shareholder has ceased to be a shareholder except as otherwise provided under statutory law. A similar right follows from the Danish Capital Markets Act.

16.6 Foreign Investment in Shares listed in Norway

Foreign investors may trade shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

16.7 Disclosure Obligations

Shareholders in Danish companies with shares admitted to trading and official listing on Oslo Børs are, pursuant to the Danish Capital Markets Act, required to give simultaneous notice to the Company and the Danish Financial Supervisory Authority of the shareholding in the company, when the shareholding reaches, exceeds or falls below thresholds of 5%, 10%, 15%, 20%, 25%, 50% or 90% and limits of one-third or two-thirds of the voting rights or nominal value of the total share capital. The notification shall be made promptly but no later than four weekdays after the shareholder was aware or should have become aware of the completion of the transaction, and in accordance with the provisions of Danish Executive Order no. 1172 of 31 October 2017 on Major Shareholders. The shareholder is deemed to have become aware of the completion of the transaction two weekdays after the completion of the transaction. The shareholder shall disclose the change in voting rights and shares, including the number of voting rights (and the distribution of voting rights among share classes, if applicable) and shares held directly or indirectly by the shareholder following the transaction. The notification shall further state the transaction date on which the threshold was reached or no longer reached and the identity of the shareholder as well as the identity of any natural or legal person with the right to vote on behalf of the shareholder and in the case of a group structure, the chain of controlled undertakings through which voting rights are effectively held. The information shall be notified to the company and simultaneously submitted electronically to the Danish Financial Supervisory Authority. Failure to comply with the notification requirements is punishable by fine or suspension of voting rights in instances of gross or repeated non-compliance. Pursuant to the continuing obligations of the Oslo Stock Exchange, a Danish company with shares admitted to trading and official listing on Oslo Børs shall also on certain conditions promptly publish received large shareholder notifications.

A similar duty, as set forth above, also applies to a company's holding of treasury shares. A Danish company with shares admitted to trading and official listing on Oslo Børs is required to promptly, but not later than four weekdays thereafter, publish an announcement specifying the company's, direct or indirect, holding of treasury shares, when the holding reaches, exceeds or falls below the thresholds of 5% or 10% of the voting rights or the nominal value of the share capital. This duty applies regardless of whether the company holds the treasury shares itself or through a person acting in his/her/its own name but on the company's behalf. Pursuant to the continuing obligations of the Oslo Stock Exchange, a Danish company with shares admitted to trading and official listing on Oslo Børs shall also on certain conditions promptly publish an announcement of any trade by such company in its own shares.

Furthermore, the general duty of notification under Section 55 of the Danish Companies Act in respect of notification of significant holdings (similar to the thresholds set out in Section 38 of the Danish Capital Markets Act) applies, including when the limit of 100% of the share capital's voting rights or nominal value of the company is reached or are no longer reached. Section 58 of the Danish Companies Act provides that a company shall publish information related to major shareholdings received pursuant to Section 55 of the Danish Companies Act in an electronic public register of shareholders which is kept by the Danish Business Authority.

16.8 Insider Trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions. A similar prohibition against insider trading applies under art. 8 and 14 of the EU Market Abuse Regulation, under which it is prohibited for a person to (a) engage or attempt to engage in insider trading or (b) recommend that another person engage in insider trading or induce another person to engage in insider trading. The prohibition applies in situations where a person possesses inside information and uses that information by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates.

16.9 Mandatory Offer Requirement

Supervisory authority and applicable law

Matters relating to takeover bids in regard to the Company will be under shared jurisdiction between Danish and Norwegian authorities. Additionally, any takeover relating to the Company will be subject to both the Danish Capital Markets Act and the Norwegian Securities Trading Act (and related regulations) in accordance with the principles set out in the Directive 2004/25/EC of the European Parliament and of the council of 21 April 2004 on takeover bids (the "**Directive on Takeover Bids**") article 4 (2) (b) and (e). Accordingly, if a company is not admitted to trading on a regulated market in the EEA member state in which the company has its registered office, the authority competent to supervise the bid shall be that of the EEA member state on the regulated market of which the company's securities are admitted to trading i.e. the Oslo Stock Exchange in case of the Company.

In addition hereto, the Directive on Takeover Bids, article 4 (2) (e) determines that:

1. Matters relating to the consideration offered in the case of a bid, in particular the price, and matters relating to the bid procedure, in particular the information on the offeror's decision to make a bid, the contents of the offer document and the disclosure of the bid, shall be dealt with in accordance with the rules of the EEA member state of the competent authority i.e. the Norwegian Securities Trading Act and related regulations in case of the Company; and

2. Matters relating to the information to be provided to the employees of the offeree company and in matters relating to company law, in particular the percentage of voting rights which confers control and any derogation from the obligation to launch a bid, as well as the conditions under which the board of the offeree company may undertake any action which might result in the frustration of the bid, the applicable rules and the competent authority shall be those of the EEA member state in which the offeree company has its registered office i.e. Danish rules in case of the Company.

Danish Law on mandatory tender offers

It follows from the Danish Capital Markets Act that if a shareholding is transferred, directly or indirectly, in a company with one or more share classes admitted to trading on a regulated market, to an acquirer or to persons acting in concert with such acquirer, the acquirer and the persons acting in concert with such acquirer, if applicable, shall give all shareholders of the company the option to dispose of their shares on identical terms, if the acquirer, or the persons acting in concert with such acquirer, as a result of the transfer, gains control over the company as a result of the transfer.

Control exists if the acquirer, or persons acting in concert with such acquirer, directly or indirectly, holds at least one-third (1/3) of the voting rights in the company, unless it can be clearly proven in the specific case that such ownership does not constitute control. An acquirer, or persons acting in concert with such acquirer, who does not hold at least one-third of the voting rights in a company, nevertheless has control when the acquirer has or persons acting in concert with such acquirer have:

(i) the right to control at least one-third of the voting rights in the company according to an agreement with other investors; or

(ii) the right to appoint or dismiss a majority of the members of the central governing body of the company.

Voting rights attached to treasury shares shall be included in the calculation of voting rights.

The Danish Capital Markets Act contains specific exemptions from the obligation to submit a mandatory takeover offer, including transfers of shares by inheritance or transfer within the same group and as a result of a creditor's debt enforcement proceedings. Exemptions from the mandatory tender offer rules may be granted under special circumstances by the Danish FSA.

The Danish Executive Order no. 636 of 15 May 2020 on Takeover Bids will not be applicable in relation to takeover bids concerning the Company in accordance with the principles set out above on shared jurisdiction.

Norwegian Law

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange, in its capacity as Take-over Authority of Norway, before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed to be paid by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant mandatory offer threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duties according to the Norwegian Securities Trading Act chapter 6, the Oslo Stock Exchange may impose a cumulative daily fine that accrues until the circumstance has been rectified.

16.10 Compulsory Acquisition

Where a shareholder holds more than 90% of the shares in a company and a corresponding proportion of the voting rights, such shareholder may, pursuant to the Danish Companies Act, decide that the other shareholders have their shares redeemed by that shareholder. Furthermore, where a shareholder holds more than 90% of the shares in a company and a corresponding proportion of the voting rights, the other shareholders may require such shareholder to acquire their shares pursuant to the Danish Companies Act.

17. NORWEGIAN AND DANISH TAXATION

*This Section describes certain tax rules in Norway and Denmark, respectively, applicable to shareholders who are resident in Norway and Denmark, respectively, for tax purposes and to shareholders who are not resident in Norway for tax purposes ("**Foreign Shareholders**"), as well as certain US Federal income tax considerations. The statements herein regarding taxation are based on the laws in force in Norway, Denmark and the US as of the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retrospective basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares. Investors are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of Shares. The statements only apply to shareholders who are beneficial owners of Shares. Please note that for the purpose of the summary below, references to Norwegian and/or Danish Shareholders or Foreign Shareholders refers to the tax residency rather than the nationality of the shareholder.*

17.1 Norwegian Taxation

17.1.1 Norwegian Shareholders

Taxation of Dividends

Norwegian corporate shareholders (i.e. limited liability companies and similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**") are subject to the Norwegian tax exemption method. Under the exemption method, only 3% of the dividend income on shares in Norwegian limited liability companies, or similar foreign entities established within the EEA, such as Danish limited liability companies, shall be taxed as ordinary income (22% flat rate), implying that such dividends are effectively taxed at a rate of 0.66%.%. For financial institutions resident in Norway for tax purposes the tax rate for ordinary income is 25%, resulting in an effective tax rate for dividends of 0.75%.

Dividends distributed to Norwegian individual shareholders (i.e. other Norwegian shareholders than Norwegian Corporate Shareholders) ("**Norwegian Individual Shareholders**" and taken together with Norwegian Corporate Shareholders "**Norwegian Shareholders**") are taxable under the "shareholder model". According to the shareholder model, dividends distributed to individual shareholders are multiplied with a factor of 1.44 before taken to taxation at the ordinary income rate of 22% (resulting in an effective tax rate of 31.68%) to the extent the dividend exceeds a basic tax-free allowance.

The tax-free allowance shall be computed for each individual shareholder on the basis of the cost price of each of the shares multiplied by a risk-free interest rate. The risk-free interest rate will be calculated every income year and is allocated to the shareholder owing the share on 31 December of the relevant income year. Any part of the calculated tax-free allowance one year exceeding the dividend distributed on the share ("unused allowance") may be carried forward and set off against future dividends received on (or gains upon realization of, see below) the same share. Any unused allowance will also be added to the basis of computation of the tax-free allowance on the same share the following year.

Norwegian Individual Shareholders may hold the Shares through a Norwegian share saving account (*Nw. aksjesparekonto*). Dividends received on shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the paid in deposit will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account. Such income will be taxed with an effective tax rate of 31.68%. Norwegian Individual Shareholders will still be entitled to a calculated tax-free allowance. Please refer to the Section "Taxation of Capital Gains" below for further information in respect of share saving accounts.

Taxation of Capital Gains

Sale, redemption or other disposal of shares is considered as a realization for Norwegian tax purposes.

Capital gains generated by Norwegian Corporate Shareholders through a realisation of shares in Norwegian limited liability companies, or similar foreign entities established within the EEA, such as Danish limited liability companies, are subject to the Norwegian tax exemption method and therefore tax exempt. Net losses from realisation of shares and costs incurred in connection with the purchase and realisation of such shares are not tax deductible for Norwegian Corporate Shareholders.

Norwegian Individual Shareholders are taxable in Norway for capital gains on the realization of shares, and have a corresponding right to deduct losses. This applies irrespective of how long the shares have been owned by the individual shareholder and irrespective of how many shares that are realized. Gains are taxable as ordinary income in the year of realization, and losses can be deducted from ordinary income in the year of realization. Any gains or losses are also multiplied with a factor of 1.44 before taken to taxation at the tax rate for ordinary income of 22% (resulting in an effective tax rate of 31.68%). Under current tax rules, gain or loss is calculated per share, as the difference between the consideration received and the tax value of the share. The tax value of each share is based on the individual shareholder's purchase price for the share. Costs incurred in connection with the acquisition or realization of the shares may be deducted in the year of sale. Unused tax-free allowance connected to a share may be deducted from a capital gain on the same share, but may not lead to or increase a deductible loss. Further, unused tax-free allowance related to a share may not be set off against gains from realization of other shares.

If Norwegian Shareholders realizes shares acquired at different point of time, the shares that were first acquired will be deemed as first sold (the “first in first out”-principle) upon calculating taxable gain or loss.

Gains derived from the realisation of shares held through a share saving account will be exempt from immediate Norwegian tax and losses will not be tax deductible. Instead, withdrawal of funds from the share saving account exceeding the Norwegian Individual Shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 31.68%. Norwegian Individual Shareholders will be entitled to a calculated tax-free allowance provided that such allowance has not already been used to reduce taxable dividend income (please see Section “Taxation of Dividends above”). The tax-free allowance is calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account or future dividends received on shares held through the account.

A shareholder who ceases to be tax resident in Norway due to domestic law or tax treaty provisions may become subject to Norwegian exit taxation of capital gains related to shares in certain circumstances

Net Wealth Tax

The value of shares is taken into account for net wealth tax purposes in Norway. The marginal tax rate is currently 0.85%.

Shares listed on the Oslo Stock Exchange are valued at 65% of the quoted value at 1 January in the assessment year. The Government has suggested to reduce this to 55% from the income year 2021. The proposition has not yet been passed by the Parliament. The value of debt allocated to the shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 65%).

Norwegian Corporate Shareholders are not subject to net wealth tax.

VAT and Transfer Taxes

No VAT, stamp duty or similar duties are currently imposed in Norway on the transfer or issuance of shares.

Inheritance Tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

17.1.2 Non-Resident Shareholders

Taxation of Dividends

Dividends paid from a Danish limited liability company to shareholders that are not resident in Norway for tax purposes ("**Foreign Shareholders**") will not be subject to tax in Norway unless the Foreign Shareholders are holding the shares in connection with business activities carried out or managed from Norway. Such taxation may be limited according to an applicable tax treaty or other specific regulations.

Taxation of Capital Gains

Gains from realisation of shares by Foreign Shareholders will not be subject to tax in Norway unless the Foreign Shareholders are holding the shares in connection with business activities carried out or managed from Norway. Such taxation may be limited according to an applicable tax treaty or other specific regulations.

Net Wealth Tax

Foreign Shareholders are not subject to Norwegian net wealth tax with respect to the Shares, unless the Foreign Shareholder is an individual, and the shareholding is effectively connected with a business which the shareholder takes part in or carries out in Norway. Such taxation may be limited according to an applicable tax treaty.

17.1.3 Transfer Taxes etc.; VAT

No transfer taxes, stamp duty or similar taxes are currently imposed in Norway on purchase, issuance, disposal or redemption of shares. Further, there is no VAT on transfer of shares.

17.2 Danish taxation

The following summary of the consequences of Danish taxation is based on applicable Danish laws, rules and regulations, as exist as of the date of this Prospectus. Such laws, rules and regulations could be subject to change, possibly on a retroactive basis. The summary is only meant to provide general guidelines and does not deal with all aspects that could be important for potential investors. The tax treatment of each investor may depend on the individual investor's specific situation. Potential investors are encouraged to consult their own tax advisors in order to assess specific taxation consequences associated with investment in the Company and how taxation issues might possibly apply locally and abroad, or what the implications involved are, inter alia, possible changes in applicable taxation. The statements only apply to shareholders who are beneficial owners of the Shares. Further, the statement does not include a description of Danish anti-avoidance rules. Any reference to a "Danish shareholder" or a "foreign shareholder" in the summary below refers to the tax residency and not the nationality of such shareholder.

17.2.1 Danish Shareholders

Taxation of dividends

Individual shareholders

Dividends paid to individual investors are taxed as share income. The applicable tax rate varies and depends on the size of the share income. For the calendar year 2020 share income not exceeding DKK 55,300 is taxed with 27%, while a taxation with 42% applies to income exceeding DKK 55,300. For married couples cohabiting at the end of the income year the maximum limit for applying the 27% tax rate is DKK 110.600 irrespective of which spouse receives the share income.

Dividends are subject to withholding tax of 27% upon distribution. If the share income in the income year solely comprises dividend income and does not exceed DKK 55,300/110,600, the withholding tax constitutes a final tax. The Company is responsible for withholding tax on dividends on behalf of the shareholder.

Corporate shareholders

Taxation of dividends and capital gains of shareholders that are subject to Danish corporate taxation depends on the size of shareholding. In this regard a distinction is made between:

- "**Subsidiary Shares**" which are shares owned by a shareholder holding at least ten per cent of the nominal share capital of the issuing company, provided that the latter is located in the EU/EEA or in a country with which Denmark has concluded a double taxation treaty;

- "**Group Shares**" which are shares in companies with which the shareholder is subject to Danish tax consolidation or where the requirements for international tax consolidation under Danish law are fulfilled. It is of no importance in which country the companies are resident as long as the companies are affiliated;

- "**Tax-Exempt Portfolio Shares**" which are generally defined as shares not admitted to trading on a regulated market owned by a company shareholder which holds less than 10% of the nominal share capital in the issuing company. Tax-Exempt Portfolio Shares are not relevant in respect of this Offering and will not be described in further detail; and

- "**Taxable Portfolio Shares**" which are shares that do not qualify as Subsidiary Shares, Group Shares or Tax-Exempt Portfolio Shares.

Dividends received from Subsidiary Shares and Group Shares are tax exempt irrespective of the ownership period.

Dividends received on Taxable Portfolio Shares are fully taxable at the general corporate income tax rate of 22% irrespective of the ownership period. These dividends are also subject to 22% withholding tax. The Company is responsible for withholding tax on dividends on behalf of the shareholder.

Taxation of Capital Gains

Individual shareholders

Private individuals shall include gain from the sale of shares in the taxable income, regardless of the ownership period and size of shareholding. A gain realized on sale of shares is taxed as share income. The applicable tax rate varies and depends on the size of share income. For the calendar year 2020 share income not exceeding DKK 55,300 is taxed with 27%, while a higher tax rate of 42% applies to share income exceeding DKK 55,300. For married couples cohabiting at the end of the income year the maximum limit for applying the 27% tax rate is DKK 110,600 irrespective of which spouse receives the share income.

The gain is calculated as the difference between the average acquisition cost of all shares in the issuing company and the received cash consideration.

Capital losses on listed shares can only be used to offset taxable gains and dividend income received from other listed shares. Losses on listed shares may only be set off against gains and dividends on other listed shares if the Danish Tax Authority has received certain information concerning the shares. This information is normally provided to the Danish Tax Authority by the securities dealer.

Any excess loss on listed shares of a spouse that cannot be deducted in own capital gain or dividends from listed shares will be transferred for deduction in a spouse's positive share income on listed shares. Any exceeding loss can be carried forward for subsequent income years and as a priority rule needs to be deducted in own positive share income on listed shares first, before it will be transferred to a spouse. The carried forward losses need to be utilized in the earliest possible income year.

Corporate shareholders

Gains on disposal of Subsidiary Shares and Group Shares are tax exempt irrespective of ownership period. This entails that a loss is not deductible.

Gains on disposal of Taxable Portfolio Shares are taxable at a rate of 22%, while deduction is granted for losses. Companies' gains or losses on Taxable Portfolio Shares are taxed based on a mark-to-market principle. Thus, a gain or loss are calculated as the difference between the value of the Taxable Portfolio Shares at the beginning and the end of the income year, beginning with the difference between the acquisition cost and the value at the end of the same income year. Upon realisation of the Taxable Portfolio Shares, the taxable income of that income year equals the difference between the value of the Taxable Portfolio Shares at the beginning of the income year and the value of the shares at realisation. If the Taxable Portfolio Shares have been acquired and realised in the same income year, the taxable income equals the difference between the acquisition cost and the price at realization.

Transition from the status of Subsidiary Shares/Group Shares to Taxable Portfolio Shares, and vice versa, is for tax purposes treated as disposal and immediate acquisition at market value at the time of status change.

Net Wealth Tax

There is no Danish wealth tax.

Inheritance Tax

When shares are transferred by way of inheritance, such transfer may give rise to Danish inheritance tax if the decedent, at the time of death, is a resident of Denmark for inheritance tax purposes, or if the shares are attributable to a permanent establishment in Denmark.

The basis for the computation of inheritance tax is the market value at the time the transfer takes place. The rate varies between 0% to 36.25%. For inheritance from for example parents to children, the maximum rate is 15%.

Individual shareholders investing through an investment savings account (Aktiesparekonto)

Gains and losses on shares owned through an investment savings account are taxable according to the mark-to-market principle. According to the mark-to-market principle, each year's taxable gain or loss is calculated as the difference between the market value of the shares at the beginning and end of the tax year plus any dividend received on shares owned through the investment savings account. Any annual gain will be subject to 17 percent taxation, and any loss will be deferrable. In 2020, the account is limited to a deposit of DKK 100,000.

Taxation will take place on an accrual basis even if no shares have been disposed of and no gains or losses have been realized. If the shares owned through an investment savings account are sold or otherwise disposed of before the end of the income year, the taxable income of that income year equals the difference between the value of the shares at the beginning of the income year and the realization sum. If the shares owned through an investment savings account are acquired and realized in the same income year, the taxable income equals the difference between the acquisition sum and the realization sum. If the shares are acquired in the income year and not realized in the same income year, the taxable income equals the difference between the acquisition sum and the value of the shares at the end of the income years.

Dividends paid on shares held through an investment savings account will be taxed according to the same rules as for sale of shares held by individual shareholders investing through an investment savings account.

17.2.2 Non-Resident Shareholders

Taxation of dividends

Individual shareholders

Dividends distributed to non-resident individuals in respect of shares held in a Danish company are generally subject to Danish withholding tax at the rate of 27%. The Company is responsible for withholding tax on dividends on behalf of the shareholder.

Denmark has an extensive double taxation treaty network worldwide. Non-resident shareholders are normally eligible for a refund of a part of the Danish withholding tax paid where they are entitled to claim a reduction to the treaty rate. Shareholders resident in non-treaty states are not eligible for a lower withholding tax rate.

If the shareholder holds less than ten per cent of the nominal share capital in the issuing company and the shareholder is tax resident in a jurisdiction which has a double taxation treaty or a tax information exchange agreement with Denmark, such dividends are subject to Danish tax at a rate of 15%. However, Danish tax is currently withheld at a rate of 27% and the recipient must request a refund of Danish tax withheld in excess of the 15% or a lower rate set forth in the applicable double tax treaty. Where the recipient is tax resident in a country outside the EU, but in a country that has entered into an arrangement of exchange of information with Denmark it is an additional condition that the recipient together with associated parties holds less than 10'% of the shares in the company distributing the dividend.

See also the proposed net-withholding mechanism below.

Dividends for individuals investing through an investment savings account (Aktiesparekonto)

Individuals residing outside Denmark will be subject to 15 percent taxation on any dividend on shares owned through an investment savings account. In 2020, the account is limited to a deposit of DKK 100,000.

For individual shareholders residing outside Denmark, only dividends paid in respect of shares in Danish companies are included in the 15 percent taxation.

Corporate shareholders

Non-resident corporate shareholders receiving dividend from Subsidiary Shares are not liable for Danish withholding tax irrespective of the ownership period, provided that the dividend taxation should have been reduced or relinquished under the European Union Parent-Subsidiary Council Directive (90/435/EEC) or a double taxation treaty between Denmark and the residency state of the shareholder. Furthermore, Danish withholding tax does not apply to dividends paid to foreign shareholders of Group Shares if the abovementioned conditions are met and provided that the non-resident corporate shareholder is domiciled in the EU/EEA.

Dividends from Taxable Portfolio Shares are subject to a withholding tax of 27%, regardless of the ownership period. The Company is responsible for withholding tax on dividends on behalf of the shareholder.

The corporate shareholder can always seek the Danish tax authorities for a refund of the withholding tax exceeding 22% (corresponding to the Danish corporate income taxation).

Furthermore, if Denmark has entered into a double taxation treaty with the country in which the shareholder is resident, the shareholder may seek a refund from the Danish tax authorities of the part of the tax withheld in excess of the tax to which Denmark is entitled under the relevant double taxation treaty.

If the shareholder holds less than 10% of the Company's nominal share capital and the corporate shareholder is tax resident in a jurisdiction that has concluded a double taxation treaty or a tax information exchange agreement with Denmark, the applicable withholding tax rate is 15%. However, Danish tax is currently withheld at a rate of 27% and the recipient must request a refund of Danish tax withheld in excess of the 15% or a lower rate set forth in the applicable double tax treaty. If the shareholder is tax resident outside the European Union, it is an additional requirement for eligibility for the 15% rate that the shareholder together with any group related shareholders holds less than 10% of the Company's nominal share capital.

See also the proposed net-withholding mechanism below.

Proposal for a Net-Withholding Mechanism

The Danish minister of taxation has published a proposal for a so-called ‘net-withholding mechanism’ for the handling of dividend withholding taxation of non-resident 1) individuals having shares in Danish listed companies; and 2) corporate entities having portfolio shares in Danish listed companies. It is expected that the proposal shall have legal effect from 1 July 2021.

The key point in the proposed mechanism is the elimination of the dividend tax reclaims, as dividend payments from Danish listed companies to non-resident shareholders will be distributed on a *net* basis and no longer on a gross basis.

From a technical perspective, this requires that non-resident shareholders must disclose certain key information to their respective custodian bank(s), including, *inter alia*, the characteristics of the entity, domicile state for tax purposes, a statement of beneficial ownership of the shares for Danish tax purposes and a power of attorney granted to the custodian.

Based on this information, the Danish Tax Authority then issues a unique taxpayer identification number, which grants a right to receive dividends net of the rate of withholding tax applicable in the relevant tax treaty, e.g. most often 15% (if applicable).

Non-resident shareholders eligible for a special tax treatment different from the general tax rate according the relevant tax treaty, e.g. pension funds with a right to 0% in Danish dividend withholding tax, must obtain an advance approval from the Danish Tax Authority to qualify for such special treatment.

Once the non-resident shareholders have submitted information and received a unique taxpayer identification number, they will receive dividends net of the applicable rate.

Non-resident shareholders encompassed by the new *net-withholding mechanism* will no longer be able to request a reclaim under the current procedure. Instead, there is a 45 days *rectification period* subsequent to a dividend decision. Furthermore, a relief mechanism in a tax treaty is still available for a non-resident shareholder.

Taxation of Capital Gains

Individual shareholders

Non-resident individual investors are in general not subject to capital gains taxation in Denmark upon disposal of shares.

As an exception, gains and losses on the sale of shares that are attributable to a Danish permanent establishment are subject to Danish taxation.

Corporate shareholders

Non-resident corporate investors are in general not subject to capital gains taxation in Denmark upon disposal of shares.

As an exception, gains and losses on the sale of listed portfolio shares are taxed under the same rules as for Danish resident investors, in cases where these shares are attributable to a permanent establishment in Denmark.

Net wealth tax

There is no Danish net wealth tax.

17.2.3 Transfer Taxes etc.; VAT

No transfer taxes, stamp duty or similar taxes are currently imposed in Denmark on purchase, issuance, disposal or redemption of shares. Further, there is no Danish VAT on transfer of shares.

17.3 Certain US Federal Income Tax Considerations

The following discussion is a general summary based on present law of certain US federal income tax considerations relevant to the purchase, ownership and disposition of Offer Shares. The summary is not a complete description of all tax considerations that may be relevant to a prospective investor; it is not a substitute for tax advice. It applies only to US Holders (as defined below) that purchase the Offer Shares in the Offering, will hold the Offer Shares as capital assets and use the US dollar as their functional currency. In addition, it does not describe all of the US federal income tax considerations that may be relevant in light of a US Holder's particular circumstances, including US Holders subject to special rules, such as banks or other financial institutions, insurance companies, tax-exempt entities, dealers in securities or currencies, traders in securities that elect to mark-to-market, regulated investment companies, real estate investment trusts, partnerships and other pass-through entities (including S-corporations), US expatriates, persons liable for alternative minimum tax, persons that directly, indirectly or constructively own 10% or more of the total combined voting power of the Company's voting stock or of the total value of the Company's equity interests, investors that will hold Offer Shares in connection with a permanent establishment or fixed base outside the United States, or investors that will hold Offer Shares as part of a hedge, straddle, conversion, constructive sale or other integrated financial transaction. This summary also does not address US federal taxes other than the income tax (such as estate or gift taxes) or US state and local, or non-US tax laws or considerations.

For purposes of this discussion, a "**US Holder**" is a beneficial owner of Offer Shares that is, for US federal income tax purposes: (i) a citizen or individual resident of the United States, (ii) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) a trust subject to the control of one or more US persons and the primary supervision of a US court; or (iv) an estate the income of which is subject to US federal income taxation regardless of its source.

The US federal income tax treatment of a partner in a partnership (or other entity or arrangement treated as a partnership for US federal income tax purposes) that holds Offer Shares generally will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their own tax advisors regarding the specific US federal income tax consequences to their partners of the partnership's acquisition, ownership and disposition of Offer Shares.

17.3.1 Dividends

Subject to the discussion below under "– *Passive Foreign Investment Company Rules*," the gross amount of any distribution of cash or property with respect to the Offer Shares, including Norwegian tax withheld therefrom, if any, will be included in a US Holder's gross income as ordinary income from foreign sources when received. The dividends will not be eligible for the dividends-received deduction generally available to US corporations. Dividends received by eligible non-corporate US Holders that satisfy a minimum holding period and certain other requirements generally will be taxed at the preferential rate applicable to qualified dividend income if the Company qualifies for the benefits of the income tax treaty between the United States and Norway (the "**US-Norway Treaty**"), which the Company believe it does, and the Company is not a passive foreign investment company ("**PFIC**") as to the US Holder in the year of distribution or the preceding year.

Dividends paid in a currency other than US dollars will be included in income in a US dollar amount based on the exchange rate in effect on the date of receipt, whether or not the currency is converted into US dollars at that time. A US Holder's tax basis in the non-US currency will equal the US dollar amount included in income. Any gain or loss on a subsequent conversion or other disposition of the non-US currency for a different US dollar amount generally will be US source ordinary income or loss. If dividends paid in a currency other than US dollars are converted into US dollars on the day they are received, the US Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

A US Holder that is eligible for benefits under the US-Norway Treaty may be able to claim a reduced rate of Norwegian withholding tax on dividends received on the Offer Shares. Each US Holder should consult its own tax advisor about its eligibility for reduction of Norwegian withholding tax. Subject to generally applicable limitations, a US Holder may claim a deduction or a foreign tax credit only for Norwegian tax withheld at the appropriate rate. If a US Holder chooses to deduct Norwegian withholding tax on dividends received on the Offer Shares, such US Holder must deduct, rather than credit, all eligible foreign income taxes for the relevant taxable year. In computing foreign tax credit limitations, non-corporate US Holders eligible for the preferential tax rate applicable to qualified dividend income may take into account only the portion of the dividend effectively taxed at the highest applicable marginal rate. For purposes of the US foreign tax credit limitation, dividends received with respect to the Offer Shares generally will constitute "passive category income" or "general category income", depending on the US Holder's particular circumstances. The rules governing foreign tax credits or deductions are complex and each prospective investor is urged to consult its own tax advisor regarding the availability of foreign tax credits or deductions under its particular circumstances.

Dividends received by certain non-corporate US Holders generally will be includible in "net investment income" for purposes of the Medicare contribution tax.

17.3.2 Dispositions

Subject to the discussion below under "– *Passive Foreign Investment Company Rules*," a US Holder generally will recognise capital gain or loss on the sale or other disposition of Offer Shares equal to the difference between the US dollar value of the amount realised and the US Holder's adjusted tax basis in the Offer Shares. Any gain or loss generally will be treated as arising from US sources and will be long-term capital gain or loss if the US Holder's holding period exceeds one year. A loss may nonetheless be a long-term capital loss regardless of a US Holder's actual holding period to the extent the US Holder has received, within a specified time period, an aggregate amount of qualified dividends eligible for reduced rates of tax prior to a sale or other disposition of its Offer Shares that exceeded 10% of such US Holder's basis in the Offer Shares. Deductions for capital loss are subject to significant limitations.

The initial tax basis of a US Holder's Offer Shares generally will be the US dollar value of the foreign currency denominated purchase price paid in the Offering determined on the date of purchase. If the Offer Shares are treated as traded on an "established securities market" at the time of the Offering, a cash basis US Holder (or, if it elects, an accrual basis US Holder) will determine the US dollar value of the cost of such Offer Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. A US Holder that receives a currency other than US dollars on the sale or other disposition of the Offer Shares will realize an amount equal to the US dollar value of the currency received at the spot rate on the date of sale or other disposition (or, if the Offer Shares are traded on an "established securities market" at the time of disposition, in the case of cash basis and electing accrual basis US Holders, the settlement date). A US Holder that does not determine the amount realized using the spot rate on the settlement date will recognise currency gain or loss if the US dollar value of the currency received at the spot rate on the settlement date differs from the amount realised. A US Holder will have a tax basis in the currency received equal to its US dollar value at the spot rate on the settlement date. Any currency gain or loss realised on the settlement date or on a subsequent conversion of the non-US currency for a different US dollar amount generally will be US source ordinary income or loss.

Capital gains from the sale or other disposition of the Offer Shares received by certain non-corporate US Holders generally will be includible in "net investment income" for purposes of the Medicare contribution tax.

17.3.3 Passive Foreign Investment Company Rules

The Company does not believe that it was classified as a PFIC for US federal income tax purposes for its most recent taxable year ending 31 December 2019 and, based on the composition of Company's gross assets and income (including the income and assets of the Group) and the manner in which the Company expects the Group to operate its business, the Company believes that it should not be classified as a PFIC for US federal income tax purposes for the Company's current taxable year or the foreseeable future. In general, a non-US corporation will be a PFIC for any taxable year in which, taking into account the income and assets of 25% or more owned subsidiaries, (i) 75% or more of its gross income consists of passive income, or (ii) 50% or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income or which do not produce income. For this purpose, passive income includes, among other things, dividends, interest, rents, royalties and gains from the disposition of passive assets (subject to various exceptions). Whether the Company is a PFIC is a factual determination made annually, and the Company's status could change depending upon, among other things, changes in the composition and relative value of its gross receipts and assets (including goodwill), which may be dependent on the market value of the Offer Shares, and the manner in which the Company otherwise conducts its business. Accordingly, no assurance can be given that the Company is not currently or will not become a PFIC in the current or any future taxable year.

If the Company were a PFIC for any taxable year during which a US Holder held the Offer Shares (whether or not the Company continued to be a PFIC), gain recognised by a US Holder on a sale or other taxable disposition (including certain pledges) of the Offer Shares would be allocated rateably over the US Holder's holding period for the Offer Shares. The amounts allocated to the taxable year of the sale or other taxable disposition and to any year before the Company became a PFIC would be taxed as ordinary income in the year of sale or other taxable disposition. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations for that year, as appropriate, and an interest charge would be imposed. Further, to the extent that any distribution received by a US Holder on its Offer Shares exceeds 125% of the average of the annual distributions on the Offer Shares received during the preceding three years or the US Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain, as described immediately above.

A US Holder may be able to avoid some of the adverse impacts of the PFIC rules described above by electing to mark the Offer Shares to market annually. The election is available only if the Offer Shares are considered "marketable stock," which generally includes stock that is regularly traded in more than de minimis quantities on a qualifying exchange. If a US Holder makes the mark-to-market election, any gain from marking the Offer Shares to market or from disposing of them would be ordinary income. Any loss from marking the Offer Shares to market would be recognised only to the extent of unreversed gains previously included in income. Loss from marking the Offer Shares to market would be ordinary, but loss on disposing of them would be capital loss except to the extent of mark-to-market gains previously included in income. No assurance can be given that the Offer Shares will be traded in sufficient frequency and quantity to be considered "marketable stock" or whether the Oslo Stock Exchange is or will continue to be considered a qualifying exchange for purposes of the PFIC mark-to-market election. A valid mark-to-market election cannot be revoked without the consent of the US Internal Revenue Service ("**IRS**") unless the Offer Shares cease to be marketable stock.

A US Holder would not be able to avoid the tax consequences described above by electing to treat the Company as a qualified electing fund ("**QEF**") because the Company does not intend to provide US Holders with the information that would be necessary to make a QEF election with respect to the Offer Shares.

US Holders should consult their own tax advisors concerning the Company's possible PFIC status and the consequences to them if the Company were classified as a PFIC for any taxable year.

17.3.4 Foreign Financial Asset Reporting

Certain US Holders that hold accounts with non-US financial institutions and/or securities of, interests in or investments with non-US issuers that are not held in accounts maintained by financial institutions with an aggregate value in excess of specified thresholds are generally required to file an information statement with respect to such assets along with their tax returns. US Holders that fail to report the required information could be subject to substantial penalties. Prospective investors are encouraged to consult with their own tax advisors regarding the possible application of these rules, including the application of the rules to their particular circumstances.

17.3.5 Information Reporting and Backup Withholding

Dividends on Offer Shares and proceeds from the sale or other disposition of Offer Shares that are made to an account in the United States or through certain US-related financial intermediaries may be reported to the US Internal Revenue Service ("**IRS**") unless the holder is a corporation or otherwise establishes a basis for exemption. Backup withholding may apply to reportable payments unless the holder makes the required certification, including providing its taxpayer identification number, or otherwise establishes a basis for exemption. Backup withholding is not an additional tax and any amounts withheld may be credited against a US Holder's US federal income tax liability or refunded to the extent it exceeds the holder's liability, provided the required information is timely furnished to the IRS.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN OFFER SHARES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

18. TERMS OF THE OFFERING

This Section sets out the terms and conditions pursuant to which all applications for Offer Shares in the Offering are made. Investing in the Offer Shares involves inherent risks. In making an investment decision, each investor must rely on their own examination, analysis of and enquiry into the Company and the terms of the Offering, including the merits and risks involved. None of the Company, the Selling Shareholder or the Managers, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase or subscription of the Offer Shares. Following completion of the Offering, the trading price of the Shares on the Oslo Stock Exchange could fluctuate significantly in response to a number of factors beyond the Group's control, including adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, significant contracts, acquisitions or strategic relationships, publicity about the Group, its products and services or its competitors, lawsuits against the Group, unforeseen liabilities, changes to the regulatory environment in which it operates or general market conditions. This Section must be read in conjunction with the other parts of the Prospectus, in particular Section 2 "Risk Factors".

18.1 The Offering

The Offering consists of an offer (i) by the Company of up to 39,031,915 New Shares (assuming an Offer Price at the low-end of the Indicate Price Range), each with a nominal value of DKK 1, to raise gross proceeds of approximately NOK 917,250,000 (equivalent of approx. USD 100 million), and (ii) by the Selling Shareholder of a minimum of 20,424,595 and maximum of 29,273,936 Sale Shares, all of which are existing, validly issued and fully paid registered Shares with a nominal value of DKK 1 each. The number of New Shares will increase accordingly should the Offer Price be set below the Indicate Price Range. The Company and the Selling Shareholder will, in consultation with the Joint Global Coordinators, determine the number of Offer Shares and the number of Sale Shares to be sold in the Offering on the basis of the bookbuilding process in the Institutional Offering. The Company, the Selling Shareholder and the Joint Global Coordinators have agreed that if the Offering is completed below the maximum level, the New Shares to be issued by the Company shall have priority before any Sale Shares are allocated in the Offering.

The Company and the Selling Shareholder have, together with the Managers, set an Indicative Price Range for the Offering from NOK 23.50 to NOK 24.70 per Offer Share. The Indicative Price Range may change during the course of the Offering, and the Offer Price may be set within, above or below the Indicative Price Range. The Company and the Selling Shareholder, in consultation with the Managers, will determine the number of Offer Shares and the Offer Price on the basis of the bookbuilding process in the Institutional Offering and the number of applications received in the Retail Offering. The bookbuilding process, which will form the basis for the final determination of the number of Offer Shares and the Offer Price, will be conducted only in connection with the Institutional Offering. The Indicative Price Range may be amended during the Bookbuilding Period. Any change to the Indicative Price Range will be communicated by way of a press release distributed through the Oslo Stock Exchange's information system.

Among the factors to be considered in determining the Offer Price, in addition to the prevailing market conditions, will be the Company's historical performance, estimates or its business potential and earnings prospects, an assessment of the Company's management and consideration of the above factors in relation to the market valuation of companies in related businesses.

Assuming the Offer Price is set at the low-end of the Indicate Price Range, 39,031,915 New Shares will be issued, and assuming the Offer Price is set at the high-end of the Indicate Price Range, 37,135,628 New Shares will be issued, in the Offering, however the final number of New Shares may be higher or lower than the aforementioned depending on the Offer Price in order to raise gross proceeds of NOK 917,250,000.

In addition, the Managers may elect to over-allot a number of Additional Shares equalling up to 15% of the aggregate number of New Shares and Sale Shares sold in the Offering (before any over-allotments). In this respect, the Selling Shareholder is expected to grant to the Stabilisation Manager, on behalf of the Managers, a Lending Option to borrow a number of Shares equal to the number of Additional Shares in order to facilitate such over-allotment. Further, the Selling Shareholder is expected to grant to the Stabilisation Manager, on behalf of the Managers, an Over-allotment Option to purchase a number of Shares up to the number of Additional Shares at a price per Share equal to the Offer Price in order to facilitate settlement of any Borrowed Shares under the Lending Option. For more information, see Section 18.12 "Over-Allotment and Price Stabilisation".

As a result of the share lending arrangement under the Lending Option, the Selling Shareholder's shareholding may, for a short period of time of up to approx. 30 days, be reduced to less than one third of the Company's total share capital and voting rights. If, subsequently, the Over-allotment Option is not exercised, the number of Shares made available by the Selling Shareholder will be redelivered in full or in part, and the Selling Shareholder's shareholding could cross the one third threshold again. Accordingly, such redelivery could trigger the requirement under Section 45 of the Danish Capital Market Act to make a mandatory takeover offer. See section 16.9 “Mandatory Offer Requirement”. For this reason, the Danish FSA has confirmed in a non-binding statement that the Selling Shareholder can expect to be granted an exemption from such potential obligation to submit a mandatory takeover offer if the situation should arise during or shortly after the 30 days period after the first day of Listing on the Oslo Stock Exchange.

Assuming that the Offer Price is set at the low-end of the Indicative Price Range and the Over-allotment Facility is exercised in full, the Offering will amount to up to 78,551,728 Offer Shares, representing 100.7% of the issued Shares prior to the Offering.

The Offering comprises:

(a) An Institutional Offering, in which Offer Shares are being offered to (i) institutional investors and professional investors in Norway, (ii) to investors outside Norway and the United States subject to exemptions from local prospectus or other filing requirements, and (iii) in the United States, to QIBs as defined in Rule 144A under the U.S. Securities Act; in each case subject to a lower limit per application of an amount of NOK 2,500,000.

(b) A Retail Offering, in which Offer Shares are being offered to the public in Norway subject to a lower limit per application of an amount of NOK 10,500, and an upper limit per application of an amount of NOK 2,499,999 for each investor. Investors who intend to place an order in excess of an amount of NOK 2,499,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit and the discount.

All offers and sales in the United States will be made only to investors who are reasonably believed to be QIBs in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will in reliance on Regulation S under the U.S. Securities Act.

This Prospectus does not constitute an offer of, or an invitation to purchase, the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. For further details, please see "Important Information" and Section 19 “Selling and Transfer Restrictions”.

BW Wind Services, Handelsbanken Fonder, DNB Asset Management, Nordea Investment Management and Fjärde AP-fonden have, subject to certain terms and conditions, committed to purchase, and being allocated, Offer Shares at the Offer Price up to the high-end of the Indicative Price Range, for USD 33 million, NOK 130 million, NOK 110 million, NOK 50 million and NOK 50 million, respectively, equal to a total amount of approx. NOK 642.7 million (subject to USD vs NOK currency adjustments). In the agreement with BW Wind Services, a pre-money valuation of up to USD 230 million (i.e. equal to an Offer Price of approx. NOK 27.05, subject to USD vs NOK currency adjustments) has been set as the maximum Offer Price, and so that should the Offer Price be set at a higher level, BW shall nonetheless still be allocated Offer Shares for its cornerstone committed amount at a price per Offer Share at such maximum amount. As part of being a lead investor, BW Wind Services has also entered into a MOU with the Selling Shareholder whereby the Selling Shareholder has granted BW Wind Services certain rights of first refusal in the event of additional sale(s) of Shares by the Selling Shareholder, effective as of first day of Listing, and a letter of intent regarding BW Wind Services’ intention to support the Company in future capital raises. Please see Section 15.7 for more information.

The Bookbuilding Period for the Institutional Offering is expected to take place from 9:00 a.m. CET on 17 November 2020 to 14:00 p.m. CET on 25 November 2020. The Application Period for the Retail Offering will commence at 9:00 a.m. CET on 17 November 2020 and expire at 12:00 p.m. CET on 25 November 2020. The Company and the Selling Shareholder, in consultation with the Joint Lead Bookrunners, reserve the right to shorten or extend the Bookbuilding Period and/or the Application Period at any time. Any shortening of the Bookbuilding Period and/or the Application Period will be announced through the Oslo Stock Exchange's information system on or before 09:00 a.m. CET on the revised expiration date. Any extension of the Bookbuilding Period and/or the Application Period will be announced through the Oslo Stock Exchange's information system on or before 09:00 a.m. CET on the first business day following the then prevailing expiration date. An extension of the Bookbuilding Period and/or the Application Period can be made one or several times, provided however, that in no event will the Bookbuilding Period and/or the Application Period expire prior to 25 November 2020 09:00 a.m. CET or be extended beyond 16:30 p.m. CET on 1 December 2020. In the event of a shortening or an extension of the Bookbuilding Period and/or the Application Period, the allocation date, the payment due date and the date of delivery of Offer Shares may be changed correspondingly.

The Offer Price, and the number of Offer Shares sold and issued in this Offering, is expected to be announced by the Company through the information system of the Oslo Stock Exchange on or prior to 9:00 p.m. CET on 26 November 2020.

It has been provisionally assumed that approximately 90% of the Offering will be allocated in the Institutional Offering and that approximately 10% of the Offering will be allocated in the Retail Offering. The final determination of the number of Offer Shares allocated to the Institutional Offering and the Retail Offering, respectively, will however only be decided following the completion of the bookbuilding process, based on the level of applications received from each of the categories of investors, and with regard to the requirements of free float and number of shareholders pertaining to a listing of the Shares on the Oslo Stock Exchange. The Company reserves the right to deviate from the provisionally assumed allocation between the tranches without further notice and at its sole discretion.

The Shares, including the Offer Shares allocated in the Offering, are expected to be tradeable on the Oslo Stock Exchange on or about 27 November 2020.

18.2 The Selling Shareholder

As part of the Offering, the Selling Shareholder is offering a minimum of 20,424,595 and a maximum of 29,273,936 Sale Shares (before any exercise of the Over-allotment Option). The Sale Shares are ordinary Shares in the Company. The Company has one class of shares in issue, and as set out in the Articles of Association, all shares in that class provide equal rights in the Company. Each of the Shares carries one vote.

The Selling Shareholder's business registration number is 199804749H, its LEI is 549300O53AUJA04E4M86 and its address is 300 Beach Road, #15-01 The Concourse, Singapore 1199555. The table below shows certain other information about the Selling Shareholder:

Shares held before the Offering		Shares held after the Offering if all Sale Shares are sold (if the Over-allotment Option is not exercised and assuming the Offer Price is set at the low-end of the Indicative Price Range)		Shares held after the Offering if all Sale Shares are sold (if the Over-allotment Option is exercised in full and assuming the Offer Price is set at the low-end of the Indicative Price Range)	
Number of Shares	**%**	**Number of Shares**	**%**	**Number of Shares**	**%**
78,000,000	100	48,726,064	41.63	38,480,187	32.88

The Selling Shareholder has entered into a MOU with BW Wind Services, as part of being a Lead Investor, whereby the Selling Shareholder has granted BW Wind Services certain rights of first refusal in the event of additional sale(s) of Shares by the Selling Shareholder, effective as of first day of Listing, and a letter of intent regarding BW Wind Services's intention to support the Company in future capital raises. Please see Section 15.7 for more information.

18.3 Time table

The table below provides certain indicative key dates for the Offering, subject to change.

	Date
Commencement of the Bookbuilding Period in the Institutional Offering	17 November 2020, at 09:00 a.m. CET
Commencement of the Application Period for the Retail Offering	17 November 2020, at 09:00 a.m. CET
Expiry of the Application Period for the Retail Offering	25 November 2020, at 12:00 p.m. CET(1)
Close of the Bookbuilding Period in the Institutional Offering	25 November 2020, at 14:00 p.m. CET(1)
Allocation of Offer Shares	On or about 25 November 2020
Publication of the results of the Offering	On or about 25 November 2020
Distribution of allocation letters	On or about 26 November 2020
Pre-funding of the New Shares by the Joint Global Coordinators	On or about 26 November 2020
Registration of the capital increase and issuance of the New Shares	On or about 26 November 2020
Payment due date for Offer Shares in the Retail Offering	On or about 27 November 2020
Commencement of trading in the Shares on the Oslo Stock Exchange	On or about 27 November 2020
Payment versus delivery of Offer Shares in the Institutional Offering	On or about 30 November 2020
Delivery of the Offer Shares in the Retail Offering	On or about 30 November 2020

(1) Subject to shortening or extension. To the extent the Bookbuilding Period and/or the Application Period is shortened or extended, all other dates referred to in this table may be extended correspondingly.

18.4 Resolutions to Undertake and to Implement the Offering

On 16 November 2020, the Board of Directors of the Company resolved to launch the Offering on the basis of this Prospectus. On the same date, the Board of Directors passed a resolution, pursuant to the authorization in article 3.1 of the Articles of Association (see Section 15.5) granted to the Board of Directors at the extraordinary general meeting held on 26 October

2020, to increase the Company's share capital (assuming an Offer Price at the low-end of the Indicative Price Range) by issuing up to 39,031,915 New Shares each with a nominal value of DKK 1 in connection with the Offering. Such capital increase will be made by way of cash payment and without pre-emption rights to the existing Shareholders. It is anticipated that the Board of Directors of the Company will resolve to confirm the issue of the New Shares and the final Offer Price in connection with the Offering on or about 25 November 2020 following completion of the Bookbuilding and Application Periods.

18.5 The Institutional Offering

Determination of the Offer Price; Bookbuilding

The Company and the Selling Shareholder have, together with the Managers, set an Indicative Price Range for the Offering from NOK 23.50 to NOK 24.70 per Offer Share. The Offer Price may be set within, below or above the Indicative Price Range. Any amendment to the Indicative Price Range will be announced by the Company through the information system of the Oslo Stock Exchange.

The final Offer Price will be determined on the basis of orders received and not withdrawn in the Institutional Offering during the Bookbuilding Period as well as the number of applications received in the Retail Offering. Investors' applications for Offer Shares in the Institutional Offering will, after the end of the Bookbuilding Period, be irrevocable and binding regardless of whether the Offer Price is set within, above or below the Indicative Price Range. The final Offer Price is expected to be announced by the Company through the Oslo Stock Exchange's information system on or about 25 November 2020.

Among the factors to be considered in determining the Offer Price, in addition to the prevailing market conditions, will be the Company's historical performance, estimates or its business potential and earnings prospects, an assessment of the Company's management and consideration of the above factors in relation to the market valuation of companies in related businesses.

The Bookbuilding Period for the Institutional Offering will commence at 9:00 a.m. CET on 17 November 2020 and expire on 14:00 p.m. CET on 25 November 2020, unless shortened or extended. The Company and the Selling Shareholder, in consultation with the Joint Bookrunners, may shorten or extend the Bookbuilding Period at any time, and extension may be made on one or several occasions. The Bookbuilding Period may in any event not expire prior to 09:00 (CET) on 25 November 2020 or be extended beyond 16:30 (CET) on 1 December 2020. In the event of a shortening or an extension of the Bookbuilding Period, the allocation date, the payment due dates and the date of delivery of the Offer Shares will be changed accordingly, but the date of Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

Collection of Orders

Investors' orders in the Institutional Offering must be submitted to one of the below offices during the Bookbuilding Period, expected to take place from 9:00 a.m. CET on 17 November 2020 to 14:00 p.m. CET on 25 November 2020, unless shortened or extended:

DNB Markets, a part of DNB Bank ASA
Dronning Eufemias gate 30
P.O. Box 1600 Sentrum
N-0191 Oslo
Norway
+47 23 26 81 01

SpareBank 1 Markets AS
P.O. Box 1398 Vika
N-0114 Oslo
Norway
+47 24 14 74 00
subscription@sb1markets.no
www.sb1markets.no

All orders in the Institutional Offering will be treated in the same manner regardless of which office the order is placed with. Any orally placed order in the Institutional Offering will be binding upon the investor and subject to the same terms and conditions as a written order. The Managers can, at any time and in their sole discretion, require the investor to confirm any orally placed order in writing. Orders made may be withdrawn or amended by the investor at any time up to the close of the Bookbuilding Period. At the close of the Bookbuilding Period, all orders that have not been withdrawn or amended are irrevocable and constitute binding applications by the investor to buy and subscribe Offer Shares allocated by the Company to the investor. Accordingly, by placing an order, as amended if applicable, and not having withdrawn such order prior to close of the Bookbuilding Period, the investor irrevocably (a) confirms its request to buy and subscribe for such number of Offer Shares allocated to the investor up to the number of Offer Shares covered by the order, and (b) authorises and instructs each of the Managers (or someone appointed by them) to buy and subscribe for such number of Offer Shares at the Offer Price on behalf of the investor and to take all actions required to ensure delivery of such Offer Shares to the investor.

Minimum Application Amount

The Institutional Offering is subject to a lower limit per application of an amount of NOK 2,500,000. Orders for lower amounts will accordingly not be considered by the Company in the Institutional Offering.

Allocation; Payment and Delivery

The Managers expect to issue notifications of allocation of Offer Shares in the Institutional Offering on or about 26 November 2020, by issuing contract notes to the applicants by mail or otherwise.

Payment by applicants in the Institutional Offering will take place against delivery of Offer Shares. Delivery and payment of the Offer Shares, either in the form of New Shares or Sale Shares, is expected to take place on or about 30 November 2020.

If payment for the Offer Shares is not received by the payment due date, the Company and the Joint Bookrunners reserve the right to re-allot, cancel or reduce the allocation or otherwise dispose of the allocated Offer Shares in accordance with and to the fullest extent permitted by applicable laws.

The Company, the Selling Shareholder and the Joint Bookrunners may choose to transfer the Offer Shares allocated to such applicants to a VPS account operated by one of the Managers for transfer to the non-paying investor when payment of the Offer Shares is received. In such case, the Joint Bookrunners reserve the right without further notice, to sell or assume ownership of such Offer Shares if payment has not been received by the third day after the payment due date.

If Offer Shares are sold on behalf of the investor, such sale will be for the investor's account and risk (however so that the investor shall not be entitled to profits therefrom, if any) and the investor will be liable for any loss, costs, charges and expenses suffered or incurred by the Company, the Selling Shareholder and/or the Joint Bookrunners as a result of or in connection with such sales, and the Company, the Selling Shareholder and/or the Joint Bookrunners may enforce payment of any amount outstanding in accordance with applicable law.

For late payment, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Interest on Overdue Payments of 17 December 1976, no. 100, which, at the date of this Prospectus was 8.00% per annum.

Pursuant to a placing agreement expected to be entered into by the Company and the Managers, the Managers are expected to on or about 26 November 2020, subject to the terms and conditions of such agreement, pre-fund payment for the New Shares allocated in the Offering in order to facilitate prompt registration of the share capital increase pertaining to the New Shares with the Danish Business Authority. Non-paying applicants will remain fully liable for payment of the Offer Shares allocated to them, irrespective of any pre-payment by the Managers. If payment is not received by the payment due date, the Company, the Selling Shareholder and the Managers reserve the right to re-allot, cancel or reduce the allocation or otherwise dispose of the allocated Offer Shares in accordance with and to the fullest extent permitted by applicable law. The Selling Shareholder and the Managers may choose to transfer the Offer Shares allocated to such applicants to a VPS account operated by one of the Managers for transfer to the non-paying investor when payment for the relevant Offer Shares is received. In such case, the Managers reserve the right, without further notice, to sell or assume ownership of such Offer Shares if payment has not been received by the third day after the payment due date. If Offer Shares are sold on behalf of the applicant, such sale will be for the applicant's account and risk (however so that the applicant shall not be entitled to profits therefrom, if any) and the applicant will be liable for any loss, costs, charges and expenses suffered or incurred by the Selling Shareholder or the Managers as a result of or in connection with such sales, and the Selling Shareholder and/or the Managers may enforce payment for any amount outstanding in accordance with applicable law.

18.6 The Retail Offering

The Offer Price

The price for the Offer Shares offered in the Retail Offering will be the same as in the Institutional Offering, see Section 18.5 "The Institutional Offering—Determination of the Offer Price; Bookbuilding". Applications in the Retail Offering are subject to minimum and maximum application amount limits, see below under the caption "—Minimum and Maximum Application Amount".

Each applicant in the Retail Offering will be permitted, but not required, to indicate on the application form that the applicant does not wish to be allocated Offer Shares should the Offer Price be set above the high-point of the Indicative Price Range. If the applicant does so, the applicant will not be allocated any Offer Shares in the event that the Offer Price is set above the high-point of the prevailing Indicative Price Range at the time the application form is received by the application office. If the applicant does not expressly stipulate such reservation on the application form, the application will be binding regardless of whether the Offer Price is set within or above (or below) the indicative price range.

Minimum and Maximum Application Amount

The Retail Offering is subject to a lower limit per application of an amount of NOK 10,500 and an upper limit per application of an amount of NOK 2,499,999 for each investor. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application amount limit. One or multiple applications from the same applicant in the Retail Offering with a total application amount of NOK 2,500,000 or above will be adjusted downwards to an application amount of NOK 2,499,999. Investors who intend to place an application in excess of an amount of NOK 2,499,999 must do so in the Institutional Offering.

The Application Period

The Application Period will commence at 9:00 a.m. CET on 17 November 2020 and expire on 12:00 p.m. CET on 25 November 2020, unless shortened or extended. The Company and the Selling Shareholder, in consultation with the Managers, may shorten or extend the Application Period at any time, and extension may be made on one or several occasions. The Application Period may in any event not be shortened to end prior to 09:00 CET on 25 November 2020 or extended beyond 16:30 CET on 1 December 2020. In the event of a shortening or an extension of the Application Period, the due date for payment of the allocated Offer Shares, the date of the delivery of the Offer Shares and the date of commencement of trading of the Offer Shares on the Oslo Stock Exchange may be changed correspondingly.

Application Procedures; Application Offices; Binding Nature of Application

Application for Offer Shares in the Retail Offering must be made during the Application Period, by submitting a correctly completed application form in the form attached to this Prospectus as Appendix C—Application Form for the Retail Offering, to one of the application offices set out below or made online as further described below.

Applicants who are residents of Norway with a Norwegian personal identification number may also apply for Offer Shares through the VPS online application system by following the link on any of the following web-sites: www.dnb.no/emisjoner and www.sb1markets.no. Applicants will be able to download this Prospectus and the application form once they have confirmed residency in Norway. Applications made through the VPS online subscription system must be duly registered during the Application Period.

Application forms that are incomplete or incorrectly completed, or that are received after the expiry of the Application Period, may be disregarded without further notice to the applicant. Subject to any extension of the Application Period, properly completed application forms must be received by one of the application offices by 12:00 noon CET on 25 November 2020. Neither the Company, the Selling Shareholder nor any of the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by any application office.

All applications made in the Retail Offering will be irrevocable and binding upon receipt of a duly completed application form by the application office, or in the case of applications through the VPS online subscription system, upon registration of the application, irrespective of any extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office, or in the case of applications through the VPS online subscription system, upon registration of the application.

By making an application, the applicant irrevocably (a) apply to buy and subscribe for such number of Offer Shares allocated to the applicant up to the number of Offer Shares applied for and (b) authorises and instructs each of the Managers (or someone appointed by them) to buy and subscribe for such number of Offer Shares at the Offer Price on behalf of the applicant and to take all actions required to ensure delivery of such Offer Shares to the applicant.

The offices at which applications forms in the Retail Offering can be submitted, are as follows:

DNB Markets, a part of DNB Bank ASA
Dronning Eufemias gate 30
P.O. Box 1600 Sentrum
N-0191 Oslo
Norway
+47 23 26 80 20
retail@dnb.no
www.dnb.no/emisjoner

SpareBank 1 Markets AS
P.O. Box 1398 Vika
N-0114 Oslo
Norway
+47 24 14 74 00]
subscription@sb1markets.no
www.sb1markets.no

All applications in the Retail Offering will be treated in the same manner regardless of which Manager the application office the application is placed with. Further, all applications in the Retail Offering will be treated in the same manner regardless of whether they are submitted by delivery of an Application Form for the Retail Offering or through the VPS online application system.

Allocation; Payment and Delivery

DNB Markets, acting as settlement agent for the Retail Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or about 26 November 2020, by issuing allocation notes to the applicants by mail. Any applicant wishing to know the precise number of Offer Shares allocated to it, may contact one of the application offices from 12:00 noon CET on 26 November 2020 and onwards during business hours. Applicants who have access to investor services through an institution that operates the applicant's VPS account should be able to see how many Offer Shares they have been allocated from 12:00 noon CET on 26 November 2020.

In completing an application form, or registering an application through the VPS online subscription system, each applicant in the Retail Offering will authorise DNB Markets (or someone appointed by DNB Markets), on behalf of the Managers, to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. The applicant's account number must be stipulated on the application form or registered through the VPS online application system. Accounts will be debited on or about 27 November 2020 (the payment due date), and there must be sufficient funds in the stated bank account from and including 26 November 2020. Applicants who do not have a Norwegian bank account must ensure that payment of the allocated Offer Shares is made on or before the payment due date (27 November 2020). Further details and instructions will be set out in the allocation notes to the applicant and can be obtained by contacting DNB Markets by telephone at: + 47 23 26 80 20.

Pursuant to a placing agreement expected to be entered into by the Company and the Managers, the Managers are expected to, subject to the terms and conditions of such agreement, pre-fund payment for the New Shares in order to facilitate prompt registration of the share capital increase pertaining to the New Shares with the Danish Business Authority. Non-paying applicants will remain fully liable for payment of the Offer Shares allocated to them, irrespective of any pre-payment by the Managers. If payment is not received by the payment due date, the Selling Shareholder and the Managers reserve the right to re-allot, cancel or reduce the allocation or otherwise dispose of the allocated Offer Shares in accordance with and to the fullest extent permitted by applicable law. The Selling Shareholder and the Managers may choose to transfer the Offer Shares allocated to such applicants to a VPS account operated by one of the Managers for transfer to the non-paying investor when payment for the relevant Offer Shares is received. In such case, the Managers reserves the right, without further notice, to sell or assume ownership of such Offer Shares if payment has not been received by the third day after the payment due date. If Offer Shares are sold on behalf of the applicant, such sale will be for the applicant's account and risk (however so that the applicant shall not be entitled to profits therefrom, if any) and the applicant will be liable for any loss, costs, charges and expenses suffered or incurred by the Selling Shareholder or the Managers as a result of or in connection with such sales, and the Selling Shareholder and/or the Managers may enforce payment for any amount outstanding in accordance with applicable law.

Should any investor have insufficient funds on his or her account, should payment be delayed for any reason or if it is not possible to debit the account, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Interest on Overdue Payments of 17 December 1976, No. 100, which at the date of this Prospectus was 8.00% per annum. DNB Markets (or someone appointed by DNB Markets), on behalf of the Managers, reserves the right (but has no obligation) to make up to three debit attempts through 4 December 2020 if there are insufficient funds on the account on the payment due date. The Joint Bookrunners reserve the right, without further notice, to sell or assume ownership of such Offer Shares if payment has not been received by the third day after the payment due date.

If Offer Shares are sold on behalf of the investor, such sale will be for the investor's account and risk (however so that the investor shall not be entitled to profits therefrom, if any) and the investor will be liable for any loss, costs, charges and expenses suffered or incurred by the Selling Shareholder and/or the Joint Bookrunners as a result of or in connection with such sales, and the Selling Shareholder and/or the Joint Bookrunners may enforce payment of any amount outstanding in accordance with applicable law.

18.7 VPS Account

Participation in the Offering is conditional upon the applicant holding a VPS account. The VPS account number must be stated in the application form or when registering an application through the VPS online application system. VPS accounts can be established with authorised VPS registrars, who can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian FSA. Establishment of a VPS account requires verification of identification to the VPS registrar in accordance with the Anti-Money Laundering Legislation.

18.8 Mandatory Anti-Money Laundering Procedures

The Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 No. 23 and the Norwegian Money Laundering Act of 14 September 2018 No. 1324, (collectively, the "**Anti-Money Laundering Legislation**").

Applicants who are not registered as existing customers of one of the Managers must verify their identity to the Manager with which the order is placed in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the application form or when registering an application through the VPS online application system, are exempted, unless verification of identity is requested by any of the Managers. Applicants who have not completed the required verification of identity prior to the expiry of the Bookbuilding Period/Application Period may not be allocated Offer Shares.

18.9 Mechanism of Allocation

In the Institutional Offering, the Company and the Selling Shareholder will, in consultation with the Managers, determine the allocation of Offer Shares. An important aspect of the allocation principles is the desire to create an appropriate long-term shareholder structure for the Company. The allocation principles will, in accordance with customary practice for institutional placements, include factors such as lead investor pre-commitments, premarketing and management road-show participation and feedback, timeliness of the order, price level, relative order size, sector knowledge, investment history, perceived investor quality and investment horizon. The Company and the Selling Shareholder, in consultation with the Managers, further reserve the right, at their sole discretion, to take into account the creditworthiness of any applicant. The Company and the Selling Shareholder may, in consultation with the Managers, also set a maximum allocation or decide to make no allocation to any applicant. No Offer Shares have been reserved for any specific national market. Cornerstone Investors shall be allocated their full committed amount in accordance with the provisions of agreements with such Cornerstone Investors.

In the Retail Offering, no allocations will be made for a number of Offer Shares representing an aggregate Offer Price of less than NOK 10,500 per applicant provided, however, that all allocations will be rounded down to the nearest number of whole Offer Shares and the payable amount will hence be adjusted accordingly provided that no allocation will in any event be made for an amount of less than NOK 10,000. One or multiple orders from the same applicant in the Retail Offering with a total application amount in excess of NOK 2,499,999 will be adjusted downwards to an application amount of NOK 2,499,999. In the Retail Offering, allocation will at the outset be made on a pro rata basis using the VPS' automated simulation procedures and/or other allocation mechanism. The Company and the Selling Shareholder, in consultation with the Managers, reserve the right to set a maximum allocation per applicant in the Retail Offering. The Company and the Selling Shareholder, in consultation with the Managers, reserve the right to limit the total number of applicants to whom Offer Shares are allocated if the Company and the Selling Shareholder deem this to be necessary in order to keep the number of shareholders in the Company at an appropriate level and such limitation does not have the effect that any conditions for the listing regarding number of shareholders will not be satisfied. If the Company and the Selling Shareholder should decide to limit the total number of applicants to whom Offer Shares are allocated, the applicants to whom Offer Shares are allocated may be determined on a random basis by using the VPS's automated simulation procedures and/or other random allocation mechanism. Notwithstanding the above, the Company and the Selling Shareholder, in consultation with the Managers, reserve the right to give any primary insider (as defined in applicable law) who applies for shares in the Retail Offering full allocation.

18.10 Conditions to the Consummation of the Offering

The Company is expected to apply for a Listing of its Shares on the Oslo Stock Exchange on 17 November 2020. The board of directors or the listing committee of the Oslo Stock Exchange is expected to approve the Company's application for Listing at a board meeting expected to be held on or about 20 November 2020, subject to fulfilment by the Company of the requirements offset by the Oslo Stock Exchange, including (i) as to number of shareholders (i.e. the Company having at least 500 (Oslo Børs) or 100 (Oslo Axess, expected to be renamed Euronext Growth) qualified shareholders each owning shares of value of at least NOK 10,000, (ii) and free float of minimum 25% and (iii) the Company receiving gross proceeds from the issue of the New Shares of at least USD 20 million.

Completion of the Offering on the terms set forth in this Prospectus is expressly conditioned upon the board of directors or the listing committee of the Oslo Stock Exchange approving the application for Listing of the Shares and that conditions for such Listing are satisfied by the Company through the completion of the Offering. The Offering will be cancelled in the event that the conditions are not satisfied. There can be no assurance that the Oslo Stock Exchange will give such approval or that the Company will satisfy these conditions.

Completion of the Offering on the terms set forth in this Prospectus is otherwise only conditional on (i) the Company and the Selling Shareholder, in consultation with the Managers, having approved the Offer Price, the number of Offer Shares and the allocation of the Offer Shares to eligible investors following the bookbuilding process, and (ii) that the Company, the Selling Shareholder and the Managers enter into a placing agreement pertaining to the Offering and the fulfilment of relevant terms and conditions included in such agreement. There can be no assurance that these conditions will be satisfied. If the conditions are not satisfied, the Offering may be revoked or suspended.

Assuming that the conditions are satisfied, the first day of trading of the Shares, including the Offer Shares, on the Oslo Stock Exchange is expected to be on or about 27 November 2020. The Shares are expected to trade under the ticker code "CADLR".

Applicants in the Retail Offering selling Offer Shares prior to delivery must ensure that payment for such Offer Shares is made on or prior to the payment due date, by ensuring that the stated bank account is sufficiently funded on 26 November 2020. Applicants in the Institutional Offering selling Offer Shares prior to delivery must ensure that payment for such Offer Shares is made on 30 November 2020. Accordingly, an applicant who wishes to sell his/her Offer Shares, following confirmed allocation of Offer Shares, but before delivery, must ensure that timely payment is made in order for such Offer Shares to be delivered in time to the applicant.

Prior to the Listing and the Offering, the Shares are not listed on any stock exchange or regulated market place, and no application has been filed for listing on any other stock exchanges or regulated market places than the Oslo Stock Exchange.

18.11 Dilution

Assuming that the Offer Price is set at the low-end of the Indicative Price Range, 39,031,915 New Shares may be issued in the Offering, which corresponds to a dilution for the Selling Shareholder of approximately 33.35% (excluding any ownership reduction for the Selling Shareholder in relation to any sale of Sale Shares and in relation to any exercise of the Over-allotment Option). Assuming that the Offer Price is set at the high-end of the Indicative Price Range, 37,135,628 New Shares may be issued in the Offering, which corresponds to a dilution for the Selling Shareholder of approximately 32.25% (excluding any ownership reduction for the Selling Shareholder in relation to any sale of Sale Shares and in relation to any exercise of the Over-allotment Option). The dilution will increase if the Offer Price is set below the Indicative Price Range.

18.12 Over-Allotment and Price Stabilisation

Over-Allotment

In connection with the Offering, and pursuant to the Over-allotment Facility expected to be granted by the Company and the Selling Shareholder, the Joint Bookrunners may elect to over-allot a number of Shares equalling up to 15% of the aggregate number of New Shares and Sale Shares allocated in the Offering (amounting to up to 10,245,877 Shares if 68,305,851 New Shares and Sale Shares are initially allocated), and the Selling Shareholder is expected to, under the Lending Option, grant the Joint Bookrunners a right to borrow a corresponding number of Shares in order to facilitate such over-allotments. If the Over-allotment Facility is utilised in full, the number of Offer Shares sold and issued in the Offering may amount to a maximum of 78,551,728 Offer Shares, assuming an Offer Price at the low-end of the Indicative Price Range. In order to facilitate settlement of any Borrowed Shares under the Lending Option, the Selling Shareholder is expected to grant the Joint Bookrunners a right, under the Over-allotment Option, to purchase a number of Shares equal to the number of over-allotted Additional Shares at the Offer Price less the number of Shares acquired by the Stabilisation Manager through stabilisation activities, exercisable in whole or in part within a 30-day period from commencement of trading in the Shares on the Oslo Stock Exchange. The maximum number of Shares that may be sold pursuant to the Over-allotment Option will equal the number of over-allotted Additional Shares.

To the extent that the Joint Bookrunners have over-allotted Shares in the Offering, the Joint Bookrunners have created a short position in the Shares. DNB Markets, as the Stabilisation Manager, may close out this short position by buying Shares in the open market through stabilisation activities and/or by exercising the Over-allotment Option.

A stock exchange notice will be made on or about 25 November 2020 announcing whether the Managers have over-allotted Shares in connection with the Offering. Any exercise of the Over-allotment Option will be promptly announced by the Stabilisation Manager through the information system of the Oslo Stock Exchange.

Price Stabilisation

The Stabilisation Manager, DNB Markets, may, upon exercise of the Lending Option, effect transactions with a view to support the market price of the Shares at a level higher than what might otherwise prevail through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation of the Stabilisation Manager to conduct stabilisation activities and there is no assurance that stabilisation activities will be undertaken. Such stabilising activities, if commenced, may be discontinued at any time and will be brought to an end at the latest 30 calendar days after the first day of trading of the Shares on the Oslo Stock Exchange. Stabilisation activities might result in market prices that are higher than would otherwise prevail.

Any stabilisation activities will be conducted in accordance with (i) the rules asset out in art. 5(4) of the EU Market Abuse Regulation and chapter III of the supplemental rules set out in the Commission Delegated (EU) 2016/1052 of 8 March 2016 with regard to regulatory technical standards for the conditions applicable to buy-back programs and stabilisation measures and (ii) Section 3-12 of the Norwegian Securities Trading Act and the EC Commission Regulation 2273/2003 regarding buy-back programmes and stabilisation of financial instruments. The Company, the Selling Shareholder and the Joint Bookrunners have agreed that of the net profit, if any, resulting from stabilisation activities conducted by the Stabilisation Manager, on behalf of the Joint Bookrunners, will be for the account of the Selling Shareholder.

No later than the end of the seventh trading day following the date of execution of any stabilisation transactions, the Stabilisation manager shall ensure adequate public disclosure of the details of the stabilisation transactions taken. Within one week after the expiry of the 30-day period of price stabilisation, the Stabilisation Manager will publish information as to whether or not price stabilisation activities were undertaken. If stabilisation activities were undertaken, the statement will also include information about: (a) the total amount of Shares sold and purchased; (b) the dates on which the stabilisation period began and ended; (c) the price range between which stabilisation was carried out, as well as the highest, lowest and average price paid during the stabilisation period; and (d) the date at which stabilisation activities last occurred.

18.13 Product governance

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (MiFID II); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the MiFID II Product Governance Requirements), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the Target Market Assessment).

Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Managers will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

18.14 National Client Identifier and Legal Entity Identifier

In order to participate in the Offering, applicants will need a global identification code. Physical persons will need a so called National Client Identifier ("**NCI**") and legal entities will need a so called Legal Entity Identifier ("**LEI**").

NCI code for physical persons

As of 3 January 2018, physical persons will need a NCI code to participate in a financial market transaction, i.e. a global identification code for physical persons. For physical persons with only a Norwegian citizenship, the NCI code is the 11 digit personal ID (*Nw.: Fødselsnummer*). If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Investors are encouraged to contact their bank for further information.

LEI code for legal entities

As of 3 January 2018, legal entities will need a LEI code to participate in a financial market transaction. A LEI code must be obtained from an authorised LEI issuer, which can take some time. Investors should obtain a LEI code in time for the application. For more information visit www.gleif.org.

18.15 Publication of Information in Respect of the Offering

The Company intends to use the Oslo Stock Exchange's information system to publish information with respect to the Offering, such as any changes to the Bookbuilding Period and/or the Application Period, any changes to the Indicative Price Range, the final Offer Price and the final number of Offer Shares issued and sold, the total amount of the Offering and the first day of trading of the Shares on the Oslo Stock Exchange.

18.16 Trading Market and Trading Symbol; ISIN; VPS Registration

The Shares are expected to trade on the Oslo Stock Exchange under the trading symbol "CADLR". The Company has not applied for admission to trading of its Shares on any other stock exchange or regulated market.

Delivery of Offer Shares is conditional upon settlement being received in accordance with the payment instructions set out in this chapter 18.5 "The Institutional Offering" and Section 18.6 "The Retail Offering", respectively. Anyone who wishes to dispose of Offer Shares before delivery has taken place, runs the risk that payment does not take place in accordance with the procedures set out above, so that the Offer Shares sold may not be delivered in time. Accordingly, an applicant who wishes to sell its allocated Offer Shares before actual delivery must ensure that payment is made in order for such Offer Shares to be delivered in time to the purchaser. Any trading in Offer Shares before delivery is at the investor's risk.

The Sale Shares and any Additional Shares are, and the New Shares are expected to be, issued in accordance with the Danish Companies Act. The Sale Shares are, and the New Shares will be, registered in book-entry form with the VPS and have ISIN NO DKK0061412772. The Shares will be traded in NOK on the Oslo Stock Exchange. The Company's register of shareholders with the VPS is administrated by DNB Bank ASA, Registrars Department, Norway.

18.17 Expenses of the Offering and the Listing

The gross proceeds to the Company will be approximately NOK 917,250,000 and the Company's total costs and expenses of, and incidental to, the Listing and the Offering are estimated to amount to approximately NOK 64,000,000.

No expenses or taxes will be charged by the Company or the Joint Bookrunners to the applicants in the Offering.

18.18 Lock-Up

In connection with the Offering, the Selling Shareholder and the Company are expected to agree to undertake that, without the prior written consent of the Joint Bookrunners, such consent not to be unreasonably withheld, they will not, during a period ending 360 days after the first day of Listing, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, or issue any Shares or any securities convertible into or exercisable or exchangeable for Shares or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise (**"Lock-up Undertaking"**).

The foregoing hall not apply to, with respect to the Selling Shareholder; (i) sale of the Sale Shares or sale of Shares pursuant to any exercise of the Over-allotment Option, (ii) pre-acceptance or acceptance or similar action of a takeover offer for all the Shares in the Company or statutory merger or amalgamation, (iii) any transfer of Shares to a company controlled by the Selling Shareholder, or to a company directly or indirectly controlled by John Swire & Sons, provided that the transferee assumes similar obligations, and (iv) any sale of Shares to BW Wind Services, and with respect to the Company; (i) issue of the New Shares, (ii) granting of options or other rights to Shares, or honouring such options or other rights to Shares, pursuant to any of the Company's share-based incentives programmes, and (iii) the issue of Shares as consideration Shares in connection with acquisition of companies, business or assets.

18.19 Selling and Transfer Restrictions

The Offering is, and the Offer Shares are, subject to the selling and transfer restrictions set forth in Section 19 "Selling and Transfer Restrictions".

18.20 Participation of Members of the Management and Board of Directors in the Offering

The Company is not aware of whether any major shareholders of the Company or members of the Management, supervisory or administrative bodies intend to apply for Offer Shares in the Offering, or whether any person intends to apply for more than 5% of the Offer Shares, other than BW Wind Services as further described in Section 18.1. Final orders may deviate from this.

18.21 Interests of Natural and Legal Persons in the Offering

The Managers or their affiliates have provided, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. Further, a portion of the commissions that are to be paid for the services of the Managers in respect of the Offering are calculated on the basis of the gross proceeds of the Offering.

In connection with the Offering, each of the Managers and any of their respective affiliates, acting as an investor for its own account, may take up Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in the Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Managers or any of their respective affiliates acting in such capacity. In addition, certain of the Managers or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Managers (or their affiliates) may from time to time acquire, hold or dispose of Offer Shares. None of the Managers intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Certain members of the Group management are entitled to a bonus in the form of Shares in the Company upon a successful Offering and Listing. The incentive varies from 1 to 8 months of gross monthly salary of the key employee paid in shares in the event the Offering is successful. The gross monthly salary and share price for the basis of calculation of the shares to be sold is based on the gross monthly salary of the employee and share price on the first day of trading of the shares. The total value of the shares for the entire incentive scheme will be approximately USD 533,000 and, depending on the share price, the Company estimates that between 166,000 and 208,000 shares will be sold.

The Company will receive the proceeds from the issue of the New Shares of the Offering. Proceeds from the sale of Sale Shares, and any sale of Shares from the Selling Shareholder if the Over-allotment Option is exercised, will be received by the Selling Shareholder. The Company, the Selling Shareholder and the Joint Bookrunners have agreed that of the net profit, if any, resulting from stabilisation activities conducted by the Stabilisation Manager, on behalf of the Joint Bookrunners, will be for the account of the Selling Shareholder.

Other than as set out above, the Company is not aware of any interest of any natural and legal persons involved in the Offering that is material to the Offering.

18.22 Governing Law and Jurisdiction

The terms and conditions of the Offering as set out in this Prospectus shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offering or this Prospectus.

19. SELLING AND TRANSFER RESTRICTIONS

This Prospectus does not constitute an offer of, or an invitation to purchase any of the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. No one has taken any action that would permit a public offering of Shares to occur outside of Norway. Accordingly, neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company, the Selling Shareholder and the Managers require persons in possession of this Prospectus to inform themselves about and to observe any such restrictions. The Offer Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Shares have not been registered under the U.S. Securities Act or any U.S. state securities laws or any other jurisdiction outside of Denmark and are not expected to be registered in the future. As such, the Shares may not be offered or sold except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable securities laws. In addition, there can be no assurances that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings.

19.1 Selling Restrictions

19.1.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority or any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act, or (ii) to certain persons outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and in each case, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, each Manager shall not offer or sell any of the Offer Shares as part of its allocation at any time other than to those it reasonably believes to be QIBs in the United States in accordance with Rule 144A or outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Offer Shares will be restricted and each purchaser of the Offer Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described in Section 19.2 "Transfer Restrictions".

Any offer or sale in the United States will be made by broker-dealers registered under the United States Exchange Act of 1934, as amended, which are either affiliates of one of the Managers or broker-dealers to which one of the Managers have a contractual relationship. In addition, until 40 days after the commencement of the Offering, an offer or sale of Offer Shares within the United States by a dealer, whether or not participating in the Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from the registration requirements of the U.S. Securities Act and in connection with any applicable state securities laws.

19.1.2 United Kingdom

With respect to United Kingdom, each Manager shall ensure that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**") received by it in connection with the issue or sale of any Offer Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to everything done by it in relation to the Offer Shares in, from or otherwise involving the United Kingdom.

This Prospectus and any other material in relation to the Offering described herein is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

19.1.3 European Economic Area

In relation to each member state of the European Economic Area, other than Norway (each, a "Relevant Member State"), no Offer Shares shall be offered to the public in that Relevant Member State pursuant to the Offering, except that Offer Shares may be offered to the public in that Relevant Member State at any time in reliance on the following exemptions under the EU Prospectus Regulation:

(a) to persons who are 'qualified investors' within the meaning of Article 2(e) the EU Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) per Relevant Member State, with the prior written consent of the Managers for any such offer; or

(c) in any other circumstances falling under the scope of Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Offer Shares shall result in a requirement for the Company, the Selling Shareholder or any Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplementary prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purpose of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Offer Shares under, the Offering contemplated hereby will be deemed to have represented, warranted and agreed to and with each of the Company, the Selling Shareholder and the Managers that it is a qualified investor within the meaning of Article 2(e) of the EU Prospectus Regulation.

The Company, Selling Shareholder, the Managers and their respective affiliates and its and their respective directors, employees, agents, advisers, subsidiaries and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

19.1.4 Additional jurisdictions

Canada

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45–106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31–103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Hong Kong

The Offer Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "**SFO**") and any rules made thereunder; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (the "**CO**") or which do not constitute an offer to the public within the meaning of the CO. No advertisement, invitation or document relating to the Offer Shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" in Hong Kong as defined in the SFO and any rules made thereunder.

Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Offer Shares may not be circulated or distributed, nor may the Offer Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than

(i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Offer Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Offer Shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Switzerland

The Offer Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Offer Shares or the Offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the Offering, the Company or the Offer Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Prospectus will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority ("**FINMA**"), and the offer of Offer Shares has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Offer Shares.

Australia

This Prospectus is not a disclosure document for the purposes of Australia's Corporations Act 2001 (Cth) of Australia, or the Corporations Act, has not been lodged with the Australian Securities & Investments Commission and is only directed to the categories of exempt persons set out below. Accordingly, if you receive this Prospectus in Australia, you confirm and warrant that you are either:

(f) a "sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act;

(g) a "sophisticated investor" under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to the Company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;

(h) a person associated with the Company under Section 708(12) of the Corporations Act; or

(i) a "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act.

To the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act any offer made to you under this Prospectus is void and incapable of acceptance.

You warrant and agree that you will not offer any of the securities issued to you pursuant to this Prospectus for resale in Australia within 12 months of those securities being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

19.2 Transfer Restrictions

19.2.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold within the United States except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Offer Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority or any state of the United States, and are subject to significant restrictions on transfer.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.
- The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.
- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States pursuant to Rule 144A will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.

- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A, and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution of the Offer Shares, as the case may be.

- The purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.

- The purchaser understands and acknowledges that if, in the future, the purchaser or any such other QIBs for which it is acting, or any other fiduciary or agent representing such purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, as the case may be, such Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 under the U.S. Securities Act (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The purchaser understands that Offer Shares are "restricted securities" within the meaning of Rule 144(a) (3) and that no representation is made as to the availability of the exemption provided by Rule 144 under the U.S. Securities Act for resales of any Offer Shares, as the case may be.

- The Company shall not recognise any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.

- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway) who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with each Manager and the Company that:

(a) it is a qualified investor within the meaning of Article 2(e) of the EU Prospectus Regulation; and

(b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

20. DOCUMENTS ON DISPLAY

For twelve months from the date of this Prospectus, copies of the following documents will be available for inspection at the Company's website www.cadeler.com:

- The Articles of Association of the Company.
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company’s request any part of which is included or referred to in the Prospectus.
- The Company’s historical financial statements as of and for the years ended 31 December 2019, 2018 and 2017, as well as the Company’s interim financial statements for the six months ended 30 June 2020 and 2019.
- This Prospectus.

21. ADDITIONAL INFORMATION

21.1 Independent Auditors

The Company's independent auditors are EY Godkendt Revisionspartnerselskab which have their registered address at Dirch Passers Allé 36, 2000 Fredriksberg, Denmark, was elected as the Company's independent auditors in 2015. EY are members of FSR – Danish Auditors (*FSR – danske revisorer*).

21.2 Joint Bookrunners

DNB Markets, a part of DNB Bank ASA (Dronning Eufemias gate 30, 0191 Oslo, Norway) and Sparebank 1 Markets (Olav Vs gate 5, 0161 Oslo, Norway) are the Joint Global Coordinators and Joint Bookrunners for the Offering.

21.3 Legal Advisors

Advokatfirmaet BAHR AS is acting as legal adviser as to Norwegian law, and Gorrissen Federspiel Advokatpartnerselskab is acting as legal advisor as to Danish law, to the Company in connection with the Listing and the Offering.

Advokatfirmaet BAHR has its registered address at Tjuvholmen allé 16, 0252 Oslo, whilst Gorrissen Federspiel Advokatpartnerselskab has its registered address at Axeltorv 2, 1609 Copenhagen V, Denmark.

Advokatfirmaet Schjødt AS is acting as legal advisors to the Managers and has its registered address at Ruseløkkveien 14-16, 0251 Oslo.

21.4 VPS Registrar

The Company's VPS registrar is DNB Bank ASA, which has their registered address at Dronning Eufemias gate 30, 0191 Oslo, Norway.

22. DEFINITIONS

Capitalised terms used throughout this Prospectus shall have the meaning ascribed to such terms as set out below, unless the context require otherwise.

2019 Financial Statements	The Company's audited financial statements as of and for the year ended 31 December 2019, and with unaudited comparative figures for the year 2018 prepared in accordance with IFRS.
2018 Financial Statements	The Company's audited financial statements as at, and for the year ended 31 December 2018, and with unaudited comparative figures for the year ended 31 December 2017 prepared in accordance with DGAAP.
2017 Financial Statements	The Company's audited financial statements as at, and for the year ended 31 December 2017, and with unaudited comparative figures for the year ended 31 December 2016 prepared in accordance with DGAAP.
Additional Shares	A maximum of 10,245,877 Shares that may be over-allotted by the Joint Bookrunners, at the Offer Price, pursuant to the Over-allotment Facility.
Anti-Money Laundering Legislation	The Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulation of 14 September 2018 no. 1324, taken together.
APMs	Alternative Performance Measures.
Application Period	The application period for the Retail Offering, which is expected to commence at 9.00 a.m. CET on 17 November 2020 and expire on 12:00 p.m. CET on 25 November 2020, unless shortened or extended.
Articles of Association	The Company's articles of association.
BGs	Bank guarantees.
Board Member	A member of the Company's Board of Directors.
Board of Directors	The Company's board of directors.
Bookbuilding Period	The bookbuilding period for the Institutional Offering, which is expected to take place from 9:00 a.m. CET on 17 November 2020 to 14:00 p.m. CET on 25 November 2020.
BW Wind Services	BW Wind Services Pte. Ltd.
Cadeler X-Class	A new-build X-class windfarm installation vessel.
Clarksons	Clarksons Valuation Limited.
Company	Cadeler A/S.
Crewman Agreement	An agreement between the Company and Swire Pacific Ship Management LTD (Singapore branch) for the crewing of the Vessels.
CYP	Swire Pacific Offshore (Cyprus) Limited.
Danish Companies Act	The Danish Companies Act of 2010, as amended.
Debt Facility	Has the meaning as ascribed to it in Section 6.10.
DNB Markets	DNB Markets, as part of DNB Bank ASA.
DGAAP	Danish Generally Accepted Accounting Principles.
DVP	Delivery versus payment.
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 20014/71/EC.
EBITDA	Operating results after adjustments for depreciation, amortisation and impairment losses
ER	Equity Ratio
Executive Management	The members of the Company's Executive Management.
EY	EY Godkendt Revisionspartnerselskab (Denmark), the Company's auditor.
Fearnleys Asia	Fearnleys Asia (Singapore) Pte Ltd.
Financial Statements	The financial statements in accordance with IFRS as of and for the year ended 31 December 2019 with comparable figures for 2018 (the "2019 Financial Statements") and the audited financial statements in accordance with DGAAP for the year ended 31 December 2018 with comparable figures for 2017 (the "2018 Financial Statements") and the financial statements in accordance with DGAAP for the year ended 31 December 2017 with comparable figures for 2016 (the "2017 Financial Statements").
First ROFR	Has the meaning as ascribed to it in Section 15.7.
Foreign Corporate Shareholders	Foreign corporate shareholders (i.e. limited liability companies and similar).

Foreign Individual Shareholders	Foreign individual shareholders (i.e. other foreign shareholders than Foreign Corporate Shareholders).
Forward-looking Statements	Has the meaning ascribed to it in Section 4.3.
FMW	Fair market value of the Vessels as determined by an independent broker.
FSMA	The Financial Services and Markets Act 2000.
GDPR	General Data Protection Regulation (EU) 2016/679.
Group	The Company together with its consolidated subsidiaries.
General Meeting	The general meeting of the Company's shareholders.
Guarantors	The SPVs owning the Vessels, providing an unconditional and irrevocable on-demand guarantee of any amounts owing or payable under any current or future loan or similar from companies within the Group.
HSEQ	Health, safety, environment and quality.
IAE	International Energy Association.
IAS	International Accounting Standards.
IAS 16	International Accounting Standard 16 "Property Plant and Equipment".
IAS 34	International Accounting Standard 34 "Interim Financial Reporting".
IFRS	International Financial Reporting Standards as adopted by the EU.
Indicative Price Range	The indicative price range for the Offering of NOK 23.50 to NOK 24.70 per Offer Share, subject to change.
Institutional Offering	The portion of the Offering directed at institutional and professional investors in Norway and certain other jurisdictions, and in the United States to QIBs.
Intercompany Payables	Has the meaning as ascribed to it in Section 8.
Interim Financial Reporting	International Accounting Standard 34.
Interim Financial Statements	The Group's interim financial statement for the six months ended 30 June 2020 prepared in accordance with IAS 34.
Joint Bookrunners	DNB Markets and SpareBank 1 Markets.
Joint Global Coordinators	DNB Markets and SpareBank 1 Markets.
LCOE	Levelized cost of energy.
LEI	Legal entity identifier.
Lending Option	An option expected to be granted by the Selling Shareholder to the Joint Bookrunners to borrow a corresponding number of Shares equal to the number of over-allotted Shares under the Over-allotment Facility.
Long-term Bareboat Charters	Has the meaning as ascribed in Section 13.1.
Management	The members of the Company's Executive Management.
Managers	DNB Markets and SpareBank 1 Markets.
MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as amended.
MiFID II Product Governance Requirements	Article 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and local implementing measures.
MOU	A memorandum of understanding between the Selling Shareholder and BW Wind Services entered into on 4 November 20202.
NCI	National client identifier.
New Shares	Up to 39,031,915 new Shares to be issued by the Company under the Offering (assuming an Offer Price at the low-end of the Indicative Price Range).
NIBD	Net Interest Bearing Debt.
Non-Norwegian Shareholders	Shareholders who are not resident in Norway for tax purposes.
Norwegian Code of Practice	The Norwegian Corporate Governance Code of 17 October 2018.
Norwegian Corporate Shareholders	Norwegian corporate shareholders (i.e. limited liability companies and similar).
Norwegian FSA	The Norwegian Financial Supervisory Authority (Nw. *Finanstilsynet*).
Norwegian Individual Shareholders	Norwegian individual shareholders (i.e. other Norwegian shareholders than Norwegian corporate shareholders).
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 2007 no. 75, as amended.
Norwegian Shareholders	Norwegian Corporate Shareholders taken together with Norwegian Individual Shareholders.
Offer Price	The subscription price per Offer Share, which will be determined by the Company and the Selling Shareholder, in consultation with the Joint Bookrunners, after the end of the Bookbuilding Period.
Offer Shares	Up to 78,551,728 Shares offered in the Offering, assuming an Offer Price at the low-end of the Indicate Price Range, the sale of all Sale Shares and if the Over-allotment Facility is utilised in full.

Offering	The initial public offering of Offer Shares by the Company, pursuant to the terms and conditions of this Prospectus.
O&M	Operations and maintenance.
Order	Financial Services and Markets Act 200 (Financial Promotion) Order 2005.
Oslo Stock Exchange	Oslo Børs (a stock exchange operated by Oslo Børs ASA), or as the case may be, Oslo Axess (expected to be renamed Euronext Growth) (a regulated market place operated by Oslo Børs ASA).
Over-allotment Facility	A facility expected to be granted by the Company and the Selling Shareholder to the Joint Bookrunners giving the Joint Bookrunners the right to over-allot a number of Shares equalling a maximum of 15% of the aggregate number of New Shares and Sale Shares allocated in the Offering.
Over-allotment Option	An option expected to be granted by the Selling Shareholder to the Joint Bookrunners giving the Joint Bookrunners a right to purchase, at the Offer Price, Shares up to the number equal to over-allotted Additional Shares, exercisable in whole or in part within a 30-day period from commencement of trading in the Shares on the Oslo Stock Exchange.
p.a.	per annum.
PCGs	Parent company guarantees.
Parent	The Selling Shareholder.
Payment Date	The due date for payment of Offer Shares, subject to change.
Prospectus	This prospectus dated 16 November 2020.
QIB	Qualified Institutional Buyer, as defined in the U.S. Securities Act.
Regulation S	Regulation S of the U.S. Securities Act.
Relevant Member State	Each member state of the EEA which has implemented the EU Prospectus Regulation.
Restructuring	Has the meaning as ascribed in Section 4.2.2
Retail Offering	The portion of the Offering directed at the public in Norway.
ROA	Return on assets.
ROE	Return on Equity.
Rule 144A	Rule 144A of the U.S. Securities Act.
Sale Shares	Minimum 20,424,595 and maximum 29,273,936 Shares to be sold by the Selling Shareholder in the Offering.
Selling Shareholder	Swire Pacific Offshore Operations (Pte.) Ltd.
Shareholder Loan	Has the meaning as ascribed in Section 4.4.2
Shares	The shares of the Company, each with a nominal value of DKK 1.
SpareBank 1 Markets	SpareBank 1 Markets AS.
SPSM	Swire Pacific Ship Management LTD (Singapore Branch).
SPV	Single purpose vehicle.
Stabilisation Manager	DNB Markets.
Stated Policies Scenario	IAE's stated policies scenario.
Sustainable Development Scenario	IAE's sustainable development scenario.
Target Market Assessment	Has the meaning as ascribed to it in INFORMATION TO DISTRIBUTORS
T&I	Transportation and installation.
Transitional Service Agreement	Has the meaning as ascribed to it in Section 6.7
U.S.	United States of America.
U.S. Exchange Act	The United States Exchange Act of 1934, as amended.
U.S. Securities Act	The United States Securities Act of 1933, as amended.
Utilisation	The percentage of days in a year the Vessels are on hire to customers.
Vessels	The two vessels *Pacific Orca* and *Pacific Osprey*.
VPS	The Norwegian Central Securities Depository (Nw. *Verdipapirsentralen*).
WTGs	Wind turbine generators.

[THIS PAGE IS INTENTIONALLY LEFT BLANK]

APPENDIX A – FINANCIAL STATEMENTS

Index to Financial Information

Swire Blue Ocean A/S

Arne Jacobsens Allé 7, 7., 2300 København S

CVR no. 31 18 05 03

Annual report 2017

Approved at the Company's annual general meeting on 29 May 2018

Chairman:

....

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Swire Blue Ocean A/S for the financial year 1 January - 31 December 2017.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 29 May 2018
Executive Board:

Mikkel Gleerup CEO	Martin Møller Olesen CFO

Board of Directors:

Rupert Peter Napier Bray Chairman	Seng Yum Ronald Tham	B. Townsley Brian Townsley
Mikkel Gleerup	Martin Møller Olesen	

Independent auditor's report

To the shareholder of Swire Blue Ocean A/S

Opinion

We have audited the financial statements of Swire Blue Ocean A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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 Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 29 May 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jens Thordahl Nøhr
State Authorised Public Accountant
MNE no.: mne32212

Management's review

Company details

Name	Swire Blue Ocean A/S
Address, Postal code, City	Arne Jacobsens Allé 7, 7., 2300 København S
CVR no.	31 18 05 03
Established	15 January 2008
Registered office	København
Financial year	1 January - 31 December
Website	www.swireblueocean.com
Board of Directors	Rupert Peter Napier Bray, Chairman Seng Yum Ronald Tham Brian Townsley Mikkel Gleerup Martin Møller Olesen
Executive Board	Mikkel Gleerup, CEO Martin Møller Olesen, CFO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Financial highlights

DKK'000	2017	2016	2015	2014	2013
Key figures					
Revenue	334,576	528,143	746,821	0	0
Operating profit/loss	-58,598	74,147	142,938	-41,264	84,248
Net financials	-489	-6,366	4,415	-3,542	405
Profit/loss for the year	**-47,496**	**52,861**	**112,699**	**-34,285**	**63,568**
Total assets	193,270	218,898	157,555	78,077	149,546
Investment in property, plant and equipment	235	317	93	107	408
Equity	**127,419**	**174,915**	**122,055**	**9,356**	**43,641**
Financial ratios					
Return on assets	-28.4%	39.4%	121.3%	-36.3%	56.4%
Solvency ratio	65.9%	79.9%	77.5%	12.0%	29.2%
Return on equity	-31.4%	35.6%	171.5%	-129.4%	536.1%
Average number of employees	**28**	**27**	**27**	**23**	**17**

Financial ratios are calculated in accordance with the terms and definitions included in the accounting policies (note 1).

Revenue for the years 2013-2014 is not disclosed as the Company was subject to the reporting requirements applying to medium reporting class C entities and decided not to disclose its revenue.

Management's review

Business review

Swire Blue Ocean was founded in 2008 and is a leading marine service provider to the offshore windfarm industry. The Company supports the installation of offshore wind foundations and turbines, as well as the decommissioning of offshore oil & gas operations. It also provides consultancy services, operation and maintenance support, and offshore accommodation.

Swire Blue Ocean is a wholly-owned subsidiary of Swire Pacific Offshore Group, based in Singapore, and is a constituent of the Marine Services Division of Swire Pacific Limited, listed in Hong Kong. Swire Pacific Offshore had a fleet of 77 offshore support vessels as at 31 December 2017, and serves the energy industry in every major offshore production and exploration region outside the USA. Further information can be found in the annual report of Swire Pacific Limited.

The Company's vision is: Excellence in Marine Services. Excellence in every operation, every time, everywhere.

The Company's mission is: The Global offshore Wind, Construction and Decommissioning Partner. Delivering the promise through superior vessels, committed and competent employees. Focusing on safety.

Financial review

The income statement for 2017 shows a loss of DKK 47,496 thousand against a profit of DKK 52,861 thousand last year, and the balance sheet at 31 December 2017 shows equity of DKK 127,419 thousand and total assets of DKK 193,270 thousand.

The results of operation for the year is as expected, and was incurred due to a low contract coverage and planned dry-dockings of the vessels carried out in 2017.

The Company's principal activity is dependent on the bareboat charter agreements entered into with a related company. Bareboat charter agreements covering the period 1 January 2017 - 31 December 2021 were signed 18 January 2017.

Knowledge resources

It is essential for Swire Blue Ocean's continued growth to attract and maintain highly skilled labor, including engineers with expertise to modify the vessels for customer projects and to support the continued operation of the vessels.

Special risks

General risks
The Company is strongly positioned and operates reliable, highly specialised and fuel efficient vessels in Northern Europe. The Company keeps up with all developments and advancements in the windfarm installation and energy exploration industries.

Financial risks
The Company has a strong balance sheet and further, the Company's intermediate holding company, Swire Pacific Offshore Holdings Ltd, has committed to provide continuing financial support to enable the Company to meet its obligations as and when they fall due.

Foreign exchange risks
The Company is exposed to foreign currency risks. Income is primarily invoiced in EUR and GBP and a majority of the Company's operating and administrative costs are invoiced and paid in USD.

Credit risks
The Company adopts stringent procedures on extending credit terms to customers and on the monitoring of credit risk. The Company deals only with customers with an appropriate history and obtains sufficient security where appropriate to mitigate credit risk.

Statutory CSR report

Swire Blue Ocean does not have any local CSR policy, including Human Rights, Climate or Environment, as it is part of Swire Pacific Group, who has developed a Sustainability Report that covers the entire Group. For Swire Blue Ocean's statutory report on Corporate Social Responsibility, please see Swire Pacific Group's Sustainability Report on http://www.swirepacific.com/en/ir/financials/ar17_p109.pdf

Management's review

Account of the gender composition of Management

Swire Blue Ocean has set a goal of having at least one woman included in the Board of Directors before 2020. During 201, one of the board members resigned. A new board member was elected in 2018. There was no female candidates in connection with the election of the new board member, and at the date of the approval of the 2017 financial statements, the Board of Directors therefore comprised 5 men and 0 women.

We wish to ensure a diverse workforce and have a policy of increasing the underrepresented gender on management levels. In order to support this policy, Swire Blue Ocean seeks to have at least one of each gender represented among the last three candidates in the hiring process for management positions. The share of the underrepresented gender has remained unchanged during 2017.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year end.

Outlook

Swire Blue Ocean will continue to provide support to the offshore wind industry and the decommissioning of offshore oil & gas operations. Due to the current contract coverage and planned repair and maintenance work of the vessels in 2018, the financial performance of the Company for 2018 is expected to improve compared to 2017.

Swire Blue Ocean has made a strategic decision to build up capabilities to become a Transport and Installation (T&I) contractor, which means the office staff will grow from 30 people to app. 45 people. These resources are mainly hired to handle the increased bidding complexity, but also to prepare the business for new requirements in the execution phase e.g. quality management, supply chain management and subcontractor management.

It is not the intention to build up a large fixed overhead, while bidding and operating as a T&I contractor, but more to rely on a smaller and agile set-up, and partnerships with other companies for the work that is considered to be outside our "standard" scope.

Furthermore, Swire Blue Ocean has started to explore new offshore wind markets, primarily in Asia and the US, and will continue to monitor these markets to allow the business to evaluate, whether it is possible to build a pipeline of projects, which could drive a healthy business model in markets outside the EU.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2017	2016
2	**Revenue**	334,576	528,143
3	Other operating income	2,282	98
	External expenses	-371,396	-431,809
	Gross margin	-34,538	96,432
4	Staff costs	-23,722	-21,919
	Depreciation and impairment of property, plant and equipment	-338	-366
	Profit/loss before net financials	-58,598	74,147
	Financial income	71	355
	Financial expenses	-560	-6,721
	Profit/loss before tax	-59,087	67,781
5	Tax for the year	11,591	-14,920
	Profit/loss for the year	-47,496	52,861

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2017	2016
	ASSETS		
	Fixed assets		
6	**Property, plant and equipment**		
	Cars	61	189
	Other fixtures and fittings, tools and equipment	316	291
		377	480
7	**Investments**		
	Deposits	2,028	590
		2,028	590
	Total fixed assets	2,405	1,070
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	4,844	5,432
		4,844	5,432
	Receivables		
	Trade receivables	23,339	44,006
	Receivables from group entities	143,279	167,583
9	Deferred tax assets	11,805	225
	Other receivables	1,150	315
	Prepayments	475	261
		180,048	212,390
	Cash	5,973	6
	Total non-fixed assets	190,865	217,828
	TOTAL ASSETS	193,270	218,898

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2017	2016
	EQUITY AND LIABILITIES		
	Equity		
8	Share capital	780	780
	Retained earnings	126,639	174,135
	Total equity	127,419	174,915
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Deferred income	0	18,556
		0	18,556
	Current liabilities other than provisions		
	Trade payables	6,967	1,438
	Corporation tax	0	3,431
	Other payables	5,420	4,954
	Deferred income	53,464	15,604
		65,851	25,427
	Total liabilities other than provisions	65,851	43,983
	TOTAL EQUITY AND LIABILITIES	193,270	218,898

1 Accounting policies
10 Contractual obligations and contingencies, etc.
11 Collateral
12 Related parties
13 Fee to the auditors appointed by the Company in general meeting

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2016	780	121,274	122,054
14	Transfer, see "Appropriation of profit/loss"	0	52,861	52,861
	Equity at 1 January 2017	780	174,135	174,915
14	Transfer, see "Appropriation of profit/loss"	0	-47,496	-47,496
	Equity at 31 December 2017	780	126,639	127,419

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Swire Blue Ocean A/S for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies applied by the Company are consistent with those of last year.

The financial statements are presented in Danish kroner.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flows are part of the consolidated cash flow statement for the intermediate parent company, Swire Pacific Limited.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue from charter hire and associated services is recognised in the income statement when delivery and transfer of risk has incurred before year end.

Booking fees are recognised during the hire period as the booking fees are assessed to be part of the lease service provided.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating income

Other operating income comprises items of a secondary nature relative to the entity's core activities, including gains or losses on the sale of non-current assets.

External expenses

Other external expenses include the year's expenses relating to the entity's core activities, including charter and crew hire and expenses relating to sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation/depreciation

The item comprises depreciation and impairment of property, plant and equipment.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Cars	5 years
Other fixtures and fittings, tools and equipment	2-3 years

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the administrative company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the administrative company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash and cash equivalents comprise cash.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As administrative company for all the entities in the joint taxation arrangement, the Company is liable for the Danish group entities' income taxes vis-à-vis the tax authorities as the Danish group entities pay their joint taxation contributions. Joint taxation contributions payables or receivables are recognised in the balance sheet as income tax receivable or payable.

Other payables

Other payables are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios.

The financial ratios stated under "Financial highlights" have been calculated as follows:

Return on assets $\dfrac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$

Equity ratio $\dfrac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$

Return on equity $\dfrac{\text{Profit/loss for the year after tax x 100}}{\text{Average equity}}$

DKK'000	2017	2016
2 **Segment information**		
Charter hire income, Windfarm Installation Vessels	334,576	528,143
	334,576	528,143

DKK'000	2017	2016
3 **Other operating income**		
Other operating income	2,282	98
	2,282	98

Other operating income for 2017 consists of reimbursed costs from the settlement of a legal dispute relating to a submission of a public tender in 2016.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2017	2016
4 Staff costs		
Wages/salaries	23,659	21,858
Other social security costs	63	61
	23,722	21,919
Average number of full-time employees	28	27
Remuneration to members of management:		
Executive board	2,778	3,120
	2,778	3,120

DKK'000	2017	2016
5 Tax for the year		
Estimated tax charge for the year	0	14,913
Deferred tax adjustments in the year	-11,580	29
Tax adjustments, prior years	-11	-22
	-11,591	14,920

Financial statements 1 January - 31 December

Notes to the financial statements

6 Property, plant and equipment

DKK'000	Cars	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2017	642	2,358	3,000
Additions	0	235	235
Cost at 31 December 2017	642	2,593	3,235
Impairment losses and depreciation at 1 January 2017	453	2,067	2,520
Depreciation	128	210	338
Impairment losses and depreciation at 31 December 2017	581	2,277	2,858
Carrying amount at 31 December 2017	61	316	377
Depreciated over	5 years	2-3 years	

7 Investments

DKK'000	Deposits
Cost at 1 January 2017	590
Additions in the year	1,438
Cost at 31 December 2017	2,028
Carrying amount at 31 December 2017	2,028

8 Share capital

Analysis of the share capital:

780,000 shares of DKK 1.00 nominal value each	780	780
	780	780

The Company's share capital has remained DKK 780 thousand over the past 5 years.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2017	2016
9 **Deferred tax**		
Deferred tax at 1 January	-225	-254
Adjustment of deferred tax for the year	-11,580	29
Deferred tax at 31 December	-11,805	-225
Deferred tax relates to:		
Property, plant and equipment	-299	-225
Tax loss	-11,506	0
	-11,805	-225

Besides the tax loss recognised in the statement of deferred tax, the Company has additional tax loss carry-forwards at a carrying amount of DKK 1,374 thousand. As it is uncertain if these tax losses can be utilised within a foreseeable future, their carrying amount has not been recognised in the financial statements.

The deferred tax asset as of 31 December 2017 has been recognised based on Management's best estimate for what will be utilised in 2018.

Financial statements 1 January - 31 December

Notes to the financial statements

10 Contractual obligations and contingencies, etc.

Other contingent liabilities

Tonnage taxation

In December 2015, the Danish Parliament passed a bill to expand the scope of the Danish tonnage tax regime, which since then has been pending EU Commission approval. In the event that the EU Commission approves the new legislation in its current form, Management will assess the suitability of and an application to enter the new Danish tonnage tax regime. If the regime is applied with retrospective effect or in 2018, the Company's tax expense recognised in 2016 and/or the value of the Company's tax loss to be carried forward as at 31 December 2017 may be significantly impacted as compared to the amount currently recognised under the applicable Danish corporate income tax regime.

Joint taxation

The Company is jointly taxed with the Danish group entity. As the administrative company, the Company is jointly taxed with the other Danish group entities and has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties in the joint taxation group. At 31 December 2017, the net taxes payable to SKAT by the companies included in the joint taxation amounted to DKK 46 thousand. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail that the companies' liability will increase.

Other financial obligations

Rent and lease liabilities vis-à-vis the parent company and its other subsidiaries:

DKK'000	2017	2016
Rent and lease liabilities	543,795	772,282

The minimum lease obligation in accordance with the renewed bareboat contracts with a related company amounts to DKK 544 million (2016: DKK 772 million). The agreement was signed in January 2017 and expires 31 December 2021.

Other rent and lease liabilities:

DKK'000	2017	2016
Rent and lease liabilities	13,329	2,218

11 Collateral

Other receivables at a carrying amount of DKK 651 thousand at 31 December 2017 have been pledged as security.

Financial statements 1 January - 31 December

Notes to the financial statements

12 Related parties

Swire Blue Ocean A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Parent Company, Swire Pacific Offshore Operations (Pte) Ltd.	Singapore	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Swire Pacific Limited	Hong Kong	www.swirepacific.com

Related party transactions

Swire Blue Ocean A/S was engaged in the below related party transactions:

DKK'000	2017	2016
Lease of vessels	-204,912	-224,576
Crew hire	-82,019	-102,753
Management fee	-6,859	-7,521
Other	0	-57
Receivables from related partes	143,279	167,383

DKK'000	2017	2016
13 Fee to the auditors appointed by the Company in general meeting		
Statutory audit	100	70
Tax assistance	608	218
Other assistance	15	272
	723	560

DKK'000	2017	2016
14 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Retained earnings/accumulated loss	-47,496	52,861
	-47,496	52,861

Swire Blue Ocean A/S

Arne Jacobsens Allé 7, 7., 2300 København S

CVR no. 31 18 05 03

Annual report 2018

Approved at the Company's annual general meeting on 24 June 2019

Chairman:

....

Mikkel Gleerup

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Swire Blue Ocean A/S for the financial year 1 January - 31 December 2018.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 24 June 2019
Executive Board

Mikkel Gleerup
CEO

Martin Møller Olesen
CFO

Board of Directors:

B. Townsley

Richard Lawrence Sell
Chairman

Roy George Shearer

Brian Townsley

Mikkel Gleerup

Martin Møller Olesen

Independent auditor's report

To the shareholder of Swire Blue Ocean A/S

Opinion

We have audited the financial statements of Swire Blue Ocean A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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, 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 internal control.

Independent auditor's report

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's 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 to cease to continue as a going concern.

Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view

We communicate with those charged with governance 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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 Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 24 June 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jens Thordahl Nøhr
State Authorised Public Accountant
mne32212

Management's review

Company details

Name	Swire Blue Ocean A/S
Address, Postal code, City	Arne Jacobsens Allé 7, 7., 2300 København S
CVR no.	31 18 05 03
Established	15 January 2008
Registered office	København
Financial year	1 January - 31 December
Website	www.swireblueocean.com
Board of Directors	Richard Lawrence Sell, Chairman Roy George Shearer Brian Townsley Mikkel Gleerup Martin Møller Olesen
Executive Board	Mikkel Gleerup, CEO Martin Møller Olesen, CFO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Financial highlights

DKK'000	2018	2017	2016	2015	2014
Key figures					
Revenue	536,992	334,576	528,143	746,821	-
Ordinary operating profit/loss	18,548	-60,880	74,147	142,938	-41,264
Net financials	1,144	-489	-6,366	4,415	-3,542
Profit/loss for the year	6,861	-47,496	52,861	112,699	-34,285
Total assets	198,359	193,270	218,898	157,555	78,077
Investment in property, plant and equipment	1,286	235	317	93	107
Equity	134,280	127,419	174,915	122,055	9,356
Financial ratios					
Return on assets	9.5%	-29.5%	39.4%	121.3%	-36.3%
Equity ratio	67.7%	65.9%	79.9%	77.5%	12.0%
Return on equity	5.2%	-31.4%	35.6%	171.5%	-129.4%
Average number of employees	32	28	27	27	23

Financial ratios are calculated in accordance with the terms and definitions included in the accounting policies (note 1).

Revenue for the year 2014 is not disclosed as the Company was subject to the reporting requirements applying to medium reporting class C entities and decided not to disclose its revenue.

Management's review

Business review

Swire Blue Ocean was founded in 2008 and is a leading marine service provider to the offshore windfarm industry. The Company supports the installation of offshore wind foundations and turbines, as well as the decommissioning of offshore oil & gas operations. It also provides consultancy services, operation and maintenance support, and offshore accommodation.

Swire Blue Ocean is a wholly-owned subsidiary of Swire Pacific Offshore Group, based in Singapore, and is a constituent of the Marine Services Division of Swire Pacific Limited, listed in Hong Kong. Swire Pacific Offshore had a fleet of 77 offshore support vessels as at 31 December 2018, and serves the energy industry in every major offshore production and exploration region outside the USA. Further information can be found in the annual report of Swire Pacific Limited.

The Company's vision is: Excellence in Marine Services. Excellence in every operation, every time, everywhere.

The Company's mission is: The Global offshore Wind, Construction and Decommissioning Partner. Delivering the promise through superior vessels, committed and competent employees. Focusing on safety.

Financial review

The income statement for 2018 shows a profit of DKK 6,861 thousand against a loss of DKK 47,496 thousand last year, and the balance sheet at 31 December 2018 shows equity of DKK 134,280 thousand.

The results of operation for the year is lower than expected, as it was negatively impacted by an incident on one of the vessels' cranes during the year. Except for this, the results of the operations for the year was as expected.

The Company's principal activity is dependent on the bareboat charter agreements entered into with a related company. Bareboat charter agreements covering the period 1 January 2017 - 31 December 2021 were signed 18 January 2017.

Knowledge resources

It is essential for Swire Blue Ocean's continued growth to attract and maintain highly skilled labor, including engineers with expertise to modify the vessels for customer projects and to support the continued operation of the vessels and commercial people with network in the industry.

Special risks

General risks
The Company is strongly positioned and operates reliable, highly specialised and fuel efficient vessels worldwide. The Company keeps up with all developments and advancements in the windfarm installation and energy exploration industries.

Financial risks
The Company has a strong balance sheet and further, the Company's intermediate holding company, Swire Pacific Offshore Holdings Ltd, has committed to provide continuing financial support to enable the Company to meet its obligations as and when they fall due.

Foreign exchange risks
The Company is exposed to foreign currency risks. Income is primarily invoiced in EUR and a majority of the Company's operating and administrative costs are invoiced and paid in USD.

Credit risks
The Company adopts stringent procedures on extending credit terms to customers and on the monitoring of credit risk. The Company deals only with customers with an appropriate history and obtains sufficient security where appropriate to mitigate credit risk.

Management's review

Statutory CSR report

For the statutory statement on corporate responsibility cf. section 99a of the Danish Financial Statements Act, Swire Blue Ocean is part of Swire Pacific Group, who has developed a Sustainability Report that covers the entire Group. For Swire Blue Ocean's statutory report on Corporate Social Responsibility, please see Swire Pacific Group's Sustainability Report (included in the 2018 Annual report for Swire Pacific Group): https://www.swirepacific.com/en/ir/reports/ar18.pdf

Account of the gender composition of Management

Swire Blue Ocean has set a goal of having at least one woman included in the Board of Directors before 2020. During 2018, two of the board members resigned. Two new board members were elected in 2018. There was no female candidates in connection with the election of the new board members, and at the date of the approval of the 2018 financial statements, the Board of Directors therefore comprised 5 men and 0 women.

During 2018, 1 out of 8 of our Managers at other managerial positions was a woman. We wish to ensure a diverse workforce and have a policy of increasing the underrepresented gender on management levels. In order to support this policy, Swire Blue Ocean seeks to have at least one of each gender represented among the last three candidates in the hiring process for management positions. The one female Manager left her position late 2018, her position will due to restructuring not be re-occupied with a new candidate.

Overall, the current gender composition in Swire Blue Ocean is 62% men and 38% women.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year end.

Outlook

Swire Blue Ocean will continue to provide support to the offshore wind industry and the decommissioning of offshore oil & gas operations. Due to the current contract coverage and planned repair and maintenance work of the vessels in 2019, the financial performance of the Company for 2019 is expected to result in a loss before tax in the range of DKK 70-80 million.

Swire Blue Ocean has made a strategic decision to build up capabilities to become a Transport and Installation (T&I) contractor, which means the office staff will grow from 30 people to app. 45 people. These resources are mainly hired to handle the increased bidding complexity, but also to prepare the business for new requirements in the execution phase e.g. quality management, supply chain management and subcontractor management.

It is not the intention to build up a large fixed overhead, while bidding and operating as a T&I contractor, but more to rely on a smaller and agile set-up, and partnerships with other companies for the work that is considered to be outside our "standard" scope.

Furthermore, Swire Blue Ocean has started to explore new offshore wind markets, primarily in Asia and the US, and will continue to monitor these markets to allow the business to evaluate, whether it is possible to build a pipeline of projects, which could drive a healthy business model in markets outside the EU.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2018	2017
2	Revenue	536,992	334,576
3	Other operating income	0	2,282
	External expenses	-489,176	-371,396
	Gross profit	47,816	-34,538
4	Staff costs	-28,704	-23,722
	Depreciation and impairment of property, plant and equipment	-565	-338
	Profit/loss before net financials	18,547	-58,598
	Financial income	1,502	71
	Financial expenses	-358	-560
	Profit/loss before tax	19,691	-59,087
5	Tax for the year	-12,830	11,591
	Profit/loss for the year	6,861	-47,496

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2018	2017
	ASSETS		
	Fixed assets		
6	Property, plant and equipment		
	Cars	0	61
	Other fixtures and fittings, tools and equipment	1,098	316
		1,098	377
7	Investments		
	Deposits	1,538	2,028
		1,538	2,028
	Total fixed assets	2,636	2,405
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	6,313	4,844
		6,313	4,844
	Receivables		
	Trade receivables	93,987	23,339
	Receivables from group entities	89,047	143,279
9	Deferred tax assets	0	11,805
	Joint taxation contribution receivable	79	0
	Other receivables	2,439	1,150
	Prepayments	393	475
		185,945	180,048
	Cash	3,465	5,973
	Total non-fixed assets	195,723	190,865
	TOTAL ASSETS	198,359	193,270

C

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2018	2017
	EQUITY AND LIABILITIES		
	Equity		
8	Share capital	780	780
	Retained earnings	133,500	126,639
	Total equity	134,280	127,419
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Deferred income	481	0
		481	0
	Current liabilities other than provisions		
	Trade payables	7,497	6,967
	Corporation tax	1,132	0
	Other payables	5,958	5,420
	Deferred income	49,011	53,464
		63,598	65,851
	Total liabilities other than provisions	64,079	65,851
	TOTAL EQUITY AND LIABILITIES	198,359	193,270

1 Accounting policies
10 Contractual obligations and contingencies, etc.
11 Related parties
12 Fee to the auditors appointed by the Company in general meeting

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2017	780	174,135	174,915
13	Transfer, see "Appropriation of profit/loss"	0	-47,496	-47,496
	Equity at 1 January 2018	780	126,639	127,419
13	Transfer, see "Appropriation of profit/loss"	0	6,861	6,861
	Equity at 31 December 2018	780	133,500	134,280

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Swire Blue Ocean A/S for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Changes in accounting policies

The accounting policies applied by the Company are consistent with those of last year, except that the Company has chosen to adopt IFRS 15 as interpretation for revenue recognition as of 1 January 2018. The company has used the modified retrospective approach without restatement of prior periods. The adjustment as of 1 January 2018 amounted to DKK 0.

The financial statements are presented in Danish kroner.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flows are part of the consolidated cash flow statement for the intermediate parent company, Swire Pacific Limited.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IFRS 15 as interpretation for revenue recognition.

Revenue from charter hire and associated services is recognised in the income statement when delivery and transfer of risk has incurred before year end.

Booking fees are recognised during the hire period as the booking fees are assessed to be part of the lease service provided.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating income

Other operating income comprises items of a secondary nature relative to the entity's core activities, including gains or losses on the sale of non-current assets.

External expenses

Other external expenses include the year's expenses relating to the entity's core activities, including charter and crew hire and expenses relating to sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation/depreciation

The item comprises depreciation and impairment of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Cars	5 years
Other fixtures and fittings, tools and equipment	2-3 years

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the administrative company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the administrative company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Impairment of fixed assets

The carrying amount of property, plant and equipment and investments is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash and cash equivalents comprise cash.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As administrative company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Other payables

Other payables are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial ratios

Return on assets $\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$

Equity ratio $\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$

Return on equity $\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

DKK'000	2018	2017
2 Segment information		
Breakdown of revenue by business segment:		
Charter hire income, Windfarm Installation Vessels	536,992	334,576
	536,992	334,576
3 Other operating income		
Other operating income	0	2,282
	0	2,282

Other operating income for 2017 consists of reimbursed costs from the settlement of a legal dispute relating to a submission of a public tender in 2016.

	2018	2017
4 Staff costs		
Wages/salaries	28,632	23,659
Other social security costs	72	63
	28,704	23,722

Wages/salaries include expenses for temps and temporary assistance, but they are not reflected in the average number of full-time employees.

	2018	2017
Average number of full-time employees	32	28

Remuneration to members of management:

	2018	2017
Executive board	3,058	2,778
	3,058	2,778

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2018	2017
5 Tax for the year		
Estimated tax charge for the year	1,102	0
Deferred tax adjustments in the year	11,805	-11,580
Tax adjustments, prior years	0	-11
Refund in joint taxation	-77	0
	12,830	-11,591

6 Property, plant and equipment

DKK'000	Cars	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2018	642	2,593	3,235
Additions	0	1,286	1,286
Disposals	0	-1,947	-1,947
Cost at 31 December 2018	642	1,932	2,574
Impairment losses and depreciation at 1 January 2018	581	2,277	2,858
Depreciation	61	504	565
Amortisation/depreciation and impairment of disposals in the year	0	-1,947	-1,947
Impairment losses and depreciation at 31 December 2018	642	834	1,476
Carrying amount at 31 December 2018	0	1,098	1,098
Depreciated over	5 years	2-3 years	

7 Investments

DKK'000	Deposits
Cost at 1 January 2018	2,028
Disposals in the year	-490
Cost at 31 December 2018	1,538
Carrying amount at 31 December 2018	1,538

DKK'000	2018	2017
8 Share capital		
Analysis of the share capital:		
780,000 shares of DKK 1.00 nominal value each	780	780
	780	780

The Company's share capital has remained DKK 780 thousand over the past 5 years.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2018	2017
9 Deferred tax		
Deferred tax at 1 January	-11,805	-225
Adjustment of deferred tax for the year	11,805	-11,580
Deferred tax at 31 December	0	-11,805
Deferred tax relates to:		
Property, plant and equipment	0	-299
Tax loss	0	-11,506
	0	-11,805

The Company has tax loss carry-forwards at a tax value of DKK 9,852 thousand. As it is uncertain if these tax losses can be utilised within a foreseeable future, their carrying amount has not been recognised in the financial statements.

10 Contractual obligations and contingencies, etc.

Other contingent liabilities

Tonnage taxation

In December 2015, the Danish Parliament passed a bill to expand the scope of the Danish tonnage tax regime. The EU Commission has approved the new legislation with an effective date of 1 January 2017. Since the effective date has been changed by the EU Commission compared to the bill passed in the Danish Parliament, a new bill must be enacted. Due to the June 2019 election to the Danish Parliament, such a bill is expected to be set forth in the fall of 2019. Until then, Management will assess the suitability of an application to enter the new Danish tonnage tax regime.

If the regime is applied with retrospective effect from the income year 2017, the Company's current and deferred taxes accounted for in 2017 and 2018 and the value of the Company's tax loss to be carried forward as at 31 December 2018, currently recognised under the applicable Danish corporate income tax regime, may be significantly impacted.

Joint taxation

The Company is jointly taxed with the Danish group entity. As the administrative company, the Company is jointly taxed with the other Danish group entities and has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties in the joint taxation group. At 31 December 2018, the net taxes payable to SKAT by the companies included in the joint taxation amounted to DKK 1,132 thousand. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail that the companies' liability will increase.

Transfer pricing audit

In 2017, the Danish Tax Authorities ("Authorities") requested transfer pricing documentation for certain preceding tax years. In 2019, the Authorities issued a preliminary assessment for the years under review, in which they put forth a material upward adjustment of the taxable income for the concerned years.

Management have challenged certain key assumptions applied by the Authorities, and discussions on the matter are ongoing.

Based on the uncertainty of the outcome, no provision has been recognised as of 31 December 2018.

Financial statements 1 January - 31 December

Notes to the financial statements

Other financial obligations

Rent and lease liabilities vis-à-vis the parent company and its other subsidiaries:

DKK'000	2018	2017
Rent and lease liabilities	428,325	543,795

The minimum lease obligation in accordance with bareboat contracts with a related company amounts to DKK 428 million (2017: DKK 544 million). The agreement was signed in January 2017 and expires 31 December 2021.

Other rent and lease liabilities:

DKK'000	2018	2017
Rent and lease liabilities	11,835	13,329

11 Related parties

Swire Blue Ocean A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Parent Company, Swire Pacific Offshore Operations (Pte) Ltd.	Singapore	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Swire Pacific Limited	Hong Kong	www.swirepacific.com

Related party transactions

Swire Blue Ocean A/S was engaged in the below related party transactions:

DKK'000	2018	2017
Lease of vessels	-255,552	-204,912
Crew hire	-81,784	-82,019
Management fee	-11,996	-6,859
Receivables from related parties	89,047	143,279
Joint taxation contribution receivable	79	0

12 Fee to the auditors appointed by the Company in general meeting

Statutory audit	103	100
Tax services	716	608
Other services	159	15
	978	723

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2018	2017
13 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Retained earnings/accumulated loss	6,861	-47,496
	6,861	-47,496

C

SWIRE BLUE OCEAN A/S

(Incorporated in Denmark. Registration Number (CVR no.): 31 18 05 03)
(Arne Jacobsens Allé 7, 7., DK-2300 Copenhagen S, Denmark)

ANNUAL REPORT

For the financial year ended 31 December 2019

Approved at the Company's annual general meeting on 30 September 2020

Chairman:

Richard Lawrence Sell

SWIRE BLUE OCEAN A/S
(Incorporated in Denmark)

ANNUAL REPORT
For the financial year ended 31 December 2019

Contents

STATEMENT BY MANAGEMENT

For the financial year ended 31 December 2019

The Board of Directors and the Executive Board have today discussed and approved the annual report of Swire Blue Ocean A/S for 2019.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of their operations and cash flows for the financial year 1 January – 31 December 2019.

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

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 30 September 2020

Executive Board:

Mikkel Gleerup
CEO

Martin Møller Olesen
CFO

Board of Directors:

Richard Lawrence Sell
Chairman

Roy George Shearer

B. Townsley.

Brian Townsley

Mikkel Gleerup

Martin Møller Olesen

To the shareholder of Swire Blue Ocean A/S

Opinion

We have audited the financial statements of Swire Blue Ocean A/S for the financial year 1 January – 31 December 2019, which comprise statement of profit and loss and other comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2019 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards 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 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement 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, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.

Copenhagen, 30 September 2020
EY Godkendt Revisionspartnerselskab
CVR-no. 30 70 02 28

Jens Thordahl Nøhr
State Authorised Public Accountant
mne32212

Company details

Name	Swire Blue Ocean A/S
Address, Postal code, City	Arne Jacobsens Allé 7, 7., DK-2300 Copenhagen S, Denmark
Registration no. (CVR no.)	31 18 05 03
Established	15 January 2008
Registered office	Copenhagen, Denmark
Financial year	1 January - 31 December
Website	www.swireblueocean.com
Board of Directors	Richard Lawrence Sell, Chairman Roy George Shearer Brian Townsley Mikkel Gleerup Martin Møller Olesen
Executive Board	Mikkel Gleerup, CEO Martin Møller Olesen, CFO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, DK-2000 Frederiksberg, Denmark

Financial highlights

EUR'000	2019	2018	2017	2016	2015
Key figures	IFRS	IFRS	Danish GAAP	Danish GAAP	Danish GAAP
Charter hire revenue	32,667	61,172			
Other revenue	2,215	10,481			
Revenue (total)	34,882	71,653	44,644	70,472	99,651
EBITDAR*	8,274	36,964	19,568	39,908	66,939
Gross (loss)/profit	(9,749)	16,198			
Operating profit/(loss)	(17,145)	6,718	(7,819)	9,894	19,073
Net financials	(8,538)	(11,345)	(65)	(849)	589
Profit/(loss) for the year	(27,263)	(6,339)	(6,338)	7,053	15,038
Total assets	107,669	134,843	25,789	29,208	21,023
Non-current asset	93,153	108,794	50	42	12
Total liabilities	124,269	124,180	8,786	5,869	4,737
Equity	(16,600)	10,663	17,002	23,339	16,286
Cash flow from:					
- operating activities	(2,012)	12,151			
- investing activities	(64)	28			
(of which investment in property, plant and equipment)	(64)	(172)	(31)	(42)	(12)
- financing activities	2,922	(12,579)			
Cash and cash equivalents	1,243	397			

Financial ratios

Return on assets (%)	-25.3%	4.7%	-24.6%	24.1%	71.5%
Equity ratio (%)	-15.4%	7.9%	65.9%	79.9%	77.5%
Contracted days (no. of days)	383	443	403	474	544
Utilization (%)	52.5%	60.7%	55.2%	64.9%	74.5%
Average day rate (EUR'000)	85.3	138.1	102.8	133.0	176.0

Share related key figures

Earnings per share (EPS)	(35.0)	(8.1)	(8.1)	9.0	19.3
Diluted earnings per share (diluted EPS)	(35.0)	(8.1)	(8.1)	9.0	19.3

Average number of employees	**33**	**32**	**28**	**27**	**27**

Financial ratios are calculated in accordance with the terms and definitions included in the accounting policies (Note 2.18 to the financial statements).

2019 and 2018 figures are prepared in accordance with IFRS and 2017, 2016 and 2015 are prepared in accordance with Danish GAAP, however converted from DKK to EUR. The principal difference between IFRS and Danish GAAP is the application of IFRS 16 (as further set out in note 3 to the financial statements).

The audited financial statements for 2017, 2016 and 2015 did not provided a revenue split. The company did not present cash flow statements nor gross profit/(loss) under Danish GAAP. Therefore, cash flow statements and gross profit/(loss) are not presented for 2017, 2016 and 2015.

*EBITDAR is equal to Earnings Before Interest, Tax, Depreciation, Amortization, unrealized foreign exchange gains/losses and bareboat Rent (in the form of variable lease fee and right-of-use asset amortization calculated in accordance with IFRS 16). Refer to note 20 to the financial statements.

Management's review

Business review

The Company is a leading offshore wind farm transportation and installation ("T&I") contractor headquartered in Copenhagen, Denmark. The Company operates two offshore jack up windfarm installation vessels, Pacific Orca and Pacific Osprey. In addition to wind farm installation, these vessels can perform maintenance, construction, decommissioning, and other tasks within the offshore industry. The Company has completed approximately 30 offshore projects from 2012 to 2020. The Company has a leading market position and strong relations with blue-chip customers in the industry.

Most of the Company's early work was installing foundations. The vessels' size "made them better at doing this than competing vessels. The vessels were also better suited to this work than to installing the then small wind turbine generators (WTGs). The Company has installed 414 foundations since 2013. Now that WTGs have increased significantly in size, installing them is the most appropriate work for the Company's vessels. Vessels which cannot jack up, cannot compete except where the water is too deep for vessels to jack up.

The Company has installed 287 wind turbines since 2014. Industry records have been achieved (fastest installation, deepest soil penetration, largest offshore wind turbine and first hurricane turbine). The number of WTGs installed by the Company is expected to double in the coming years, with projects already secured in the pipeline.

The Company has done three operations and maintenance ("O&M") projects, including one of the largest O&M projects in the offshore wind industry, with 600 days of work on more than 20 sites. The Company has done accommodation work for the electrical completion of offshore substations and decommissioning work. These types of work help to keep utilisation high between installation projects and to cover operating costs, however typically at lower day rates.

Swire Blue Ocean is a wholly-owned subsidiary of Swire Pacific Offshore Group, based in Singapore, and is a constituent of the Marine Services Division of Swire Pacific Limited, listed in Hong Kong. Further information can be found in the annual report of Swire Pacific Limited.

The Company's vision is to provide excellence in offshore marine services to the offshore wind industry and to be environmentally sustainable. As of 31 December 2019, the vessels have contributed to over 3 GW of offshore wind energy in European waters. The Company aims to increase its involvement in the offshore wind industry, supporting a sustainable energy source for millions of households, both in Europe and around the world.

Financial review

For the year commencing 1 January 2019, Management has decided that the Company will prepare its financial statements in accordance with International Financial Reporting Standards as adopted by the EU (IFRS). This decision was made to ensure the accounts were more comparable with non-Danish companies. Reference is made to note 3 in the financial statements for an explanation of the impact of the application of IFRS.

Revenue in 2019 was significantly down vs 2018 (-51.3%) and prior years. This was due to 1) a decrease in utilization (-13.5%) due to a crane incident that occurred late in 2018 resulting in one of the vessels being out of service for all of 2019; 2) a reduction in day rates (-38.2%) due to a management decision to build specific maintenance capabilities and take on a long term maintenance project during 2019. The crane incident will also impact 2020 results, as the vessel only returned to service in June 2020.

The reduction in revenue was partially mitigated by a reduction in costs (-19.9%), but the cost reduction was not significant enough to avoid a loss, and for 2019 the Company incurred a loss of EUR 27,263 thousand compared to a loss of EUR 6,339 thousand in 2018. A significant proportion of the loss in 2018 was due to the foreign exchange rate adjustment of the lease liability for the bareboat agreement, which is denominated in USD. The foreign currency exchange rate loss on the lease revaluation in 2019 was EUR 2,625 compared to a loss of EUR 5,827 thousand in 2018 (refer to note 7).

The loss in 2019 has resulted in the Company being in a net liability position. As of 31 December 2019, the equity of the Company is negative EUR 16,600 thousand.

On 25 September 2020, the Company's parent company made a non-cash contribution of EUR 200 million of equity and provided an intercompany term loan of EUR 49 million, which were used to acquire the two vessels currently held under bareboat leasing arrangements to the Company (via newly established, fully owned vesselcos) for a total consideration of USD 290 million. This equity injection has strengthened the financial position and returned the Company to a net asset position as well as improved the cash flow generation going forward due to the discontinuation of the leasing arrangements. The Company will use the vessels as basis for securing external funding to facilitate intercompany debt repayment and working capital requirements going forward.

The Company's parent company has furthermore provided a letter of support in which it undertakes to provide financial support to enable the Company to meet its liabilities as and when they fall due for at least 12 months from the signing date of the financial statements ending 31 December 2019.

The Company's principal activity is dependent on the bareboat charter agreements entered into with a related company, Swire Pacific Offshore Cyprus Ltd. (CYP). The bareboat charter agreements covering the period 1 January 2017 - 31 December 2021 were signed 18 January 2017. With committed customer contracts going into 2025 and embedded parent company guarantees, Management expects to use their implicit option to extend the bareboat charter agreements until 2025. As such the bareboat agreements with CYP have been classified and recognised as IFRS 16 leasing contracts for the period up until 2025, as the Company has signed windfarm installation projects going into the years 2020 – 2025 with multiple customers. Accordingly, the Company has recognised a Right-of-use asset and a leasing liability related to the bareboat charter agreements in accordance with IFRS 16.

In 2019 the Company underwent a transfer pricing audit conducted by the Danish Tax Authorities. The transfer-pricing audit was concluded 14 May 2020 and resulted in adjustments to prior year tax expense of EUR 1.6 million and interest expenses of EUR 642 thousand, which have been provided for at 31 December 2019. The interest expenses have been recognised under finance expenses.

An expansion of the Danish tonnage tax regime to cover wind farm installation vessels was passed in January 2020 with retroactive effect from 2017, 2017 inclusive. On this basis, the Company has informed the Danish Tax Authorities that it elects tonnage taxation. That choice has retroactive effect from 2017 inclusive. However, uncertainty exists over whether the Company has met all the requirements for tonnage taxation and thus been eligible for tonnage tax in 2017-2019. Given that uncertainty, Management has concluded not to account for the adoption of tonnage tax in these financial statements (refer to note 2.17). Management has applied for a binding ruling from the Danish National Tax Council on the applicability of tonnage taxation in 2017-2019.

Knowledge resources

It is essential for Swire Blue Ocean's continued growth to attract and maintain highly skilled labor, including engineers with expertise to modify the vessels for customer projects and to support the continued operation of the vessels and commercial people with network in the industry.

Research and development activities

The Company does not undertake any research and development activities. The focus of the Company is to support its customers with the construction of offshore wind farms.

Special risks

The Company only has two vessels and is vulnerable in the event of a loss of revenue of any such vessel.

The Company's fleet currently consists of the two Windfarm Installation Vessels, Pacific Orca and Pacific Osprey (together the vessels). If any of the vessels are taken out of operation, this could materially impact the Company's financial results.

The Company is exposed to hazards that are inherent to offshore operations

The Company is operating in the offshore industry and is thus subject to inherent hazards, such as breakdowns, technical problems, harsh weather conditions, environmental pollution, force majeure situations (nationwide strikes, etc.), collisions and groundings. These hazards can cause personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by third parties or customers and suspension of operations. Windfarm Installation Vessels, including the Company's Vessels, will also be subject to hazards inherent in marine operations, either while on-site or during mobilization, such as capsizing, sinking, grounding, collision, damage from severe weather and marine life infestations. Operations may also be suspended because of machinery breakdowns, abnormal operating conditions, failure of subcontractors to perform or supply goods or services or personnel shortages.

The Company is dependent on the employment of the vessels

The Company's income is dependent on project contracts and vessel charters for the employment of the vessels. Typically, these contracts are concluded several years in advance, giving visibility of future deployment. However, there is a risk that it may be difficult for the Company to obtain future cover for the vessels and utilization may drop. Windfarm installation projects are sanctioned at irregular intervals and installation projects in some locations are seasonal. Consequently, the vessels may need to be deployed on lower-yielding work-scopes or remain idle for periods without any compensation to the Company. There can also be off-hire periods as a consequence of accidents, technical breakdown and non-performance. The cancellation or postponement of one or more employment contracts can have a material adverse impact on the earnings of the Company.

Financial risks and dependency of related parties

The Company's intermediate holding company, Swire Pacific Offshore Holdings Ltd, is committed to provide continuing financial support to enable the Company to meet its obligations as and when they fall due.

The Company's principal activity is furthermore dependent on the bareboat charter agreements entered into with a related company in the Swire Pacific Limited Group. Furthermore, the Swire Pacific Limited Group provides crewing services as well as management services to the Company.

Foreign exchange risks

The Company is exposed to foreign currency risks. Income is primarily invoiced in EUR, as are the majority of costs or in DKK, which is pegged to the EUR. A significant proportion of the Company's operating and administrative costs are invoiced and paid in USD, including the bareboat charter agreements.

Credit risks

The Company adopts stringent procedures on extending credit terms to customers and on the monitoring of credit risk. The Company deals only with customers with an appropriate history and obtains sufficient security where appropriate to mitigate credit risk. Historically only immaterial credit losses has been experienced.

Impact on the external environment

Sustainability is a strategic objective for the Company and is key to its ability to create long-term value for its shareholder. It represents an opportunity for innovation and improved efficiency and a foundation for building sustained growth.

The Company has been committed to delivering leadership in environmental, health and safety, employment, business partnerships and community matters across its value chain. The Company is committed to pursue the long-term goals of radical decarbonisation and optimising energy efficiency. The Company strives constantly to identify and reduce the negative impacts that its business has on the environment, to monitor performance and identify areas for improvement. This is done, inter alia:

- through investment in a REDD+ (Reduced Emissions from avoided Deforestation and Forest Degradation) forest conservation scheme in Paraguay, which aims to preserve primary forests and biodiversity of the endemic species of flora and fauna;
- by the vessels being fully compliant with MARPOL II requirements and operating with low sulphur fuels;
- through participation in the production of Global Reporting Initiative (GRI) compliant sustainable performance reports since 2008.

Statutory CSR report

For the statutory statement on corporate responsibility cf. section 99a of the Danish Financial Statements Act, Swire Blue Ocean A/S is part of the Swire Pacific Group,

who has developed a Sustainability Report that covers the entire Group. For Swire Blue Ocean’s statutory report on Corporate Social Responsibility, please see Swire Pacific Group’s Sustainability Report (included in the 2019 Annual report for Swire Pacific Group):
https://www.swirepacific.com/en/ir/reports/ar19.pdf (pp. 113-119).

Account of the gender composition of Management

Swire Blue Ocean had set a goal of having at least one woman included in the Board of Directors before 2020. As there have not been any changes to the Board of Directors, the goal of having at least one woman in the Board of Directors was not met in 2019, and at the date of the approval of the 2019 financial statements, the Board of Directors therefore comprised 5 men and 0 women. Swire Blue Ocean has reassessed the strategy and determined to achieve the goal in 2021.

During 2019, none of our Managers at other managerial positions were women. We wish to ensure a diverse workforce and have a policy of increasing the underrepresented gender on management levels. In order to support this policy, Swire Blue Ocean seeks to have at least one of each gender represented among the last three candidates in the hiring process for management positions.

Overall, the current gender composition in Swire Blue Ocean as of 31 December 2019 is 67.7% men and 33.3% women.

Events after the balance sheet date

After the balance sheet date 31 December 2019, the COVID-19 pandemic negatively impacted Denmark and the rest of the world. However, with no cancellations or deferrals, the COVID-19 pandemic has not impacted current or future projects and Management considers the outbreak to constitute a non-adjusting event. As a result, Management has not adjusted any figures in the financial statements for 2019 in light of the COVID-19 pandemic.

As announced on 16 September 2020, Swire Blue Ocean intends to order a new vessel with an option for a second new-build, while planning to invest in new cranes for both Pacific Osprey and Pacific Orca. No firm capital commitments have yet been entered into by the Company.

On 25 September 2020, the Company’s parent company made a non-cash contribution of EUR 200 million of equity and provided an intercompany term loan of EUR 49 million, which were used to acquire the two vessels currently held under bareboat leasing arrangements to the Company (via newly established, fully owned vesselcos) for a total consideration of USD 290 million. This equity injection has strengthened the financial position and returned the Company to a net asset position (equity at 31 December 2019 was negative EUR 16,600 thousand) as well as improved the cash flow generation going forward due to the discontinuation of the leasing arrangements. The Company will use the vessels as basis for securing external funding to facilitate intercompany debt repayment and working capital requirements going forward.

No other events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Outlook

Swire Blue Ocean will continue to provide support to the offshore wind industry and the decommissioning of offshore oil & gas operations. Due to the current contract coverage and planned repair and maintenance work of the vessels in 2020, the financial performance of the Company for 2020 is expected to result in revenue between EUR 25 to 30 million compared to revenue of EUR 34.9 million in 2019.

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 amortisation. Refer to Note 20.

EBITDAR is expected to be in the range of EUR 0-5 million in 2020 compared to an EBITDAR of EUR 8.3 million for 2019.

With a number of signed contracts for committed projects 2021 to 2025, the project pipeline over this period is significantly stronger and Management expects that the Company will return to profit during this period.

Swire Blue Ocean has made a strategic decision to build up capabilities to become a Transport and Installation (T&I) contractor, which means the office staff will grow from app. 30 people to app. 45 people. These resources are mainly hired to handle the increased bidding complexity, but also to prepare the business for new requirements in the execution phase e.g. quality management, supply chain management and subcontractor management.

It is not the intention to build up a large fixed overhead, while bidding and operating as a T&I contractor, but more to rely on a smaller and agile set-up, and partnerships with other companies for the work that is considered to be outside our "standard" scope.

Furthermore, the Company has started to explore new offshore wind markets, primarily in Asia and the US, and will continue to monitor these markets to allow the business to evaluate, whether it is possible to build a pipeline of projects, which could drive a healthy business model in markets outside the EU.

SWIRE BLUE OCEAN A/S

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2019

	Note	**2019 EUR'000**	2018 EUR'000
Revenue	4	**34,882**	71,653
Cost of sales	5	**(44,631)**	(55,455)
Gross (loss)/profit		**(9,749)**	16,198
Other income		**7**	-
Administrative expenses	5, 6	**(7,403)**	(9,480)
Operating profit/(loss)	20	**(17,145)**	6,718
Finance income	7	**-**	200
Finance expenses	7	**(8,538)**	(11,545)
Loss before income tax		**(25,683)**	(4,627)
Income tax expense	8	**(1,580)**	(1,712)
Loss for the year		**(27,263)**	(6,339)
Other comprehensive income			
Other comprehensive income/(loss) for the year, net of tax		**-**	-
Total comprehensive income for the year, net of tax		**(27,263)**	(6,339)
Loss for the year attributable to:			
Equity holders of the parent		**(27,263)**	(6,339)
		(27,263)	(6,339)
Total comprehensive income attributable to:			
Equity holders of the parent		**(27,263)**	(6,339)
		(27,263)	(6,339)
Earnings per share			
Basic, loss for the year attributable to ordinary equity holders of the parent		**(34.95)**	(8.13)
Diluted, loss for the year attributable to ordinary equity holders of the parent		**(34.95)**	(8.13)

The accompanying notes form an integral part of these financial statements.

SWIRE BLUE OCEAN A/S

BALANCE SHEET
As at 31 December 2019

	Note	31 December 2019 EUR'000	31 December 2018 EUR'000	1 January 2018 EUR'000
ASSETS				
Non-current assets				
Property, plant and equipment	13	**130**	147	50
Rights-of-use assets	14	**92,813**	108,376	123,939
Leasehold deposits		**210**	206	271
		93,153	108,729	124,260
Current assets				
Inventories	11	**261**	842	646
Trade and other receivables	10	**12,925**	12,877	3,268
Receivables from group entities	22	**-**	11,882	19,118
Other current assets	12	**87**	116	63
Deferred tax asset	16	**-**	-	1,575
Cash and bank balances	9	**1,243**	397	797
		14,516	26,114	25,467
TOTAL ASSETS		**107,669**	134,843	149,727
EQUITY				
Issued share capital	17	**104**	104	104
(Accumulated losses)/retained earnings		**(16,704)**	10,559	16,898
Total equity		**(16,600)**	10,663	17,002
LIABILITIES				
Non-current liabilities				
Lease liabilities	19	**87,951**	101,173	105,392
Other payables	15	**134**	-	-
Deferred charter hire income	4	**-**	64	-
		88,085	101,237	105,392
Current liabilities				
Trade and other payables	15	**3,226**	1,795	1,652
Payables to group entities	22	**10,846**	-	-
Deferred charter hire income	4	**4,959**	6,540	7,134
Lease liabilities	19	**15,519**	14,457	18,547
Income tax payable	8	**1,634**	151	-
		36,184	22,943	27,333
Total liabilities		**124,269**	124,180	132,725
TOTAL EQUITY AND LIABILITIES		**107,669**	134,843	149,727

The accompanying notes form an integral part of these financial statements.

SWIRE BLUE OCEAN A/S

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2019

	Issued share capital EUR'000	(Accumulated losses)/ retained earnings EUR'000	Total EUR'000
2018			
Beginning of financial year	104	16,898	17,002
Loss for the year	0	(6,339)	(6,339)
Other comprehensive income for the year, net of tax	0	0	0
Total comprehensive income for the year	0	(6,339)	(6,339)
End of financial year	**104**	**10,559**	**10,663**
2019			
Beginning of financial year	104	10,559	10,663
Loss for the year	0	(27,263)	(27,263)
Other comprehensive income for the year, net of tax	0	0	0
Total comprehensive loss for the year	0	(27,263)	(27,263)
End of financial year	**104**	**(16,704)**	**(16,600)**

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2019

	Note	**2019** **EUR'000**	2018 EUR'000
Cash flows from operating activities			
Loss for the year		**(27,263)**	(6,339)
Adjustments for:			
- Depreciation and amortisation		**15,644**	15,638
- Interest expenses		**8,288**	11,506
- Interest income		**-**	(200)
- Income tax expense		**1,580**	1,712
		(1,751)	22,317
Changes in working capital			
- Inventories		**581**	(196)
- Trade and other receivables		**(23)**	(9,597)
- Trade and other payables		**923**	143
- Deferred revenue		**(1,645)**	(530)
Net change in working capital		**(164)**	(10,180)
Income tax paid		**(97)**	14
Net cash provided by operating activities		**(2,012)**	12,151
Cash flows from investing activities			
Additions to property, plant and equipment		**(64)**	(172)
Interest received		**-**	200
Net cash (used in)/provided by investing activities		**(64)**	28
Cash flows from financing activities			
Principal repayment of lease liabilities		**(14,784)**	(14,136)
Interest paid		**(5,022)**	(5,679)
Receivables from group entities		**11,882**	7,236
Payables to group entities		**10,846**	-
Net cash used in financing activities		**2,922**	(12,579)
Net increase/(decrease) in cash and cash equivalents		**846**	(400)
Cash and cash equivalents at beginning of financial year	9	**397**	797
Cash and cash equivalents at end of financial year	9	**1,243**	397

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

The Company is incorporated and domiciled in Denmark. The address of its registered office is Arne Jacobsens Allé 7, 7., DK-2300 Copenhagen S, Denmark.

The Company is a leading offshore wind farm T&I contractor headquartered in Copenhagen, Denmark. The Company operates two offshore jack up windfarm installation vessels, Pacific Orca and Pacific Osprey. In addition to wind farm installation, these vessels can perform maintenance, construction, decommissioning, and other tasks within the offshore industry.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU as well as additional Danish disclosure requirements applying to large reporting class C entities. Further they are prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

For periods up to and including the year ended 31 December 2018, the Company prepared its financial statements in accordance with the Danish Financial Statement Act. These financial statements for the year ended 31 December 2019 are the first the Company has prepared in accordance with IFRS. Refer to note 3 for information on how the Company adopted IFRS and the effects from the change from the Danish Financial Statement Act to IFRS.

The Company's financial statement have been prepared based on the historical cost convention, except as disclosed in the accounting policies below from 1 January 2018.

The preparation of these financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are further described in note 2.17.

The financial statements are presented in euros and all values are rounded to the nearest thousand (€000), except when otherwise indicated.

Going concern assessment

Due to the loss of EUR 27,263 thousand incurred in 2019, the Company is in a net liabilities position as at 31 December 2019 (equity at 31 December 2019 was negative EUR 16,600 thousand).

On 25 September 2020, the Company's parent company made a non-cash contribution of EUR 200 million of equity and provided an intercompany term loan of EUR 49 million, which were used to acquire the two vessels currently held under bareboat leasing arrangements to the Company (via newly established, fully owned vesselcos) for a total consideration of USD 290 million. This equity injection has strengthened the financial position and returned the Company to a net asset position as well as improved the cash flow generation going forward due to the discontinuation of the leasing arrangements. The Company will use the vessels as basis for securing external funding to facilitate intercompany debt repayment and working capital requirements going forward.

The Company's parent company has furthermore provided a letter of support in which it undertakes to provide financial support to enable the Company to meet its liabilities as and when they fall due for at least 12 months from the signing date of the financial statements ending 31 December 2019.

On this background, Management considers the Company as a going concern and accordingly these financial statements are prepared on a going concern basis.

2.2 Revenue recognition

(a) Time charter revenue

Revenue from time charter revenue is generated from leasing of vessels and provision of services within wind farming projects, catering and accommodation and mobilisation.

A time charter contract consists of a leasing component (the bareboat element) and a service component. The service component is within the scope of IFRS 15, while the leasing component is within the scope of IFRS 16. Refer to Note 2.8 on accounting policy for leases. Both the service component and the leasing component are recognised as revenue over time over the leasing period.

Prepayments from customers for which the service component has yet to be provided are recognised as deferred charter hire income and recognised as revenue over the period during which the services are performed.

Payments from customers for the bareboat element are recognised over time in accordance with the length of the customer contract. Prepayments from customers for the leasing component are recognised as deferred charter hire income. Refer to Note 2.13 for accounting policy on deferred charter hire income.

(b) *Catering and accommodation income*

Catering and accommodation income comprises income derived from catering services and the provision of accommodation. Revenue is recognised as the service is being provided over time.

(c) *Mobilisation income*

Mobilisation income comprises income for vessel mobilisation to support customer projects. Revenue is recognised over time as the service is being provided.

(d) *Sundry income*

Sundry income comprises income derived from the mark up on cost recharged to clients for example fuel, and specific charter equipment requests by the customer. Revenue is recognised on consumption or delivery of charter equipment.

(e) *Interest income*

Interest income is recognised using the effective interest method.

2.3 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Employee compensations include wages and salaries, including compensated absence and pensions, as well as other social security contributions made to the entity's employees or public & government authorities. The item is net of support schemes made by public & government authorities.

2.4 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.5 Income taxes

(a) *Income tax*

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax is measured at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

2.6 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Inventory covers fuel, lube and other immaterial items. Major spare parts are recorded as fixed assets.

2.7 Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over the assets' estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Cars	5 years
Other fixtures and fittings	2 to 3 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.8 Leases

When the company is the lessor

Lessor - Operating leases

The Company leases vessels (the bareboat element under time charter contracts) under operating leases to non-related parties. The sublease is classified as an operational lease, as such leases do not cover a significant part of the economic life of the head lease contract and the Company retains substantially all risks and rewards incidental to ownership of the leased assets. Rental income from operating leases is recognised in profit or loss on an over time basis over the lease term and included in revenue.

Initial direct costs incurred by the Company in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

When the company is the lessee

At the inception of the contract, the Company assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

a. Right-of-use assets

The Company recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities using an incremental borrowing rate adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

The right-of-use asset is subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability.

Right-of-use assets are depreciated on a straight-line basis over the lease term.

b. Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. The Company pays a utilization lease fee when the vessels are utilized. These payments are not included in the lease liability, as they are only paid when the vessels are utilized. The utilization lease fee has been classified as being a variable fee.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

c. Short-term and low-value leases

The Company has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term. Short-term and low-value leases consists of cars, coffee machines and AV equipment.

2.9 Impairment of non-financial assets

Property, plant and equipment and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing of assets, recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

2.10 Financial assets

The Company measures its financial assets at amortised cost.

The classification of debt instruments depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

(i) At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) At subsequent measurement

Debt instrument

Debt instruments of the Company mainly comprise of cash and bank balances, trade receivables and other current assets.

There are three prescribed subsequent measurement categories, depending on the Company's business model in managing the assets and the cash flow characteristic of the assets. The Company manages these group of financial assets by collecting the contractual cash flow and these cash flows represent solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

Interest income from these financial assets are recognised using the effective interest rate method.

The Company assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For trade and other receivables, the Company applied the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For cash and bank balances, the general 3-stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2.11 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

2.13 Deferred charter hire income

Time charter revenue received in advance and reservation fees are deferred and recognised as current liabilities if the service is due within one year or less. Otherwise, they are presented as non-current liabilities. Deferred charter hire income is recognised as revenue in profit or loss over timer over the period during which the related service is performed.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares are deducted against the share capital account.

2.15 Currency translation

The financial statements are presented in Euro (EUR), which is also the functional currency of the Company. See note 3 on reassessment of the functional and presentation currency in connection with conversion to IFRS.

Transactions in a currency other than the EUR ("foreign currency") are translated into EUR using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet are recognised in profit or loss. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Foreign exchange gains and losses impacting profit or loss are presented in the income statement within finance income or finance costs.

2.16 Cash flow statement

Statement of cash flows

The statement of cash flows shows the Company's cash flows for the year distributed on operating, investing and financing activities, net changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year

Positive amounts indicate cash inflows, whereas negative amounts indicate cash outflows.

Cash flows from operating activities

Cash flows from operating activities are stated as the profit/loss for the year adjusted for non-cash operating items such as depreciation, changes in working capital and income tax paid or received. Working capital includes current assets less current liabilities, excluding cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from the acquisition and sale of non-current assets.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from instalments on lease liabilities, and interest paid/received.

Cash and cash equivalents

Cash and cash equivalents are measured in the balance sheet nominal value, and mainly consists of short term deposits and cash and bank balances.

2.17 Significant accounting judgements, estimates and assumptions

Leases – Estimating the incremental borrowing rate and lease term

The Company cannot readily determine the implicit borrowing rate, therefore it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-to-use asset in a similar economic environment. The IBR therefore reflects what the Company "would have to pay", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the leases. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Company's stand-alone credit rating).

The lease term on the bareboat agreements where the Company is a lessee is determined as the non-cancellable term of the lease together with the period covered by committed customer contracts which are embedded with parent company guarantees, and which would require the Company to exercise the implicit option to extend the bareboat agreements to fulfil these contracts. Refer to note 14.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset including right-of-use assets or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available sales transactions conducted at arms length terms, if available. The value in use calculation is based on a DCF model. The cash flows are derived from the budget and the most recent project pipeline. These cash flows do not include restructuring activities or significant future investments which will enhance the performance of the assets or CGU being tested. The recoverable amount is sensitive to the discount rate used in the DCF model as well as future cash in-flows and growth rate assumptions. Refer to note 14.

Tonnage tax

An expansion of the Danish tonnage tax regime to cover wind farm installation vessels was passed in January 2020 with retroactive effect from 2017, 2017 inclusive. On this basis, the Company has informed the Danish Tax Authorities that it elects tonnage taxation. That choice has retroactive effect from 2017 inclusive. However, uncertainty exists over whether the Company has met all the requirements for tonnage taxation and thus been eligible for tonnage tax in 2017-2019. Given that uncertainty, Management has concluded not to account for the adoption of tonnage tax in these financial statements. Management has applied for a binding ruling from the Danish National Tax Council on the applicability of tonnage taxation in 2017-2019.

If the binding ruling is in favor of the Company, the tonnage tax regime will be adopted with retrospective effect from the income year 2017, which will result in the reversal of the Company's current and deferred taxes accounted for in 2017, 2018 and 2019. Further, the value of the Company's tax loss to be carried forward as at 31 December 2019 (not recognized) would then be reduced to nil (refer to note 16). The EUR 1.6 million recognized as a tax expense in 2019 would however not be reversed, as this tax expense relates to a transfer pricing audit of income years prior to 2017.

It would also require the recognition of tonnage tax charges for 2017, 2018 and 2019, which will amount to approximately EUR 12 thousand per year. These adjustments have not been reflected in the financial statements.

2.18 Financial ratios and operational metrics

Return on assets	Profit/loss from operating activities / Total assets, year-end

Year-end total assets has been adopted due to the adoption of IFRS and in particular IFRS 16 which creates significant variance in total assets in 2018 vs 2017.

Equity ratio	Equity, year-end / Total equity and liabilities, year-end
Contracted days	Number of on hire days in the fiscal year (in total for both vessels)
Utilization	Contracted days / Days in the year (365*two vessels)
Average day rate	Charter hire revenue / Contracted days

3. First time IFRS adoption and reconciliation

These financial statements, for the year ended 31 December 2019, are the first the Company has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2018, the Group prepared its financial statements in accordance with the Danish Financial Statements Act (Danish GAAP).

Accordingly, the Company has prepared financial statements that comply with IFRS applicable as at 31 December 2019, together with the comparative period data for the year ended 31 December 2018, as described in the summary of significant accounting policies (refer to note 2). In preparing the financial statements, the Company's opening statement of financial position was prepared as at 1 January 2018, the Company's date of transition to IFRS. This note explains the principal adjustments made by the Company in restating its Danish GAAP financial statements, including the statement of financial position as at 1 January 2018 and 31 December 2018 and the statement of profit and loss and other comprehensive income for the year ended 31 December 2018.

Reassessment of functional and presentation currency

Under Danish GAAP the Company used Danish kroner as the functional and presentation currency, in line with the Danish GAAP requirements. In connection with the conversion to IFRS, the Company has reassessed their functional and presentation currency. In order to better reflect the primary economic environment that the Company operates in and generates and expends cash, the Company sees it fit to apply EUR as the functional and presentation currency to reflect this. Given the fact that EUR and DKK have been fixed since 1999, the change in the functional currency has not given raise to any material effect.
The exchange rate from EUR to DKK has for the following dates been 1 January 2018, 31 December 2018 and 31 December 2019 respectively been 7.44; 7.47 and 7.47 (DKK per 1 EUR).

The change in currency has been reflected prospectively in the financial statement using the exchange rate at the date of the change.

3.1 Reconciliation of balance sheet as at 1 January 2018 (date transitioned to IFRS)

EUR'000	Notes	Danish GAAP	Reclassifications and Remeasurements	IFRS
ASSETS				
Non-current assets				
Property, plant and equipment		50	-	50
Rights-of-use assets	A	-	123,939	123,939
Leasehold deposits		271	-	271
		321	123,939	124,260
Current assets				
Inventories		646	-	646
Trade and other receivables		3,268	-	3,268
Receivables from group entities		19,118	-	19,118
Other current assets		63	-	63
Deferred tax asset		1,575	-	1,575
Cash and bank balances		797		797
		25,739	-	25,467
TOTAL ASSETS		25,789	123,939	149,727
EQUITY				
Issued share capital		104	-	104
(Accumulated losses)/retained earnings		16,898	-	16,898
Total equity		17,002	-	17,002
LIABILITIES				
Non-current liability				
Lease liabilities	A	-	105,392	105,392
		-	105,392	105,392
Current liabilities				
Trade and other payables		1,652	-	1,652
Deferred charter hire income		7,134	-	7,134
Lease liabilities	A	-	18,547	18,547
		8,786	18,547	27,333
Total liabilities		8,786	123,939	132,725
TOTAL EQUITY AND LIABILITIES		25,788	123,939	149,727

3.1A Adoption of IFRS 16 *Leases*

IFRS 16 requires that right of use assets and lease liabilities be recognised in the balance sheet, which was not a requirement of Danish GAAP. As at 1 January 2018 the right of use assets (ROU assets) and lease liabilities are:

	2018 EUR'000
Right of use assets	
Bareboat leases	122,367
Office leases	1,572
	123,939
Lease liabilities	
Non-current	
Bareboat leases	104,136
Office leases	1,256
	105,392
Current	
Bareboat leases	18,232
Office leases	315
	18,547

Prior to the adoption of IFRS 16, non-cancellable operating lease payments were not recognised as liabilities in the balance sheet. These payments were recognised as rental expenses over the lease term on a straight-line basis.

The Company's accounting policy on leases after the adoption of IFRS 16 is disclosed in Note 2.8.

The Company has elected to apply the following practical expedients regarding application of IFRS 16:

On a lease-by-lease basis, the Company has:
(a) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
(b) accounted for leases with a remaining lease term of less than 12 months as at 1 January 2018 as short-term leases;
(c) excluded initial direct costs in the measurement of the right of use ("ROU") asset at the date of initial application; and
(d) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

For leases previously classified as operating leases on 1 January 2018, the Company has applied the following transition provisions:

(i) On a lease-by-lease basis, the Company chose to measure its ROU assets at amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application (i.e. 1 January 2018).

(ii) Recognised its lease liabilities by discounting the remaining lease payments as at 1 January 2018 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristic.

An explanation of the differences between the operating lease commitments previously disclosed in the Company's financial statements as at 31 December 2017 and the lease liabilities recognised in the balance sheet as at 1 January 2018 are as follows:

	EUR'000
Operating lease commitments disclosed as at 31 December 2017 (under Danish GAAP)	74,399
Additional lease term included based on implicit extension option identified	73,507
Less: Leases with low value	(110)
Less: Discounting effects using weighted average incremental borrowing rate of 4.5%	(23,857)
Lease liabilities recognised as at 1 January 2018	123,939

Please refer to note 14 for details on the calculation of the present value of the lease payments and accordingly the right-of-use assets.

3.2 Reconciliation of balance sheet as at 31 December 2018

EUR'000	Note	Danish GAAP	Reclassifications and Remeasurements	IFRS
ASSETS				
Non-current assets				
Property, plant and equipment		147	-	147
Rights-of-use assets	A	-	108,376	108,376
Leasehold deposits		271	-	271
		418	108,376	108,794
Current assets				
Inventories		842	-	842
Trade and other receivables		12,876	-	12,876
Receivables from group entities		11,882	-	11,882
Other current assets		52	-	52
Cash and bank balances		397	-	397
		26,320	-	26,050
TOTAL ASSETS		26,467	108,376	134,843
EQUITY				
Issued share capital		104	-	104
(Accumulated losses)/retained earnings		17,813	(7,254)	10,559
Total equity		17,917	(7,254)	10,663
LIABILITIES				
Non-current liability				
Lease liabilities	A	-	101,173	101,173
Deferred charter hire income		64	-	64
		64	101,173	101,237
Current liabilities				
Trade and other payables		1,795	-	1,795
Deferred charter hire income		6,540	-	6,540
Lease liabilities	A	-	14,457	14,457
Income tax payable		151	-	151
		8,486	14,457	22,943
Total liabilities		8,4550	115,630	124,180
TOTAL EQUITY AND LIABILITIES		26,467	108,376	134,843

3.2A Adoption of IFRS 16 *Leases*

IFRS 16 requires that right of use assets and lease liabilities be recognised in the balance sheet, which was not a requirement of Danish GAAP. As at 31 December 2018 the right of use assets (ROU assets) and lease liabilities are:

	2018 EUR'000
Right of use assets	
Bareboat leases	107,082
Office leases	1,294
	108,376
Lease liabilities	
Non-current	
Bareboat leases	100,111
Office leases	1,062
	101,173
Current	
Bareboat leases	14,197
Office leases	260
	14,457

The reduction of equity (increase in accumulated losses) is due to the timing differences between depreciation (straight line) and principal reduction of the lease liabilities. This difference will net off at the end of the lease term. Refer to note 3.3.

3.3 Reconciliation of statement of profit and loss and other comprehensive income for the year ended 31 December 2018

EUR'000	Note	Danish GAAP	Reclassifications and Remeasurements	IFRS
Revenue		71,653	-	71,653
Cost of sales	A	(59,660)	4,205	(55,455)
Gross (loss)/profit		11,993	4,205	16,198
Administrative expenses		(9,517)	37	(9,480)
Operating profit		2,476	4,242	6,718
Finance income		200	-	200
Finance costs	A	(48)	(11,497)	(11,545)
Loss before income tax		2,628	(7,255)	(4,627)
Income tax expense		(1,712)	-	(1,712)
Loss for the year		916	(7,255)	(6,339)
Other comprehensive income				
Other comprehensive income/(loss) for the year, net of tax		0	0	0
Total comprehensive income for the year, net of tax		916	(7,255)	(6,339)

3.3A Adoption of IFRS 16 *Leases*

The adoption of IFRS and thus the application of IFRS 16 requires that operating leases that were previously not recognised in the balance sheet under Danish GAAP now be recognised as right of use assets and lease liabilities. The cost of operating and financing these assets are recognised in the P&L via depreciation (Cost of sales) and interest expenses (finance costs).

The bareboat agreements, which give rise to the right of use assets and lease liabilities, comprise a standby rate and a variable rate (when the vessel is on hire) and are denominated in USD. Only the standby rate is included in the right of use asset and lease liability calculation as the on hire rate is variable and included as an expense (Cost of sales) as incurred. The right of use asset is a non-monetary assets (recognised in EUR), however the lease liability is denominated in USD and revalued at each reporting date.

4. Revenue

(a) Disaggregation of revenue from contracts with customers

	2019	2018
	EUR'000	EUR'000
Revenue from contracts with customers		
- Time charter hire	**30,998**	58,782
- Catering and accommodation	**1,032**	1,871
- Mobilisation	**1,669**	2,390
- Sundry income	**1,183**	8,610
Total revenue	**34,882**	71,653

	2019	2018
	EUR'000	EUR'000
Revenue from contract with customers		
- Service revenue	**13,968**	15,651
- Bareboat revenue	**19,731**	47,392
- Sundry income	**1,183**	8,610
Total revenue	**34,882**	71,653

All the revenues are recognised over-time.

Charter hire services are contracts with customers where the Company utilises 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 Company 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 Company. The Company 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 bareboat revenue elements. 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 bareboat revenue.

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

Mobilisation are the fees earned for the movement of the vessel form one location to another in order to deliver a project, and is deemed to be bareboat revenue.

In 2019, revenue with two customers exceed 10% of total revenue. The revenue derived from these two customers was EUR 25.0 million and EUR 8.4 million respectively.

In 2018, revenue with three customers exceed 10% of total revenue. The revenue derived from these three customers was EUR 33.9 million, EUR 22.4 million and EUR 15.4 million respectively.

Operating segments
The Company's management or chief operating decision maker are not operating or making decisions based on customers types, type of services or geographical segments. The Company 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 Company only has one operating segment.

(b) Deferred charter hire income

Revenue recognised in relation to deferred charter hire income

	2019	2018
	EUR'000	EUR'000
Revenue recognised in current period that was included in the contract liabilities balance at the beginning of the period		
- Time charter hire services	**6,604**	7,134
Total liabilities at the beginning of the period	**6,604**	**7,134**

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

5. Expenses by nature

	2019 EUR'000	2018 EUR'000
Cost of sales		
(includes operating costs related to the operation of the vessels)		
Right of use asset amortisation, leasehold vessels (Note 14)	**15,285**	15,285
Bareboat charter hire (variable on hire lease fee)	**9,774**	14,608
Crewing costs paid to a related and an external party	**11,603**	12,510
Fuel and oil	**1,758**	3,113
Maintenance	**2,148**	1,923
Messing costs	**1,062**	1,267
Seafarer travel	**462**	432
Specific charter costs	**1,891**	5,221
Utilities	**448**	495
Other operating expenses	**200**	600
Total vessel operation costs	**44,631**	55,455
Administrative expenses		
(includes costs related to the administrative functions of the Company including on-shore employees)		
Depreciation and amortisation, other than leasehold vessels (Note 13, 14)	**358**	353
Employee compensation (Note 6)	**3,940**	3,830
Repair and maintenance expenses	**172**	767
Legal and professional fees	**432**	1,587
Rental expenses – short term or low value assets	**362**	334
Travel expense	**556**	394
Management fees to a related party	**853**	1,601
Marketing and entertainment expenses	**342**	232
Other expenses	**388**	382
Total administrative expenses	**7,403**	9,480
Auditor remuneration		
Administrative expenses include fee to the auditors appointed by the shareholder at the Annual General Meeting:		
Statutory audit	**40**	14
Tax services	**182**	96
Other services	**33**	21
	256	131

6. Employee compensation

Included in note 6

	2019 **EUR'000**	2018 EUR'000
Wages and salaries	**3,664**	3,286
Employer's contribution to defined contribution plans	**15**	20
Other short-term benefits	**260**	524
	3,939	3,830

	2019	2018
Average number of full time employees	**33**	32

Wages/salaries include expenses for temps and temporary assistance, but they are not reflected in the average number of full-time employees

Key management compensation is as follows:

	2019 **EUR'000**	2018 EUR'000
Wages and salaries	**433**	384
Other short-term benefits	**39**	39
	472	423

Key management refers to directors of the Company. The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. There is not distinct fee paid to non-executive directors' to act as a director of the Company, and is covered in their base remuneration, which is not paid by the Company, but are paid by another entity within the Swire Pacific Limited Group. The Company incurs a management fee from the parent company, which covers management and other parent company support services. Refer to note 22. Approx. EUR 55 thousand of this management fee relates to the compensation of non-executive directors for their management roles with the Company.

7. Finance income and expenses

	2019 EUR'000	2018 EUR'000
Interest income	**0**	200
Finance income	**0**	200
Interest expense		
- Interest on tax owed	**642**	-
- Overdraft	**-**	9
- Lease liabilities	**5,021**	5,670
Foreign currency loss/(profit)		
- Operations	**225**	12
- USD denominated bareboat agreements	**2,625**	5,827
Bank fees	**25**	27
Finance expenses	**8,538**	11,545

8. Income taxes

(a) Income tax expense

	2019 EUR'000	2018 EUR'000
Tax expense attributable to profit/loss is made up of:		
Current tax	**0**	147
Change in deferred tax balances net of write-downs	**0**	1,575
Current tax, prior year adjustments	**1,637**	0
Refund in joint taxation	**(57)**	(10)
Income tax expense	**1,580**	1,712

In 2019, the Company underwent a transfer pricing audit conducted by the Danish Tax Authorities. The audit was concluded 14 May 2020 and resulted in adjustments to prior year tax expense of EUR 1.6 million and interest expenses of EUR 642 thousand, which have been provided for at 31 December 2019. The interest expenses have been recognised under finance expenses.

(b) Effective tax rate

	2019		2018	
	EUR'000	**%**	EUR'000	%
Tax expense attributable to profit is made up of:				
Accounting profit before income tax	**(25,683)**		(4,627)	
Calculated tax at statutory tax rate in Denmark, 22 %	**5,650**	**(22.0)**	1,018	(22.0)
Tax impact from:				
- Non-deductible expenses	**(143)**	**0.6**	(3)	0.0
- Refund in joint taxation	**57**	**(0.2)**	10	(0.2)
- Refund in joint taxation – from taxable income in previous years	**0**	**0.0**	(10)	0.2
- Adjustment regarding previous years	**(1,637)**	**6.4**	0	0.0
- Change in impairment of deferred tax assets in the year	**(5,507)**	**21.4**	(2,727)	58.9
Income tax expense, reported	**(1,580)**	**6.2**	(1,712)	37.0
Effective tax rate (%)	**6.2 %**		37.0 %	

9. Cash and bank balances

	December 31		1 January
	2019	2018	2018
	EUR'000	EUR'000	EUR'000
Cash at bank and on hand	**1,243**	397	797
	1,243	397	797

10. Trade and other receivables

	31 December		1 January
	2019	2018	2018
	EUR'000	EUR'000	EUR'000
Trade receivables:			
- Non-related parties	**11,381**	12,542	3,114
- Other receivables	**1,544**	335	154
	12,925	**12,877**	**3,268**

Expected credit loss on trade receivables

The Company has historically only experienced immaterial losses on trade receivables, if any. Further, a material part of the cash flows in the contracts are prepayments received up front. Customer payments terms are typically short term, 30-90 days from date of invoice.

The Company's expected credit losses are, based on historical data, a low number of high quality debtors and expectations to the future, therefore immaterial. All balances as of 31 December 2019 have been collected during 2020.

31 December 2019	**Trade receivables EUR'000**	Expected loss EUR'000	Total EUR'000
Not due	**11,381**	-	11,381
Overdue 1-30 days	**-**	-	-
Overdue 31 to 60 days	**-**	-	-
Overdue +61 days	**-**	-	-
Total	**11,381**	**-**	**11,381**

31 December 2018	**Trade receivables EUR'000**	Expected loss EUR'000	Total EUR'000
Not due	**10,728**	-	10,728
Overdue 1-30 days			
Overdue 31 to 60 days	**1,814**	-	1,814
Overdue +61 days	**-**	-	-
Total	**12,542**	**-**	**12,542**

1 January 2018	**Trade receivables EUR'000**	Expected loss EUR'000	Total EUR'000
Not due	**3,072**	-	3,072
Overdue 1-30 days	**5**	-	5
Overdue 31 to 60 days	**-**	-	-
Overdue +61 days	**37**	-	37
Total	**3,114**	**-**	**3,114**

11. Inventories

	31 December		1 January
	2019 EUR'000	2018 EUR'000	2018 EUR'000
Fuel and lube oil	**261**	842	646

12. Other current assets

	31 December		1 January
	2019 EUR'000	2018 EUR'000	2018 EUR'000
Prepayments	**87**	116	63
Total other current assets	**87**	**116**	**63**

13. Property, plant and equipment

	Useful lives
Cars	5 years
Other fixtures and fittings	2 to 3 years

	Car EUR'000	Other fixtures and fittings EUR'000	Total EUR'000
2018			
Cost			
Beginning of financial year	86	346	432
Additions	-	172	172
Disposals	-	(260)	(260)
End of financial year	86	258	344
Accumulated depreciation			
Beginning of financial year	78	304	382
Depreciation charge	8	67	75
Disposals	-	(260)	(260)
End of financial year	86	111	197
Net book value	-	**147**	**147**

	Car EUR'000	Other fixtures and fittings EUR'000	Total EUR'000
2019			
Cost			
Beginning of financial year	86	258	344
Additions	-	65	65
Disposals	(86)	-	(86)
End of financial year	-	323	323
Accumulated depreciation			
Beginning of financial year	86	111	197
Depreciation charge	-	82	82
Disposals	(86)	-	(86)
End of financial year	-	193	193
Net book value	-	**130**	**130**

14. Right-of-use assets

Nature of the Company's leasing activities

Vessels
The Company has entered into two bareboat lease agreements with a related company, Swire Pacific Offshore Cyprus Ltd. (CYP). The bareboat lease agreements relate to two special purpose offshore jack up windfarm installation vessels, Pacific Orca and Pacific Osprey, which are mainly utilised on larger windfarm installation projects.

The bareboat charter agreements covering the period 1 January 2017 - 31 December 2021 were signed 18 January 2017. With committed customer contracts going into 2025 and embedded parent company guarantees, Management expects to use their implicit option to extend the bareboat charter agreements until 2025. As such the bareboat agreements have been recognised for a lease term up until 2025 in accordance with IFRS 16.

The bareboat leases comprise a standby rate of USD 30,000 per vessel per day and a variable additional on-hire rate of USD 30,000 per vessel per day when the vessel is on contract to a customer.

In calculating the present value of the lease payments, the Company uses it's incremental borrowing rate at the lease commencement date (4.5%). The calculation is based on the fixed leasing payments in the contract. The lease payments are not based on an index or another rate used to adjust the fixed fee. When the vessels are utilized, an extra fee is added to the fixed payments, so the Company pays a higher total lease fee. The extra fee is seen as a variable element and is therefore not included in calculating the lease liability (the present value of the fixed lease payments).

The bareboat agreements contain a clause, which enables either party to terminate the agreement with 30 days written notice. However, given that both parties to the agreements are under common control, the mutual economic benefit, and the fact that a number of customer contracts in 2020-25 contain parent company guarantees, it is the expectation of Management that neither party will terminate the contracts.

Office space
The Company leases office space for the purpose of office operations. The lease term of the office is based on the first date at which the Company can exit without penalty (31 August 2023).

Impairment test
The Company has prepared an impairment test on the right-of-use assets as of 31 December 2019. The test showed no indication of impairment based on the Company's value in use calculation for the forecast period 2020-2025, which based on the current contract pipeline assumes increasing rates over the period. In determining the value in use, the cash flows were discounted at a rate of 8.5% on a pre-tax basis.

	Leasehold vessels EUR'000	Office space EUR'000	Total EUR'000
2018			
Cost			
Beginning of financial year	122,367	1,572	123,939
End of financial year	122,367	1,572	123,939
Accumulated amortisation			
Beginning of financial year	-	-	-
Amortisation charge	15,285	278	15,563
End of financial year	15,285	278	15,563
Net book value	**107,082**	**1,294**	**108,376**
2019			
Cost			
Beginning/end of financial year	122,367	1,572	123,939
Accumulated amortisation			
Beginning of financial year	15,285	278	15,563
Amortisation charge	15,286	277	15,563
End of financial year	30,571	555	31,126
Net book value	**91,796**	**1,017**	**92,813**

Please refer to note 19 for disclosure on lease liabilities.

The projected total standby rate (non-variable lease fee) cash outflow for 2020 to 2025 is EUR 117,053 thousand.

Lease interest expenses recognised in profit and loss:

(a) Interest expense

	2019 EUR'000	2018 EUR'000
Interest expense on lease liabilities (vessels and office)	**5,021**	**5,670**

(b) Lease expense not capitalised in lease liabilities

	2019 EUR'000	2018 EUR'000
Short-term lease expense	26	26

(c) Total cash outflow for all leases in 2019 and 2018 were EUR 19,832 and EUR 19,832 respectively, excluding variable lease fee (refer to Note 7, 19).

15. Trade and other payables

	31 December		1 January
	2019	2018	2018
	EUR'000	EUR'000	EUR'000
Trade payables:			
- Non-related parties	**1,304**	1,000	929
- Other payables	**2,056**	795	723
	3,360	1,795	1,652

16. Deferred income taxes

	31 December		1 January
	2019	2018	2018
	EUR'000	EUR'000	EUR'000
Property, plant and equipment	**(32)**	(34)	(40)
Right-of-use assets (IFRS 16)	**20,419**	23,843	0
Lease liabilities (IFRS 16)	**(22,763)**	(25,438)	0
Other temporary differences	**(108)**	(23)	0
Tax losses carry forwards (22% tax value)	**(5,933)**	(1,257)	(1,719)
Write-down of deferred tax assets	**8,417**	2,909	183
Deferred taxes	**0**	0	(1,575)

In 2018 and 2019, the Company has not recognised deferred tax assets related to tax loss carry-forwards and temporary differences as disclosed above. As it is uncertain if these tax losses and temporary differences can be utilized within a foreseeable future, their carrying amount has not been recognised in the financial statements.

17. Issued share capital

		31 December		1 January
	No. of shares	**2019**	2018	2018
	'000	**EUR'000**	EUR'000	EUR'000
Ordinary shares				
Beginning and end of financial year	780	**104**	104	104
Issued and paid in share capital		**104**	104	104

The Company's issued and paid in share capital amounts to DKK 780 thousand, equal to EUR 104 thousand, consisting of 780,000 shares of DKK 1. The Company's share capital has remained unchanged over the past 5 years.

18. Commitments

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 recognised as liabilities, are as follows:

	31 December		1 January
	2019	2018	2018
	EUR'000	EUR'000	EUR'000
Not later than one year	**26**	26	26
Between one and five years	**32**	58	84
	58	84	110

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

19. Financial risk management

Financial risk factors

The Company'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 Company is managed by the intermediate holding corporation, Swire Pacific Offshore Holdings Limited.

The finance personnel measure actual exposures against the limits set and prepare regular reports for the review of the management team and the Board of Directors of Swire Pacific Offshore Holdings Limited. The information presented below is based on information received by the management team.

(a) Market risk

(i) Currency risk

The Company's business is exposed to the Danish Kroner ("DKK") and United States Dollar ("USD") as certain operating expenses are denominated in these currencies. To ensure efficient cash management the parent company operates a cash pooling mechanism, a part of which is to manage currency risk. With a diverse global footprint and operational currencies the parent company seeks in order to manage currency risk with natural hedges. However, if required maintain exposure within acceptable levels the parent company may enter into currency forwards with banks or hedge contracts on behalf of the Company. As of 31 December 2019 and 31 December 2018, no currency forwards or hedge contracts were entered into on behalf of the company.

The largest USD expense of the company is the lease liability for the bareboat agreements, which is not hedged. A change in the USD/EUR exchange rate of +/- 5 % would affect financial items in profit & loss and thereby result for the year and retained earnings, with approximately EUR 5 million due to USD denominated lease liabilities recognised. 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.

(ii) Interest rate risk

The Company has no external borrowings and thus the Company's exposure to interest rate risk on its borrowings and bank deposits is not significant.
As at 31 December 2019 and 31 December 2018, the interest rate risk arising from borrowings and bank deposits is not significant to the financial statements.

With no external borrowings, given the poor performance in 2018 and 2019, the Company has been funded via intercompany liabilities (Note 22). These intercompany payables are repayable on demand and interest free, and as such the interest rate risk arising from such liabilities is not significant to the financial statements.

(b) Credit risk

(i) Risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company adopts the following policy to mitigate credit risk.

For banks and financial institutions, the Company mitigates its credit risks by transacting only with counterparties who are rated “A” and above by independent rating agencies.

The Company adopts the policy of dealing only with customers of appropriate history and obtaining sufficient security where appropriate to mitigate credit risk. The Company adopts stringent procedures on extending credit terms to customers and on the monitoring of credit risk. These credit terms are normally contractual and credit policies spell out clearly the guidelines on extending credit to customers, including monitoring the process and using related industry’s practices as reference. This includes assessment and valuation of customers’ credit reliability and periodic review of their financial status to determine the credit limits to be granted. Customers are also assessed based on their historical payment records. Where necessary, customers may also be requested to provide security or advance payment before services are rendered.

Related party credit risk is managed and reviewed by the intermediate holding corporation, Swire Pacific Offshore Holdings Limited. Credit risk exposure for carrying amount of receivables due from related parties has been minimized as the related parties are financially supported by Swire Pacific Offshore Holdings Limited to meet their liabilities as and when they fall due.

The maximum exposure to credit risk is the carrying amount of trade receivables and other receivables, receivables from group entities and cash and bank balances presented on the balance sheet.

(ii) Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses ("ECLs") associated with its financial assets which are trade and other receivables, cash and bank balances and receivables from group entities. Financial assets are written-off when there is no reasonable expectation of recovery, such as a non-related debtor failing to engage in a repayment plan with the Company. Where receivables have been written-off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Company has applied the simplified approach by using the provision matrix to measure the lifetime expected credit losses for trade receivables from customers. To measure the expected credit losses, the Company grouped receivables based on shared credit characteristics and days past due.

Trade receivables from external customers that are neither past due nor impaired are with creditworthy companies. Based on the provision matrix, the trade receivables from external customers are subject to immaterial credit loss.

The Company has assessed that receivables from group entities that are repayable on demand are subject to an immaterial credit loss as these related parties are financially supported by Swire Pacific Offshore Holdings Limited to meet their liabilities as and when they fall due.

For cash and bank balances and other receivables that are measured at amortised cost, the Company has considered these financial assets as low credit risk. Cash and bank balances are mainly deposits with banks who have high credit-ratings as determined by international credit-rating agencies. As at 31 December 2019 and 31 December 2018, cash and bank balances and other receivables are subject to immaterial credit loss.

<u>Financial assets that are neither past due nor impaired</u>

Cash and cash equivalents that are neither past due nor impaired are mainly deposits with banks with have high credit-ratings as determined by international credit-rating agencies. Trade and other receivables that are neither past due nor impaired are substantially companies with good collection track record with the Company.

Other than the above, there are no credit loss allowance for other financial asset at amortised cost as at 31 December 2019 and 31 December 2018.

(c) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash and available funding through committed credit facilities, from its group entities including its immediate holding company, to enable it to meet its operational requirements.

The table below analyses the maturity profile of the financial liabilities of the Company based on contractual undiscounted cash flows.

	Less than 1 year EUR'000	Between 1 and 5 years EUR'000	After 5 years EUR'000
2018			
Trade and other payables	(1,795)	-	-
Lease liabilities	(19,368)	(77,418)	(38,158)
	(21,163)	(77,418)	(38,158)
2019			
Trade and other payables	(3,225)	(134)	-
Payable to group entities	(10,846)	-	-
Lease liabilities	(19,859)	(78,857)	(19,491)
	(33,930)	(78,991)	(19,491)

Change in lease liabilities during the year:

	2019 EUR'000	2018 EUR'000
Lease liabilities 1 January (current and non-current)	**115,630**	123,939
Cash flows	**(14,785)**	(14,136)
Foreign exchange effect	**2,625**	5,827
Lease liabilities 31 December (current and non-current)	**103,470**	115,630

(d) Capital management

The Company's objectives when managing capital are to ensure the Company's ability to continue as a going concern and to maintain an optimal capital structure.

Due to the loss of EUR 27,263 thousand incurred in 2019, the Company is in a net liabilities position as at 31 December 2019 (equity at 31 December 2019 was negative EUR 16,600 thousand).

On 25 September 2020, the Company's parent company made a non-cash contribution of EUR 200 million of equity and provided an intercompany term loan of EUR 49 million, which were used to acquire the two vessels currently held under bareboat leasing arrangements to the Company (via newly established, fully owned vesselcos) for a total consideration of USD 290 million. This equity injection has strengthened the financial position and returned the Company to a net asset position as well as improved the cash flow generation going forward due to the discontinuation of the leasing arrangements. The Company will use the vessels as basis for securing external funding to facilitate intercompany debt repayment and working capital requirements going forward.

Further, the Company's parent company has provided a letter of support in which it undertakes to provide financial support to enable the Company to meet its liabilities as and when they fall due for at least 12 months from the signing date of the financial statements ending 31 December 2019.

	31 December		1 January
	2019	2018	2018
	EUR'000	EUR'000	EUR'000
Total equity	**(16,600)**	10,663	17,002
Total capital	**(16,600)**	10,663	17,002

The Company is not subject to any externally imposed capital requirements.

20. 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, Amortisation, foreign exchange gains/losses and bareboat Rent in the form of variable lease fee (and right-of-use asset amortisation).

EBITDAR is calculated as shown below:

	2019 EUR'000	2018 EUR'000
Operating profit as reported in the statement of profit and loss	**(17,145)**	6,718
Right-of-use asset amortisation (Note 14)	**15,563**	15,563
Depreciation and amortisation (Note 13)	**82**	75
Bareboat charter hire (variable on hire lease fee) (Note 5)	**9,774**	14,608
EBITDAR	**8,274**	36,964

21. Immediate and ultimate holding companies

The Company is a wholly-owned subsidiary of Swire Pacific Offshore Operations (Pte) Ltd, incorporated in Singapore. The intermediate holding companies include Swire Pacific Offshore Holding Limited, incorporated in Bermuda, and Swire Pacific Limited the penultimate holding company, incorporated and publicly listed in Hong Kong. The ultimate holding company is John Swire & Sons Limited, incorporated in England.

22. 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:

	2019 **EUR'000**	2018 EUR'000
Bareboat rental payments to related parties	**(19,420)**	(19,365)
Variable bareboat rental expenses paid to related parties	**(9,845)**	(14,734)
Crew hire expenses paid to related parties	**(10,616)**	(10,913)
Management fees paid to related parties	**(853)**	(1,601)
Receivables from group entities at year-end	**-**	11,882
Payables to group entities at year-end	**10,846**	-
Right of use asset with a group entity as lessor	**91,796**	107,082
Lease liabilities payable to group entities	**102,409**	114,308

Further to the transactions and balances with related parties disclosed above, the Company's intermediate holding company has provided a letter of support in which it undertakes to provide financial support to enable the Company to meet its liabilities as and when they fall due for at least 12 months from the signing date of the financial statements ending 31 December 2019.

The Company is jointly taxed with the Danish group entity. As the administrative company, the Company is jointly taxed with the other Danish group entities and has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties in the joint taxation group. At 31 December 2019, the net taxes payable to SKAT by the companies included in the joint taxation amounted to EUR 2,289 thousand (DKK 17,059 thousand). Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail that the companies' liability will increase.

23. New or revised accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

24. Events after reporting period

After the balance sheet date 31 December 2019, the COVID-19 pandemic negatively impacted Denmark and the rest of the world. However, with no cancelations or deferrals, the COVID-19 pandemic has not impacted current or future projects and Management considers the outbreak to constitute a non-adjusting event. As a result, Management has not adjusted any figures in the financial statements for 2019 in light of the COVID-19 pandemic.

As announced on 16 September 2020, Swire Blue Ocean intends to order a new vessel with an option for a second new-build, while planning to invest in new cranes for both Pacific Osprey and Pacific Orca. No firm capital commitments have yet been entered into.

On 25 September 2020, the Company's parent company made a non-cash contribution of EUR 200 million of equity and provided an intercompany term loan of EUR 49 million, which were used to acquire the two vessels currently held under bareboat leasing arrangements to the Company (via newly established, fully owned vesselcos) for a total consideration of USD 290 million. This equity injection has strengthened the financial position and returned the Company to a net asset position (equity at 31 December 2019 was negative EUR 16,600 thousand) as well as improved the cash flow generation going forward due to the discontinuation of the leasing arrangements. The Company will use the vessels as basis for securing external funding to facilitate intercompany debt repayment and working capital requirements going forward.

25. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Swire Blue Ocean A/S on 29 September 2020 and recommend for approval of the shareholder of the Company at the annual general meeting held on 30 September 2020.

SWIRE BLUE OCEAN A/S

(Incorporated in Denmark. Registration Number (CVR no.): 31 18 05 03)
(Arne Jacobsens Allé 7, 7., DK-2300 Copenhagen S, Denmark)

ANNUAL REPORT

For the financial year ended 31 December 2019
(RESTATED)

Approved at the Company's extraordinary general meeting on 21 October 2020

Chairman:

Richard Lawrence Sell

SWIRE BLUE OCEAN A/S
(Incorporated in Denmark)

ANNUAL REPORT
For the financial year ended 31 December 2019

Contents

SWIRE BLUE OCEAN A/S

STATEMENT BY MANAGEMENT
For the financial year ended 31 December 2019

The Board of Directors and the Executive Board have today discussed and approved the restated annual report of Swire Blue Ocean A/S for 2019.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of their operations and cash flows for the financial year 1 January – 31 December 2019.

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

We recommend that the annual report be approved at the extraordinary general meeting.

Copenhagen, 21 October 2020

Executive Board:

Mikkel Gleerup CEO	Martin Møller Olesen CFO

Board of Directors:

Richard Lawrence Sell Chairman	Roy George Shearer
Brian Townsley	Mikkel Gleerup
Martin Møller Olesen	

To the shareholder of Swire Blue Ocean A/S

Opinion

We have audited the financial statements of Swire Blue Ocean A/S for the financial year 1 January – 31 December 2019, which comprise statement of profit and loss and other comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2019 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Emphasis of matter in the financial statements

We draw attention to note 25 to the financial statements, which discloses that the Company has restated its financial statements for the financial year 1 January – 31 December 2019 due to a subsequent identified error in the recognition of revenue related to 2019. We have not modified our opinion in respect of this matter.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards 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 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement 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, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.

Copenhagen, 21 October 2020
EY Godkendt Revisionspartnerselskab
CVR-no. 30 70 02 28

Jens Thordahl Nøhr
State Authorised Public Accountant
mne32212

Company details

Name	Swire Blue Ocean A/S
Address, Postal code, City	Arne Jacobsens Allé 7, 7., DK-2300 Copenhagen S, Denmark
Registration no. (CVR no.)	31 18 05 03
Established	15 January 2008
Registered office	Copenhagen, Denmark
Financial year	1 January - 31 December
Website	www.swireblueocean.com
Board of Directors	Richard Lawrence Sell, Chairman Roy George Shearer Brian Townsley Mikkel Gleerup Martin Møller Olesen
Executive Board	Mikkel Gleerup, CEO Martin Møller Olesen, CFO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, DK-2000 Frederiksberg, Denmark

Financial highlights

EUR'000	2019	2018	2017	2016	2015
Key figures	IFRS	IFRS	Danish GAAP	Danish GAAP	Danish GAAP
Charter hire revenue	32,667	61,172			
Other revenue	5,715	10,481			
Revenue (total)	38,382	71,653	44,644	70,472	99,651
EBITDAR*	11,774	36,964	19,568	39,908	66,939
Gross (loss)/profit	(6,249)	16,198			
Operating profit/(loss)	(13,645)	6,718	(7,819)	9,894	19,073
Net financials	(8,538)	(11,345)	(65)	(849)	589
Profit/(loss) for the year	(23,763)	(6,339)	(6,338)	7,053	15,038
Total assets	111,169	134,843	25,789	29,208	21,023
Non-current asset	93,153	108,794	50	42	12
Total liabilities	124,269	124,180	8,786	5,869	4,737
Equity	(13,100)	10,663	17,002	23,339	16,286
Cash flow from:					
- operating activities	(2,012)	12,151			
- investing activities	(64)	28			
(of which investment in property, plant and equipment)	(64)	(172)	(31)	(42)	(12)
- financing activities	2,922	(12,579)			
Cash and cash equivalents	1,243	397			

Financial ratios

Return on assets (%)	-21.4%	4.7%	-24.6%	24.1%	71.5%
Equity ratio (%)	-11.8%	7.9%	65.9%	79.9%	77.5%
Contracted days (no. of days)	383	443	403	474	544
Utilization (%)	52.5%	60.7%	55.2%	64.9%	74.5%
Average day rate (EUR'000)	85.3	138.1	102.8	133.0	176.0

Share related key figures

Earnings per share (EPS), EUR	(30.5)	(8.1)	(8.1)	9.0	19.3
Diluted earnings per share (diluted EPS), EUR	(30.5)	(8.1)	(8.1)	9.0	19.3

Average number of employees	**33**	**32**	**28**	**27**	**27**

Financial ratios are calculated in accordance with the terms and definitions included in the accounting policies (Note 2.18 to the financial statements).

2019 and 2018 figures are prepared in accordance with IFRS and 2017, 2016 and 2015 are prepared in accordance with Danish GAAP, however converted from DKK to EUR. The principal difference between IFRS and Danish GAAP is the application of IFRS 16 (as further set out in note 3 to the financial statements).

The audited financial statements for 2017, 2016 and 2015 did not provided a revenue split. The company did not present cash flow statements nor gross profit/(loss) under Danish GAAP. Therefore, cash flow statements and gross profit/(loss) are not presented for 2017, 2016 and 2015.

*EBITDAR is equal to Earnings Before Interest, Tax, Depreciation, Amortization, unrealized foreign exchange gains/losses and bareboat Rent (in the form of variable lease fee and right-of-use asset amortization calculated in accordance with IFRS 16). Refer to note 20 to the financial statements.

Management's review

Business review

The Company is a leading offshore wind farm transportation and installation (“T&I”) contractor headquartered in Copenhagen, Denmark. The Company operates two offshore jack up windfarm installation vessels, Pacific Orca and Pacific Osprey. In addition to wind farm installation, these vessels can perform maintenance, construction, decommissioning, and other tasks within the offshore industry. The Company has completed approximately 30 offshore projects from 2012 to 2020. The Company has a leading market position and strong relations with blue-chip customers in the industry.

Most of the Company’s early work was installing foundations. The vessels’ size made them better at doing this than competing vessels. The vessels were also better suited to this work than to installing the then small wind turbine generators (WTGs). The Company has installed 414 foundations since 2013. Now that WTGs have increased significantly in size, installing them is the most appropriate work for the Company’s vessels. Vessels which cannot jack up, cannot compete except where the water is too deep for vessels to jack up.

The Company has installed 287 wind turbines since 2014. Industry records have been achieved (fastest installation, deepest soil penetration, largest offshore wind turbine and first hurricane turbine). The number of WTGs installed by the Company is expected to double in the coming years, with projects already secured in the pipeline.

The Company has done three operations and maintenance (“O&M”) projects, including one of the largest O&M projects in the offshore wind industry, with 600 days of work on more than 20 sites. The Company has done accommodation work for the electrical completion of offshore substations and decommissioning work. These types of work help to keep utilisation high between installation projects and to cover operating costs, however typically at lower day rates.

Swire Blue Ocean is a wholly-owned subsidiary of Swire Pacific Offshore Group, based in Singapore, and is a constituent of the Marine Services Division of Swire Pacific Limited, listed in Hong Kong. Further information can be found in the annual report of Swire Pacific Limited.

The Company’s vision is to provide excellence in offshore marine services to the offshore wind industry and to be environmentally sustainable. As of 31 December 2019, the vessels have contributed to over 3 GW of offshore wind energy in European waters. The Company aims to increase its involvement in the offshore wind industry, supporting a sustainable energy source for millions of households, both in Europe and around the world.

Financial review

For the year commencing 1 January 2019, Management has decided that the Company will prepare its financial statements in accordance with International Financial Reporting Standards as adopted by the EU (IFRS). This decision was made to ensure the accounts were more comparable with non-Danish companies. Reference is made to note 3 in the financial statements for an explanation of the impact of the application of IFRS.

Revenue in 2019 was significantly down vs 2018 (-46.4%) and prior years. This was due to 1) a decrease in utilization (-13.5%) due to a crane incident that occurred late in 2018 resulting in one of the vessels being out of service for all of 2019; 2) a reduction in day rates (-38.2%) due to a management decision to build specific maintenance capabilities and take on a long term maintenance project during 2019. The crane incident will also impact 2020 results, as the vessel only returned to service in June 2020.

The reduction in revenue was partially mitigated by a reduction in costs (-19.9%), but the cost reduction was not significant enough to avoid a loss, and for 2019 the Company incurred a loss of EUR 23,763 thousand compared to a loss of EUR 6,339 thousand in 2018. A significant proportion of the loss in 2018 was due to the foreign exchange rate adjustment of the lease liability for the bareboat agreement, which is denominated in USD. The foreign currency exchange rate loss on the lease liability revaluation in 2019 was EUR 2,625 compared to a loss of EUR 5,827 thousand in 2018 (refer to note 7).

The loss in 2019 has resulted in the Company being in a net liability position. As of 31 December 2019, the equity of the Company is negative EUR 13,100 thousand.

On 25 September 2020, the Company's parent company made a non-cash contribution of EUR 200 million of equity and provided an intercompany term loan of EUR 49 million, which were used to acquire the two vessels currently held under bareboat leasing arrangements to the Company (via newly established, fully owned vesselcos) for a total consideration of USD 290 million. This equity injection has strengthened the financial position and returned the Company to a net asset position as well as improved the cash flow generation going forward due to the discontinuation of the leasing arrangements. The Company will use the vessels as basis for securing external funding to facilitate intercompany debt repayment and working capital requirements going forward.

The Company's parent company has furthermore provided a letter of support in which it undertakes to provide financial support to enable the Company to meet its liabilities as and when they fall due for at least 12 months from the signing date of the financial statements ending 31 December 2019.

The Company's principal activity is dependent on the bareboat charter agreements entered into with a related company, Swire Pacific Offshore Cyprus Ltd. (CYP). The bareboat charter agreements covering the period 1 January 2017 - 31 December 2021 were signed 18 January 2017. With committed customer contracts going into 2025 and embedded parent company guarantees, Management expects to use their implicit option to extend the bareboat charter agreements until 2025. As such the bareboat agreements with CYP have been classified and recognised as IFRS 16 leasing contracts for the period up until 2025, as the Company has signed windfarm installation projects going into the years 2020 – 2025 with multiple customers. Accordingly, the Company has recognised a right-of-use asset and a leasing liability related to the bareboat charter agreements in accordance with IFRS 16.

In 2019, the Company underwent a transfer pricing audit conducted by the Danish Tax Authorities. The transfer-pricing audit was concluded 14 May 2020 and resulted in adjustments to prior year tax expense of EUR 1.6 million and interest expenses of EUR 642 thousand, which have been provided for at 31 December 2019. The interest expenses have been recognised under finance expenses.

An expansion of the Danish tonnage tax regime to cover wind farm installation vessels was passed in January 2020 with retroactive effect from 2017, 2017 inclusive. On this basis, the Company has informed the Danish Tax Authorities that it elects tonnage taxation. That choice has retroactive effect from 2017 inclusive. However, uncertainty exists over whether the Company has met all the requirements for tonnage taxation and thus been eligible for tonnage tax in 2017-2019. Given that uncertainty, Management has concluded not to account for the adoption of tonnage tax in these financial statements (refer to note 2.17). Management has applied for a binding ruling from the Danish National Tax Council on the applicability of tonnage taxation in 2017-2019.

Restatement of financial statements for 2019

These financial statements for 2019 are a restatement of the initial version dated 30 September 2019 due to an identified error in the recognition of revenue related to 2019. Refer to note 25 to the financial statements for a detailed description of the restatement. Due to the error, the initial version of the financial statements is replaced by this restated version.

Knowledge resources

It is essential for Swire Blue Ocean’s continued growth to attract and maintain highly skilled labor, including engineers with expertise to modify the vessels for customer projects and to support the continued operation of the vessels and commercial people with network in the industry.

Research and development activities

The Company does not undertake any research and development activities. The focus of the Company is to support its customers with the construction of offshore wind farms.

Special risks

The Company only has two vessels and is vulnerable in the event of a loss of revenue of any such vessel.

The Company’s fleet currently consists of the two Windfarm Installation Vessels, Pacific Orca and Pacific Osprey (together the vessels). If any of the vessels are taken out of operation, this could materially impact the Company’s financial results.

The Company is exposed to hazards that are inherent to offshore operations

The Company is operating in the offshore industry and is thus subject to inherent hazards, such as breakdowns, technical problems, harsh weather conditions, environmental pollution, force majeure situations (nationwide strikes, etc.), collisions and groundings. These hazards can cause personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by third parties or customers and suspension of operations. Windfarm Installation Vessels, including the Company’s Vessels, will also be subject to hazards inherent in marine operations, either while on-site or during mobilization, such as capsizing, sinking, grounding, collision, damage from severe weather and marine life infestations. Operations may also be suspended because of machinery breakdowns, abnormal operating conditions, failure of subcontractors to perform or supply goods or services or personnel shortages.

The Company is dependent on the employment of the vessels

The Company's income is dependent on project contracts and vessel charters for the employment of the vessels. Typically, these contracts are concluded several years in advance, giving visibility of future deployment. However, there is a risk that it may be difficult for the Company to obtain future cover for the vessels and utilization may drop. Windfarm installation projects are sanctioned at irregular intervals and installation projects in some locations are seasonal. Consequently, the vessels may need to be deployed on lower-yielding work-scopes or remain idle for periods without any compensation to the Company. There can also be off-hire periods as a consequence of accidents, technical breakdown and non-performance. The cancellation or postponement of one or more employment contracts can have a material adverse impact on the earnings of the Company.

Financial risks and dependency of related parties

The Company's parent company is committed to provide continuing financial support to enable the Company to meet its obligations as and when they fall due.

The Company's principal activity is furthermore dependent on the bareboat charter agreements entered into with a related company in the Swire Pacific Limited Group. Furthermore, the Swire Pacific Limited Group provides crewing services as well as management services to the Company.

Foreign exchange risks

The Company is exposed to foreign currency risks. Income is primarily invoiced in EUR, as are the majority of costs or in DKK, which is pegged to the EUR. A significant proportion of the Company's operating and administrative costs are invoiced and paid in USD, including the bareboat charter agreements.

Credit risks

The Company adopts stringent procedures on extending credit terms to customers and on the monitoring of credit risk. The Company deals only with customers with an appropriate history and obtains sufficient security where appropriate to mitigate credit risk. Historically only immaterial credit losses has been experienced.

Impact on the external environment

Sustainability is a strategic objective for the Company and is key to its ability to create long-term value for its shareholder. It represents an opportunity for innovation and improved efficiency and a foundation for building sustained growth.

The Company has been committed to delivering leadership in environmental, health and safety, employment, business partnerships and community matters across its value chain. The Company is committed to pursue the long-term goals of radical decarbonisation and optimising energy efficiency. The Company strives constantly to identify and reduce the negative impacts that its business has on the environment, to monitor performance and identify areas for improvement. This is done, inter alia:

- through investment in a REDD+ (Reduced Emissions from avoided Deforestation and Forest Degradation) forest conservation scheme in Paraguay, which aims to preserve primary forests and biodiversity of the endemic species of flora and fauna;
- by the vessels being fully compliant with MARPOL II requirements and operating with low sulphur fuels;

- through participation in the production of Global Reporting Initiative (GRI) compliant sustainable performance reports since 2008.

Statutory CSR report

For the statutory statement on corporate responsibility cf. section 99a of the Danish Financial Statements Act, Swire Blue Ocean A/S is part of the Swire Pacific Group, who has developed a Sustainability Report that covers the entire Group. For Swire Blue Ocean's statutory report on Corporate Social Responsibility, please see Swire Pacific Group's Sustainability Report (included in the 2019 Annual report for Swire Pacific Group):
https://www.swirepacific.com/en/ir/reports/ar19.pdf (pp. 113-119).

Account of the gender composition of Management

Swire Blue Ocean had set a goal of having at least one woman included in the Board of Directors before 2020. As there have not been any changes to the Board of Directors, the goal of having at least one woman in the Board of Directors was not met in 2019, and at the date of the approval of the 2019 financial statements, the Board of Directors therefore comprised 5 men and 0 women. Swire Blue Ocean has reassessed the strategy and determined to achieve the goal in 2021.

During 2019, none of our Managers at other managerial positions were women. We wish to ensure a diverse workforce and have a policy of increasing the underrepresented gender on management levels. In order to support this policy, Swire Blue Ocean seeks to have at least one of each gender represented among the last three candidates in the hiring process for management positions.

Overall, the current gender composition in Swire Blue Ocean as of 31 December 2019 is 67.7% men and 33.3% women.

Events after the balance sheet date

After the balance sheet date 31 December 2019, the COVID-19 pandemic negatively impacted Denmark and the rest of the world. However, with no material cancellations or deferrals, the COVID-19 pandemic has not impacted current or future projects and Management considers the outbreak to constitute a non-adjusting event. As a result, Management has not adjusted any figures in the financial statements for 2019 in light of the COVID-19 pandemic.

As announced on 16 September 2020, Swire Blue Ocean intends to order a new vessel with an option for a second new-build, while planning to invest in new cranes for both Pacific Osprey and Pacific Orca. No firm capital commitments have yet been entered into by the Company.

On 25 September 2020, the Company's parent company made a non-cash contribution of EUR 200 million of equity and provided an intercompany term loan of EUR 49 million, which were used to acquire the two vessels currently held under bareboat leasing arrangements to the Company (via newly established, fully owned vesselcos) for a total consideration of USD 290 million. This equity injection has strengthened the financial position and returned the Company to a net asset position (equity at 31 December 2019 was negative EUR 13,100 thousand) as well as improved the cash flow generation going forward due to the discontinuation of the leasing arrangements. The Company will use the vessels as basis for securing external funding to facilitate intercompany debt repayment and working capital requirements going forward.

On 25 September 2020, the Company added the secondary name, CADELER A/S, to its registration with the Danish Business Authority.

As announced on 8 October 2020, the Company intends to be listed on the Oslo Stock Exchange in Norway. In connection with the listing, Swire Blue Ocean will undergo a full rebranding, and future operations will be executed under a new name: CADELER.

No other events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Outlook

Swire Blue Ocean will continue to provide support to the offshore wind industry and the decommissioning of offshore oil & gas operations. Due to the current contract coverage and planned repair and maintenance work of the vessels in 2020, the financial performance of the Company for 2020 is expected to result in revenue between EUR 19 million to EUR 24 million compared to revenue of EUR 38.4 million in 2019.

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 amortisation. Refer to Note 20.

EBITDAR is expected to be in the range of EUR -6 million to EUR -1 million in 2020 compared to an EBITDAR of EUR 11.8 million for 2019. This expectation excludes any cost implications from the Company's intended listing on the Oslo Stock Exchange in Norway.

With a number of signed contracts for committed projects in 2021 to 2025, the project pipeline over this period is significantly stronger and Management expects that the Company will return to profit during this period.

Swire Blue Ocean has made a strategic decision to build up capabilities to become a Transport and Installation (T&I) contractor, which means the office staff will grow from app. 30 people to app. 45 people. These resources are mainly hired to handle the increased bidding complexity, but also to prepare the business for new requirements in the execution phase e.g. quality management, supply chain management and subcontractor management.

It is not the intention to build up a large fixed overhead, while bidding and operating as a T&I contractor, but more to rely on a smaller and agile set-up, and partnerships with other companies for the work that is considered to be outside our "standard" scope.

Furthermore, the Company has started to explore new offshore wind markets, primarily in Asia and the US, and will continue to monitor these markets to allow the business to evaluate, whether it is possible to build a pipeline of projects, which could drive a healthy business model in markets outside the EU.

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2019

	Note	**2019** **EUR'000**	2018 EUR'000
Revenue	4	**38,382**	71,653
Cost of sales	5	**(44,631)**	(55,455)
Gross (loss)/profit		**(6,249)**	16,198
Other income		**7**	-
Administrative expenses	5, 6	**(7,403)**	(9,480)
Operating profit/(loss)	20	**(13,645)**	6,718
Finance income	7	**-**	200
Finance expenses	7	**(8,538)**	(11,545)
Loss before income tax		**(22,183)**	(4,627)
Income tax expense	8	**(1,580)**	(1,712)
Loss for the year		**(23,763)**	(6,339)
Other comprehensive income			
Other comprehensive income/(loss) for the year, net of tax		**-**	-
Total comprehensive income for the year, net of tax		**(23,763)**	(6,339)
Loss for the year attributable to:			
Equity holders of the parent		**(23,763)**	(6,339)
		(23,763)	(6,339)
Total comprehensive income attributable to:			
Equity holders of the parent		**(23,763)**	(6,339)
		(23,763)	(6,339)
Earnings per share			
Basic, loss for the year attributable to ordinary equity holders of the parent, EUR per share of DKK 1		**(30.47)**	(8.13)
Diluted, loss for the year attributable to ordinary equity holders of the parent, EUR per share of DKK 1		**(30.47)**	(8.13)

The accompanying notes form an integral part of these financial statements.

SWIRE BLUE OCEAN A/S

BALANCE SHEET
As at 31 December 2019

	Note	31 December 2019 EUR'000	31 December 2018 EUR'000	1 January 2018 EUR'000
ASSETS				
Non-current assets				
Property, plant and equipment	13	**130**	147	50
Rights-of-use assets	14	**92,813**	108,376	123,939
Leasehold deposits		**210**	206	271
		93,153	108,729	124,260
Current assets				
Inventories	11	**261**	842	646
Trade and other receivables	10	**16,425**	12,877	3,268
Receivables from group entities	22	**-**	11,882	19,118
Other current assets	12	**87**	116	63
Deferred tax asset	16	**-**	-	1,575
Cash and bank balances	9	**1,243**	397	797
		18,016	26,114	25,467
TOTAL ASSETS		**111,169**	134,843	149,727
EQUITY				
Issued share capital	17	**104**	104	104
(Accumulated losses)/retained earnings		**(13,204)**	10,559	16,898
Total equity		**(13,100)**	10,663	17,002
LIABILITIES				
Non-current liabilities				
Lease liabilities	19	**87,951**	101,173	105,392
Other payables	15	**134**	-	-
Deferred charter hire income	4	**4,959**	64	-
		93,044	101,237	105,392
Current liabilities				
Trade and other payables	15	**3,226**	1,795	1,652
Payables to group entities	22	**10,846**	-	-
Deferred charter hire income	4	**-**	6,540	7,134
Lease liabilities	19	**15,519**	14,457	18,547
Income tax payable	8	**1,634**	151	-
		31,225	22,943	27,333
Total liabilities		**124,269**	124,180	132,725
TOTAL EQUITY AND LIABILITIES		**111,169**	134,843	149,727

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2019

	Issued share capital EUR'000	(Accumulated losses)/ retained earnings EUR'000	Total EUR'000
2018			
Beginning of financial year	104	16,898	17,002
Loss for the year	0	(6,339)	(6,339)
Other comprehensive income for the year, net of tax	0	0	0
Total comprehensive income for the year	0	(6,339)	(6,339)
End of financial year	**104**	**10,559**	**10,663**
2019			
Beginning of financial year	104	10,559	10,663
Loss for the year	0	(23,763)	(23,763)
Other comprehensive income for the year, net of tax	0	0	0
Total comprehensive loss for the year	0	(23,763)	(23,763)
End of financial year	**104**	**(13,204)**	**(13,100)**

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2019

	Note	2019 EUR'000	2018 EUR'000
Cash flows from operating activities			
Loss for the year		**(23,763)**	(6,339)
Adjustments for:			
- Depreciation and amortisation		**15,644**	15,638
- Interest expenses		**8,288**	11,506
- Interest income		**-**	(200)
- Income tax expense		**1,580**	1,712
		1,749	22,317
Changes in working capital:			
- Inventories		**581**	(196)
- Trade and other receivables		**(3,523)**	(9,597)
- Trade and other payables		**923**	143
- Deferred revenue		**(1,645)**	(530)
Net change in working capital		**(3,664)**	(10,180)
Income tax paid		**(97)**	14
Net cash provided by operating activities		**(2,012)**	12,151
Cash flows from investing activities			
Additions to property, plant and equipment		**(64)**	(172)
Interest received		**-**	200
Net cash (used in)/provided by investing activities		**(64)**	28
Cash flows from financing activities			
Principal repayment of lease liabilities		**(14,784)**	(14,136)
Interest paid		**(5,022)**	(5,679)
Receivables from group entities		**11,882**	7,236
Payables to group entities		**10,846**	-
Net cash used in financing activities		**2,922**	(12,579)
Net increase/(decrease) in cash and cash equivalents		**846**	(400)
Cash and cash equivalents at beginning of financial year	9	**397**	797
Cash and cash equivalents at end of financial year	9	**1,243**	397

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

The Company is incorporated and domiciled in Denmark. The address of its registered office is Arne Jacobsens Allé 7, 7., DK-2300 Copenhagen S, Denmark.

The Company is a leading offshore wind farm T&I contractor headquartered in Copenhagen, Denmark. The Company operates two offshore jack up windfarm installation vessels, Pacific Orca and Pacific Osprey. In addition to wind farm installation, these vessels can perform maintenance, construction, decommissioning, and other tasks within the offshore industry.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the EU as well as additional Danish disclosure requirements applying to large reporting class C entities. Further they are prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”).

For periods up to and including the year ended 31 December 2018, the Company prepared its financial statements in accordance with the Danish Financial Statement Act. These financial statements for the year ended 31 December 2019 are the first the Company has prepared in accordance with IFRS. Refer to note 3 for information on how the Company adopted IFRS and the effects from the change from the Danish Financial Statement Act to IFRS.

The Company’s financial statement have been prepared based on the historical cost convention, except as disclosed in the accounting policies below from 1 January 2018.

The preparation of these financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Company’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are further described in note 2.17.

The financial statements are presented in euros and all values are rounded to the nearest thousand (EUR’000), except when otherwise indicated.

These financial statements for 2019 are a restatement of the initial version dated 30 September 2019 as detailed in note 25.

Going concern assessment

Due to the loss of EUR 23,763 thousand incurred in 2019, the Company is in a net liabilities position as at 31 December 2019 (equity at 31 December 2019 was negative EUR 13,100 thousand).

On 25 September 2020, the Company's parent company made a non-cash contribution of EUR 200 million of equity and provided an intercompany term loan of EUR 49 million, which were used to acquire the two vessels currently held under bareboat leasing arrangements to the Company (via newly established, fully owned vesselcos) for a total consideration of USD 290 million. This equity injection has strengthened the financial position and returned the Company to a net asset position as well as improved the cash flow generation going forward due to the discontinuation of the leasing arrangements. The Company will use the vessels as basis for securing external funding to facilitate intercompany debt repayment and working capital requirements going forward.

The Company's parent company has furthermore provided a letter of support in which it undertakes to provide financial support to enable the Company to meet its liabilities as and when they fall due for at least 12 months from the signing date of the financial statements ending 31 December 2019.

On this background, Management considers the Company as a going concern and accordingly these financial statements are prepared on a going concern basis.

2.2 Revenue recognition

(a) Time charter revenue

Revenue from time charter revenue is generated from leasing of vessels and provision of services within wind farming projects, catering and accommodation and mobilisation.

A time charter contract consists of a leasing component (the bareboat element) and a service component. The service component is within the scope of IFRS 15, while the leasing component is within the scope of IFRS 16. Refer to Note 2.8 on accounting policy for leases. Both the service component and the leasing component are recognised as revenue over time over the leasing period.

Prepayments from customers for which the service component has yet to be provided are recognised as deferred charter hire income and recognised as revenue over the period during which the services are performed.

Payments from customers for the bareboat element are recognised over time in accordance with the length of the customer contract. Prepayments from customers for the leasing component are recognised as deferred charter hire income. Refer to Note 2.13 for accounting policy on deferred charter hire income.

(b) Catering and accommodation income

Catering and accommodation income comprise income derived from catering services and the provision of accommodation. Revenue is recognised as the service is being provided over time.

(c) Mobilisation income

Mobilisation income comprises income for vessel mobilisation to support customer projects. Revenue is recognised over time as the service is being provided.

(d) Sundry income

Sundry income comprises income derived from the mark up on cost recharged to clients for example fuel, and specific charter equipment requests by the customer. Revenue is recognised on consumption or delivery of charter equipment.

(e) Contract cancellation fee income

Contract cancellation fee income comprises income derived from customers based on contractual penalties triggered by the customer's cancellation of a customer contract.

(f) Interest income

Interest income is recognised using the effective interest method.

2.3 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Employee compensations include wages and salaries, including compensated absence and pensions, as well as other social security contributions made to the entity's employees or public & government authorities. The item is net of support schemes made by public & government authorities.

2.4 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.5 Income taxes

(a) Income tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax is measured at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

2.6 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Inventory covers fuel, lube and other immaterial items. Major spare parts are recorded as fixed assets.

2.7 Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the

Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over the assets' estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Cars	5 years
Other fixtures and fittings	2 to 3 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.8 Leases

When the company is the lessor

Lessor - Operating leases

The Company leases vessels (the bareboat element under time charter contracts) under operating leases to non-related parties. The sublease is classified as an operational lease, as such leases do not cover a significant part of the economic life of the head lease contract and the Company retains substantially all risks and rewards incidental to ownership of the leased assets. Rental income from operating leases is recognised in profit or loss on an over time basis over the lease term and included in revenue.

Initial direct costs incurred by the Company in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

When the company is the lessee

At the inception of the contract, the Company assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

a. Right-of-use assets

The Company recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities using an incremental borrowing rate adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

The right-of-use asset is subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability.

Right-of-use assets are depreciated on a straight-line basis over the lease term.

b. Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. The Company pays a utilization lease fee when the vessels are utilized. These payments are not included in the lease liability, as they are only paid when the vessels are utilized. The utilization lease fee has been classified as being a variable fee.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

c. Short-term and low-value leases

The Company has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term. Short-term and low-value leases consists of cars, coffee machines and AV equipment.

2.9 Impairment of non-financial assets

Property, plant and equipment and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing of assets, recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

2.10 Financial assets

The Company measures its financial assets at amortised cost.

The classification of debt instruments depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

(i) At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) At subsequent measurement

Debt instrument

Debt instruments of the Company mainly comprise of cash and bank balances, trade receivables and other current assets.

There are three prescribed subsequent measurement categories, depending on the Company's business model in managing the assets and the cash flow characteristic of the assets. The Company manages these group of financial assets by collecting the contractual cash flow and these cash flows represent solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

Interest income from these financial assets are recognised using the effective interest rate method.

The Company assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For trade and other receivables, the Company applied the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For cash and bank balances, the general 3-stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2.11 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

2.13 Deferred charter hire income

Time charter revenue received in advance and reservation fees are deferred and recognised as current liabilities if the service is due within one year or less. Otherwise, they are presented as non-current liabilities. Deferred charter hire income is recognised as revenue in profit or loss over timer over the period during which the related service is performed.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares are deducted against the share capital account.

2.15 Currency translation

The financial statements are presented in Euro (EUR), which is also the functional currency of the Company. See note 3 on reassessment of the functional and presentation currency in connection with conversion to IFRS.

Transactions in a currency other than the EUR (“foreign currency”) are translated into EUR using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet are recognised in profit or loss. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Foreign exchange gains and losses impacting profit or loss are presented in the income statement within finance income or finance costs.

2.16 Cash flow statement

Statement of cash flows

The statement of cash flows shows the Company's cash flows for the year distributed on operating, investing and financing activities, net changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year

Positive amounts indicate cash inflows, whereas negative amounts indicate cash outflows.

Cash flows from operating activities

Cash flows from operating activities are stated as the profit/loss for the year adjusted for non-cash operating items such as depreciation, changes in working capital and income tax paid or received. Working capital includes current assets less current liabilities, excluding cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from the acquisition and sale of non-current assets.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from instalments on lease liabilities, and interest paid/received.

Cash and cash equivalents

Cash and cash equivalents are measured in the balance sheet nominal value, and mainly consists of short term deposits and cash and bank balances.

2.17 Significant accounting judgements, estimates and assumptions

Leases – Estimating the incremental borrowing rate and lease term

The Company cannot readily determine the implicit borrowing rate, therefore it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-to-use asset in a similar economic environment. The IBR therefore reflects what the Company “would have to pay”, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the leases. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Company’s stand-alone credit rating).

The lease term on the bareboat agreements where the Company is a lessee is determined as the non-cancellable term of the lease together with the period covered by committed customer contracts which are embedded with parent company guarantees, and which would require the Company to exercise the implicit option to extend the bareboat agreements to fulfil these contracts. Refer to note 14.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset including right-of-use assets or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available sales transactions conducted at arms length terms, if available. The value in use calculation is based on a DCF model. The cash flows are derived from the budget and the most recent project pipeline. These cash flows do not include restructuring activities or significant future investments which will enhance the performance of the assets or CGU being tested. The recoverable amount is sensitive to the discount rate used in the DCF model as well as future cash in-flows and growth rate assumptions. Refer to note 14.

Tonnage tax

An expansion of the Danish tonnage tax regime to cover wind farm installation vessels was passed in January 2020 with retroactive effect from 2017, 2017 inclusive. On this basis, the Company has informed the Danish Tax Authorities that it elects tonnage taxation. That choice has retroactive effect from 2017 inclusive. However, uncertainty exists over whether the Company has met all the requirements for tonnage taxation and thus been eligible for tonnage tax in 2017-2019. Given that uncertainty, Management has concluded not to account for the adoption of tonnage tax in these financial statements. Management has applied for a binding ruling from the Danish National Tax Council on the applicability of tonnage taxation in 2017-2019.

If the binding ruling is in favour of the Company, the tonnage tax regime will be adopted with retrospective effect from the income year 2017, which will result in the reversal of the Company's current and deferred taxes accounted for in 2017, 2018 and 2019. Further, the value of the Company's tax loss to be carried forward as at 31 December 2019 (not recognized) would then be reduced to nil (refer to note 16). The EUR 1.6 million recognized as a tax expense in 2019 would however not be reversed, as this tax expense relates to a transfer pricing audit of income years prior to 2017.

It would also require the recognition of tonnage tax charges for 2017, 2018 and 2019, which will amount to approximately EUR 12 thousand per year. These adjustments have not been reflected in the financial statements.

2.18 Financial ratios and operational metrics

Return on assets	Profit/loss from operating activities Total assets, year-end

Year-end total assets has been adopted due to the adoption of IFRS and in particular IFRS 16 which creates significant variance in total assets in 2018 vs 2017.

Equity ratio	Equity, year-end Total equity and liabilities, year-end
Contracted days	Number of on hire days in the fiscal year (in total for both vessels)
Utilization	Contracted days Days in the year (365*two vessels)
Average day rate	Charter hire revenue Contracted days

3. First time IFRS adoption and reconciliation

These financial statements, for the year ended 31 December 2019, are the first the Company has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2018, the Group prepared its financial statements in accordance with the Danish Financial Statements Act (Danish GAAP).

Accordingly, the Company has prepared financial statements that comply with IFRS applicable as at 31 December 2019, together with the comparative period data for the year ended 31 December 2018, as described in the summary of significant accounting policies (refer to note 2). In preparing the financial statements, the Company's opening statement of financial position was prepared as at 1 January 2018, the Company's date of transition to IFRS. This note explains the principal adjustments made by the Company in restating its Danish GAAP financial statements, including the statement of financial position as at 1 January 2018 and 31 December 2018 and the statement of profit and loss and other comprehensive income for the year ended 31 December 2018.

Reassessment of functional and presentation currency

Under Danish GAAP the Company used Danish kroner as the functional and presentation currency, in line with the Danish GAAP requirements. In connection with the conversion to IFRS, the Company has reassessed their functional and presentation currency. In order to better reflect the primary economic environment that the Company operates in and generates and expends cash, the Company sees it fit to apply EUR as the functional and presentation currency to reflect this. Given the fact that EUR and DKK have been fixed since 1999, the change in the functional currency has not given raise to any material effect.
The exchange rate from EUR to DKK has for the following dates been 1 January 2018, 31 December 2018 and 31 December 2019 respectively been 7.44; 7.47 and 7.47 (DKK per 1 EUR).

The change in currency has been reflected prospectively in the financial statement using the exchange rate at the date of the change.

3.1 Reconciliation of balance sheet as at 1 January 2018 (date transitioned to IFRS)

EUR'000	Notes	Danish GAAP	Reclassifications and Remeasurements	IFRS
ASSETS				
Non-current assets				
Property, plant and equipment		50	-	50
Rights-of-use assets	A	-	123,939	123,939
Leasehold deposits		271	-	271
		321	123,939	124,260
Current assets				
Inventories		646	-	646
Trade and other receivables		3,268	-	3,268
Receivables from group entities		19,118	-	19,118
Other current assets		63	-	63
Deferred tax asset		1,575	-	1,575
Cash and bank balances		797		797
		25,739	-	25,467
TOTAL ASSETS		25,789	123,939	149,727
EQUITY				
Issued share capital		104	-	104
(Accumulated losses)/retained earnings		16,898	-	16,898
Total equity		17,002	-	17,002
LIABILITIES				
Non-current liability				
Lease liabilities	A	-	105,392	105,392
		-	105,392	105,392
Current liabilities				
Trade and other payables		1,652	-	1,652
Deferred charter hire income		7,134	-	7,134
Lease liabilities	A	-	18,547	18,547
		8,786	18,547	27,333
Total liabilities		8,786	123,939	132,725
TOTAL EQUITY AND LIABILITIES		25,788	123,939	149,727

3.1A Adoption of IFRS 16 *Leases*

IFRS 16 requires that right of use assets and lease liabilities be recognised in the balance sheet, which was not a requirement of Danish GAAP. As at 1 January 2018 the right of use assets (ROU assets) and lease liabilities are:

	2018 EUR'000
Right of use assets	
Bareboat leases	122,367
Office leases	1,572
	123,939
Lease liabilities	
Non-current	
Bareboat leases	104,136
Office leases	1,256
	105,392
Current	
Bareboat leases	18,232
Office leases	315
	18,547

Prior to the adoption of IFRS 16, non-cancellable operating lease payments were not recognised as liabilities in the balance sheet. These payments were recognised as rental expenses over the lease term on a straight-line basis.

The Company's accounting policy on leases after the adoption of IFRS 16 is disclosed in Note 2.8.

The Company has elected to apply the following practical expedients regarding application of IFRS 16:

On a lease-by-lease basis, the Company has:
(a) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
(b) accounted for leases with a remaining lease term of less than 12 months as at 1 January 2018 as short-term leases;
(c) excluded initial direct costs in the measurement of the right of use ("ROU") asset at the date of initial application; and
(d) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

For leases previously classified as operating leases on 1 January 2018, the Company has applied the following transition provisions:

(i) On a lease-by-lease basis, the Company chose to measure its ROU assets at amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application (i.e. 1 January 2018).

(ii) Recognised its lease liabilities by discounting the remaining lease payments as at 1 January 2018 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristic.

An explanation of the differences between the operating lease commitments previously disclosed in the Company's financial statements as at 31 December 2017 and the lease liabilities recognised in the balance sheet as at 1 January 2018 are as follows:

	EUR'000
Operating lease commitments disclosed as at 31 December 2017 (under Danish GAAP)	74,399
Additional lease term included based on implicit extension option identified	73,507
Less: Leases with low value	(110)
Less: Discounting effects using weighted average incremental borrowing rate of 4.5%	(23,857)
Lease liabilities recognised as at 1 January 2018	123,939

Please refer to note 14 for details on the calculation of the present value of the lease payments and accordingly the right-of-use assets.

3.2 Reconciliation of balance sheet as at 31 December 2018

EUR'000	Note	Danish GAAP	Reclassifications and Remeasurements	IFRS
ASSETS				
Non-current assets				
Property, plant and equipment		147	-	147
Rights-of-use assets	A	-	108,376	108,376
Leasehold deposits		271	-	271
		418	108,376	108,794
Current assets				
Inventories		842	-	842
Trade and other receivables		12,876	-	12,876
Receivables from group entities		11,882	-	11,882
Other current assets		52	-	52
Cash and bank balances		397	-	397
		26,320	-	26,050
TOTAL ASSETS		26,467	108,376	134,843
EQUITY				
Issued share capital		104	-	104
(Accumulated losses)/retained earnings		17,813	(7,254)	10,559
Total equity		17,917	(7,254)	10,663
LIABILITIES				
Non-current liability				
Lease liabilities	A	-	101,173	101,173
Deferred charter hire income		64	-	64
		64	101,173	101,237
Current liabilities				
Trade and other payables		1,795	-	1,795
Deferred charter hire income		6,540	-	6,540
Lease liabilities	A	-	14,457	14,457
Income tax payable		151	-	151
		8,486	14,457	22,943
Total liabilities		8,4550	115,630	124,180
TOTAL EQUITY AND LIABILITIES		26,467	108,376	134,843

3.2A Adoption of IFRS 16 *Leases*

IFRS 16 requires that right of use assets and lease liabilities be recognised in the balance sheet, which was not a requirement of Danish GAAP. As at 31 December 2018 the right of use assets (ROU assets) and lease liabilities are:

	2018 EUR'000
Right of use assets	
Bareboat leases	107,082
Office leases	1,294
	108,376
Lease liabilities	
Non-current	
Bareboat leases	100,111
Office leases	1,062
	101,173
Current	
Bareboat leases	14,197
Office leases	260
	14,457

The reduction of equity (increase in accumulated losses) is due to the timing differences between depreciation (straight line) and principal reduction of the lease liabilities. This difference will net off at the end of the lease term. Refer to note 3.3.

3.3 Reconciliation of statement of profit and loss and other comprehensive income for the year ended 31 December 2018

EUR'000	Note	Danish GAAP	Reclassifications and Remeasurements	IFRS
Revenue		71,653	-	71,653
Cost of sales	A	(59,660)	4,205	(55,455)
Gross (loss)/profit		11,993	4,205	16,198
Administrative expenses		(9,517)	37	(9,480)
Operating profit		2,476	4,242	6,718
Finance income		200	-	200
Finance costs	A	(48)	(11,497)	(11,545)
Loss before income tax		2,628	(7,255)	(4,627)
Income tax expense		(1,712)	-	(1,712)
Loss for the year		916	(7,255)	(6,339)
Other comprehensive income				
Other comprehensive income/(loss) for the year, net of tax		0	0	0
Total comprehensive income for the year, net of tax		916	(7,255)	(6,339)

3.3A Adoption of IFRS 16 *Leases*

The adoption of IFRS and thus the application of IFRS 16 requires that operating leases that were previously not recognised in the balance sheet under Danish GAAP now be recognised as right of use assets and lease liabilities. The cost of operating and financing these assets are recognised in the P&L via depreciation (Cost of sales) and interest expenses (finance costs).

The bareboat agreements, which give rise to the right of use assets and lease liabilities, comprise a standby rate and a variable rate (when the vessel is on hire) and are denominated in USD. Only the standby rate is included in the right of use asset and lease liability calculation as the on hire rate is variable and included as an expense (Cost of sales) as incurred. The right of use asset is a non-monetary assets (recognised in EUR), however the lease liability is denominated in USD and revalued at each reporting date.

4. Revenue

(a) Disaggregation of revenue from contracts with customers

	2019 **EUR'000**	2018 EUR'000
Revenue from contracts with customers		
- Time charter hire	**30,998**	58,782
- Catering and accommodation	**1,032**	1,871
- Mobilisation	**1,669**	2,390
- Sundry income	**1,183**	8,610
- Contract cancellation fee	**3,500**	-
Total revenue	**38,382**	71,653

	2019 **EUR'000**	2018 EUR'000
Revenue from contract with customers		
- Service revenue	**13,968**	15,651
- Bareboat revenue	**19,731**	47,392
- Sundry income	**4,683**	8,610
Total revenue	**38,382**	71,653

All the revenues are recognised over-time.

Charter hire services are contracts with customers where the Company utilises 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 Company 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 Company. The Company 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 bareboat revenue elements. 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 bareboat revenue.

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

Mobilisation are the fees earned for the movement of the vessel form one location to another in order to deliver a project, and is deemed to be bareboat revenue.

In 2019, revenue with two customers exceed 10% of total revenue. The revenue derived from these two customers was EUR 25.0 million and EUR 8.4 million respectively.

In 2018, revenue with three customers exceed 10% of total revenue. The revenue derived from these three customers was EUR 33.9 million, EUR 22.4 million and EUR 15.4 million respectively.

Operating segments
The Company's management or chief operating decision maker is not operating or making decisions based on customers' types, type of services or geographical segments. The Company 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 Company only has one operating segment.

(b) Deferred charter hire income

Revenue recognised in relation to deferred charter hire income

	2019 **EUR'000**	2018 EUR'000
Revenue recognised in current period that was included in the contract liabilities balance at the beginning of the period		
- Time charter hire services	**6,604**	7,134
Total liabilities at the beginning of the period	**6,604**	7,134

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

5. Expenses by nature

	2019 EUR'000	2018 EUR'000
Cost of sales		
(includes operating costs related to the operation of the vessels)		
Right of use asset amortisation, leasehold vessels (Note 14)	**15,285**	15,285
Bareboat charter hire (variable on hire lease fee)	**9,774**	14,608
Crewing costs paid to a related and an external party	**11,603**	12,510
Fuel and oil	**1,758**	3,113
Maintenance	**2,148**	1,923
Messing costs	**1,062**	1,267
Seafarer travel	**462**	432
Specific charter costs	**1,891**	5,221
Utilities	**448**	495
Other operating expenses	**200**	600
Total vessel operation costs	**44,631**	55,455
Administrative expenses		
(include costs related to the administrative functions of the Company including on-shore employees)		
Depreciation and amortisation, other than leasehold vessels (Note 13, 14)	**358**	353
Employee compensation (Note 6)	**3,940**	3,830
Repair and maintenance expenses	**172**	767
Legal and professional fees	**432**	1,587
Rental expenses – short term or low value assets	**362**	334
Travel expense	**556**	394
Management fees to a related party	**853**	1,601
Marketing and entertainment expenses	**342**	232
Other expenses	**388**	382
Total administrative expenses	**7,403**	9,480

Auditor remuneration

Administrative expenses include fee to the auditors appointed by the shareholder at the Annual General Meeting:

Statutory audit	**40**	14
Tax services	**182**	96
Other services	**33**	21
	256	131

6. Employee compensation

Included in note 6

	2019 **EUR'000**	2018 EUR'000
Wages and salaries	**3,664**	3,286
Employer's contribution to defined contribution plans	**15**	20
Other short-term benefits	**260**	524
	3,939	3,830

	2019	2018
Average number of full time employees	**33**	32

Wages/salaries include expenses for temps and temporary assistance, but they are not reflected in the average number of full-time employees

Key management compensation is as follows:

	2019 **EUR'000**	2018 EUR'000
Wages and salaries	**433**	384
Other short-term benefits	**39**	39
	472	423

Key management refers to directors of the Company. The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. There is not distinct fee paid to non-executive directors to act as a director of the Company, and is covered in their base remuneration, which is not paid by the Company, but are paid by another entity within the Swire Pacific Limited Group. The Company incurs a management fee from the parent company, which covers management and other parent company support services. Refer to note 22. Approx. EUR 55 thousand of this management fee relates to the compensation of non-executive directors for their management roles with the Company.

7. Finance income and expenses

	2019 EUR'000	2018 EUR'000
Interest income	**0**	200
Finance income	**0**	200
Interest expense		
- Interest on tax owed	**642**	-
- Bank balances	**-**	9
- Lease liabilities	**5,021**	5,670
Foreign currency loss		
- Operations	**225**	12
- USD denominated bareboat agreements	**2,625**	5,827
Bank fees	**25**	27
Finance expenses	**8,538**	11,545

8. Income taxes

(a) Income tax expense

	2019 EUR'000	2018 EUR'000
Tax expense attributable to profit/loss is made up of:		
Current tax	**0**	147
Change in deferred tax balances net of write-downs	**0**	1,575
Current tax, prior year adjustments	**1,637**	0
Refund in joint taxation	**(57)**	(10)
Income tax expense	**1,580**	1,712

In 2019, the Company underwent a transfer pricing audit conducted by the Danish Tax Authorities. The audit was concluded 14 May 2020 and resulted in adjustments to prior year tax expense of EUR 1.6 million and interest expenses of EUR 642 thousand, which have been provided for at 31 December 2019. The interest expenses have been recognised under finance expenses.

(b) Effective tax rate

	2019		2018	
	EUR'000	**%**	EUR'000	%
Tax expense attributable to profit is made up of:				
Accounting profit before income tax	**(22,183)**		(4,627)	
Calculated tax at statutory tax rate in Denmark, 22 %	**4,880**	**(22.0)**	1,018	(22.0)
Tax impact from:				
- Non-deductible expenses	**(143)**	**0.6**	(3)	0.0
- Refund in joint taxation	**57**	**(0.3)**	10	(0.2)
- Refund in joint taxation – from taxable income in previous years	**0**	**0.0**	(10)	0.2
- Adjustment regarding previous years	**(1,637)**	**7.4**	0	0.0
- Change in impairment of deferred tax assets in the year	**(4,737)**	**21.4**	(2,727)	58.9
Income tax expense, reported	**(1,580)**	**7.1**	(1,712)	37.0
Effective tax rate (%)	**7.1 %**		37.0 %	

9. Cash and bank balances

	December 31		1 January
	2019	2018	2018
	EUR'000	EUR'000	EUR'000
Cash at bank and on hand	**1,243**	397	797
	1,243	397	797

10. Trade and other receivables

	31 December		1 January
	2019	2018	2018
	EUR'000	EUR'000	EUR'000
Trade receivables:			
- Non-related parties	**14,881**	12,542	3,114
- Other receivables	**1,544**	335	154
	16,425	**12,877**	**3,268**

Expected credit loss on trade receivables

The Company has historically only experienced immaterial losses on trade receivables, if any. Further, a material part of the cash flows in the contracts are prepayments received up front. Customer payments terms are typically short term, 30-90 days from date of invoice.

The Company's expected credit losses are, based on historical data, a low number of high quality debtors and expectations to the future, therefore immaterial. All balances as of 31 December 2019 have been collected during 2020.

31 December 2019	**Trade receivables**	Expected loss	Total
	EUR'000	EUR'000	EUR'000
Not due	**14,881**	-	14,881
Overdue 1-30 days	**-**	-	-
Overdue 31 to 60 days	**-**	-	-
Overdue +61 days	**-**	-	-
Total	**14,881**	**-**	**14,881**

31 December 2018	**Trade receivables EUR'000**	Expected loss EUR'000	Total EUR'000
Not due	**10,728**	-	10,728
Overdue 1-30 days			
Overdue 31 to 60 days	**1,814**	-	1,814
Overdue +61 days	**-**	-	-
Total	**12,542**	**-**	**12,542**

1 January 2018	**Trade receivables EUR'000**	Expected loss EUR'000	Total EUR'000
Not due	**3,072**	-	3,072
Overdue 1-30 days	**5**	-	5
Overdue 31 to 60 days	**-**	-	-
Overdue +61 days	**37**	-	37
Total	**3,114**	**-**	**3,114**

11. Inventories

	31 December **2019** **EUR'000**	31 December 2018 EUR'000	1 January 2018 EUR'000
Fuel and lube oil	**261**	842	646

12. Other current assets

	31 December **2019** **EUR'000**	31 December 2018 EUR'000	1 January 2018 EUR'000
Prepayments	**87**	116	63
Total other current assets	**87**	**116**	**63**

13. Property, plant and equipment

	Useful lives
Cars	5 years
Other fixtures and fittings	2 to 3 years

	Car EUR'000	Other fixtures and fittings EUR'000	Total EUR'000
2018			
Cost			
Beginning of financial year	86	346	432
Additions	-	172	172
Disposals	-	(260)	(260)
End of financial year	86	258	344
Accumulated depreciation			
Beginning of financial year	78	304	382
Depreciation charge	8	67	75
Disposals	-	(260)	(260)
End of financial year	86	111	197
Net book value	-	**147**	**147**

	Car EUR'000	Other fixtures and fittings EUR'000	Total EUR'000
2019			
Cost			
Beginning of financial year	86	258	344
Additions	-	65	65
Disposals	(86)	-	(86)
End of financial year	-	323	323
Accumulated depreciation			
Beginning of financial year	86	111	197
Depreciation charge	-	82	82
Disposals	(86)	-	(86)
End of financial year	-	193	193
Net book value	-	**130**	**130**

14. Right-of-use assets

Nature of the Company's leasing activities

Vessels
The Company has entered into two bareboat lease agreements with a related company, Swire Pacific Offshore Cyprus Ltd. (CYP). The bareboat lease agreements relate to two special purpose offshore jack up windfarm installation vessels, Pacific Orca and Pacific Osprey, which are mainly utilised on larger windfarm installation projects.

The bareboat charter agreements covering the period 1 January 2017 - 31 December 2021 were signed 18 January 2017. With committed customer contracts going into 2025 and embedded parent company guarantees, Management expects to use their implicit option to extend the bareboat charter agreements until 2025. As such the bareboat agreements have been recognised for a lease term up until 2025 in accordance with IFRS 16.

The bareboat leases comprise a standby rate of USD 30,000 per vessel per day and a variable additional on-hire rate of USD 30,000 per vessel per day when the vessel is on contract to a customer.

In calculating the present value of the lease payments, the Company uses it's incremental borrowing rate at the lease commencement date (4.5%). The calculation is based on the fixed leasing payments in the contract. The lease payments are not based on an index or another rate used to adjust the fixed fee. When the vessels are utilized, an extra fee is added to the fixed payments, so the Company pays a higher total lease fee. The extra fee is seen as a variable element and is therefore not included in calculating the lease liability (the present value of the fixed lease payments).

The bareboat agreements contain a clause, which enables either party to terminate the agreement with 30 days written notice. However, given that both parties to the agreements are under common control, the mutual economic benefit, and the fact that a number of customer contracts in 2020-25 contain parent company guarantees, it is the expectation of Management that neither party will terminate the contracts.

Office space
The Company leases office space for the purpose of office operations. The lease term of the office is based on the first date at which the Company can exit without penalty (31 August 2023).

Impairment test
The Company has prepared an impairment test on the right-of-use assets as of 31 December 2019. The test showed no indication of impairment based on the Company's value in use calculation for the forecast period 2020-2025, which based on the current contract pipeline assumes increasing rates over the period. In determining the value in use, the cash flows were discounted at a rate of 8.5% on a pre-tax basis.

	Leasehold vessels EUR'000	Office space EUR'000	Total EUR'000
2018			
Cost			
Beginning of financial year	122,367	1,572	123,939
End of financial year	122,367	1,572	123,939
Accumulated amortisation			
Beginning of financial year	-	-	-
Amortisation charge	15,285	278	15,563
End of financial year	15,285	278	15,563
Net book value	**107,082**	**1,294**	**108,376**
2019			
Cost			
Beginning/end of financial year	122,367	1,572	123,939
Accumulated amortisation			
Beginning of financial year	15,285	278	15,563
Amortisation charge	15,286	277	15,563
End of financial year	30,571	555	31,126
Net book value	**91,796**	**1,017**	**92,813**

Please refer to note 19 for disclosure on lease liabilities.

The projected total standby rate (non-variable lease fee) cash outflow for 2020 to 2025 is EUR 117,053 thousand.

Lease interest expenses recognised in profit and loss:

(a) Interest expense

	2019 EUR'000	2018 EUR'000
Interest expense on lease liabilities (vessels and office)	**5,021**	**5,670**

(b) Lease expense not capitalised in lease liabilities

	2019 EUR'000	2018 EUR'000
Short-term lease expense	26	26

(c) Total cash outflow for all leases in 2019 and 2018 were EUR 19,832 thousand and EUR 19,832 thousand respectively, excluding variable lease fee (refer to Note 7, 19).

15. Trade and other payables

	31 December		1 January
	2019	2018	2018
	EUR'000	EUR'000	EUR'000
Trade payables:			
- Non-related parties	**1,304**	1,000	929
- Other payables	**1,922**	795	723
	3,226	1,795	1,652

16. Deferred income taxes

	31 December		1 January
	2019	2018	2018
	EUR'000	EUR'000	EUR'000
Property, plant and equipment	**(32)**	(34)	(40)
Right-of-use assets (IFRS 16)	**20,419**	23,843	0
Lease liabilities (IFRS 16)	**(22,763)**	(25,438)	0
Other temporary differences	**(108)**	(23)	0
Tax losses carry forwards (22% tax value)	**(5,163)**	(1,257)	(1,719)
Write-down of deferred tax assets	**7,647**	2,909	183
Deferred taxes	**0**	0	(1,575)

In 2018 and 2019, the Company has not recognised deferred tax assets related to tax loss carry-forwards and temporary differences as disclosed above. As it is uncertain if these tax losses and temporary differences can be utilized within a foreseeable future, their carrying amount has not been recognised in the financial statements.

17. Issued share capital

	No. of shares '000	31 December 2019 EUR'000	31 December 2018 EUR'000	1 January 2018 EUR'000
Ordinary shares				
Beginning and end of financial year	780	**104**	104	104
Issued and paid in share capital		**104**	104	104

The Company's issued and paid in share capital amounts to DKK 780 thousand, equal to EUR 104 thousand, consisting of 780,000 shares of DKK 1. The Company's share capital has remained unchanged over the past 5 years.

18. Commitments

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 recognised as liabilities, are as follows:

	31 December		1 January
	2019	2018	2018
	EUR'000	EUR'000	EUR'000
Not later than one year	**26**	26	26
Between one and five years	**32**	58	84
	58	84	110

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

19. Financial risk management

Financial risk factors

The Company'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 Company is managed by the intermediate holding corporation, Swire Pacific Offshore Holdings Limited.

The finance personnel measure actual exposures against the limits set and prepare regular reports for the review of the management team and the Board of Directors of Swire Pacific Offshore Holdings Limited. The information presented below is based on information received by the management team.

(a) Market risk

(i) Currency risk

The Company's business is exposed to the Danish Kroner ("DKK") and United States Dollar ("USD") as certain operating expenses are denominated in these currencies. To ensure efficient cash management the parent company operates a cash pooling mechanism, a part of which is to manage currency risk. With a diverse global footprint and operational currencies the parent company seeks in order to manage currency risk with natural hedges. However, if required maintain exposure within acceptable levels the parent company may enter into currency forwards with banks or hedge contracts on behalf of the Company. As of 31 December 2019 and 31 December 2018, no currency forwards or hedge contracts were entered into on behalf of the company.

The largest USD expense of the company is the lease liability for the bareboat agreements, which is not hedged. A change in the USD/EUR exchange rate of +/- 5 % would affect financial items in profit and loss and thereby result for the year and retained earnings, with approximately EUR 5 million due to USD denominated lease liabilities recognised. 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.

(ii) Interest rate risk

The Company has no external borrowings and thus the Company's exposure to interest rate risk on its borrowings and bank deposits is not significant.
As at 31 December 2019 and 31 December 2018, the interest rate risk arising from borrowings and bank deposits is not significant to the financial statements.

With no external borrowings, given the poor performance in 2018 and 2019, the Company has been funded via intercompany liabilities (Note 22). These intercompany payables are repayable on demand and interest free, and as such the interest rate risk arising from such liabilities is not significant to the financial statements.

(b) Credit risk

(i) Risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company adopts the following policy to mitigate credit risk.

For banks and financial institutions, the Company mitigates its credit risks by transacting only with counterparties who are rated "A" and above by independent rating agencies.

The Company adopts the policy of dealing only with customers of appropriate history and obtaining sufficient security where appropriate to mitigate credit risk. The Company adopts stringent procedures on extending credit terms to customers and on the monitoring of credit risk. These credit terms are normally contractual and credit policies spell out clearly the guidelines on extending credit to customers, including monitoring the process and using related industry's practices as reference. This includes assessment and valuation of customers' credit reliability and periodic review of their financial status to determine the credit limits to be granted. Customers are also assessed based on their historical payment records. Where necessary, customers may also be requested to provide security or advance payment before services are rendered.

Related party credit risk is managed and reviewed by the intermediate holding corporation, Swire Pacific Offshore Holdings Limited. Credit risk exposure for carrying amount of receivables due from related parties has been minimized as the related parties are financially supported by Swire Pacific Offshore Holdings Limited to meet their liabilities as and when they fall due.

The maximum exposure to credit risk is the carrying amount of trade receivables and other receivables, receivables from group entities and cash and bank balances presented on the balance sheet.

(ii) Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses (“ECLs”) associated with its financial assets which are trade and other receivables, cash and bank balances and receivables from group entities. Financial assets are written-off when there is no reasonable expectation of recovery, such as a non-related debtor failing to engage in a repayment plan with the Company. Where receivables have been written-off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Company has applied the simplified approach by using the provision matrix to measure the lifetime expected credit losses for trade receivables from customers. To measure the expected credit losses, the Company grouped receivables based on shared credit characteristics and days past due.

Trade receivables from external customers that are neither past due nor impaired are with creditworthy companies. Based on the provision matrix, the trade receivables from external customers are subject to immaterial credit loss.

The Company has assessed that receivables from group entities that are repayable on demand are subject to an immaterial credit loss as these related parties are financially supported by Swire Pacific Offshore Holdings Limited to meet their liabilities as and when they fall due.

For cash and bank balances and other receivables that are measured at amortised cost, the Company has considered these financial assets as low credit risk. Cash and bank balances are mainly deposits with banks who have high credit-ratings as determined by international credit-rating agencies. As at 31 December 2019 and 31 December 2018, cash and bank balances and other receivables are subject to immaterial credit loss.

<u>Financial assets that are neither past due nor impaired</u>

Cash and cash equivalents that are neither past due nor impaired are mainly deposits with banks with have high credit-ratings as determined by international credit-rating agencies. Trade and other receivables that are neither past due nor impaired are substantially companies with good collection track record with the Company.

Other than the above, there are no credit loss allowance for other financial asset at amortised cost as at 31 December 2019 and 31 December 2018.

(c) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash and available funding through committed credit facilities, from its group entities including its immediate holding company, to enable it to meet its operational requirements.

The table below analyses the maturity profile of the financial liabilities of the Company based on contractual undiscounted cash flows:

	Less than 1 year EUR'000	Between 1 and 5 years EUR'000	After 5 years EUR'000
2018			
Trade and other payables	(1,795)	-	-
Lease liabilities	(19,368)	(77,418)	(38,158)
	(21,163)	(77,418)	(38,158)
2019			
Trade and other payables	(3,226)	(134)	-
Payable to group entities	(10,846)	-	-
Lease liabilities	(19,859)	(78,857)	(19,491)
	(33,931)	(78,991)	(19,491)

Change in lease liabilities during the year:

	2019 EUR'000	2018 EUR'000
Lease liabilities 1 January (current and non-current)	**115,630**	123,939
Cash flows	**(14,785)**	(14,136)
Foreign exchange effect	**2,625**	5,827
Lease liabilities 31 December (current and non-current)	**103,470**	115,630

(d) Capital management

The Company's objectives when managing capital are to ensure the Company's ability to continue as a going concern and to maintain an optimal capital structure.

Due to the loss of EUR 23,763 thousand incurred in 2019, the Company is in a net liabilities position as at 31 December 2019 (equity at 31 December 2019 was negative EUR 13,100 thousand).

On 25 September 2020, the Company's parent company made a non-cash contribution of EUR 200 million of equity and provided an intercompany term loan of EUR 49 million, which were used to acquire the two vessels currently held under bareboat leasing arrangements to the Company (via newly established, fully owned vesselcos) for a total consideration of USD 290 million. This equity injection has strengthened the financial position and returned the Company to a net asset position as well as improved the cash flow generation going forward due to the discontinuation of the leasing arrangements. The Company will use the vessels as basis for securing external funding to facilitate intercompany debt repayment and working capital requirements going forward.

Further, the Company's parent company has provided a letter of support in which it undertakes to provide financial support to enable the Company to meet its liabilities as and when they fall due for at least 12 months from the signing date of the financial statements ending 31 December 2019.

	31 December		1 January
	2019	2018	2018
	EUR'000	EUR'000	EUR'000
Total equity	**(13,100)**	10,663	17,002
Total capital	**(13,100)**	10,663	17,002

The Company is not subject to any externally imposed capital requirements.

20. 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, Amortisation, foreign exchange gains/losses and bareboat Rent in the form of variable lease fee (and right-of-use asset amortisation).

EBITDAR is calculated as shown below:

	2019 EUR'000	2018 EUR'000
Operating profit as reported in the statement of profit and loss	**(13,645)**	6,718
Right-of-use asset amortisation (Note 14)	**15,563**	15,563
Depreciation and amortisation (Note 13)	**82**	75
Bareboat charter hire (variable on hire lease fee) (Note 5)	**9,774**	14,608
EBITDAR	**11,774**	36,964

21. Immediate and ultimate holding companies

The Company is a wholly-owned subsidiary of Swire Pacific Offshore Operations (Pte) Ltd, incorporated in Singapore. The intermediate holding companies include Swire Pacific Offshore Holding Limited, incorporated in Bermuda, and Swire Pacific Limited the penultimate holding company, incorporated and publicly listed in Hong Kong. The ultimate holding company is John Swire & Sons Limited, incorporated in England.

22. 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:

	2019	2018
	EUR'000	EUR'000
Bareboat rental payments to related parties	**(19,420)**	(19,365)
Variable bareboat rental expenses paid to related parties	**(9,845)**	(14,734)
Crew hire expenses paid to related parties	**(10,616)**	(10,913)
Management fees paid to related parties	**(853)**	(1,601)
Receivables from group entities at year-end	**-**	11,882
Payables to group entities at year-end	**10,846**	-
Right of use asset with a group entity as lessor	**91,796**	107,082
Lease liabilities payable to group entities	**102,409**	114,308

Further to the transactions and balances with related parties disclosed above, the Company's parent company and the Company's intermediate holding company have each provided a letter of support in which they undertake to provide financial support to enable the Company to meet its liabilities as and when they fall due for at least 12 months from the signing date of the financial statements ending 31 December 2019.

The Company is jointly taxed with the Danish group entity. As the administrative company, the Company is jointly taxed with the other Danish group entities and has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties in the joint taxation group. At 31 December 2019, the net taxes payable to SKAT by the companies included in the joint taxation amounted to EUR 2,289 thousand (DKK 17,059 thousand). Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail that the companies' liability will increase.

23. New or revised accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

24. Events after reporting period

After the balance sheet date 31 December 2019, the COVID-19 pandemic negatively impacted Denmark and the rest of the world. However, with no material cancelations or deferrals, the COVID-19 pandemic has not impacted current or future projects and Management considers the outbreak to constitute a non-adjusting event. As a result, Management has not adjusted any figures in the financial statements for 2019 in light of the COVID-19 pandemic.

As announced on 16 September 2020, Swire Blue Ocean intends to order a new vessel with an option for a second new-build, while planning to invest in new cranes for both Pacific Osprey and Pacific Orca. No firm capital commitments have yet been entered into.

On 25 September 2020, the Company's parent company made a non-cash contribution of EUR 200 million of equity and provided an intercompany term loan of EUR 49 million, which were used to acquire the two vessels currently held under bareboat leasing arrangements to the Company (via newly established, fully owned vesselcos) for a total consideration of USD 290 million. This equity injection has strengthened the financial position and returned the Company to a net asset position (equity at 31 December 2019 was negative EUR 13,100 thousand) as well as improved the cash flow generation going forward due to the discontinuation of the leasing arrangements. The Company will use the vessels as basis for securing external funding to facilitate intercompany debt repayment and working capital requirements going forward.

On 25 September 2020, the Company added the secondary name, CADELER A/S, to its registration with the Danish Business Authority.

As announced on 8 October 2020, the Company intends to be listed on the Oslo Stock Exchange in Norway. In connection with the listing, Swire Blue Ocean will undergo a full rebranding, and future operations will be executed under a new name: CADELER.

25. Restatement of financial statements for 2019

These financial statements for 2019 are a restatement of the initial version dated 30 September 2020 due to a subsequent identified error in the recognition of revenue related to 2019. The error relates to a non-recurring revenue stream in the form of contract cancellation fee income, which has been invoiced and received in 2020, but relates to 2019 in the amount of EUR 3,500 thousand. The correction of the error has increased revenue and reduced the reported loss for 2019 by EUR 3,500 thousand and increased total assets and equity at 31 December 2019 by a corresponding amount. Reported cash flows from operating activities for 2019 as well as all comparative figures for 2018 are not impacted.

Furthermore, deferred charter hire income in the amount of EUR 4,959 thousand has been reclassified from current to non-current liabilities at 31 December 2019.

No other changes have been made to the restated financial statements for 2019.

26. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Swire Blue Ocean A/S on 21 October 2020 and recommend for approval of the shareholder of the Company at the extraordinary general meeting held on 21 October 2020.

SWIRE BLUE OCEAN A/S

(Incorporated in Denmark. Registration Number (CVR no.): 31 18 05 03)
(Arne Jacobsens Allé 7, 7., DK-2300 Copenhagen S, Denmark)

INTERIM REPORT

For the period 1 January to 30 June 2020

SWIRE BLUE OCEAN A/S
(Incorporated in Denmark)

INTERIM REPORT
For the period 1 January to 30 June 2020

Contents

SWIRE BLUE OCEAN A/S

STATEMENT BY MANAGEMENT
For the period 1 January to 30 June 2020

The Board of Directors and the Executive Board have today discussed and approved the interim condensed financial statements of Swire Blue Ocean A/S for the period 1 January to 30 June 2020.

The interim condensed financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. Furthermore, the interim report has been prepared in accordance with additional requirements of the Danish Financial Statements Act, applying to large reporting class C entities.

In our opinion, the interim condensed financial statements give a true and fair view of the financial position of the Company at 30 June 2020 and of the results of its operations and cash flows for the period 1 January to 30 June 2020.

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

Copenhagen, 21 October 2020

Executive Board:

Mikkel Gleerup CEO	Martin Møller Olesen CFO

Board of Directors:

Richard Lawrence Sell Chairman	Roy George Shearer
Brian Townsley	Mikkel Gleerup
Martin Møller Olesen	

INDEPENDENT AUDITOR'S REPORT

For the period 1 January to 30 June 2020

To the shareholder of Swire Blue Ocean A/S

We have reviewed the condensed interim financial statements of Swire Blue Ocean A/S for the period 1 January – 30 June 2020, which comprise a condensed statement of profit and loss and other comprehensive income, condensed balance sheet, condensed statement of changes in equity, condensed cash flow statement and notes. The condensed interim 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 financial statements

Management is responsible for the preparation of condensed interim 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 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 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 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 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 financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these condensed interim 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, 21 October 2020
EY Godkendt Revisionspartnerselskab
CVR-no. 30 70 02 28

Jens Thordahl Nøhr
State Authorised Public Accountant
mne32212

Company details

Name	SWIRE BLUE OCEAN A/S
Address, Postal code, City	Arne Jacobsens Allé 7, 7., DK-2300 Copenhagen S, Denmark
Registration no. (CVR no.)	31 18 05 03
Established	15 January 2008
Registered office	Copenhagen, Denmark
Financial year	1 January - 31 December
Interim period	1 January – 30 June
Website	www.swireblueocean.com
Board of Directors	Richard Lawrence Sell, Chairman Roy George Shearer Brian Townsley Mikkel Gleerup Martin Møller Olesen
Executive Board	Mikkel Gleerup, CEO Martin Møller Olesen, CFO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, DK-2000 Frederiksberg, Denmark

Financial highlights

EUR'000	H1 2020	H1 2019	FY 2019
Key figures			
Charter hire revenue	8,148	25,434	32,667
Other revenue	1,001	1,564	5,715
Revenue (total)	9,149	26,998	38,382
EBITDAR*	(4,803)	13,444	11,774
Gross (loss)/profit	(14,294)	3,691	(6,249)
Operating (loss)/profit	(18,285)	(87)	(13,645)
Net financials	(1,971)	(4,686)	(8,538)
Profit/(loss) for the year	**(20,256)**	**(6,399)**	**(23,763)**
Total assets	98,161	118,577	111,169
Non-current asset	85,403	100,993	93,153
Total liabilities	131,517	114,312	124,269
Equity	**(33,356)**	**4,264**	**(13,100)**
Cash flow from:			
- operating activities	(4,062)	6,822	(2,012)
- investing activities	(49)	(28)	(64)
(of which investment in property, plant and equipment)	(49)	(28)	(64)
- financing activities	4,437	(5,975)	2,922
Cash and cash equivalents	**1,569**	**1,216**	**1,243**
Financial ratios			
Return on assets (%), annualised	-41.3%	-10.8%	-21.4%
Equity ratio (%)	-34.0%	3.6%	-11.8%
Contracted days (no. of days)	204	198	383
Utilization (%)	56.0%	54.8%	52.5%
Average day rate (EUR'000)	40.0	128.2	85.3
Share related key figures			
Earnings per share (EPS), EUR	(26.0)	(8.2)	(30.5)
Diluted earnings per share (diluted EPS), EUR	(26.0)	(8.2)	(30.5)

The ratios have been computed in accordance with the definitions in the Annual Report for 2019 (note 2.18 to the financial statements).

*EBITDAR is equal to Earnings Before Interest, Tax, Depreciation, Amortization, unrealized foreign exchange gains/losses and bareboat Rent (in the form of variable lease fee and right-of-use asset amortization calculated in accordance with IFRS 16).

Management's review

Description of the development in activities for the interim period covered

The Company is a leading offshore wind farm transportation and installation (“T&I”) contractor headquartered in Copenhagen, Denmark. The Company operates two offshore jack up windfarm installation vessels, Pacific Orca and Pacific Osprey. In addition to wind farm installation, these vessels can perform maintenance, construction, decommissioning, and other tasks within the offshore industry.

Despite the disruption across the global economy caused by COVID-19, the Company’s operations were largely unaffected. Pacific Orca continued on the maintenance contract with Siemens that commenced in 2019 and achieved 100% utilisation in the first half of 2020.

On 7 June 2020, Pacific Osprey returned to normal service with its first day on hire since the crane incident in late 2018.

Financial review for the interim period covered

Revenue in the first half of 2020 was EUR 9,149 thousand vs the first half of 2019 of EUR 26,998 thousand. This was despite an increase in utilization of 1.2 percentage points, as day rates reduced by -68.8% due to market conditions and a management decision to build specific maintenance capabilities and take on a long term maintenance project during 2019 and 2020. The crane incident in 2018 has impacted 2020 results, as Pacific Osprey only returned to service in June 2020.

With costs relatively fixed in nature, the decrease in revenue flowed through to operating (loss)/profit amounting to a loss of EUR 18,285 thousand in first half of 2020 compared to a loss of EUR 87 thousand in the first half of 2019.

Development in equity for the interim period covered

With a loss also in the first half of 2020, as of 30 June 2020, the Company is in a net liability position, and the equity of the Company is negative EUR (33,356) thousand at 30 June 2020.

On 25 September 2020, the Company’s parent company made a non-cash contribution of receivables from related parties in the amount of EUR 200 million of equity and provided an intercompany term loan of EUR 49 million, which were used to acquire the two vessels currently held under bareboat leasing arrangements to the Company (via newly established, fully owned vesselcos) for a total consideration of USD 290 million. This equity injection has strengthened the financial position and returned the Company to a net asset position as well as improved the cash flow generation going forward due to the discontinuation of the leasing arrangements. The Company will use the vessels as basis for securing external funding to facilitate intercompany debt repayment and working capital requirements going forward.

The Company's parent company has furthermore provided a letter of support in which it undertakes to provide financial support to enable the Company to meet its liabilities as and when they fall due for at least 12 months from the signing date of the financial statements ending 31 December 2019.

Full year outlook

The Company will continue to provide support to the offshore wind industry and the decommissioning of offshore oil & gas operations. Due to the current contract coverage and planned repair and maintenance work of the vessels in 2020, the financial performance of the Company for 2020 is expected to result in revenue between EUR 19 million to EUR 24 million compared to revenue of EUR 38.4 million in 2019.

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 amortisation. Refer to Note 10.

EBITDAR is expected to be in the range of EUR -6 million to EUR -1 million in 2020 compared to an EBITDAR of EUR 11.8 million for 2019. This expectation excludes any cost implications from the Company's intended listing on the Oslo Stock Exchange in Norway.

With a number of signed contracts for committed projects in 2021 to 2025, the project pipeline over this period is significantly stronger and Management expects that the Company will return to profit during this period.

Swire Blue Ocean has made a strategic decision to build up capabilities to become a Transport and Installation (T&I) contractor, which means the office staff will grow from app. 30 people to app. 45 people. These resources are mainly hired to handle the increased bidding complexity, but also to prepare the business for new requirements in the execution phase e.g. quality management, supply chain management and subcontractor management.

It is not the intention to build up a large fixed overhead, while bidding and operating as a T&I contractor, but more to rely on a smaller and agile set-up, and partnerships with other companies for the work that is considered to be outside our "standard" scope.

Furthermore, the Company has started to explore new offshore wind markets, primarily in Asia and the US, and will continue to monitor these markets to allow the business to evaluate, whether it is possible to build a pipeline of projects, which could drive a healthy business model in markets outside the EU.

Impact from COVID-19

During 2020, the COVID-19 pandemic negatively impacted Denmark and the rest of the world. The Company has had one cancellation of a non-material contract due to COVID-19. The canceled contract was a short-term, low-rate contract, as it related to an accommodation charter.

Other than this, the COVID-19 pandemic has not impacted current or future projects and Management remains focused on ensuring continued safe operation of the vessels. As a result, Management has not adjusted any figures in the interim report for June 2020 in light of the COVID-19 pandemic.

The Company has taken precautions by implementing new safety procedures to lower the risk of a crew member being infected and carrying the virus onboard the vessels. The crew are aware of the new procedures and are following these to ensure the safety of all onboard.

Overall, management does not believe that COVID-19 will have a material impact on operations, and thereby neither on financial position, liquidity or revenue of the Company.

Events after the balance sheet date

As announced on 16 September 2020, the Company intends to order a new vessel with an option for a second new-build, while planning to invest in new cranes for both Pacific Osprey and Pacific Orca. No firm capital commitments have yet been entered into by the Company.

On 25 September 2020, the Company's parent company made a non-cash contribution of EUR 200 million of equity and provided an intercompany loan of EUR 49 million, which were used to acquire the two vessels currently held under bareboat leasing arrangements to the Company (via newly established, fully owned vesselcos) for a total consideration of USD 290 million. This equity injection has strengthened the financial position and returned the Company to a net asset position (equity at 30 June 2020 was negative EUR (33,356) thousand) as well as improved the cash flow generation going forward due to the discontinuation of the leasing arrangements. The Company will use the vessels as basis for securing external funding to facilitate intercompany debt repayment and working capital requirements going forward.

On 25 September 2020, the Company added the secondary name, CADELER A/S, to its registration with the Danish Business Authority.

As announced on 8 October 2020, the Company intends to be listed on the Oslo Stock Exchange in Norway. In connection with the listing, Swire Blue Ocean will undergo a full rebranding, and future operations will be executed under a new name: CADELER.

No other events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the period 1 January to 30 June 2020

	Note	**H1 2020 EUR'000**	H1 2019 EUR'000	FY 2019 EUR'000
Revenue	3	**9,149**	26,998	38,382
Cost of sales	4	**(23,443)**	(23,307)	(44,631)
Gross (loss)/profit		**(14,294)**	3,691	(6,249)
Other income		**-**	7	7
Administrative expenses	4	**(3,991)**	(3,785)	(7,403)
Operating (loss)/profit		**(18,285)**	(87)	(13,645)
Finance income	5	**297**	-	-
Finance expenses	5	**(2,268)**	(4,686)	(8,538)
Loss before income tax		**(20,256)**	(4,773)	(22,183)
Income tax expense	6	**-**	(1,626)	(1,580)
Loss for the period		**(20,256)**	(6,399)	(23,763)
Other comprehensive income				
Other comprehensive income/(loss) for the period, net of tax		-	-	-
Total comprehensive income for the period, net of tax		**(20,256)**	(6,399)	(23,763)
Loss for the period attributable to:				
Equity holders of the parent		**(20,256)**	(6,399)	(23,763)
		(20,256)	(6,399)	(23,763)
Total comprehensive income attributable to:				
Equity holders of the parent		**(20,256)**	(6,399)	(23,763)
		(20,256)	(6,399)	(23,763)
Earnings per share				
Basic, loss for the period attributable to ordinary equity holders of the parent, EUR per share of DKK 1		**(25.97)**	(8.20)	(30.47)
Diluted, loss for the period attributable to ordinary equity holders of the parent, EUR per share of DKK 1		**(25.97)**	(8.20)	(30.47)

The accompanying notes form an integral part of these interim financial statements.

SWIRE BLUE OCEAN A/S

BALANCE SHEET
As at 30 June 2020

	Note	30 June 2020 EUR'000	30 June 2019 EUR'000	31 December 2019 EUR'000
ASSETS				
Non-current assets				
Property, plant and equipment	7	**140**	126	130
Rights-of-use assets	8	**85,053**	100,657	92,813
Leasehold deposits		**210**	210	210
		85,403	100,993	93,153
Current assets				
Inventories		**534**	251	261
Trade and other receivables		**10,654**	8,014	16,425
Receivables from group entities		**-**	8,102	-
Other current assets		**-**	-	87
Deferred tax asset		**-**	-	-
Cash and bank balances		**1,569**	1,216	1,243
		12,758	17,584	18,016
TOTAL ASSETS		**98,161**	118,577	111,169
EQUITY				
Issued share capital		**104**	104	104
(Accumulated losses)/retained earnings		**(33,460)**	4,160	(13,204)
Total equity		**(33,356)**	4,264	(13,100)
LIABILITIES				
Non-current liabilities				
Lease liabilities	9	**80,035**	94,620	87,951
Other payables		**-**	-	134
Deferred charter hire income		**4,321**	-	4,959
		84,356	94,620	93,044
Current liabilities				
Trade and other payables		**3,859**	2,668	3,226
Payables to group entities		**25,166**	-	10,846
Deferred charter hire income		**679**	90	-
Lease liabilities	9	**15,819**	15,176	15,519
Income tax payable		**1,637**	1,759	1,634
		47,160	19,692	31,225
Total liabilities		**131,517**	114,312	124,269
TOTAL EQUITY AND LIABILITIES		**98,161**	118,577	111,169

The accompanying notes form an integral part of these interim financial statements.

STATEMENT OF CHANGES IN EQUITY

For the period 1 January to 30 June 2020

	Issued share capital EUR'000	(Accumulated losses)/ retained earnings EUR'000	Total EUR'000
Equity at 1 January 2020	**104**	(13,204)	(13,100)
Loss for the period	0	(20,256)	(20,256)
Other comprehensive income for the period, net of tax	0	0	0
Total comprehensive income for the period	**0**	(20,256)	(20,256)
Equity 30 June 2020	**104**	**(33,460)**	**(33,356)**

	Issued share capital EUR'000	(Accumulated losses)/ retained earnings EUR'000	Total EUR'000
Equity at 1 January 2019	104	10,559	10,663
Loss for the period	0	(6,399)	(6,399)
Other comprehensive income for the period, net of tax	0	0	0
Total comprehensive loss for the period	0	(6,399)	(6,399)
Equity 30 June 2019	**104**	**4,160**	**4,264**

The accompanying notes form an integral part of these interim financial statements.

SWIRE BLUE OCEAN A/S

STATEMENT OF CASH FLOWS

For the period 1 January to 30 June 2020

	H1 2020 EUR'000	H1 2019 EUR'000	FY 2019 EUR'000
Cash flows from operating activities			
Loss for the period	**(20,256)**	(6,399)	(23,763)
Adjustments for:			
- Depreciation and amortisation	**7,799**	7,768	15,644
- Interest expenses	**2,267**	4,560	8,288
- Interest income	**-**	-	-
- Income tax expense	**-**	1,626	1,580
	(10,189)	7,556	1,749
Changes in working capital:			
- Inventories	**(273)**	591	581
- Trade and other receivables	**5,858**	4,335	(3,523)
- Trade and other payables	**502**	873	923
- Deferred revenue	**41**	(6,514)	(1,645)
Net change in working capital	**6,128**	(716)	(3,664)
Income tax paid	**-**	(18)	(97)
Net cash provided by operating activities	**(4,062)**	6,822	(2,012)
Cash flows from investing activities			
Additions to property, plant and equipment	**(49)**	(28)	(64)
Interest received	**-**	-	-
Net cash (used in)/provided by investing activities	**(49)**	(28)	(64)
Cash flows from financing activities			
Principal repayment of lease liabilities	**(7,620)**	(7,150)	(14,784)
Interest paid	**(2,264)**	(2,606)	(5,022)
Receivables from group entities	**-**	3,780	11,882
Payables to group entities	**14,320**	-	10,846
Net cash used in financing activities	**4,437**	(5,975)	2,922
Net increase/(decrease) in cash and cash equivalents	**326**	819	846
Cash and cash equivalents at 1 January	**1,243**	397	397
Cash and cash equivalents at end of period	**1,569**	1,216	1,243

The accompanying notes form an integral part of these interim financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying interim financial statements.

1. General information

The Company is incorporated and domiciled in Denmark. The address of its registered office is Arne Jacobsens Allé 7, 7., DK-2300 Copenhagen S, Denmark.

The Company is a leading offshore wind farm T&I contractor headquartered in Copenhagen, Denmark. The Company operates two offshore jack up windfarm installation vessels, Pacific Orca and Pacific Osprey. In addition to wind farm installation, these vessels can perform maintenance, construction, decommissioning, and other tasks within the offshore industry.

2. Significant accounting policies

2.1 Basis of preparation

The interim financial statements for the six months ended 30 June 2020 are prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU ("IFRS") and additional requirements of the Danish Financial Statements Act, applying to large reporting class C entities.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at 31 December 2019.

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

The accounting policies, judgements and estimates are consistent with those applied in the annual report for 2019.

Going concern assessment
With a loss in the first half of 2020, as of 30 June 2020, the Company is in a net liability position, and the equity of the Company is negative EUR (33,356) thousand at 30 June 2020.

On 25 September 2020, the Company's parent company made a non-cash contribution of receivables from related parties in the amount of EUR 200 million of equity and provided an intercompany term loan of EUR 49 million, which were used to acquire the two vessels currently held under bareboat leasing arrangements to the Company (via newly established, fully owned vesselcos) for a total consideration of USD 290 million. This equity injection has strengthened the financial position and returned the Company to a net asset position as well as improved the cash flow generation going forward due to the discontinuation of the leasing arrangements. The Company will use the vessels as basis for securing external funding to facilitate intercompany debt repayment and working capital requirements going forward.

The Company's parent company has furthermore provided a letter of support in which it undertakes to provide financial support to enable the Company to meet its liabilities as and when they fall due for at least 12 months from the signing date of the financial statements ending 31 December 2019.

On this background, Management considers the Company as a going concern and accordingly these interim financial statements are prepared on a going concern basis.

2.2 Changes in accounting policies and disclosures

The Company has adopted standards and interpretations effective as of 1 January 2020. The Company 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 Company has implemented the amendments and interpretations to existing standards, which came into effect on 1 January 2020.

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

For a complete description of accounting policies, see the notes to the financial statements for 2019, pages 16-56 in the annual report for 2019.

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 2019:

- *Leases – Estimating the incremental borrowing rate and lease term*
- *Impairment of non-financial assets*
- *Tonnage tax*

The accounting judgements and significant estimates are consistent with those set out in notes 2.17 to the financial statements for 2019, to which reference is made. For tonnage tax, refer also to note 6 in these interim financial statements.

COVID-19 has not had any specific impact on these, however please refer to note 7 on considerations related to the performed impairment test as of 30 June 2020 and the impact from COVID-19.

3. Revenue

(a) Disaggregation of revenue from contracts with customers

	H1 2020 EUR'000	H1 2019 EUR'000	FY 2019 EUR'000
Revenue from contracts with customers			
- Time charter hire	**7,848**	23,766	30,998
- Catering and accommodation	**338**	641	1,032
- Mobilisation	**300**	1,669	1,669
- Sundry income	**663**	922	1,183
- Contract cancellation fee	**-**	-	3,500
Total revenue	**9,149**	26,998	38,382

	H1 2020 EUR'000	H1 2019 EUR'000	FY 2019 EUR'000
Revenue from contract with customers			
- Service revenue	**6,379**	6,586	13,968
- Bareboat revenue	**2,107**	19,490	19,731
- Sundry income	**663**	922	4,683
Total revenue	**9,149**	26,998	38,382

All the revenues are recognised over-time.

Charter hire services are contracts with customers where the Company utilises 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 Company 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 Company. The Company 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 bareboat revenue elements. 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 bareboat revenue.

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

Mobilisation are the fees earned for the movement of the vessel form one location to another in order to deliver a project and is deemed to be bareboat revenue.

Operating segments
The Company's management or chief operating decision maker is not operating or making decisions based on customers' types, type of services or geographical segments. The Company 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 Company only has one operating segment.

(b) Deferred charter hire income

Revenue recognised in relation to deferred charter hire income

	H1 2020 EUR'000	H1 2019 EUR'000	FY 2019 EUR'000
Revenue recognised in current period that was included in the contract liabilities balance at the beginning of the period			
- Time charter hire services	**0**	6,604	6,604
Total liabilities at the beginning of the period	**0**	6,604	6,604

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

4. Expenses by nature

	H1 2020 EUR'000	H1 2019 EUR'000	FY 2019 EUR'000
Cost of sales			
(includes operating costs related to the operation of the vessels)			
Right of use asset depreciation, leasehold vessels (Note 7)	**7,622**	7,580	15,285
Bareboat charter hire (variable on hire lease fee)	**5,683**	5,763	9,774
Crewing costs paid to a related party	**5,698**	5,608	11,603
Fuel and oil	**805**	1,031	1,758
Maintenance	**1,433**	1,561	2,148
Messing costs	**443**	535	1,062
Seafarer travel	**420**	364	462
Specific charter costs	**527**	612	1,891
Utilities	**279**	251	448
Other operating expenses	**533**	2	200
Total cost of sales	**23,443**	23,307	44,631

Administrative expenses
(include costs related to the administrative functions of the Company including onshore employees)

Depreciation and amortisation, other than leasehold vessels	**178**	188	358
Employee compensation	**2,491**	2,111	3,940
Repair and maintenance expenses	**45**	85	172
Legal and professional fees	**169**	267	432
Rental expenses – short term or low value assets	**199**	116	362
Travel expense	**121**	329	556
Management fees to a related party	**497**	280	853
Marketing and entertainment expenses	**76**	129	342
Other expenses	**215**	280	388
Total administrative expenses	**3,991**	3,785	7,403

5. Finance income and expenses

	H1 2020 EUR'000	H1 2019 EUR'000	FY 2019 EUR'000
Foreign currency gain	**297**	0	0
Finance income	**297**	0	0
Interest expense			
- Interest on tax owed	**-**	642	642
- Bank balances	**2**	30	-
- Lease liabilities	**2,257**	2,565	5,021
Foreign currency loss			
- Operations	**-**	125	225
- USD denominated bareboat agreements	**3**	1,315	2,625
Bank fees	**6**	9	25
Finance expenses	**2,268**	4,686	8,538

6. Income tax expense

In 2019, the Company underwent a transfer pricing audit conducted by the Danish Tax Authorities. The audit was concluded 14 May 2020 and resulted in adjustments to prior year tax expense of EUR 1.6 million and interest expenses of EUR 642 thousand, which have been provided for at 30 June 2019. The interest expenses have been recognised under finance expenses.

Tonnage tax

An expansion of the Danish tonnage tax regime to cover wind farm installation vessels was passed in January 2020 with retroactive effect from 2017, 2017 inclusive. On this basis, the Company has informed the Danish Tax Authorities that it elects tonnage taxation. That choice has retroactive effect from 2017 inclusive. However, uncertainty exists over whether the Company has met all the requirements for tonnage taxation and thus been eligible for tonnage tax in 2017-2020. Given that uncertainty, Management has concluded not to account for the adoption of tonnage tax in its financial statements. Management has applied for a binding ruling from the Danish National Tax Council on the applicability of tonnage taxation in 2017-2019.

If the binding ruling is in favour of the Company, the tonnage tax regime will be adopted with retrospective effect from the income year 2017, which will result in the reversal of the Company's current and deferred taxes accounted for in 2017, 2018, 2019 and 2020. Further, the value of the Company's tax loss to be carried forward as at 30 June 2020 (not recognized) would then be reduced to nil. The EUR 1.6 million recognized as a tax expense in 2019 would however not be reversed, as this tax expense relates to a transfer pricing audit of income years prior to 2017.

It would also require the recognition of tonnage tax charges for 2017, 2018, 2019 and 2020, which will amount to approximately EUR 12 thousand per year. These adjustments have not been reflected in the financial statements.

7. Property, plant and equipment

Acquisitions and disposals
No material investment or disposals have been made in the first half of 2020.
The Company intends to order a new vessel with an option for a second new-build, however no contract has been signed yet.

8. Right-of-use assets

Nature of the Company's leasing activities

Vessels
The Company has entered into two bareboat lease agreements with a related company, Swire Pacific Offshore Cyprus Ltd. (CYP). The bareboat lease agreements relate to two special purpose offshore jack up windfarm installation vessels, Pacific Orca and Pacific Osprey, which are mainly utilised on larger windfarm installation projects.

The assumptions applied to the IFRS 16 calculations are unchanged compared to the approach described in the financial statements for 2019. Please refer to accounting policies and note 14 in these for further information on the Company's leasing activities.

Impairment test
The Company has prepared an impairment test on the right-of-use assets as of 30 June 2020. The test showed no indication of impairment based on the Company's value in use calculation for the forecast period H2 2020-2025, which based on the current contract pipeline assumes increasing rates over the period. In determining the value in use, the cash flows were discounted at a rate of 8.5% on a pre-tax basis.
The Company has taken COVID-19 into account, when updating the impairment test at 30 June 2020. In the first half of 2020, the Company has had one minor contract that was shortened by the client due to COVID-19.
In general, the current pipeline has not been affected by the pandemic and it is Management's expectation that the windfarm projects, which the two vessels are to be engaged with, will not be delayed or cancelled.

Cost	Leasehold vessels EUR'000	Office space EUR'000	Total EUR'000
1 January 2020	122,367	1,572	123,939
30 June 2020	122,367	1,572	123,939
Accumulated amortisation			
1 January 2020	30,571	555	31,126
Amortisation charge	7,621	139	7,760
30 June 2020	38,192	694	38,886
Net book value, 30 June 2020	**84,175**	**878**	**85,053**

Cost	Leasehold vessels EUR'000	Office space EUR'000	Total EUR'000
1 January 2019	122,367	1,572	123,939
30 June 2019	122,367	1,572	123,939
Accumulated amortisation			
1 January 2019	15,285	278	15,563
Amortisation charge	7,580	139	7,719
30 June 2019	22,865	417	23,282
Net book value, 30 June 2019	99,502	1,155	100,657

Lease interest expenses recognised in profit and loss:

(a) Interest expense

	30 June		**31 December**
	2020	2019	2019
	EUR'000	EUR'000	EUR'000
Interest expense on lease liability (vessels and office)	**2,257**	2,565	5,021

(b) Lease expense not capitalised in lease liabilities

	30 June		**31 December**
	2020	2019	2019
	EUR'000	EUR'000	EUR'000
Short-term lease expense	**13**	13	26

(c) Total cash outflow for all leases in the first half year of 2020 were EUR 12,147 thousand (H1 2019: EUR 12,292 thousand), excluding variable lease fee.

9. Financial risk management

For full information regarding the financial risk management on market risk incl. currency and interest rate risk and credit risk please refer to note 19 in the 2019 financial statements.

(a) Market risk

(i) Currency risk

The Company's business is exposed to the Danish Kroner ("DKK") and United States Dollar ("USD") as certain operating expenses are denominated in these currencies. To ensure efficient cash management the parent company operates a cash pooling mechanism, a part of which is to manage currency risk.

The largest USD expense of the company is the lease liability for the bareboat agreements, which is not hedged. A change in the USD/EUR exchange rate of +/- 5 % would affect financial items in profit and loss and thereby result for the year and retained earnings, with approximately EUR 4.8 million due to USD denominated lease liabilities recognised. 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.

(b) Liquidity risk

The liquidity risk is included in the condensed interim financial statements to show the movement in the contractual undiscounted cash flows and the changes in the lease liability, as the Company's liabilities mainly consist of lease payments.

The Company manages liquidity risk by maintaining sufficient cash and available funding through committed credit facilities, from its group entities including its immediate holding company, to enable it to meet its operational requirements.

The table below analyses the maturity profile of the financial liabilities of the Company based on contractual undiscounted cash flows:

	Less than 1 year EUR'000	Between 1 and 5 years EUR'000	After 5 years EUR'000
30 June 2019			
Trade and other payables	(2,668)	-	-
Payable to group entities	-	-	-
Lease liabilities	(19,640)	(78,140)	(28,987)
	(22,308)	(78,140)	(28,987)
30 June 2020			
Trade and other payables	(3,859)	-	-
Payable to group entities	(25,166)	-	-
Lease liabilities	(19,807)	(78,701)	(9,826)
	(48,832)	(78,701)	(9,826)
31 December 2019			
Trade and other payables	(3,226)	(134)	-
Payable to group entities	(10,846)	-	-
Lease liabilities	(19,859)	(78,857)	(19,491)
	(33,931)	(78,991)	(19,491)

Change in lease liabilities during the year:

	30 June **2020** **EUR'000**	30 June 2019 EUR'000	31 December 2019 EUR'000
Lease liabilities 1 January (current and non-current)	**103,470**	115,630	115,630
Cash flows	**(7,620)**	(7,150)	(14,785)
Foreign exchange effect	**3**	1,315	2,625
Lease liabilities (current and non-current)	**98,854**	109,796	103,470

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, Amortisation, foreign exchange gains/losses and bareboat Rent in the form of variable lease fee (and right-of-use asset amortisation).

EBITDAR is calculated as shown below:

	30 June		31 December
	2020	2019	2019
	EUR'000	EUR'000	EUR'000
Operating profit as reported in the statement of profit and loss	**(18,285)**	(87)	(13,645)
Right-of-use asset amortisation (Note 8)	**7,760**	7,719	15,563
Depreciation and amortisation	**39**	49	82
Bareboat charter hire (variable on hire lease fee) (Note 4)	**5,683**	5,763	9,774
EBITDAR	**(4,803)**	13,444	11,774

11. Related party disclosure

No significant changes have occurred to related parties or types and scale of transactions with these parties other than what is disclosed in the annual report for 2019 to which reference is made.

The Company is a wholly-owned subsidiary of Swire Pacific Offshore Operations (Pte) Ltd, incorporated in Singapore. The intermediate holding companies include Swire Pacific Offshore Holding Limited, incorporated in Bermuda, and Swire Pacific Limited the penultimate holding company, incorporated and publicly listed in Hong Kong. The ultimate holding company is John Swire & Sons Limited, incorporated in England.

The Company's parent company and the Company's intermediate holding company have each provided a letter of support in which they undertake to provide financial support to enable the Company to meet its liabilities as and when they fall due for at least 12 months from the signing date of the financial statements ending 31 December 2019.

12. Events after reporting period

As announced on 16 September 2020, the Company intends to order a new vessel with an option for a second new-build, while planning to invest in new cranes for both Pacific Osprey and Pacific Orca. No firm capital commitments have yet been entered into by the Company.

On 25 September 2020, the Company's parent company made a non-cash contribution of EUR 200 million of equity and provided an intercompany term loan of EUR 49 million, which were used to acquire the two vessels currently held under bareboat leasing arrangements to the Company (via newly established, fully owned vesselcos) for a total consideration of USD 290 million. This equity injection has strengthened the financial position and returned the Company to a net asset position (equity at 30 June 2020 was negative EUR (33,356) thousand) as well as improved the cash flow generation going forward due to the discontinuation of the leasing arrangements. The Company will use the vessels as basis for securing external funding to facilitate intercompany debt repayment and working capital requirements going forward.

On 25 September 2020, the Company added the secondary name, CADELER A/S, to its registration with the Danish Business Authority.

As announced on 8 October 2020, the Company intends to be listed on the Oslo Stock Exchange in Norway. In connection with the listing, Swire Blue Ocean will undergo a full rebranding, and future operations will be executed under a new name: CADELER.

CADELER A/S

STATEMENT OF CASH FLOWS CONSTRUCTED FROM DGAPP
For the financial years ended 31 December 2017 and 31 December 2018 and

	Note	2018 EUR'000	2017 EUR'000
Cash flows from operating activities			
Loss for the year		916	(6,338)
Adjustments for:			
- Depreciation and amortisation		75	45
- Interest expenses		48	75
- Interest income		(200)	(9)
- Income tax expense		1,712	(1,547)
		2,551	(7,774)
Changes in working capital			
- Inventories		(196)	79
- Trade and other receivables		(9,597)	2,453
- Trade and other payables		143	772
- Deferred revenue		(530)	2,576
Net change in working capital		(10,180)	5,880
Income tax paid		14	(456)
Net cash provided by operating activities		(7,616)	2,350
Cash flows from investing activities			
Additions to property, plant and equipment		(172)	(31)
Interest received		200	9
Net cash (used in)/provided by investing activities		28	(22)
Cash flows from financing activities			
Principal repayment of lease liabilities		-	-
Interest paid		(48)	(75)
Receivables from group entities		7,236	3,243
Payables to group entities		-	-
Net cash used in financing activities		7,188	3,168
Net increase/(decrease) in cash and cash equivalents		(400)	796
Cash and cash equivalents at beginning of financial year		797	1
Cash and cash equivalents at end of financial year		397	797

In 2017 and 2018, the financial statements of the Company were prepared under DGAAP. As the Company was classified as a class-C company, the preparation of a cash flow statement was not required under Danish legislation. However, in order to provide investors with cash flow statements for the years 2017, 2018 and 2019, the above cash flow statements for 2017 (DGAAP) and 2018 (DGAAP) have been produced from the audited DGAAP balance sheet and profit and income statement, and are unaudited.

[THIS PAGE IS INTENTIONALLY LEFT BLANK]

APPENDIX B—ARTICLES OF ASSOCIATION

CADELER

26 October 2020

	Vedtægter for Cadeler A/S	**Articles of Association of Cadeler A/S**
	CVR nr. 31180503	**Company reg. no. 31180503**
1	**Navn og formål**	**Name and objects**
1.1	Selskabets navn er Cadeler A/S.	The name of the Company is Cadeler A/S.
	Selskabets binavne er Blue Ocean Ships A/S og Swire Blue Ocean A/S.	The secondary names of the Company are Blue Ocean Ships A/S and Swire Blue Ocean A/S.
1.2	Selskabets formål er at drive skibe, rederier og udvikle skibsprojekter.	The objects of the Company are to carry on business in the area of shipping and to develop ship projects.
2	**Kapital og aktier**	**Share capital and shares**
2.1	Selskabets kapital udgør 78.000.000 kr. fordelt i aktier á 1 kr. eller multipla deraf.	The Company's share capital is DKK 78,000,000 divided into shares of DKK 1 or multiples hereof.
2.2	Aktiekapitalen er fuldt indbetalt.	The share capital has been paid up in full.
2.3	Selskabets aktier skal lyde på navn og skal noteres på navn i selskabets ejerbog.	The shares of the Company shall be issued in the name of the holder and shall be recorded in the name of the holder in the Company's register of shareholders.
2.4	Ingen aktier skal have særlige rettigheder.	No shares shall confer special rights.
2.5	Ingen aktionær skal være forpligtet til at lade sine aktier indløse.	No shareholder shall be obliged to have his shares redeemed.
2.6	Aktierne er omsætningspapirer. Der gælder ingen indskrænkninger i aktiernes omsættelighed.	The shares are negotiable instruments. No restrictions shall apply to the negotiability of the shares.
2.7	Selskabets ejerbog føres igennem den norske Verdipapirsentralen af DNB Bank ASA, Registrars department ("DNB"), registreringsnummer 984 851 006, Dronning Eufemias gate 30, 0191 Oslo, Norge, i henhold til aftale mellem selskabet og DNB vedrørende føring af ejerbog.	The register of shareholders is kept through the Norwegian Central Securities Depository ("Verdipapirsentralen"), and maintained on behalf of the company by DNB Bank ASA, Registrars department ("DNB"), company registration number 984 851 006, Dronning Eufemias gate 30, 0191 Oslo, Norway, pursuant to a registrar agreement entered into between the Company and DNB.
2.8	Ejerbogen er ikke tilgængelig for aktionærerne bortset fra, at navnene på de 20 største aktionærer skal være tilgængelige for offentlig-heden med forbehold for begrænsninger i henhold til den enhver tid gældende persondataret og med	The register of shareholders shall not be available for inspection by the shareholders except that the identity of the 20 largest shareholders shall be available to the public subject to any restrictions under applicable personal data regulations in force at

forbehold for forudgående notifikation til selskabet.

a given time and subject to the prior notification to the Company.

Informationer i selskabets ejerbog skal gøres tilgængelig for enhver offentlig myndighed i Danmark og Norge, der anmoder herom.

Information included in the register of shareholders shall be made available to any public authority in Denmark and Norway who have so requested.

2.9 Selskabet har ikke udstedt aktiebreve. Aktierne er registreret hos og udstedt i dematerialiseret form gennem den norske Verdipapirsentralen, drevet af Verdipapirsentralen ASA, registreringsnummer 985 140 421, Fred. Olsens gate 1, 0152 Oslo, Norge. Udbytte udbetales gennem den norske Verdipapirsentralen i henhold til aftale mellem selskabet og DNB vedrørende føring af ejerbog. Rettigheder vedrørende aktierne skal anmeldes til den norske Verdipapirsentralen efter de herom gældende regler.

The Company has not issued share certificates. The shares are registered with and issued in dematerialized book-entry form through the Norwegian Central Securities Depository ("Verdipapirsentralen"), operated by Verdipapirsentralen ASA, company registration number 985 140 421, and having its registered address at Fred. Olsens gate 1, 0152 Oslo, Norway. Dividend is paid out through Verdipapirsentralen, pursuant to a registrar agreement entered into between the company and DNB. Rights concerning the shares shall be notified to Verdipapirsentralen in accordance with applicable rules.

3 Forhøjelse af kapital

Increase of share capital

3.1 Bestyrelsen er i perioden indtil den 31. december 2020 bemyndiget til uden fortegningsret for selskabets eksisterende aktionærer at forhøje selskabets aktiekapital ad én eller flere gange med i alt op til nominelt kr. 55.000.000. Forhøjelsen skal ske til markedskurs som fastlagt ved en book-building proces og skal ske ved kontant betaling.

The Board is, until 31 December 2020, authorised to increase the share capital of the Company in one or more issues without pre-emption rights for the Company’s existing shareholders by up to a nominal amount of DKK 55,000,000. The capital increase shall take place at market price as determined through a book-building process and shall be effected by cash payment.

3.2 Bestyrelsen er i perioden indtil den 30. september 2025 bemyndiget til uden fortegningsret for selskabets eksisterende aktionærer at forhøje selskabets aktiekapital ad én eller flere gange med i alt op til nominelt kr. 23.000.000. Forhøjelsen skal ske til minimum markedskurs og kan ske ved kontant betaling, konvertering af gæld eller ved apportindskud.

The Board is, until 30 September 2025, authorised to increase the share capital of the Company in one or more issues of new shares without pre-emption rights for the Company’s existing shareholders by up to a nominal amount up to DKK 23,000,000. The capital increase shall take place at or above market price and may be effected by cash payment, conversion of debt or by contribution of assets other than cash.

3.3 Bestyrelsen er i perioden indtil den 30. september 2025 bemyndiget til uden fortegningsret for selskabets eksisterende aktionærer at forhøje selskabets aktiekapital ad én eller flere gange med i alt op til nominelt kr. 5.000.000 i forbindelse med udstedelse af nye aktier til medlemmer bestyrelsen, direktionen og/eller medarbejdere i selskabet og/eller i dets datterselskaber. De nye aktier udstedes mod kontant betaling til en tegningskurs, der

The Board is, until 30 September 2025, authorised to increase the share capital of the Company in one or more issues without pre-emption rights for the Company’s existing shareholders by up to a nominal amount of DKK 5,000,000 in connection with issue of new shares to members of the Board, Executive Management and/or employees of the Company and/or of the Company’s subsidiaries. The capital increase shall be effected by cash payment at a subscription price to be determined by the Board, which may be below market price.

fastsættes af bestyrelsen, og som kan være lavere end markedskursen.

3.4 For nyudstedte aktier i henhold til punkt 3.1, 3.2 og 3.3 skal i øvrigt gælde, at de nye aktier skal være fuldt indbetalte, lyde på navn og noteres på navn i selskabets ejerbog, samt at de nye aktier er omsætningspapirer og har i øvrigt i enhver henseende samme rettigheder som de eksisterende aktier. Bestyrelsen bemyndiges til at fastsætte de nærmere vilkår for kapitalforhøjelser i henhold til ovenstående bemyndigelser og til at foretage de ændringer i selskabets vedtægter, der måtte være nødvendige som følge af bestyrelsens udnyttelse af de nævnte bemyndigelser.

New shares issued pursuant to Articles 3.1, 3.2 and 3.3 shall be paid in full, shall be issued in the name of the holder, shall be recorded in the name of the holder in the Company’s register of shareholders, shall be negotiable instruments and shall in every respect carry the same rights as the existing shares. The Board is authorised to lay down the terms and conditions for capital increases pursuant to the above authorisations and to make any such amendments to the Company’s Articles of Association as may be required as a result of the Board’s exercise of said authorisations.

4 Generalforsamling, afholdelsessted og indkaldelse

General meeting, venue and notice

4.1 Selskabets generalforsamling afholdes i Region Hovedstaden.

General Meetings of the Company shall be held in the Capital Region of Denmark.

4.2 Bestyrelsen kan, hvis det vurderes hensigtsmæssigt og relevant, beslutte at gennemføre generalforsamlingen elektronisk uden mulighed for fysisk fremmøde (fuldstændig elektronisk generalforsamling).

En beslutning om afholdelse af en fuldstændig elektronisk generalforsamling forudsætter, at generalforsamlingen kan afvikles på betryggende vis, således at aktionærer kan deltage i, ytre sig samt stemme på generalforsamlingen via elektroniske midler.

Nærmere oplysninger vil kunne findes på selskabets hjemmeside og i indkaldelserne til de pågældende generalforsamlinger, ligesom skriftlig meddelelse vil blive sendt til alle noterede aktionærer, som har fremsat begæring herom.

The Board may, if deemed appropriate and relevant, resolve to conduct the General Meeting electronically without the possibility of physical attendance (a completely electronic General Meeting).

A resolution to conduct a completely electronic General Meeting requires that the General Meeting can be conducted in a proper manner ensuring that shareholders will be able to participate, express their opinions and vote at the General Meeting by electronic means.

Further information will be available on the Company’s website and in the relevant notices of the General Meetings, and written notice will be sent to all registered shareholders who have so requested.

4.3 Den ordinære generalforsamling afholdes hvert år i så god tid, at den reviderede og godkendte årsrapport kan indsendes til Erhvervsstyrelsen, så den er modtaget i styrelsen inden udløbet af fristen i årsregnskabsloven, som er fire måneder efter regnskabsårets afslutning.

The Annual General Meeting shall be held every year in due time for the audited and adopted annual report to be sent to and received by the Danish Business Authority within the time limit mentioned in the Danish Financial Statements Act, which is four months after the end of the financial year.

4.4 Indkaldelse til generalforsamling foretages af bestyrelsen tidligst fem uger og senest tre uger før generalforsamlingen. Indkaldelsen

A General Meeting shall be called by the Board with not more than five weeks' notice and not less than three weeks' notice. The notice shall be published on offentliggøres på selskabets hjemmeside. Indkaldelse sendes endvidere til alle aktionærer noteret i ejerbogen, som har fremsat begæring herom.

the Company’s website. Furthermore, a notice of the General Meeting shall be sent to all shareholders recorded in the Company’s register of shareholders who have so requested.

4.5 Selskabet skal senest otte uger før dagen for den påtænkte afholdelse af den ordinære generalforsamling offentliggøre datoen for afholdelse af generalforsamlingen samt fristen for aktionærers fremsættelse af forslag til bestemte emners optagelse på dagsordenen.

The Company shall no later than eight weeks before the contemplated date of the Annual General Meeting publish the date of the General Meeting and the deadline for submitting requests for specific proposals to be included on the agenda.

4.6 Ekstraordinær generalforsamling afholdes, når bestyrelsen, revisor eller aktionærer, der ejer mindst 5% af aktiekapitalen, har forlangt det. I sidstnævnte tilfælde må krav om indkaldelse rejses skriftligt over for bestyrelsen med angivelse af de emner, som ønskes forelagt generalforsamlingen. Ekstraordinær generalforsamling skal indkaldes senest to uger efter, at det er forlangt.

An Extraordinary General Meeting shall be held when requested by the Board, the auditor or on the request by a shareholder that owns at least 5% of the share capital. A request from a shareholder that an Extraordinary General Meeting must be called shall be submitted in writing to the Board along with a specification of the subjects that the shareholder wishes to present before the General Meeting. The Extraordinary General Meeting shall be convened within two weeks of such request.

4.7 I en periode på mindst tre uger før enhver generalforsamling, inklusive datoen for generalforsamlingens afholdelse, gøres følgende oplysninger tilgængelige på selskabets hjemmeside:

a. Indkaldelsen til generalforsamlingen

b. Det samlede antal aktier og stemmerettigheder pr. datoen for indkaldelsen

c. De dokumenter, der skal fremlægges på generalforsamlingen

d. Dagsorden og de fuldstændige forslag, der agtes fremsat på generalforsamlingen, samt for den ordinære generalforsamlings vedkommende den reviderede årsrapport

e. De formularer, der skal anvendes ved stemmeafgivelse pr. fuldmagt eller skriftligt ved brevstemme

For a period of at least three weeks before every General Meeting, , including the date of the General Meeting, the following information shall be available on the Company’s website:

a. The notice convening the General Meeting

b. The aggregate number of shares and voting rights at the date of the notice

c. The documents to be presented at the General Meeting

d. The agenda and the complete proposals submitted for the General Meeting as well as - in the case of the Annual General Meeting - the audited Annual Report

e. The forms to be used for voting by proxy or by postal vote

4.8 Selskabets generalforsamlinger afholdes på engelsk. Bestyrelsen kan beslutte at tilbyde simultantolkning til dansk. Dokumenter udarbejdet i forbindelse med eller efter

General Meetings shall be held in English. The Board may decide to offer simultaneous interpretation into Danish. Documents prepared in connection with or following a General Meeting shall generalforsamlingen udarbejdes på engelsk og i det omfang lovgivningen kræver det eller, hvis det besluttes af bestyrelsen, på dansk.

be in English and, if decided by the Board or required by applicable law, in Danish.

4.9 Generalforsamlingen vælger en dirigent, der leder forhandlingerne og afgør alle spørgsmål vedrørende sagernes behandling.

The General Meeting appoints a chairman to preside over the General Meeting and decide upon all questions of procedure.

5 Dagsorden for den ordinære generalforsamling

Agenda for the Annual General Meeting

5.1 Dagsorden på den ordinære generalforsamling skal omfatte:

1. Generalforsamlingens valg af dirigent for generalforsamlingen.
2. Fremlæggelse og godkendelse af årsrapporten.
3. Anvendelse af overskud eller dækning af tab i henhold til det godkendte regnskab.
4. Fremlæggelse og godkendelse af vederlagsrapport.
5. Beslutning om meddelelse af decharge til bestyrelsen og direktionen.
6. Godkendelse af vederlag til bestyrelsen for indeværende regnskabsår.
7. Valg af medlemmer til bestyrelsen, herunder formand.
8. Valg af revisor.
9. Bemyndigelse til at erhverve egne aktier, hvis relevant.
10. Eventuelle forslag fra bestyrelsen eller aktionærer.
11. Eventuelt.

The agenda for the Annual General Meeting shall include the following business:

1. The General Meeting’s election of the chairman of the general meeting.
2. Presentation and adoption of the annual report.
3. Distribution of profits or covering of losses according to the annual report adopted.
4. Presentation and adoption of the annual remuneration report.
5. Resolution to grant discharge of liability to the Board and the Executive Management.
6. Approval of remuneration of the Board for the current financial year.
7. Election of members to the Board, including Chairman.
8. Appointment of auditor.
9. Authorisation to acquire treasury shares, if relevant.
10. Any proposals from the Board or shareholders.
11. Any other business.

5.2 Aktionærer kan skriftligt over for bestyrelsen fremsætte krav om optagelse af et bestemt emne på dagsordenen til den ordinære generalforsamling. Begæring herom skal fremsættes skriftligt til bestyrelsen senest seks uger før den ordinære generalforsamlings afholdelse.

The shareholders may submit requests to the Board for the inclusion of a specific item on the agenda of the Annual General Meeting. Any request must be submitted in writing to the Board not later than six weeks before the date of the Annual General Meeting.

CADELER

6	**Aktionærernes møde- og stemmeret på generalforsamlingen**	**Shareholders' attendance and voting rights at the General Meeting**
6.1	En aktionærs ret til at deltage i en generalforsamling og til at afgive stemme fastsættes i forhold til de aktier, aktionæren besidder på registreringsdatoen. Registreringsdatoen ligger en uge før generalforsamlingen.	The right of a shareholder to attend and vote at a General Meeting is determined by the shares held by the shareholder at the record date. The record date is one week prior to the General Meeting.
6.2	Enhver aktionær, der er berettiget til at deltage i generalforsamlingen, og som ønsker at deltage i generalforsamlingen, skal senest tre dage før afholdelse af generalforsamlingen anmelde sin deltagelse til selskabet.	A shareholder who is entitled to attend the General Meeting and who wants to attend the General Meeting shall notify the Company of its attendance not later than three days prior to the date of the General Meeting.
6.3	En aktionær kan møde personligt eller ved fuldmægtig, og både aktionæren og fuldmægtigen er berettiget til at møde med en rådgiver.	A shareholder may attend in person or by proxy, and the shareholder or the proxy may attend together with an adviser.
6.4	Stemmeret kan udøves i henhold til skriftlig og dateret fuldmagt i overensstemmelse med den til enhver tid gældende lovgivning herom.	The right to vote may be exercised by a written and dated instrument of proxy in accordance with applicable law.
6.5	Enhver aktionær, der er berettiget til at deltage i en generalforsamling kan endvidere stemme skriftligt ved brevstemme i overensstemmelse med selskabslovens regler herom. Brevstemmer skal være selskabet i hænde senest hverdagen før generalforsamlingen. Brevstemmer kan ikke tilbagekaldes.	A shareholder who is entitled to participate in the general meeting may vote by postal vote in accordance with the provisions of the Danish Companies Act. Such postal votes shall be received by the Company not later than the business day before the General Meeting. Postal votes cannot be withdrawn.
6.6	På generalforsamlingen giver hver aktie på 1 kr. én stemme.	Each share of DKK 1 shall carry one vote at the General Meeting.
7	**Beslutninger på generalforsamlinger**	**Resolutions at General Meetings**
7.1	De på generalforsamlingen behandlede anliggender afgøres ved almindelig stemmeflerhed af de tilstedeværende stemmer, med mindre Selskabsloven eller vedtægterne foreskriver særlige regler om repræsentation og majoritet.	At the General Meeting, all resolutions shall be passed by a simple majority of votes cast, unless the Danish Companies Act or the Articles of Association prescribe special rules with regards to representation and majority.
7.2	Over forhandlingerne på generalforsamlingen føres en protokol, der underskrives af dirigenten.	The business transacted at the General Meeting shall be recorded in a minute book to be signed by the chairman of the General Meeting.
8	**Nomineringskomité**	**Nomination committee**
8.1	Selskabet skal have en nomineringskomité. Nomineringskomitéen skal afgive anbefalinger	The company shall have a Nomination Committee. The Nomination Committee shall make

	til generalforsamlingen vedrørende valg af generalforsamlingsvalgte bestyrelsesmedlemmer samt valg af medlemmer til nomineringskomitéen. Nomineringskomitéen skal herudover afgive anbefalinger til bestyrelsen vedrørende vederlag til nomineringskomitéens medlemmer samt vederlag til bestyrelsesmedlemmer, der indstilles af bestyrelsen til generalforsamlingen.	recommendations to the General Meeting regarding election of shareholder-elected members to the Board and election of members to the Nomination Committee. The Nomination Committee shall furthermore make recommendations to the Board regarding remuneration of the members of the Nomination Committee as well as remuneration of the members of the Board, which is resolved by the General Meeting pursuant to proposal from the Board.
8.2	Nomineringskomitéen skal bestå af to til tre medlemmer. Nomineringskomitéens medlemmer, herunder nomineringskomitéens formand, vælges af generalforsamlingen for en periode på et eller to år. Nomineringskomitéens medlemmer kan genvælges. Hvis generalforsamlingen ikke har valgt nomineringskomitéens formand, vælger komitéen sin formand blandt sine medlemmer.	The Nomination Committee shall consist of two to three members. The members of the Nomination Committee, including the chairman of the Nomination Committee, are elected by the General Meeting for a term of one or two years. The members of the Nomination Committee shall be eligible for re-election. If the general meeting has not elected the chairman of the committee, the committee shall elect the chairman among its members.
8.3	Nomineringskomitéens anbefalinger begrænser ikke aktionærers ret til at foreslå bestyrelseskandidater på generalforsamlingen.	The recommendations of the Nomination Committee do not restrict the right of shareholders to propose Board candidates to the general meeting.
8.4	Medlemmerne af nomineringskomitéen er underlagt tavshedspligt efter samme regler som medlemmerne af Selskabets bestyrelse. Generalforsamlingen skal ved en forretningsorden for nomineringskomiteen træffe nærmere bestemmelser om nomineringskomitéens sammensætning og virke. Selskabet skal sikre, at forretningsordenen for nomineringskomitéen til enhver tid er offentliggjort på Selskabets hjemmeside.	Members of the Nomination Committee are subject to a duty of confidentiality according to the same rules as those applying to members of the Company's Board. The general meeting shall lay down instructions for the Nomination Committee concerning its composition and activities. The Company shall ensure that the instructions of the Nomination Committee are posted on the Company's website from time to time.
9	**Bestyrelsen**	**The Board**
9.1	Bestyrelsen består af tre til syv medlemmer, der vælges af generalforsamlingen. Bestyrelsesmedlemmer afgår hvert andet år ved den ordinære generalforsamling.	The Board shall consist of three to seven members elected at the General Meeting. Members of the Board shall retire every second year at the Annual General Meeting.
	Fratrædende medlemmer kan genvælges.	Retiring members shall be eligible for re-election.
9.2	Generalforsamlingen vælger formanden.	The General Meeting shall elect the Chairman.
9.3	Bestyrelsen er beslutningsdygtig, når over halvdelen af bestyrelsesmedlemmerne er til stede. Beslutninger i bestyrelsen træffes ved	The Board shall form a quorum when more than half of the members of the Board are present. Resolutions of the Board are passed by a simple majority. In case

	simpelt flertal. I tilfælde af stemmelighed gør formandens stemme udslaget.	of an equality of votes, the Chairman of the Board shall hold the casting vote.
9.4	Bestyrelsen er bemyndiget til at træffe en eller flere beslutninger om udlodning af ekstraordinært udbytte.	The Board is authorised to pass one or more resolutions to distribute interim dividends.
10	**Direktion**	**Executive Management**
10.1	Bestyrelsen udpeger en direktion bestående af et til fire medlemmer, som anmeldes til Erhvervsstyrelsen, til at varetage den daglige ledelse af selskabet.	The Board of Directors appoints an Executive Management consisting of one to four members, who shall be registered with the Danish Business Authority, to be in charge of the day-to-day management of the Company.
11	**Tegningsregel**	**Powers to bind**
11.1	Selskabet tegnes af: 1. Bestyrelsens formand i forening med et medlem af bestyrelsen. 2. Bestyrelsens formand i forening med den administrerende direktør. 3. Fire bestyrelsesmedlemmer i forening 4. Den samlede bestyrelse.	The Company shall be bound by: 1. The joint signatures of the Chairman of the Board and one member of the Board. 2. The joint signatures of the Chairman of the Board and the chief executive officer. 3. The joint signatures of four members of the Board of Directors. 4. The joint signatures of all members of the Board.
12	**Elektronisk kommunikation**	**Electronic communication**
12.1	Al kommunikation fra selskabet til de enkelte aktionærer, herunder indkaldelse til generalforsamlinger, kan ske elektronisk via offentliggørelse på selskabets hjemmeside eller ved udsendelse via e-mail. Generelle meddelelser gøres tilgængelige på selskabets hjemmeside og på sådan anden måde, som måtte være foreskrevet i henhold til lov. Selskabet kan som et alternativ vælge at fremsende meddelelser mv. med almindelig post.	All communication from the Company to the individual shareholders, including notices convening General Meetings, may take place electronically by posting on the Company's website or by email. General notices shall be published on the Company's website and in such other manner as may be prescribed by applicable law. The Company may as an alternative choose to send notices, etc. by ordinary post.
12.2	Kommunikation fra aktionærer til selskabet kan ske ved e-mail eller med almindelig post.	Communication from a shareholder to the Company may take place by email or by ordinary post.
12.3	Det er den enkelte aktionærs ansvar at sikre, at selskabet til stadighed er i besiddelse af korrekte oplysninger om aktionærens e-mailadresse. Selskabet har ingen pligt til at søge	Each shareholder is responsible for ensuring that the Company has the correct email address at all times. The Company is not obliged to verify such contact information or to send notices in any other way.

	oplysningerne berigtiget eller til at fremsende meddelelser på anden måde.	
12.4	Selskabets hjemmeside indeholder oplysninger om kravene til de anvendte systemer samt om fremgangsmåden i forbindelse med elektronisk kommunikation.	The Company’s website contains information about system requirements and electronic communication procedures.
13	**Årsrapport**	**Annual report**
13.1	Revision af selskabets årsrapport foretages af den generalforsamlingsvalgte statsautoriserede revisor, der vælges for et år ad gangen. Genvalg kan finde sted, i det omfang det er tilladt under gældende lovgivning.	The annual report of the Company shall be audited by the State-authorised Public Accountant, appointed for a one-year term at the General Meeting. Auditors may be re-elected to the extent permitted under applicable law.
14	**Sprog**	**Language**
14.1	Årsrapporten skal udarbejdes på engelsk.	The Annual Report shall be in English.
14.2	Selskabets koncernsprog er engelsk.	The Company’s corporate language is English.
14.3	Selskabsmeddelelser udarbejdes på engelsk.	Company announcements shall be prepared in English.
15	**Regnskabsår**	**Financial year**
15.1	Selskabets regnskabsår løber fra 01.01 til 31.12.	The financial year of the Company shall be from 1 January to 31 December.
	--ooOoo--	--ooOoo--
	Således vedtaget på selskabets ekstraordinære generalforsamling den 26. oktober 2020.	As adopted at an Extraordinary General Meeting of the Company on 26 October 2020.

[THIS PAGE IS INTENTIONALLY LEFT BLANK]

APPENDIX C—APPLICATION FORM

APPLICATION FORM FOR THE RETAIL OFFERING

General information: The terms and conditions for the Retail Offering are set out in the prospectus dated 16 November 2020 (the "**Prospectus**"), which has been issued by Cadeler A/S (the "**Company**") in connection with the initial public offering (the "**Offering**") of Offer Shares as further set out in the Prospectus. All capitalised terms not defined herein shall have the meaning as assigned to them in the Prospectus.

Application procedure: Norwegian applicants in the Retail Offering who are residents of Norway with a Norwegian personal identification number may apply for Offer Shares through the VPS online application system by following the link to such online application system on the following websites: www.sb1markets.no and www.dnb.no/emisjoner. Applications in the Retail Offering can also be made by using this Retail Application Form. Retail Application Forms must be correctly completed and submitted by the expiry of the Application Period to one of the following application offices:

DNB Markets, a part of DNB Bank ASA Dronning Eufemias gate 30 P.O. Box 1600 Sentrum N-0191 Oslo Norway Tel: +47 23 26 80 20 E-mail: retail@dnb.no	**SpareBank 1 Markets** P.O. Box 1398 Vika N-0114 Oslo Norway Tel: +47 24 14 74 00 E-mail: subscription@sb1markets.no

The applicant is responsible for the correctness of the information filled in on this Retail Application Form. Retail Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after the expiry of the Application Period for the Retail Offering, and any application that may be unlawful, may be disregarded without further notice to the applicant. **Subject to any shortening or extension of the Application Period, applications made through the VPS online application system must be duly registered by 12:00 hours (CST) on 25 November 2020, and applications made on Retail Application Forms must be received by one of the application offices by the same time**. None of the Company, the Selling Shareholder or any of the Managers (SpareBank 1 Markets and DNB Markets) may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by any of the application offices. All applications made in the Retail Offering will be irrevocable and binding upon receipt of a duly completed Retail Application Form, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any shortening or extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office, or in the case of applications through the VPS online application system, upon registration of the application.

Price of Offer Shares: The Company and the Selling Shareholder have, in consultation with the Managers, set an Indicative Price Range for the Offering from NOK 23.50 to NOK 24.70 per Offer Share. The Company and the Selling Shareholder will, in consultation with the Managers, determine the final number of Offer Shares and the final Offer Price on the basis of the applications received and not withdrawn in the Institutional Offering during the Bookbuilding Period and the number of applications received in the Retail Offering. The results of the Offering, including the Offer Price and the number of Offer Shares allocated, will be determined following the expiry of the Bookbuilding Period/Application Period, expected to be on or about 25 November 2020 and announced through the Oslo Stock Exchange's information system on or about the same date under the ticker code "CADLR". The Indicative Price Range is non-binding and the Offer Price may be set within, below or above the Indicative Price Range. Each applicant in the Retail Offering will be permitted, but not required, to indicate when ordering through the VPS online application system or on the Retail Application Form that the applicant does not wish to be allocated Offer Shares should the Offer Price be set higher than the highest price in the Indicative Price Range (i.e. NOK 24.70 per Offer Share). If the applicant does so, the applicant will not be allocated any Offer Shares in the event that the Offer Price is set higher than the highest price in the Indicative Price Range. If the applicant does not expressly stipulate such reservation when ordering through the VPS online application system or on the Retail Application Form, the application will be binding regardless of whether the Offer Price is set within or above (or below) the Indicative Price Range. One or multiple applications from the same applicant in the Retail Offering with a total application amount in excess of NOK 2,499,999 will be adjusted downwards to an application amount of NOK 2,499,999.

Allocation, payment and delivery of Offer Shares: In the Retail Offering, no allocations will be made for a number of Offer Shares representing an aggregate value of less than NOK 10,500 per applicant provided, however, that all allocations will be rounded down to the nearest number of whole Offer Shares and the payable amount will hence be adjusted accordingly. DNB Markets, acting as settlement agent for the Retail Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or about 26 November 2020, by issuing allocation notes to the applicants by mail or otherwise. Any applicant wishing to know the precise number of Offer Shares allocated to it may contact one of the application offices listed above from on or about 12:00 CET on 26 November 2020 during business hours. Applicants who have access to investor services through an institution that operates the applicant's account with the VPS for the registration of holdings of securities ("**VPS account**") should be able to see how many Offer Shares they have been allocated from on or about 12:00 CET on 26 November 2020. In registering an application through the VPS online application system or by completing a Retail Application Form, each applicant in the Retail Offering will grant DNB Markets (on behalf of the Managers) an irrevocable authorisation to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. The applicant's bank account number must be stipulated on the VPS online application or on the Retail Application Form. Subject to any shortening or extension of the Application Period, accounts will be debited on or about 27 November 2020 (the "**Payment Date**"), and there must be sufficient funds in the stated bank account from and including 26 November 2020. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date. Further details and instructions will be set out in the allocation notes to the applicant to be issued on or about 26 November 2020, or can be obtained by contacting one of the Managers. DNB Markets (on behalf of the Managers) reserves the right (but has no obligation) to make up to three debit attempts through 4 December 2020 if there are insufficient funds on the account on the Payment Date. Should any applicant have insufficient funds on its account, or should payment be delayed for any reason, or if it is not possible to debit the account, overdue interest will accrue and other terms will apply as set out under the heading "Overdue and missing payment" below. Subject to any shortening or extension of the Application Period and timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or about 30 November 2020 (or such later date upon the successful debit of the relevant account).

Guidelines for the applicant: Please refer to the second page of this Retail Application Form for further application guidelines.

Applicant's VPS account (12 digits):	**I/we apply for Offer Shares for a total of NOK (minimum NOK 10,500 and maximum NOK 2,499,999):**	**Applicant's bank account to be debited (11 digits):**

OFFER PRICE: My/our application is conditional upon the final Offer Price not being set above the Indicative Price Range (insert cross) **(must only be completed if the application is conditional upon the final Offer Price not being set above the Indicative Price Range):**	

I/we hereby irrevocably (i) apply for the number of Offer Shares allocated to me/us, at the Offer Price, up to the aggregate application amount as specified above subject to the terms and conditions set out in this Retail Application Form and in the Prospectus, (ii) authorise and instruct each of the Managers (or someone appointed by any of them) acting jointly or severally to take all actions required to purchase and/or subscribe the Offer Shares allocated to me/us on my/our behalf, to take all other actions deemed required by them to give effect to the transactions contemplated by this Retail Application Form, and to ensure delivery of such Offer Shares to me/us in the VPS, (iii) authorise DNB Markets to debit my/our bank account as set out in this Retail Application Form for the amount payable for the Offer Shares allocated to me/us, and (iv) confirm and warrant to have read the Prospectus and that I/we are aware of the risks associated with an investment in the Offer Shares and that I/we are eligible to apply for and purchase Offer Shares under the terms set forth therein.

Date and place*:	**Binding signature****:

* Must be dated during the Application Period.
** The applicant must be of legal age. If the Retail Application Form is signed by proxy, documentary evidence of authority to sign must be attached in the form of a power of attorney or company registration certificate.

DETAILS OF THE APPLICANT — ALL FIELDS MUST BE COMPLETED	
First name	Surname/Family name/Company name
Home address (for companies: registered business address)	Zip code and town
Identity number (11 digits) / business registration number (9 digits)	Nationality
Telephone number (daytime)	E-mail address

Please note: if the Retail Application Form is sent to the Managers by e-mail, the e-mail will be unsecured unless the applicant itself takes measures to secure it. The Retail Application Form may contain sensitive information, including national identification numbers, and the Managers recommend the applicant to send the Retail Application Form to the Managers in a secured e-mail. **Please refer to the second page of this Retail Application Form for further information on the Managers' processing of personal data.**

GUIDELINES FOR THE APPLICANT

THIS RETAIL APPLICATION FORM IS NOT FOR DISTRIBUTION OR RELEASE, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA (INCLUDING ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES OF AMERICA AND THE DISTRICT OF COLUMBIA), AUSTRALIA, CANADA, THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA OR JAPAN, OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL. OTHER RESTRICTIONS ARE APPLICABLE. PLEASE SEE "SELLING RESTRICTIONS" BELOW.

Regulatory issues: Legislation passed throughout the European Economic Area (the "**EEA**") pursuant to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments ("**MiFID II**") implemented in the Norwegian Securities Trading Act, imposes requirements on intermediaries in securities markets. In this respect, the Managers must categorise all new clients in one of three categories: Eligible counterparties, Professional clients and Non-professional clients. All applicants applying for Offer Shares in the Offering who/which are not existing clients of one of the Managers will be categorised as Non-professional clients. The applicant can by written request to the Managers ask to be categorised as a Professional client if the applicant fulfils the provisions of the Norwegian Securities Trading Act and ancillary regulations. For further information about the categorisation, the applicant may contact one of the Managers. The applicant represents that it has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision to invest in the Company by applying for Offer Shares, and the applicant is able to bear the economic risk, and to withstand a complete loss of an investment in the Company.

Execution only: As the Managers are not in the position to determine whether the application for Offer Shares is suitable for the applicant, the Managers will treat the application as an execution only instruction from the applicant to apply for Offer Shares in the Offering. Hence, the applicant will not benefit from the corresponding protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information Exchange: The applicant acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Financial Undertakings Act and foreign legislation applicable to the Managers there is a duty of secrecy between the different units of the Managers as well as between the Managers and the other entities in the Managers' respective groups. This may entail that other employees of the Managers or the Managers'
respective groups may have information that may be relevant to the subscriber, but which the Managers will not have access to in their capacity as Managers for the Retail Offering.

Information barriers: The Managers are securities firms offering a broad range of investment services. In order to ensure that assignments undertaken in the Managers' corporate finance departments are kept confidential, the Managers' other activities, including analysis and stock broking, are separated from their corporate finance departments by information barriers known as "Chinese walls". The applicant acknowledges that the Managers' analysis and stock broking activity may act in conflict with the applicant's interests with regard to transactions in the Offer Shares as a consequence of such Chinese walls.

VPS account and anti-money laundering procedures: The Retail Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulation of 14 September 2018 no. 1324 (collectively, the "**Anti-Money Laundering Legislation**"). Applicants who are not registered as existing customers of one of the Managers must verify their identity to one of the Managers in accordance with requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period will not be allocated Offer Shares. Participation in the Retail Offering is conditional upon the applicant holding a VPS account. The VPS account number must be stated in the Retail Application Form. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised investment firms in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian Ministry of Finance.

Selling restrictions: The Offering is subject to specific legal or regulatory restrictions in certain jurisdictions, see Section 19 "Selling and Transfer Restrictions" in the Prospectus. Neither the Company nor the Selling Shareholder assume any responsibility in the event there is a violation by any person of such restrictions. The Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or under any securities laws of any state or other jurisdiction of the United States and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer in the United States. The Offer Shares will, and may, not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from any jurisdiction where the offer or sale of the Offer Shares is not permitted, or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any jurisdiction where the offer or sale is not permitted, except pursuant to an applicable exemption. In the Retail Offering, the Offer Shares are being offered and sold to certain persons outside the United States in offshore transactions within the meaning of and in compliance with Rule 903 of Regulation S under the U.S. Securities Act.

Neither the Company nor the Selling Shareholder have authorised any offer to the public of its securities in any member state of the EEA other than Norway. With respect to each member state of the EEA other than Norway (a "**Member State**"), no action has been undertaken or will be undertaken to make an offer to the public of the Offer Shares requiring a publication of a prospectus in any Member State. Any offers outside Norway will only be made in circumstances where there is no obligation to produce a prospectus.

Stabilization: In connection with the Offering, DNB Markets, as the "**Stabilisation Manager**", or its agents, on behalf of the Managers, may (but has no obligation to), upon exercise of the Over-Allotment Facility, from the first day of the Listing engage in transactions that stabilize, maintain or otherwise affect the price of the Shares for up to 30 days from the first day of the Listing. Specifically, the Stabilisation Manager may effect transactions with a view to supporting the market price of the Shares at a level higher than might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation on the Stabilisation Manager and its agents to conduct stabilisation activities and there is no assurance that stabilization activities will be undertaken. Such stabilisation activities, if commenced, may be discontinued at any time, and will be brought to an end at the latest 30 calendar days after the first day of the Listing.

Personal data: The applicant confirms that it has been provided with information regarding the Managers' processing of personal data, and that it has been informed that the Managers will process the applicant's personal data in order to manage and carry out the Offering and the application from the applicant, and to comply with statutory requirements.

The data controllers who are responsible for the processing of personal data are the Managers. The processing of personal data is necessary in order to fulfil the application and to meet legal obligations. The Norwegian Securities Trading Act and the Norwegian Money Laundering Act require that the Managers process and store information about clients and trades, and control and document activities. The applicant's data will be processed confidentially, but if it is necessary in relation to the aforementioned purposes or obligations, the personal data may be shared between the Managers, with the company(ies) participating in the Offering, with companies within the Managers' groups, VPS, stock exchanges and/or public authorities. The personal data will be processed as long as necessary for the purposes, and will subsequently be deleted unless there is a statutory duty to keep it. If the Managers transfer personal data to countries outside the EEA, that have not been approved by the EU Commission, the Managers will make sure the transfer takes place in accordance with the legal mechanisms protecting the personal data, for example the EU Standard Contractual Clauses.

As a data subject, the applicants have several legal rights. This includes i.a. the right to access its personal data, and a right to request that incorrect information is corrected. In certain instances, the applicants will have the right to impose restrictions on the processing or demand that the information is deleted. The applicants may also complain to a supervisory authority if they find that the Managers' processing is in breach of the applicable laws. Supplementary information on processing of personal data and the applicants' rights can be found on the Managers' websites.

Investment decisions based on full Prospectus: Investors must neither accept any offer for, nor acquire any Offer Shares, on any other basis than on the complete Prospectus.

Terms and conditions for payment by direct debiting - securities trading: Payment by direct debiting is a service provided by cooperating banks in Norway. In the relationship between the payer and the payer's bank the following standard terms and conditions apply.

1. The service "Payment by direct debiting — securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
2. Costs related to the use of "Payment by direct debiting — securities trading" appear from the bank's prevailing price list, account information and/or information is given by other appropriate manner. The bank will charge the indicated account for incurred costs.
3. The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
4. In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Financial Contracts Act, the payer's bank shall assist if payer withdraws a payment instruction which has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
5. The payer cannot authorise payment of an amount in excess of the funds available at the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall be covered by the payer immediately.
6. The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited to the beneficiary's account between one and three working days after the indicated date of payment/delivery.
7. If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Financial Contracts Act.

Overdue and missing payments: Overdue payments will be charged with interest at the applicable rate under the Norwegian Act on Interest on Overdue Payments of 17 December 1976 no. 100, which at the date of the Prospectus is 8% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or, from the third day after the Payment Date, otherwise dispose of or assume ownership of the allocated Offer Shares, on such terms and in such manner as the
Managers may decide (and the applicant will not be entitled to any profit therefrom). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Selling Shareholder and/or the Managers may enforce payment of any such amount outstanding.

In order to provide for prompt registration of the New Shares with the Danish Business Authority, and so that the New Shares may be delivered to applicants in the Retail Offering on a prompt basis following payment, the Managers are expected to, on behalf of the applicants, pre-fund payment for the New Shares allotted in the Offering at a total subscription price equal to the Offer Price multiplied by the number of allotted New Shares.

[THIS PAGE IS INTENTIONALLY LEFT BLANK]

APPENDIX D —ASSURANCE REPORT ON PRO FORMA FINANCIAL INFORMATION

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
P.O. Box 250
2000 Frederiksberg
Denmark

Telephone +45 73 23 30 00
Fax +45 72 29 30 30
www.ey.com/dk
CVR no. 30 70 02 28

To the Board of Directors of Cadeler A/S

Independent Practitioner's Assurance Report on the compilation of pro forma financial information included in a prospectus

We have completed our assurance engagement to report on the compilation of pro forma financial information of Cadeler A/S (the "Company") by Management. The pro forma condensed financial information consists of the unaudited condensed pro forma statement of financial position as at 31 December 2019 and the unaudited condensed pro forma income statement for the year ended 31 December 2019, and related notes as set out in section 9.10 of the prospectus dated 16 November 2020 issued by the Company (the "Prospectus"). The applicable criteria on the basis of which the Management of the Company has compiled the pro forma financial information are specified in Annex 20 to Commission delegated Regulation (EU) 2019/980 supplementing the EU Prospectus Regulation as incorporated in Norwegian law through Section 7-1 of the Norwegian Securities Trading Act and described in section 9.10 of the Prospectus (the "applicable criteria").

The pro forma financial information has been compiled by Management to illustrate an impact of the transaction set out in section 9.10 of the Prospectus on the Company's balance sheet as at 31 December 2019 and the statement of profit and loss and other comprehensive income as if the Transaction had taken place at 31 December 2019 and 1 January 2019, respectively. As part of this process, information about the Company's financial position and financial performance has been extracted by Management from the Company's financial statements for the year ended 31 December 2019. The auditor's report on the Company's financial statements for the year ended 31 December 2019 has been included in the Prospectus in Appendix A.

Management's Responsibility for the Pro Forma Financial Information

The executive management and the Board of Directors ("Management") are responsible for compiling the pro forma financial information on the basis of the applicable criteria.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibilities

Our responsibility is to express an opinion, as required by Regulation (EU) no. 2019/980about whether the pro forma financial information has been compiled by Management on the basis of the applicable criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance about whether Management has compiled the pro forma financial information on the basis of the applicable criteria and whether this basis is consistent with the accounting policies of the Company. Our work primarily consisted of comparing the unadjusted financial information with the source documents as described in section 9.10 of the Prospectus, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with Management of the Company.

The aforementioned opinion does not require an audit of historical unadjusted financial information, the adjustments to conform the accounting policies of [the acquired entity] to the accounting policies of the Company, or the assumptions summarized in section 9.10 of the Prospectus. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of the transaction on unadjusted financial information of the Company as if the transaction occurred or had been undertaken at an earlier date selected for purposes of the illustration. Because of its nature, the Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or performance. Accordingly, we do not provide any assurance that the actual outcome of the transaction as at and for year ended 31 December 2019 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled on the basis stated involves performing procedures to assess whether the applicable criteria used by Management in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria;
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information; and
- The pro forma financial information has been compiled on a basis consistent with the accounting policies of the Company.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

A) the pro forma financial information has in all material respects been properly compiled on the basis stated in section 9.10 of the Prospectus; and

B) that basis in all material respects is consistent with the accounting policies of the Company

This report is issued for the sole purpose of offering of shares in Norway and the admission of shares to trading on Oslo Børs or alternatively Oslo Axess (the "Oslo Stock Exchange") as set out in the Prospectus approved by the Financial Supervisory Authority of Norway. Our work has not been carried out in accordance with auditing, assurance or other standards and practices generally accepted in the United States and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. Therefore, this report is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the listing and issuance of shares described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any type of transaction, including the sale of securities other than the listing of the shares on Oslo Stock Exchange, as set out in the Prospectus approved by the Financial Supervisory Authority of Norway.

Copenhagen, 16 November 2020
EY Godkendt Revisionspartnerselskab
CVR-no. 30 70 02 28

Jens Thordahl Nøhr
State Authorised Public Accountant
mne32212

[THIS PAGE IS INTENTIONALLY LEFT BLANK]

APPENDIX E — VESSEL VALUATION REPORTS

Clarksons Valuations

Swire Blue Ocean A/S
Fairway House
Arne Jacobsens Allé 7
DK-2300 Copenhagen S

8th September 2020

Ref: cvl/28377-20

Dear Sirs,

In accordance with your request and subject to the terms and conditions we have agreed with you, we, Clarkson Valuations Limited (CVL), have prepared this Valuation by (i) collating shipbrokers' price estimates and/or ideas and market knowledge (ii) then seeking to validate such price estimates and/or ideas, where possible and appropriate, with details held on our database, information in relevant works of reference in our possession and particulars given to us for the preparation of this Valuation.

CVL has not physically inspected the Vessels nor inspected their classification records. We have assumed that the Vessels are in good and seaworthy condition and would be delivered free from all debts, registered encumbrances and maritime liens.

CVL is of the opinion that the approximate market values of the below mentioned Vessels, as at 8th September 2020 on the basis of prompt charterfree delivery, as between a willing Seller and a willing Buyer for cash payment under normal commercial terms, are:

Wind Turbine Installation Vessels							
Current Name	**Built**	**Builder**	**Leg Length**	**Main Crane SWL**	**Loa (m)**	**Beam (m)**	**Charterfree Value**
Pacific Orca	2012	Samsung Heavy Industries	6x 105m	1,200t	160.9	49.0	**US$ 200 – 220m**
Pacific Osprey	2012	Samsung Heavy Industries	6x 105m	1,425t	160.9	49.0	**US$ 210 – 230m**

This Valuation is based solely on a subjective opinion of the approximate market value applying the methodology described above as at the above Valuation date only and should not be taken to apply to any other date.

Clarksons Valuations

The methodology used to create this Valuation has a number of components that may be impacted by the current pandemic and its aftermath, including a widening of price ideas between buyers and sellers. These circumstances must be considered by anyone contemplating entering a transaction of any nature whatsoever or otherwise having regard to this Valuation.

PLEASE NOTE: There is a relative lack of liquidity in the Sale and Purchase market for offshore Vessels of this type and information on comparable Sale and Purchase transactions and market demand has, where available, been very limited or not available. The current earning potential of these units, as advised to us, and that of comparable vessels where information is available, has been an important criteria in estimating value. In addition the oil price change and reduction in E&P spending has made the assessment of values more uncertain. This has resulted in a widening of the spread in price ideas and larger than normal confidence limits applying to this Valuation.

All statements made are statements of opinion and are not representations of fact. Any person contemplating entering a transaction must take account not only of the abnormal conditions prevailing but also of the likelihood of further changes to these abnormal conditions and should also satisfy himself by inspection of the Vessel and its records, or otherwise, as to the correctness of the statements which this Valuation contains.

No assurance or representation is given that the Valuation given will be sustained or that it would be realisable in any actual transaction.

The Vessels have been valued individually. If both Vessels were to be placed on the market at the same time, no assurance may be given that the amount realisable would be equal to the total of the individual values.

This Valuation has been provided solely for the private use of the person to whom it is addressed or to such other person to whom we have consented that this Valuation may be provided. By accepting the provision of our services in respect of this Valuation or by otherwise using or relying on this Valuation, you have accepted either our terms and conditions as specifically agreed between us in writing or, in the event of no such agreement in writing, our terms and conditions including the limitation of liability provisions at www.clarksons.com/terms-of-business/

No person other than the named addressee of this Valuation shall have any rights whatsoever as arising out of or relating to this Valuation under the Contract (Rights of Third Parties) Act 1999 or otherwise.

For and on behalf of
CLARKSON VALUATIONS LIMITED

Director **Authorised Signatory**

Fearnleys Asia (Singapore) Pte Ltd

FEARNSALE

CERTIFICATE OF VALUATION

Swire Blue Ocean A/S
Fairway House
Arne Jacobsens Allé 7
DK-2300 Copenhagen S

Name:	**PACIFIC OSPREY**	Type:	Offshore Supply Vessel
IMO Number:	9621704	Built:	2012
Dwt:	13,174	Yard:	Samsung Heavy Inds - Geoje

Estimated value: **MUSD 195.00**

as per 27 August 2020

Date: 27 August 2020

Fearnleys

Raja Swaminathan, FICS
Director-S&P

QUALITY SYSTEM CERTIFICATION DNV·GL ISO 9001

This valuation is subject to our valuation disclaimer

Ref# sf8f9070

Fearnleys Asia (Singapore) Pte Ltd

FEARNSALE

VALUATION DISCLAIMER

This valuation is performed on a "willing Seller and willing Buyer" basis, assuming cash payment and normal commercial terms. This valuation is given to the best of our knowledge and based on our view of the sale & purchase market condition prevailing at the time mentioned subject to the vessel being delivered in an acceptable location, free of encumbrances, maritime liens and any other debts whatsoever, in sound seaworthy condition, in class, charter free and further subject to the conditions printed below.

We have neither made a physical inspection of the vessel, nor have we inspected the vessel's classification records. Our opinion is based on information of the vessel in the appropriate reference material and we assume no responsibility for the accuracy of such information. We have assumed the accuracy of the information provided to us and are not responsible for its verification. We have assumed for the purpose of the valuation that the vessel is in good and seaworthy condition and in class. We have not assessed the validity of any employment contracts or the standing of charterers. It is assumed that the charter (if any) stated in this valuation will be performed until its expiration.

This valuation and particulars are statements of opinion given in good faith and are not to be taken as representations of fact. The figures relate solely to our opinion of the market value as of the date given and should not be taken to apply to any other date. Any typographical, clerical or other error or omission in any valuation certificate or other document issued by us shall be subject to correction without any liability on our part.

Any person contemplating entering a transaction or otherwise replying upon this valuation should satisfy himself by inspection of the vessel or otherwise as to the correctness of the statements and assumptions which the valuation contains. No assurance can be given that the value can be sustained or is realizable in actual transactions.

This valuation is provided solely for the use of the person to whom it is addressed and no responsibility can be accepted to any other person. The valuation should not be published or circulated without our prior written permission. No party other than the addressee shall have any rights against Fearnleys Asia (Singapore) Pte Ltd in relation to these valuations, by virtue of the Contracts (Rights of Third Parties) Act or otherwise.

This valuation shall be governed by and construed in accordance with the laws of England and Wales. Any and all disputes arising out of or in connection with this valuation, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in Singapore in accordance with the Arbitration Rules of the Singapore Chamber of Maritime Arbitration (the "SCMA Rules") for the time being in force at the commencement of the arbitration, which rules are deemed to be incorporated by reference in this paragraph.

Fearnleys

Date: 27 August 2020

Raja Swaminathan, FICS
Director-S&P

QUALITY SYSTEM CERTIFICATION DNV·GL ISO 9001

Fearnleys Asia (Singapore) Pte Ltd

FEARNSALE

CERTIFICATE OF VALUATION

Swire Blue Ocean A/S
Fairway House
Arne Jacobsens Allé 7
DK-2300 Copenhagen S

Name:	**PACIFIC ORCA**	Type:	Offshore Supply Vessel
IMO Number:	9601326	Built:	2012
Dwt:	13,104	Yard:	Samsung Heavy Inds - Geoje

Estimated value: **MUSD 195.00**

as per 27 August 2020

Date: 27 August 2020

Fearnleys

Raja Swaminathan, FICS
Director-S&P

QUALITY SYSTEM CERTIFICATION DNV·GL ISO 9001

This valuation is subject to our valuation disclaimer

Ref# sf6c2d99

Fearnleys Asia (Singapore) Pte Ltd

FEARNSALE

VALUATION DISCLAIMER

This valuation is performed on a "willing Seller and willing Buyer" basis, assuming cash payment and normal commercial terms. This valuation is given to the best of our knowledge and based on our view of the sale & purchase market condition prevailing at the time mentioned subject to the vessel being delivered in an acceptable location, free of encumbrances, maritime liens and any other debts whatsoever, in sound seaworthy condition, in class, charter free and further subject to the conditions printed below.

We have neither made a physical inspection of the vessel, nor have we inspected the vessel's classification records. Our opinion is based on information of the vessel in the appropriate reference material and we assume no responsibility for the accuracy of such information. We have assumed the accuracy of the information provided to us and are not responsible for its verification. We have assumed for the purpose of the valuation that the vessel is in good and seaworthy condition and in class. We have not assessed the validity of any employment contracts or the standing of charterers. It is assumed that the charter (if any) stated in this valuation will be performed until its expiration.

This valuation and particulars are statements of opinion given in good faith and are not to be taken as representations of fact. The figures relate solely to our opinion of the market value as of the date given and should not be taken to apply to any other date. Any typographical, clerical or other error or omission in any valuation certificate or other document issued by us shall be subject to correction without any liability on our part.

Any person contemplating entering a transaction or otherwise replying upon this valuation should satisfy himself by inspection of the vessel or otherwise as to the correctness of the statements and assumptions which the valuation contains. No assurance can be given that the value can be sustained or is realizable in actual transactions.

This valuation is provided solely for the use of the person to whom it is addressed and no responsibility can be accepted to any other person. The valuation should not be published or circulated without our prior written permission. No party other than the addressee shall have any rights against Fearnleys Asia (Singapore) Pte Ltd in relation to these valuations, by virtue of the Contracts (Rights of Third Parties) Act or otherwise.

This valuation shall be governed by and construed in accordance with the laws of England and Wales. Any and all disputes arising out of or in connection with this valuation, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in Singapore in accordance with the Arbitration Rules of the Singapore Chamber of Maritime Arbitration (the "SCMA Rules") for the time being in force at the commencement of the arbitration, which rules are deemed to be incorporated by reference in this paragraph.

Fearnleys

Date: 27 August 2020

Raja Swaminathan, FICS
Director-S&P

QUALITY SYSTEM CERTIFICATION DNV·GL ISO 9001

[THIS PAGE IS INTENTIONALLY LEFT BLANK]

REGISTERED OFFICE AND ADVISORS

Cadeler A/S
Arne Jacobsens Allé 7, 7.
2300 Copenhagen S, Denmark
Tel: (+45) 3246 3100
www.cadeler.com

Joint Bookrunners

DNB Markets, as part of DNB Bank ASA
Dronning Eufemias gate 30
N-0191 Oslo, Norway
Tel: +47 23 26 80 20
www.dnb.no/markets

Sparebank 1 Markets
Olav Vs gate 5
N-0161 Oslo, Norway
Tel: (+47) 24 14 74 00
www.sb1markets.no

Legal Advisor to the Company
(as to Norwegian law)
Advokatfirmaet BAHR AS
Tjuvholmen allé 16
N-0252 Oslo
Norway

Legal Advisor to the Company
(as to Danish law)
Gorrissen Federspiel Advokatpartnerselskab
Axeltorv 2
1609 Copenhagen V
Denmark

Legal Advisor to the Managers
(as to Norwegian law)
Advokatfirmaet Schjødt AS
Ruseløkkveien 14-16
N-0251 Oslo
Norway

Auditor
EY Godkendt Revisionspartnerselskab (Denmark)
Dirch Passers Allé 36
2000 Frederiksberg
Denmark