

DEME Offshore DK A/S

Kongens Kvarter 51, 7000 Fredericia

ANNUAL REPORT 2022

1 January-31 December

23rd accounting year

(Registration No. 25 49 03 39)

Approved at the ordinary Annual General Meeting 31 May 2023
Chairman: Hugo Bouvy

Table of Contents

Company Details.....	3
Financial Highlights.....	4
Management Review.....	5
Management Statement.....	11
Independent Auditor’s Report	12
Income Statement 1 January-31 December	14
Balance Sheet at 31 December	15
Statement of Changes in Equity 1 January-31 December	17
Notes.....	18

DEME Offshore DK A/S – Annual Report 2022

Company Details

Company	DEME Offshore DK A/S Kongens Kvarter 51 DK-7000 Fredericia	
	Telephone	+45 75 92 82 11
	E-mail	info.demeoffshore@deme-group.com
	Internet	www.deme-group.com/demeoffshore
	Registration No.	25 49 03 39
	Registered office	Fredericia Municipality

Shareholders 100% of the shares are owned by DEME Offshore Holding NV

Board of Directors Hugo Bouvy (Chairman)
Wouter Borghijs
Bart De Poorter
Bart Vandemeulebroucke
Marro Vreys
Koen De Vylder
Mette Islin
Hans Peter Johannsen

Executive Board Marro Vreys

Auditors PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab

Annual General Meeting Approved at the ordinary Annual General Meeting 31 May 2023

Chairman

Hugo Bouvy

DEME Offshore DK A/S – Annual Report 2022

Financial Highlights

DKK'000	2022	2021	2020	2019	2018
Income Statement					
Net turnover	475,971	782,464	555,261	573,787	825,518
EBITDA ¹	226,381	278,356	246,650	269,966	354,170
<i>EBITDA margin (%)</i>	<i>47.56</i>	<i>35.57</i>	<i>44.42</i>	<i>47.05</i>	<i>42.90</i>
EBIT ²	64,019	103,011	110,273	127,843	214,440
<i>EBIT margin (profit margin) (%)</i>	<i>13.45</i>	<i>13.16</i>	<i>19.86</i>	<i>22.28</i>	<i>25.98</i>
Result of net financials	265	3,004	-1,439	-1,384	1,362
Profit/loss before tax	64,284	106,015	108,835	126,459	215,802
Profit/loss for the year	64,308	105,690	108,800	126,073	232,532
Balance					
Investments in tangible fixed assets	170,245	78,907	4,470	13,829	16,431
Tangible fixed assets	1,198,380	1,192,739	1,293,637	1,426,665	1,558,149
Equity	2,024,964	2,044,217	1,939,101	1,830,454	2,300,265
Balance sheet total	2,194,706	2,124,605	2,031,747	1,945,277	2,388,290
Business related key figures					
Average number of employees	135	144	159	163	164

For definition of the financial ratios, please refer to 'Accounting Policies'.

¹ Earnings Before Interest, Tax, Depreciation and Amortisation

² Earnings Before Interest and Tax

DEME Offshore DK A/S – Annual Report 2022

Management Review

Main activities

DEME Offshore DK A/S is part of the DEME Group, being a direct subsidiary of DEME Offshore Holding NV (Belgium) with DEME NV as the ultimate parent company. For further information, please refer to the Annual Report of DEME NV.

DEME Offshore DK operates in the offshore wind industry providing transport and installation services for offshore wind turbines and foundations, as well as offshore wind maintenance activities.

Results and financial development in 2022

Profit

In 2022, DEME Offshore DK realised a profit before tax of DKK 64.3m and DKK 64.3m after tax, compared to DKK 106.0m and DKK 105.7m after tax respectively in the year before.

The profit before tax - considered satisfactory by the management and in line with the expectations communicated in the annual report 2021 - is the result of the usual course of business i.e., the execution of offshore installation activities and the upgrades of existing vessels.

Investments

DEME Offshore DK continued to invest in upgrading its fleet, with the total investments in tangible fixed assets amounting to DKK 170.2m.

Capital Resources

DEME Offshore DK is on a firm footing. At the year end, the solvency ratio was 92.3% (2021: 96.2%) equal to equity of DKK 2,025.0m (2021: DKK 2,044.2m). The Company's financial resources amounted to DKK 778.9m at the end of the financial year.

Expectations for 2023

DEME Offshore DK enters 2023 with planned vessel upgrades, which will affect the utilisation rate for the wind turbine installation vessels. Therefore a result to that of 2022 is expected in 2023.

Special risks

General risks

The Company's primary business risk is tied to the ability to remain strongly positioned in the most important markets of offshore installation works. Additionally, it is important for the Company to remain constantly up to date with the technological developments and ensure the necessary installation capacity.

Financial risks

Due to the strong financial position and financial resources, the Company is only exposed to changes in the level of interest rates to a limited extent. However, in relation to the current operation, the Company is exposed to foreign exchange risks.

Foreign exchange risks

Activities abroad consequently means that results, cash flow and equity are affected by exchange rate movements and the interest rate development of a number of currencies. It is the policy of the Company to cover commercial currency exposure. Most of the Company's turnover is paid in EUR, which is not hedged due to the euro's close connection to the DKK.

Credit risks

The Company's credit risks are primarily tied to financial assets recognised in the balance sheet.

The Company does not have any significant risk relating to a single customer or cooperative partner. The policy for undertaking credit risks includes current credit evaluation of all major customers and partners.

DEME Offshore DK A/S – Annual Report 2022

Know-how capacity

DEME Offshore DK's business is based on the delivery of an essential service to the offshore wind industry in the form of transport, installation and servicing of offshore wind turbines. Providing this specialised service requires employees with in-depth knowledge and expertise. In order to be capable of delivering competitive solutions, it is crucial that the Company is able to recruit and retain employees with the right experience and competences to secure our leading position in the market.

Employees are provided with comprehensive training as a fundamental element of their employment, which enables them to keep abreast of the latest knowledge and technology, in turn allowing the Company to be at the forefront of industry developments.

Research & Development

Equipment, concepts and competences are continuously being improved. 2022 has primarily been focused on the design of new vessels and upgrades of existing vessels for handling the requirements of future installations.

Report on Corporate Social Responsibility, cf. Section 99a of the Danish Financial Statement Act

The 'main activities' description is included in the 'Management Review' section above.

DEME Offshore DK is highly aware of the Company's role as a key player in society in a local, national and international context. Consequently, DEME Offshore DK remains attentive and makes targeted efforts to ensure that our core business area and activities are developed in a financially, environmentally and socially responsible manner, both by complying with statutory requirements and by embarking on corporate responsibility initiatives.

Environment and climate

DEME Offshore DK is committed to protecting the environment and to reducing the environmental impact of our activities.

The main risk for the environment is the emissions we cause. We aim to continuously reduce emissions and avoid harming the environment through the efficient use of resources by using materials that have minimal environmental impact and by enforcing responsible disposal practices. We will continuously assess the implementation of procedures and actions which can be used to further improve the efficiency of vessel operations and cost-effective utilisation of energy and natural resources. Aiming to reduce the environmental impact of our operations, biofuel has been the chosen fuel whenever it was possible during 2022.

DEME Offshore DK follows both the Energy & Air Emissions Strategy and Energy & Green House Gas Emissions Policy of the DEME Group. This policy is based on an environmentally compatible way of conducting business and executing projects. The policy is integrated into DEME Offshore DK's operation and product quality targets.

To ensure that DEME Offshore DK's activities do not affect the environment negatively, specific working instructions have been prepared to eliminate or minimise the risk in connection with the execution of all tasks in the harbour and while carrying out transportation and offshore lifting projects.

DEME Offshore DK follows the corporate environmental, occupational health and quality management systems, and is certified by Lloyd's Register and DNV according to ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 within the DEME Group.

All maritime standards, including ISM (International Safety Management Code), ISPS (International Ship and Port Facility Security Code) and MLC (Maritime Labour Convention) are certified by Lloyd's Register and DNV.

The ISO systems were certified by an external auditor in November 2021, and the certificates are valid until November 2024.

Furthermore, our installation vessels hold a Clean Design environmental class notation from DNV.

DEME Offshore DK A/S – Annual Report 2022

As a result of the necessary requirements to hold the certificates and our voluntary initiatives, any potential harmful impact on the environment is minimised. However, we continually aim to address these issues and improve wherever we can. To further improve, we are always on the lookout for the environmentally friendly alternatives and choose these whenever it is possible in a sensible matter.

Policies on social and staff matters

In DEME Offshore DK, our employees are a key resource. They are extremely committed and the busy workdays can demand a lot of energy. We see that energy is very important, not only to achieve business goals, but also to create a healthy work-life balance. In the DEME Group we have a Health & Wellbeing portal from which all employees can access a community site which covers sporting events for good causes to competitions to encourage both social and physical activities. A training course focusing on mental wellbeing and identifying stress signals and how to handle these, is also available.

To ensure that the high demands on our employees, when it comes to performance, flexibility and readiness for change, are not having a negative effect on their stress levels, we want a secure culture where we act responsibly and take proper action to prevent stress. We are making sure that we have the right attitude, tools and support to be alert and swiftly address any issues that can lead to stress with our employees.

At DEME Offshore DK, health is a joint investment, consequently we encourage our employees to make the healthy choices which we have made easily available. For example, employees can choose from different options such as massage and reflexology. It is also optional to use different tools to help the employee work in different postures to avoid any discomfort. As well as this, we always encourage employees to speak up so we can help them.

In addition, DEME Offshore DK is offering a senior scheme. This provides a good alternative to early or normal retirement to sustain valuable knowledge in the Company.

In addition to physical and mental health, we believe that good social relations - based on common interests across departments - have a positive effect on overall wellbeing. And this helps to create the framework for a culture of innovation. In the staff social club, we offer a wide range of different activities throughout the year, encouraging employees to socialise outside of work.

To ensure the development of DEME Offshore DK's organisation, the systems and competences regarding safety and quality are a priority. The Company is continuously ensuring that our personnel are well trained to the latest safety and quality standards and that documentation is always kept up to date. In addition, all incidents and near-misses are reported and preventive and corrective actions taken. We actively promote a culture of safety and environmental excellence at all levels in the organisation to achieve incident-free operations and improve our processes and performance. In this way, we continuously get better at doing our job in a safe way. We encourage anyone who observes a safety risk to speak up, so we can prevent any potential incidents.

During 2022 the general employee satisfaction was good. We increased our focus on creating a great working environment and celebrating our achievements to enhance the positive atmosphere. There was also a better information flow, for instance by increasing both the frequency of employee meetings, as well as expanding the content in these meetings. We want all employees to feel included and recognised as a valuable part of the team. We will continue to aim for even better results going forward.

People and human rights

DEME Offshore DK considers diversity an important asset and remains committed to ensuring equal opportunities and rights for employees. Consequently, DEME Offshore DK does not tolerate discrimination or harassment based on religion, race, ethnicity, gender, age, sexuality, political stance or any other status. DEME Offshore DK also actively promotes a fair and just culture to ensure open and timely communication throughout the organisation and with all of our stakeholders. Employee surveys are conducted regularly and the latest results show high levels of satisfaction.

DEME Offshore DK does not tolerate child labour from any of our business partners. This is stated in the Code of Ethics & Business Integrity from the DEME Group and we have not detected any non-compliance from our business partners in the reporting year. And if we discover any non-compliant cases, cooperation with that partner will be terminated with immediate effect.

DEME Offshore DK A/S – Annual Report 2022

The main risk on people and human rights in the activities of DEME Offshore DK is the risk of discrimination connected to increasing diversity among employees.

In 2022 the attention to the no-tolerance conducts of DEME Offshore DK towards acts exposing risk on people and human rights lead to no violating cases.

This conduct will carry on and the aim is to sustain the result from 2022. In case violating cases are discovered, proper action will be taken to put the unacceptable acts to an end.

Anti-corruption and anti-bribery policies

We avoid participating in or knowingly benefitting from any kind of corruption, extortion or bribery and we expect the same from our business partners.

All our employees and business partners are obliged to follow this policy and this forms part of the introduction material that all new employees and business partners receive and are obligated to read and follow. The DEME Group procedures to avoid corruption and bribery are reviewed periodically to always ensure compliance with these policies. This is also stated in the Code of Ethics & Business Integrity from the DEME Group and we have not detected any non-compliance internally or from our business partners in the reporting year.

DEME Offshore DK mainly executes business in countries where corruption and bribery is not common practice, nevertheless it is still a risk.

During 2022 the promotion of these policies has secured that there are no cases of non-compliance and we will continue our rigorous efforts to make sure that there are no violations in the future.

Report on the Gender Distribution in Management, cf. Section 99b of the Danish Financial Statements Act

It is DEME Offshore DK's primary objective that candidates proposed for the Company's board of directors or management positions are selected considering their suitability, based on professional and personal skills and competences.

DEME Offshore DK aims to have one female member in the board of directors.

Currently, the board consists of seven males and one female. Consequently, the goal has been met in 2022. In addition to the actions when recruiting externally any employee at DEME Offshore DK can advance from their current position.

Additionally, DEME Offshore DK has a policy regarding the distribution of gender in the management of the Company. When choosing between equally qualified candidates, the overall diversity will be taken into consideration. In regard to both internal and external recruitment, both men and women will be considered for positions, including managerial positions.

At year-end 2022, the Company's managerial positions below the top management level were occupied by women and men with a distribution of 30%/70% respectively. We are aiming to fill more managerial positions by women to ensure diversity; the goal for managerial and top level positions is a female/male distribution of 40%/60% by 2025.

Report on the Data Ethics, cf. Section 99d of the Danish Financial Statements Act

Data Ethics Policies

The purpose of this policy is to ensure compliance with the data ethics rules of the Danish Financial Statements Act, and that data used within DEME Offshore DK A/S conforms to this policy.

Pursuant to Section 99d, DEME Offshore DK is required to supplement the annual Management Review with a statement on our data ethics policy.

DEME Offshore DK A/S – Annual Report 2022

DEME Offshore DK is committed to sustaining a high standard for data ethics when we use data and new technologies globally.

The responsible use of data is a critical facilitator for our organisation. We are committed to avoiding abuse and privacy infringement issues, and want to ensure the trust of our consumers, business partners, employees and other stakeholders. It is vital to manage and control the storage and use of the data ethically and proactively. Our corporate Data Ethics Policy explains how we must live up to this commitment within a globalised and digitalised business environment by only using personal data consistently and keeping it safe by complying with data protection laws. We are also committed to using data respectfully and anchoring data ethics in the organisation.

Data ethics goes beyond compliance with data privacy laws. We comply with all legal requirements but acknowledge and respect that our use of data (both personal data and non-personal data) may create risks for the users that applicable laws do not cover. We manage these risks by adhering to the principles described below.

Sources of data:

DEME Offshore DK strives for high data ethics standards for the use of both personal and non-personal data.

Within DEME we process various types of data, including:

- Personal data about job applicants, employees, users of our digital services, and business relations
- Non-personal data about our operating assets and other operations.

This information shall only be used for appropriate business purposes and must be properly safeguarded. Anyone who has access to sensitive or personal information shall solely use the information for the purpose it was intended for and shall treat it confidentially at all times. All this should be in accordance with applicable legal requirements, including local laws on privacy and data protection. This information shall not be shared without authorisation.

Use of technologies:

We use a variety of technologies when processing data.

DEME Offshore DK protects the digital wellbeing of our stakeholders by safeguarding and making sure that all of their data in our care is protected through strong security features, effective processes and reliable IT applications. A sufficient level of security shall be implemented in and around technologies used for processing personal data. We uphold transparency and openness concerning our use of data. We ensure that our data ethics principles remain clear, understandable and easily accessible.

Transparency

Personal data shall always be processed in a way which ensures transparency, especially where algorithms are used for the processing. Furthermore, when the processing activity includes automated decision making for decisions which have legal or similarly significant effects, the results will be subject to human review.

Respect for human rights

Processing of personal data and the design of technologies used for processing it shall ensure that human rights are respected. For example, processing or the use of technologies may not be biased with a risk of discrimination, marginalisation or stigmatisation against individuals.

Complying with data protection laws

DEME Offshore DK has put operative and meaningful privacy and data protection standards in place, not only to comply with the many evolving regulatory requirements across our global markets, but also to promote the trust of those countries' citizens, leaders and business communities. We are establishing an inventory of personal data, processing for multiple purposes and compiling these into a central data register.

DEME Offshore DK A/S – Annual Report 2022

Using data respectfully

DEME Offshore DK respects individual privacy as part of our greater commitment to ethical business conduct and stakeholder dignity. For our workers, our commitment to a fair, respectful, safe and non-discriminatory workplace includes the lawful, fair and limited handling of their data as part of our working relationship and when working with third-party suppliers e.g., payroll companies, insurance companies, IT providers, we make sure that the processing of data between parties is 100% safe and secure.

Anchoring data protection in the organisation

Our Data Ethics Policy is approved by the executive management team. In addition to top management being committed to prioritising data ethics, it is also embedded throughout the organisation in our policies and manuals. Everybody within DEME provides personal information which is key for the successful operation of the company. This information shall only be used for appropriate business purposes and anyone who has access to sensitive or personal information shall only use such information for the purpose it was intended for and shall at all times treat it confidentially. All this should be in accordance with applicable legal requirements, including local laws on privacy and data protection. This information shall not be shared without authorisation and can only be used for business purposes. We are establishing new procedures related to data retention (about whom and for how long), in line with legal requirements, and facilitating data anonymisation or deletion within a reasonable timeframe, and also upon individual requests.

Objective of the compliance department

The Compliance Department's objective is to assist the board of directors and the management of DEME in controlling the compliance risk. The Compliance Department thereby sees to the preparation, implementation, follow-up and improvement of all advice, procedures, codes, investigations, analyses and education that contribute to the control of the compliance risk.

General Data Protection Regulation (GDPR) requires companies to enhance their processes for collection, storage and processing of personal data with due and proper care, and in accordance with the principles outlined below.

These principles constitute the basics of DEME's GDPR policy and processes.

Objective of the Compliance Department

It is the responsibility and obligation of DEME Offshore DK to adhere to the principles of the Code of Ethics & Business Integrity of the DEME Group.

These principles are both simple and clear at all times:

- Comply with the applicable laws and regulations
- Act with integrity and honesty
- Avoid inappropriate behaviour, or even the appearance thereof.

To help achieve compliance with our Code, DEME offers regular, obligatory training sessions and it is required to complete the certification process to make sure that the Code is understood and applied in all daily activities.

DEME Offshore DK A/S – Annual Report 2022

Management Statement

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of DEME Offshore DK for the financial year 1 January-31 December 2022.

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 at 31 December 2022 of the Company and of the results of the Company's operations for 2022.

Further, in our opinion, Management's Review includes a true and fair account of the conditions dealt with.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Fredericia, 31 May 2023

Executive Board:

Marro Vreys
CEO

Board of Directors:

Hugo Bouvy

Wouter Borghijs

Bart De Poorter

Bart Vandemeulebroucke

Marro Vreys

Koen De Vylder

Mette Islin

Hans Peter Johannsen

Independent Auditor's Report

To the Shareholders of DEME Offshore DK A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January-31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of DEME Offshore DK A/S for the financial year 1 January-31 December 2022, which comprise income statement, balance sheet, statements of change in equity and notes, including a summary of significant accounting policies ("financial statements").

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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 in 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 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 about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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,

DEME Offshore DK A/S – Annual Report 2022

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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.

Trekantområdet, 31 May 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR-no. 33 77 12 31

Lasse Berg

State Authorised Public Accountant

Mne35811

DEME Offshore DK A/S – Annual Report 2022

Income Statement 1 January-31 December

DKK'000	Note	2022	2021
Net turnover	1	475,971	782,464
Project and vessel costs		-156,195	-393,920
Other external expenses		-17,856	-11,975
Staff expenses	2	-75,539	-98,213
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)		226,381	278,356
Depreciation and amortisation		-156,966	-167,673
Other operating expenses	3	-5,396	-7,672
Operating profit (EBIT)		64,019	103,011
Income from investments in subsidiaries after tax		0	-96
Financial income	4	2,510	3,123
Financial expenses	5	-2,245	-23
Profit/loss before tax		64,284	106,015
Tax on the profit/loss for the year	6	24	-325
Profit/loss for the year		64,308	105,690

DEME Offshore DK A/S – Annual Report 2022

Balance Sheet at 31 December

DKK'000	Note	2022	2021
Assets			
Rights		0	0
Software		0	11
Intangible fixed assets	7	0	11
Vessels and related equipment		1,187,874	1,192,689
Other plants and equipment		10,506	50
Tangible fixed assets	8	1,198,380	1,192,739
Investments in subsidiaries		0	0
Deposit		1,345	1,311
Financial fixed assets	9	1,345	1,311
Total fixed assets		1,199,725	1,194,061
Trade receivables		84,166	254,430
Receivables from group enterprises		880,190	635,167
Receivable corporation tax		0	0
Work in progress		24,686	40,385
Prepayments	10	308	210
Other receivables	11	5,612	329
Receivables		994,962	930,521
Cash at bank and in hand		19	23
Total current assets		994,981	930,544
Total assets		2,194,706	2,124,605

DEME Offshore DK A/S – Annual Report 2022

Balance Sheet at 31 December (continued)

DKK'000	Note	2022	2021
Liabilities			
Share capital		429,363	429,363
Retained earnings		1,590,489	1,526,181
Other reserves		5,112	-727
Proposed dividend for the year		0	89,400
Total equity	12	2,024,964	2,044,217
Provision for deferred tax	13	0	0
Provisions		0	0
Trade payables		14,479	5,776
Payables to group enterprises		29,406	36,272
Corporation tax, balance with management company		7,629	8,019
Other debt	11	37,814	15,407
Deferred income		80,414	14,914
Short-term debt		169,742	80,388
Total liabilities		169,742	80,388
Liabilities		2,194,706	2,124,605
Contractual obligations	14		
Fees for auditor(s) appointed by the Annual General Meeting	15		
Related parties	16		
Events after 31 December 2022	17		
Accounting policies	18		

DEME Offshore DK A/S – Annual Report 2022

Statement of Changes in Equity 1 January-31 December

DKK'000	Share capital	Retained earnings	Proposed dividend for the year	Other reserves	Total
Equity at 1 January 2021	429,363	1,509,891	0	-153	1,939,101
Exchange rate adjustments of investments				152	152
Profit for the year		105,690			105,690
Valuation adjustment hedge				-726	-726
Proposed dividend for the year		-89,400	89,400		0
Equity at 31 December 2021	429,363	1,526,181	89,400	-727	2,044,217
Equity at 1 January 2022	429,363	1,526,181	89,400	-727	2,044,217
Exchange rate adjustments of investments			-89,000		-89,400
Profit for the year		64,308			64,308
Valuation adjustment hedge				5,839	5,839
Proposed dividend for the year		0	0		0
Equity at 31 December 2022	429,363	1,590,489	0	5,112	2,024,964

Notes

Note 1	Net turnover	19
Note 2	Staff expenses	19
Note 3	Other operating expenses	19
Note 4	Financial income	19
Note 5	Financial expenses	19
Note 6	Tax on the profit/loss for the year	20
Note 7	Intangible fixed assets	20
Note 8	Tangible fixed assets	21
Note 9	Financial fixed assets	21
Note 10	Prepayments	21
Note 11	Derivative financial instruments	22
Note 12	Proposed distribution of profit	22
Note 13	Deferred tax	22
Note 14	Contractual obligations	22
Note 15	Fees for auditor(s) appointed by the Annual General Meeting	23
Note 16	Related parties	23
Note 17	Events after 31 December 2022	23
Note 18	Accounting policies	23

DEME Offshore DK A/S – Annual Report 2022

Note 1 Net turnover

In compliance with section 96 of the Danish Financial Statements Act, information regarding turnover on geographical markets and activities has been left out due to the fact that geographical markets and activities do not differ material on risks and rewards.

Note 2 Staff expenses

DKK'000	2022	2021
Wages and salaries	66,224	86,223
Pensions	4,929	4,748
Other staff costs, incl. social security costs, etc.	4,386	7,242
Staff expenses	75,539	98,213
Average number of full-time employees	135	144

In compliance with section 98 b (3) of the Danish Financial Statements Act, no information is given regarding remuneration for the Executive Board and Board of directors. Remuneration for the Executive Board and Board of directors for 2021 is DKK'000 2,690.

Note 3 Other operating expenses

DKK'000	2022	2021
Loss on disposal of fixed assets	5,396	7,672
Other operating expenses	5,396	7,672

Note 4 Financial income

DKK'000	2022	2021
Interest expenses from group enterprises	2,510	0
Other financial income	0	3,123
Financial income	2,510	3,123

Note 5 Financial expenses

DKK'000	2022	2021
Interest expenses to group enterprises	0	16
Other financial expenses	2,245	7
Financial expenses	2,245	23

DEME Offshore DK A/S – Annual Report 2022

Note 6 Tax on the profit/loss for the year

DKK'000	2022	2021
Breakdown of the tax for the year:		
Tax on the profit for the year	-24	325
Total tax for the year	-24	325
Explanation of the tax on the profit for the year:		
Current tax	600	600
Adjustments for previous years (current tax)	-624	-275
Adjustments for previous years (deferred tax)	0	0
Tax on the profit for the year	-24	325

Note 7 Intangible fixed assets

DKK'000	Software	Rights	Total
Cost at 1 January 2022	4,358	327	4,685
Disposals for the year	0	0	0
Cost at 31 December 2022	4,358	327	4,685
Amortisation, depreciation and write-downs at 1 January 2022	4,347	327	4,674
Depreciation and amortisation for the year	11	0	11
Reversed depreciation on assets disposed of	0	0	0
Amortisation, depreciation and write-downs at 31 December 2022	4,358	327	4,685
Book value at 31 December 2022	0	0	0
Amortised over a period of	3-5 years	5 years	-

DEME Offshore DK A/S – Annual Report 2022

Note 8 Tangible fixed assets

DKK'000	Vessels and related equipment	Other plants and equipment	Total
Cost at 1 January 2022	2,234,848	9,850	2,244,698
Additions for the year	159,748	10,497	170,245
Disposals for the year	-175,994	-2,070	-178,064
Cost at 31 December 2022	2,218,602	18,277	2,236,879
Depreciation and write-downs at 1 January 2022	1,042,159	9,800	1,051,959
Depreciation for the year	156,915	41	156,956
Reversed depreciation on assets disposed of	-168,346	-2,070	-170,416
Depreciation and write-downs at 31 December 2022	1,030,728	7,771	1,038,499
Book value at 31 December 2022	1,187,874	10,506	1,198,380
Depreciation period	5-20 years	2-5 years	-

Note 9 Financial fixed assets

DKK'000	Deposit	Total
Cost at 1 January 2022	1,311	1,311
Additions during the year	34	34
Disposals for the year	0	0
Cost at 31 December 2022	1,345	1,345
Value adjustments at 1 January 2022	0	0
Profit for the year	0	0
Changes in equity	0	0
Disposal	0	0
Depreciations and amortisations at 31 December 2022	0	0
Book value at 31 December 2022	1,345	1,345

Note 10 Prepayments

Prepayments comprise prepaid costs relating to other external costs.

DEME Offshore DK A/S – Annual Report 2022

Note 11 Derivative financial instruments

Derivative financial instruments contracts in the form of forward exchange contracts have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

DKK'000	2022	2021
Assets	5,112	0
Liabilities	0	726

Forward exchange contracts have been concluded to hedge future investments in USD. At the balance sheet date, the fair value of the forward exchange contracts amounts to DKK 5,112. Investments in USD of USD 12,225, corresponding to approx. 50% of the expected investment, has been hedged. The forward exchange contracts have a term of 0-3 months. Value adjustment on equity amounts to DKK 5,838.

Note 12 Proposed distribution of profit

DKK'000	2022	2021
Proposed dividend for the year	0	89,400
Retained earnings for the year	64,308	16,290
	64,308	105,690

Note 13 Deferred tax

The Company's current tax is computed according to the provisions of the Danish Tonnage Tax Act. On the basis of the Group's planned shipowning activities, the Tonnage Tax Scheme does not imply recapture of depreciation, and therefore deferred tax for these companies is not recognised in the balance sheet.

Deferred tax on transitional balance and equalisation balance relating to vessels amounts to DKK'000 102,516.

Note 14 Contractual obligations

DEME Offshore DK A/S has assumed liabilities for a total of DKK'000 24,543 in the form of property leases and leased operating equipment. Breakdown of the future lease obligations:

DKK'000	2022	2021
0-1 year	2,316	2,414
1-5 years	8,735	110
> 5 years	13,492	0
	24,543	2,524

Note 15 Fees for auditor(s) appointed by the Annual General Meeting

DKK'000	2022	2021
Auditor fee for PwC	426	304
Tax advisory	95	69
Other services	0	1
	521	374

Note 16 Related parties

The Company is directly owned by DEME Offshore Holding NV, Scheldedijk 30, 2070 Zwijndrecht, Belgium and ultimately owned by Ackermans & van Haaren N.V, Begijnenvest 113, 2000 Antwerp, Belgium.

Other related parties with a significant influence comprise the Company's Board of Directors, the Executive Board and executives and the close family of these individuals. Related parties also include companies in which the before-mentioned individuals hold a considerable interest.

DEME Offshore DK A/S is included in the immediate Consolidated Financial Statements of DEME NV, Scheldedijk 30, 2070 Zwijndrecht, Belgium and ultimate Consolidated Financial Statements of Ackermans & van Haaren NV, Begijnenvest 113, 2000 Antwerp, Belgium. The Consolidated Financial Statements may be obtained upon request by contacting DEME NV and Ackermans & van Haaren NV.

With reference to section 98 C (7) of the Danish Financial Statements Act, related party transactions details are not disclosed.

Note 17 Events after 31 December 2022

No events have occurred after the closing of this financial year that would influence the financial position of the Company.

Note 18 Accounting policies

GENERAL

The Annual Report of DEME Offshore DK A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act for enterprises of accounting class C (large enterprises).

The accounting policies applied remain unchanged from last year.

In accordance with the Danish Financial Statements Act section 86(4) the Company has omitted the cash flow statement from this Annual Report as DEME Offshore DK A/S is included in the cash flow statement of the DEME NV.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when they are probable and can be reliably measured.

DEME Offshore DK A/S – Annual Report 2022

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Certain financial assets and liabilities are measured at amortised cost implying the recognition of a constant effective interest rate to maturity. Amortised cost is calculated as initial cost minus any principal repayments and plus or minus the cumulative amortisation of any difference between cost and nominal amount.

On recognition or measurement predictable losses and risks appearing before the presentation of the Annual Report that are confirming or invalidating conditions already existing on the balance sheet date will be taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities, measured at fair value or amortised cost. Equally, costs incurred to achieve the earnings for the year, including depreciation, amortisation and provisions made and reversals resulting from changes in accounting estimates of amounts previously included in the income statement are recognised in the income statement.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rate prevailing at the date of the transaction. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as an item under financial income and expenses.

Fixed assets purchased in foreign currencies are measured at the exchange rate prevailing at the date of the transaction.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement under financial income and expenses.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with changes in the value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised as receivables or payables and in capital and reserves. If the future transaction results in recognition of assets or liabilities, the amount previously recognised under equity will be transferred to the cost of the asset or liability, respectively. If the future transaction results in income or expenses, the amount, deferred under equity or together with a recognised asset in the balance sheet will be transferred to the income statement for the period in which the hedged item affects the income statement.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement when they occur.

INCOME STATEMENT

Net turnover

Net turnover is recognised in the income statement when delivery and passing of risk to buyer have taken place before the year end and if the income can be reliably measured and is expected received before year-end.

DEME Offshore DK A/S – Annual Report 2022

Net turnover is measured at fair value of the agreed contract sum exclusive of VAT charged on behalf of a third party. All types of allowed discounts are recognised in the net turnover.

Contracts relating to offshore wind turbine projects are included in the net turnover concurrently with the execution of the work, based on the degree of completion of the individual contracts.

Project and vessel costs

Project and vessel costs comprising expenses related to project execution and costs for the operation of the Company's fleet.

Vessel costs are recognised in the income statement when incurred.

Costs related to offshore wind turbine projects are included in the project costs concurrently with the execution of the work, based on the degree of completion of the individual contracts.

Other external expenses

Other external expenses comprise indirect production costs and costs related to premises, sales and offices, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than project wages.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, capital gains and losses and losses concerning debt and transactions in foreign currencies and amortisation of financial assets and liabilities.

Tax on profit for the year

Tax for the year consists of current tax for the year and adjustment of deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company's current tax is computed according to the provisions of the Danish Tonnage Tax Act. On the basis of the Group's planned ship owning activities, the Tonnage Tax Scheme does not imply recapture of depreciation, and therefore deferred tax for these companies is only disclosed in the note "Deferred tax".

BALANCE SHEET

Intangible fixed assets

Rights

Rights include patents. These are measured at cost less accumulated amortisation and impairment losses. Patents are amortised over 5 years.

Software

Software is measured at cost less accumulated amortisation. Amortisation is made on a straight-line basis, i.e. the cost related to software is divided over the expected useful life – normally 3-5 years.

Residual value of intangible fixed assets is reassessed every year.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and impairment losses.

DEME Offshore DK A/S – Annual Report 2022

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises costs of materials, components, sub-suppliers, direct cost of labour and indirect production cost.

The cost of a combined asset is separated into individual items for which depreciation is made individually if the useful life of the individual items differs.

Subsequent costs, e.g. related to replacement of parts of a tangible fixed asset, are recognised in the book value of the asset in question when it is likely that the incurrence will imply a future financial benefit to the Company. The replaced parts cease being recognised in the balance sheet when the book value of these is transferred to the income statement. All other costs related to ordinary repair and maintenance are recognised in the income statement when incurred.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the estimated useful lives of the assets.

Vessels and related equipment	5-20 years
Other plant and equipment	2-5 years
Plant under construction	No depreciation

Depreciation period and residual value of tangible fixed assets is reassessed every year.

Gains and losses on the disposal of tangible fixed assets are determined as the difference between the selling price less disposal costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as other operating income/expenses.

Impairment of assets

The book value of the Company's fixed assets is estimated on a yearly basis to determine whether there might be indications of impairment beyond the planned depreciation.

If there are any indications of impairment, an impairment test is carried out for each individual asset or group of assets, respectively. Write-down to recoverable amount is made if this turns out to be lower than the book value. The recoverable amount is determined as the higher of net selling price and value in use. The value in use is calculated as the present value of the expected net cash flow from the use of the asset or group of assets and expected net cash flow from sale of the asset or group of assets after expired useful life.

Deposit

Other receivables comprise deposit measured at fair value.

Receivables

Receivables are measured at amortised cost.

Provisions for bad debts are made when it is estimated on the basis of an objective indication that the value of a receivable is impaired.

Prepayments

Prepayments recognised as receivable consists of prepayments of costs relating to the coming financial years.

Equity

Proposed dividends

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Current tax and deferred tax

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

DEME Offshore DK A/S – Annual Report 2022

Deferred tax is measured under the balance-sheet liability method on all temporary differences between book value and tax base of assets and liabilities. In the cases where statement of the tax base can be made on the basis of different taxation rules, the deferred tax is measured on the basis of the management's planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including tax base of tax loss carry-forwards, are measured at the value at which the assets are expected realised either by elimination in tax on future earnings or by offsetting against deferred tax liabilities or within the same legal tax entity.

Debt

Financial debt comprises mortgage debt, credit institutions, trade payables and other liabilities to the public authorities, etc.

Payables to credit institutions are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, the financial debt is measured at amortised cost according to 'the effective interest method', so that the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses during the term of the loan.

Other debt is measured at net realisable value.

Deferred income

Deferred income includes prepayments and accrual of contribution margin relating to time charter contracts. If the deferred income is an asset, it is recorded as work in progress, if a liability, it is recorded as deferred income.

FINANCIAL RATIOS

The financial ratios mentioned in the Financial Highlights are calculated as follows:

EBITDA margin	$\frac{\text{Earnings before Interest, Tax, Depreciation and Amortisation}}{\text{Net turnover}}$
EBIT margin	$\frac{\text{Operating profit or loss (EBIT)}}{\text{Net turnover}}$