

Phoenix II A/S

Esplanaden 50
DK-1263 Copenhagen K

**Central Business Registration
38281364**

Annual Report 2021

The Annual General Meeting adopted the Annual Report on 24.05.2022.

Chairman of the General Meeting

Name: Christopher Bent Lindbo Hennings

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COMPANY DETAILS

The Company

Phoenix II A/S
Esplanaden 50
DK-1263 Copenhagen K
Denmark

CVR No.: 38281364

Incorporated in: Copenhagen

Registration date: 13 December 2016

Accounting period: 1 January 2021 - 31 December 2021

Board of Directors

Steen Strøm Karstensen (Chairman)
Jonas Munch Agerskov
Nils Fredrik Ludvig Olsson

Executive Board

Lars Blicher

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup
Denmark
CVR No. 33771231

Consolidated accounts

The company is included in the consolidated accounts of A.P. Møller Holding A/S, Copenhagen and A.P. Møller – Mærsk A/S, Copenhagen.

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Phoenix II A/S for the financial year 1 January - 31 December 2021.

The Annual Report for 2021 of Phoenix II A/S has been 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 2021 of the Company and of the results of the Company operations for 2021.

We believe that the Management`s Review contains a fair review of the affairs and conditions referred to therein.

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

Copenhagen, 24 May 2022

Executive Board:

Lars Blicher

Board of Directors:

Steen Strøm Karstensen
(chairman)

Jonas Munch Agerskov

Nils Fredrik Ludvig Olsson

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Phoenix II 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 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Phoenix II A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes 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.

Other Matter

The Company has been subject to audit for the current financial year. The comparative figures in the Financial Statements have not been audited, as is also clear from the Financial Statements.

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.

INDEPENDENT AUDITOR'S REPORT (continued)

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, 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

INDEPENDENT AUDITOR'S REPORT (continued)

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, 24 May 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No. 33 77 12 31

Martin Lunden
State Authorised Public Accountant
mne32209

MANAGEMENT'S REVIEW

Primary activities

The Company is a 100% owned subsidiary of Maersk Supply Service A/S, and has been inactive until the end of 2020, where the Company acquired a development project with the aim of supporting the offshore wind business in the future.

Development in activities and financials

The Income Statement of the Company for 2021 shows a loss of USD 521 thousands and at 31 December 2021 the balance sheet of the Company shows an equity of USD 24 millions.

The financial result is negative as expected, due to the administrations costs, but is still considered satisfactory.

Events after the balance sheet date

A capital increase of USD 25 million has been made in March 2022, and further development of the offshore wind business project is ongoing.

Besides this, no events have occurred after the reporting date of importance to the Annual Report.

INCOME STATEMENT

Amounts in USD 1,000

Note	<u>2021</u>	<u>2020</u> Not audited
1 Other external expenses	<u>(538)</u>	<u>(60)</u>
Result before financial items and tax	(538)	(60)
Other financial expenses	<u>(123)</u>	<u>0</u>
Profit/loss before tax	(661)	(60)
2 Tax	<u>140</u>	<u>0</u>
Profit/loss for the year	<u>(521)</u>	<u>(60)</u>
Proposed distribution of profit/loss		
Retained earnings	<u>(521)</u>	<u>(60)</u>
	<u>(521)</u>	<u>(60)</u>

BALANCE SHEET 31 DECEMBER

Amounts in USD 1,000

Assets

Note	2021	2020
		Not audited
3 Development project in progress	23,015	13,493
Intangible assets	23,015	13,493
Fixed assets	23,015	13,493
Receivables from affiliated companies	1,588	4,925
Other receivables	20	3,331
Income Tax receivable	140	0
Receivables	1,748	8,256
Current assets	1,748	8,256
Assets	24,763	21,749

Equity and liabilities

Note	2021	2020
		Not audited
Share capital	83	83
Retained earnings	23,918	21,439
Equity	24,001	21,522
Trade Payables	332	0
Payables to affiliated companies	430	227
Current liabilities	762	227
Liabilities	762	227
Equity and liabilities	24,763	21,749

- 4 Contingent liabilities
- 5 Related parties
- 6 Events after the balance sheet date

STATEMENT OF CHANGES IN EQUITY

Amounts in USD 1,000

	Share capital	Retained earnings	Total
1 January 2021	83	21,439	21,522
Capital increase	0	3,000	3,000
Profit/loss for the year	0	(521)	(521)
31 December 2021	83	23,918	24,001

NOTES

Amounts in USD 1,000

Note

1 **Other external costs**

Neither Management nor the Board of Directors have received remuneration.
The Company has no employees.

2 Tax	2021	2020 Not audited
Tax income for the year	<u>140</u>	<u>0</u>
	<u>140</u>	<u>0</u>

3 **Intangible assets**

Cost:

1 January 2021

Additions

**Developm.
project in
progress**

13,493

9,522

31 December 2021

23,015

Carrying amount 31 December 2021

23,015

4 Contingent liabilities

The Company is jointly taxed with other Danish companies in the A.P. Møller Holding A/S Group. The Company is together with the other companies in the joint taxation scheme jointly and severally liable for taxes payable, etc. in Denmark.

5 Related parties

A.P. Møller - Mærsk A/S has control over the Company. The Company is included in the consolidated accounts of A.P. Møller - Mærsk A/S as well as A.P. Møller Holding A/S. Related parties include all other companies in the A.P. Møller - Mærsk A/S Group.

6 Events after the balance sheet date

A capital increase of USD 25 million has been made in March 2022, and further development of the offshore wind business project is ongoing.

Besides this, no events have occurred after the reporting date of importance to the Annual Report.

SIGNIFICANT ACCOUNTING POLICIES

The Annual Report 2021 of Phoenix II A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act (Årsregnskabsloven) governing class B companies with addition of certain provisions for reporting class C.

The accounting policies used in the preparation of the Financial Statements are consistent with those of last year, except for functional currency has been changed to USD. Non-monetary items, i.e. intangible assets has been revalued to reflect the historical purchase price in USD, whereas monetary items have been translated by use of the official exchange rates at the point of conversion. The change has had no effect on the result, nor on the equity.

The Annual Report is presented in American dollars (USD). The exchange rate of USD to DKK was 6.557 at 31 December 2021 (2020: DKK 6.052).

Recognition and measurement in general

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

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each Financial Statement item.

Anticipated risks and losses that arise before the time of presentation of the Annual Report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Fixed assets that have been purchased in foreign currencies are measured at the transaction date rates.

ACCOUNTING POLICIES (CONTINUED)

Income statement

Other external expenses

Other external expenses comprise costs of administration etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Company is jointly taxed with other Danish companies in the A.P. Møller Holding A/S Group. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Intangible assets

Development projects in progress are measured at cost price and are amortised from the time it is ready to be put into operation on a straight-line basis over the useful life, max. 5 years.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.