

# **Phoenix II A/S**

Esplanaden 50  
DK-1263 Copenhagen K

**Central Business Registration  
38281364**

## **Annual Report 2022**

The Annual General Meeting adopted the Annual Report on 4 May 2023

**Chairman of the General Meeting**

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Name: Morten Schou Kierulff

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## COMPANY DETAILS

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### **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 2022 - 31 December 2022

### **Board of Directors**

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

### **Executive Board**

Lars Nørgaard 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

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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 2022.

The Annual Report for 2022 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 2022 of the Company and of the results of the Company operations for 2022.

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, 4 May 2023

### **Executive Board:**

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Lars Nørgaard Blicher

### **Board of Directors:**

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Steen Strøm Karstensen  
(Chairman)

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Jonas Munch Agerskov

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Nils Fredrik Ludvig Olsson

## INDEPENDENT AUDITOR'S REPORT

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### 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 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 Phoenix II A/S for the financial year 1 January - 31 December 2022, 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)

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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)

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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, 4 May 2023

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No. 33 77 12 31

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Martin Lunden  
State Authorised Public Accountant  
mne32209

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Jacob Dannefer  
State Authorised Public Accountant  
mne47886

## MANAGEMENT'S REVIEW

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### **Primary activities**

The Company is a 100% owned subsidiary of Maersk Supply Service A/S, and was 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. In March 2022, the Company signed a newbuild contract for a pioneering Wind Installation Vessel (WIV) with delivery expected in 2025 and was awarded a contract for the Empire Wind Park for installation of wind turbines and Preferred Supplier Agreement for the Beacon Wind Park in the USA. The first contract is expected to start in 2025/26.

### **Development in activities and financials**

The Income Statement of the Company for 2022 shows a profit of USD 3,169 thousand (2021: loss of USD 521 thousand) and at 31 December 2022 the balance sheet of the Company shows an equity of USD 115 million (2021: USD 24 million)

### **Events after the balance sheet date**

Capital contribution of USD 22.6 million has been made in February 2023 and USD 500 thousand in April 2023. Further development of the newbuild WIV is ongoing.

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

## INCOME STATEMENT

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Amounts in USD 1,000

Note		<u>2022</u>	<u>2021</u>
	Revenue	450	0
	Other external expenses	<u>(1,721)</u>	<u>(538)</u>
	<b>Result before financial items and tax</b>	<b>(1,271)</b>	<b>(538)</b>
1	Other financial income	1,883	0
2	Other financial expenses	<u>(79)</u>	<u>(123)</u>
	<b>Profit/loss before tax</b>	<b>533</b>	<b>(661)</b>
3	Tax	<u>2,636</u>	<u>140</u>
	<b>Profit/loss for the year</b>	<b><u>3,169</u></b>	<b><u>(521)</u></b>
	<b>Proposed distribution of profit/loss</b>		
	Retained earnings	<u>3,169</u>	<u>(521)</u>
		<b><u>3,169</u></b>	<b><u>(521)</u></b>

## BALANCE SHEET 31 DECEMBER

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Amounts in USD 1,000

### Assets

Note	<u>2022</u>	<u>2021</u>
Development project in progress	0	23,015
Completed development project	<u>16,492</u>	<u>0</u>
4 <b>Intangible assets</b>	<b><u>16,492</u></b>	<b><u>23,015</u></b>
Prepayments for vessels	<u>95,986</u>	<u>0</u>
5 <b>Vessels, plant and machinery</b>	<b><u>95,986</u></b>	<b><u>0</u></b>
<b>Fixed assets</b>	<b><u>112,478</u></b>	<b><u>23,015</u></b>
Receivables from affiliated companies	4,410	1,588
Other receivables	184	20
Income Tax receivable	<u>238</u>	<u>140</u>
<b>Receivables</b>	<b><u>4,832</u></b>	<b><u>1,748</u></b>
<b>Current assets</b>	<b><u>4,832</u></b>	<b><u>1,748</u></b>
<b>Assets</b>	<b><u>117,310</u></b>	<b><u>24,763</u></b>

## BALANCE SHEET 31 DECEMBER

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Amounts in USD 1,000

### Equity and liabilities

Note	<u>2022</u>	<u>2021</u>
Share capital	83	83
Reserve – Completed development project	16,492	0
Retained earnings	<u>98,607</u>	<u>23,918</u>
<b>Equity</b>	<b><u>115,182</u></b>	<b><u>24,001</u></b>
Trade Payables	1,051	332
Payables to affiliated companies	<u>1,077</u>	<u>430</u>
<b>Current liabilities</b>	<b><u>2,128</u></b>	<b><u>762</u></b>
<b>Liabilities</b>	<b><u>2,128</u></b>	<b><u>762</u></b>
<b>Equity and liabilities</b>	<b><u>117,310</u></b>	<b><u>24,763</u></b>

- 6 Commitments
- 7 Contingent liabilities
- 8 Related parties
- 9 Events after the balance sheet date

## STATEMENT OF CHANGES IN EQUITY

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Amounts in USD 1,000

	Share capital	Reserve – Completed development project	Retained earnings	Total
1 January 2022	83	0	23,918	24,001
Capital contribution	0	0	88,012	88,012
Reserve – Other rights	0	16,492	(16,492)	0
Profit/loss for the year	0	0	3,169	3,169
<b>31 December 2022</b>	<b>83</b>	<b>16,492</b>	<b>98,607</b>	<b>115,182</b>

## NOTES

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Amounts in USD 1,000

Note	<u>2022</u>	<u>2021</u>
<b>1 Other financial income</b>		
Financial income arising from group enterprises	32	0
Borrowing costs capitalised on assets*	1,821	0
Exchange rate adjustments	<u>30</u>	<u>0</u>
	<b><u>1,883</u></b>	<b><u>0</u></b>
<p>*The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 4.6%</p>		
<b>2 Other financial expenses</b>		
Financial expense from group enterprises	77	0
Exchange rate adjustments	0	120
Other financial expenses	<u>2</u>	<u>3</u>
	<b><u>79</u></b>	<b><u>123</u></b>
<b>3 Tax</b>		
Tax on current year taxable income	238	140
Adjustments concerning previous years	<u>2,398</u>	<u>0</u>
	<b><u>2,636</u></b>	<b><u>123</u></b>

## NOTES (continued)

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Amounts in USD 1,000

Note

### 4 Intangible assets

	<b>Completed development project</b>	<b>Development project in progress</b>
Cost:		
1 January 2022	0	23,015
Transfer	23,015	(23,015)
Additions (adjustments)	(6,523)	0
<b>31 December 2022</b>	<b>16,492</b>	<b>0</b>
<b>Carrying amount 31 December 2022</b>	<b>16,492</b>	<b>0</b>

Completed development project pertains to the newbuilding contract for a pioneering Wind Installation Vessel (WIV) which is expected to be delivered in 2025.

### 5 Vessels, plant and machinery

	<b>Prepayments for Vessels</b>
Cost:	
1 January 2022	0
Additions	95,986
<b>31 December 2022</b>	<b>95,986</b>
<b>Carrying amount 31 December 2022</b>	<b>95,986</b>

## NOTES (continued)

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### 6 **Commitments**

The Company has capital commitments of USD 389 million (2021: USD 0) related to the newbuilding programme of the Wind Installation Vessel (WIV) of which USD 22 million is due in 2023 and USD 367 million is due in 2025.

### 7 **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.

### 8 **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.

### 9 **Events after the balance sheet date**

Capital contribution of USD 22.6 million has been made in February 2023 and USD 500 thousand in April 2023. Further development of the newbuild WIV is ongoing.

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

## ACCOUNTING POLICIES

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The Annual Report 2022 of Phoenix II A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act governing class B companies with addition of certain provisions for reporting class C.

The accounting policies applied to these Financial Statements are consistent with those applied last year and the Annual Report is presented in American dollars (USD). The exchange rate of USD to DKK was 6.967 at 31 December 2022 (2021: DKK 6.557)

### **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)

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### **Income statement**

#### **Revenue**

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### **Other external expenses**

Other external expenses comprise expenses relating to the Company's ordinary activities, including expenses for staff, costs of administration etc.

#### **Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises, receivables and transactions in foreign currencies and income from borrowing costs capitalised on assets.

#### **Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies.

#### **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 and Other rights 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.

#### **Vessels, plant and machinery**

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Interest expenses on loans for the financing of the manufacture of vessels, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the Income statement.

## ACCOUNTING POLICIES (CONTINUED)

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### **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.