

Phoenix II A/S

Esplanaden 50
DK-1263 Copenhagen K

**Central Business Registration
38281364**

Annual Report 2023

The Annual Report was presented and adopted at the Annual General Meeting.
Lyngby-Taarbæk, 21 May 2024.

Chairman of the General Meeting

Name: Kelly Duggleby

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COMPANY DETAILS

The Company

Phoenix II A/S
Lyngby Hovedgade 85
DK-2800 Kongens Lyngby
Denmark

CVR No.: 38281364

Registered in: Lyngby-Taarbæk

Registration date: 13 December 2016

Accounting period: 1 January 2023 - 31 December 2023

Board of Directors

Michael Koefoed (Chairman)
Nils Fredrik Ludvig Olsson
Michael Reimer Mortensen

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 Maersk Supply Service Holding ApS, Lyngby-Taarbæk.

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 2023.

The Annual Report for 2023 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 2023 of the Company and of the results of the Company operations for 2023.

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.

Lyngby-Taarbæk, 21 May 2024

Executive Board:

Lars Nørgaard Blicher

Board of Directors:

Michael Koefoed
(Chairman)

Nils Fredrik Ludvig Olsson

Michael Reimer Mortensen

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 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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 2023, 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.

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 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 disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

INDEPENDENT AUDITOR'S REPORT (continued)

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 May 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No. 33 77 12 31

Lasse Berg
State Authorised Public Accountant
mne35811

MANAGEMENT'S REVIEW

Primary activities

The Company is a 100% owned subsidiary of Maersk Offshore Wind 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. The contract is expected to start in 2026.

Development in activities and financials

The Income Statement of the Company for 2023 shows a profit of USD 18,137 thousand (2022: USD 3,169 thousand) and at 31 December 2023 the balance sheet of the Company shows an equity of USD 166 million (2022: USD 115 million)

Events after the balance sheet date

The Company changed ownership from Maersk Supply Service A/S to Maersk Offshore Wind A/S as of 1st March 2024.

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>2023</u> | <u>2022</u> |
|------|--|----------------------|---------------------|
| | Revenue | 26,980 | 450 |
| | Other external expenses | <u>(4,239)</u> | <u>(1,721)</u> |
| | Result before financial items and tax | 22,741 | (1,271) |
| 1 | Other financial income | 118 | 1,883 |
| 2 | Other financial expenses | <u>(75)</u> | <u>(79)</u> |
| | Profit/loss before tax | 22,784 | 533 |
| 3 | Tax | <u>(4,647)</u> | <u>2,636</u> |
| | Profit/loss for the year | <u>18,137</u> | <u>3,169</u> |
| | Proposed distribution of profit/loss | | |
| | Retained earnings | <u>18,137</u> | <u>3,169</u> |
| | | <u>18,137</u> | <u>3,169</u> |

BALANCE SHEET 31 DECEMBER

Amounts in USD 1,000

Assets

| Note | <u>2023</u> | <u>2022</u> |
|---------------------------------------|-----------------------|-----------------------|
| Development project in progress | 2,095 | 0 |
| Completed development project | <u>16,492</u> | <u>16,492</u> |
| 4 Intangible assets | <u>18,587</u> | <u>16,492</u> |
| Prepayments for vessels | <u>130,825</u> | <u>95,986</u> |
| 5 Vessels, plant and machinery | <u>130,825</u> | <u>95,986</u> |
| Fixed assets | <u>149,412</u> | <u>112,478</u> |
| Trade receivables | 26,857 | 0 |
| Receivables from affiliated companies | 97 | 4,410 |
| Other receivables | 139 | 184 |
| Income Tax receivable | <u>342</u> | <u>238</u> |
| Receivables | <u>27,435</u> | <u>4,832</u> |
| Cash | <u>1,360</u> | <u>0</u> |
| Current assets | <u>28,795</u> | <u>4,832</u> |
| Assets | <u>178,207</u> | <u>117,310</u> |

BALANCE SHEET 31 DECEMBER

Amounts in USD 1,000

Equity and liabilities

| Note | <u>2023</u> | <u>2022</u> |
|---|-----------------------|-----------------------|
| Share capital | 83 | 83 |
| Reserve – Completed development project | 16,492 | 16,492 |
| Retained earnings | <u>149,844</u> | <u>98,607</u> |
| Equity | <u>166,419</u> | <u>115,182</u> |
| 3 Deferred Tax | <u>4,850</u> | <u>0</u> |
| Non-current liabilities | <u>4,850</u> | <u>0</u> |
| Trade payables | 5,655 | 1,051 |
| Payables to affiliated companies | <u>1,283</u> | <u>1,077</u> |
| Current liabilities | <u>6,938</u> | <u>2,128</u> |
| Liabilities | <u>11,788</u> | <u>2,128</u> |
| Equity and liabilities | <u>178,207</u> | <u>117,310</u> |
| 6 Commitments | | |
| 7 Contingent liabilities | | |
| 8 Related parties | | |
| 9 Events after the balance sheet date | | |
| 10 Accounting policies | | |

STATEMENT OF CHANGES IN EQUITY

Amounts in USD 1,000

| | Share capital | Reserve – Completed development project | Retained earnings | Total |
|--------------------------|------------------|--|----------------------|----------------|
| 1 January 2023 | 83 | 16,492 | 98,607 | 115,182 |
| Capital contribution | 0 | 0 | 33,100 | 33,100 |
| Profit/loss for the year | 0 | 0 | 18,137 | 18,137 |
| 31 December 2023 | 83 | 16,492 | 149,844 | 166,419 |

NOTES

Amounts in USD 1,000

| Note | <u>2023</u> | <u>2022</u> |
|---|----------------|--------------|
| 1 Other financial income | | |
| Financial income arising from group enterprises | 71 | 32 |
| Other financial income | 0 | 1,821 |
| Exchange rate adjustments | 47 | 30 |
| | <u>118</u> | <u>1,883</u> |
| 2 Other financial expenses | | |
| Financial expense from group enterprises | 0 | 77 |
| Exchange rate adjustments | 71 | 0 |
| Other financial expenses | 4 | 2 |
| | <u>75</u> | <u>79</u> |
| 3 Tax | | |
| Tax on current year taxable income | 342 | 238 |
| Adjustments concerning previous years | (139) | 2,398 |
| Deferred Tax | (4,850) | 0 |
| | <u>(4,647)</u> | <u>2,636</u> |

Deferred Tax pertains to time difference amount offset by recognised carry forward losses.

NOTES (continued)

Amounts in USD 1,000

Note

| 4 Intangible assets | Completed development project | Development project in progress |
|---|--|--|
| Cost: | | |
| 1 January 2023 | 16,492 | 0 |
| Additions | <u>0</u> | <u>2,095</u> |
| 31 December 2023 | <u>16,492</u> | <u>2,095</u> |
| Carrying amount 31 December 2023 | <u>16,492</u> | <u>2,095</u> |

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

| 5 Vessels, plant and machinery | Prepayments for Vessels |
|---|------------------------------------|
| Cost: | |
| 1 January 2023 | 95,986 |
| Additions | <u>34,839</u> |
| 31 December 2023 | <u>130,825</u> |
| Carrying amount 31 December 2023 | <u>130,825</u> |

NOTES (continued)

6 **Commitments**

The Company has capital commitments of USD 382 million (2022: USD 389 million) related to the newbuilding programme of the Wind Installation Vessel (WIV) of which USD 12 million is due in 2024 and USD 370 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**

The Company is included in the consolidated accounts of A.P. Møller Holding A/S. Related parties include all companies in the A.P. Møller Holding A/S Group.

9 **Events after the balance sheet date**

The Company changed ownership from Maersk Supply Service A/S to Maersk Offshore Wind A/S as of 1st March 2024.

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

10 **Accounting policies**

Reporting class

The Annual Report 2023 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 6.743 at 31 December 2023 (2022: DKK 6.967)

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.

NOTES (continued)

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.

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.

NOTES (continued)

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 project in progress and Completed development project 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.

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.