Annual Report 2022

For the year end 31 December 2022

Cadeler A/S. Incorporated in Denmark. Registration Number (CVR no.): 3118 0503
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Contents

Statement from the Chairman and the CEO

Maintaining our leadership in a high growth market
The focus of the past year has been on growth, execution of our installation projects and delivering our CAPEX projects. We have secured contracts that will keep our fleet busy for years to come and have continued investing in new assets which will result in a tripling of our fleet. This includes a decision to expand horizontally in the business of transport and installation (T&I) of turbine foundations. These actions will help us to maintain a leadership position in this fast-evolving industry.

Our team has grown substantially during 2022, as we welcomed the talent needed to support these activities. On the finance side, we executed two successful private placements, securing the equity for our two new F-class vessels.

This growth was bolstered by continued macroeconomic tailwinds in 2022. Geopolitical uncertainty has kept energy security at the top of the international agenda, creating new urgency for all sources of energy, especially renewables. We have seen the EU commit to an accelerated timetable for achieving its goal of a climate-neutral future. Offshore wind will play a vital part in this. Looking further afield, we are also exploring opportunities in South America and Asia.

As Cadeler continues to undergo expansion, we are also continuing to ensure that our business operates responsibly. We aim to reduce our environmental impact, ensure the health and safety of our employees, and strengthen our procedures. This will ensure that Cadeler's high ethical standards will continue to be upheld across our value chain.

Winning contracts, developing capability
Cadeler signed a string of new contracts throughout spring and summer of 2022, with clients including Vestas, Siemens Gamesa, ScottishPower Renewables, Baltic Power and Ørsted. In October, we reached the halfway point on two major ongoing projects – Seagreen and Hollandse Kust Zuid.

We have continued to make substantial investment in new equipment, helping us meet the needs of our customers and partners. When all current construction and retrofitting projects are complete, Cadeler will have the most advanced fleet of jack-up vessels in the industry, with a range of capabilities to suit different jobs.

Back in 2021, we announced our order for two X-class vessels. Last year, we increased the number of Cadeler employees working alongside COSCO SHIPPING Heavy Industry in China, to ensure the smooth execution of these complex construction projects. Delivery is scheduled to take place in Q3/2024 and early 2025. Work is also well under way in Korea on fabricating two new cranes for our O-class vessels.

New vessels for a new business reality
Over the past year, we have focused on horizontal as well as vertical growth. While we have always worked with foundations, we took an active decision to grow this side of the business by adding foundation transport and installation to our business scope. This was a logical step for Cadeler to take. We aim to operate in areas where barriers to entry are high, where there is a growing demand for specialised services, and where market demand is likely to increase.

This led to our order of two entirely new F-class vessels. To help fund this major expansion project, two private placements were successfully completed, in May (EUR 85 million gross proceeds) and October (EUR 98 million).

Intended as foundation installation units, the F-class vessels have a unique hybrid design that allows them to be converted to wind turbine installation units in a short time. They will be the largest and most capable jack-up vessels in the industry, with a main crane capacity exceeding even that of the X-class, a deck space of 5,600 m2 and accommodation for 130 persons.

Although not due for delivery until late 2025 and the second half of 2026, these new members of the Cadeler fleet are already in high demand. In August, we signed a firm contract with Ørsted for the first F-class vessel to install turbine foundations at the Hornsea 3 offshore windfarm, off the UK east coast. A further booking with an undisclosed customer will run from 2027 to 2030, with a value of up to EUR 330 million for the vessel alone.

This extended contract is an example of the way the industry is evolving. Rather than work on a project-by-project basis, offshore windfarm developers are increasingly seeking to engage partners and assets on a longer-term, portfolio basis – ensuring they have the capacity to move through the projects in their pipeline and avoiding bottlenecks and delays. As the industry leader, Cadeler is ideally placed to benefit from this, fulfilling demand and providing continuity for clients in the development of ever-larger fields.

Forging a future-ready workforce

We recognise that our people are the key to our success, enabling us to meet the challenges that come with operating in a fast-paced business environment. Throughout a busy and exacting year, our team have picked up the pace and delivered beyond our expectations. To maintain our position, we have an ambitious recruitment plan in place. We need to attract the right talent to support our clients on current projects and to ensure we are prepared for the business we already have on order.

At the same time, we are conscious that we must protect the distinctive culture of our company – this remains a priority as we continue to grow. The Copenhagen team are looking forward to an even better working environment with a move to new headquarters scheduled to take place in 2024.

With a view to the future, we have also strengthened our Senior Management team with three important hires over the past 12 months. Pernille Korsager joined the company in May as our General Counsel. Peter Kragh Jacobsen was promoted to Chief Technical Officer in July, and Carina Cappelen became Chief People and Culture Officer in November. These appointments have expanded the Senior Management team from four to seven.

Consolidating a position of strength

The year 2023 promises to be a period of consolidating our position. With significantly increased assets and workforce, we will look to provide a portfolio of services which help us to act as a valuable partner to our clients.

We expect to spend more time contracting directly with project developers and being involved at an earlier stage in the process. At a strategic level, this will help us maintain a longer-term perspective on the industry. While our focus remains European, we intend to keep a keen eye on Asian and South American opportunities.

In summary, 2022 was a year where our mission to build the future of renewable energy shifted up a gear. And we expect 2023 to be equally busy. We are grateful to everyone on the Cadeler team – at sea or on shore – for their efforts during a demanding year. We thank our clients, shareholders, financiers, and stakeholders for their continued support.

Andreas Sohmen-Pao,
Chairman of the board

Mikkel Gleerup,
CEO

The Year 2022 in Brief

May

First private placement where net proceeds are used to finance the down payment on a newbuild foundation installation vessel, the so-called F-class vessel

June

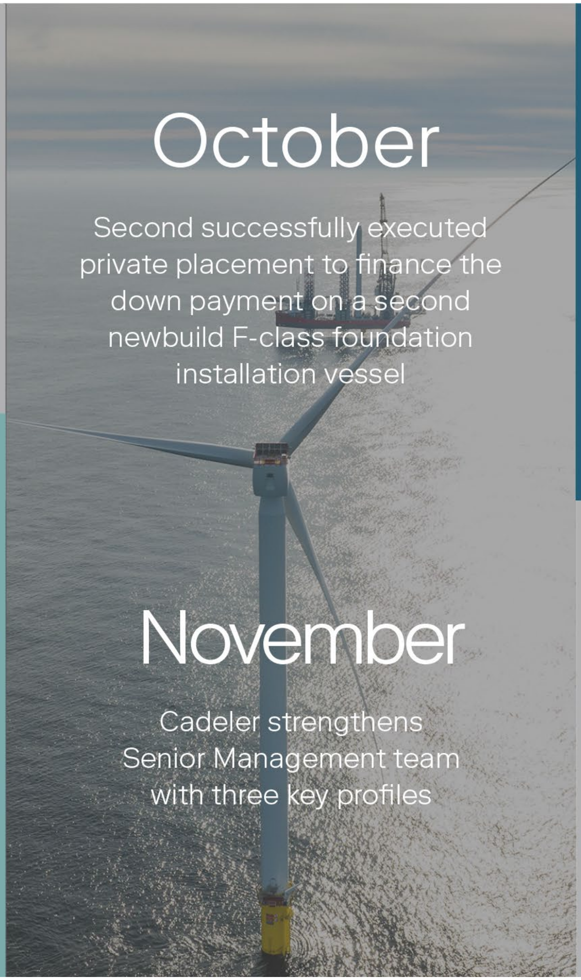
Cadeler appoints new CFO

July

Entering the Polish market after securing reservation agreement with Baltic Power

August

Widening business scope to also include foundation T&I



October

Second successfully executed private placement to finance the down payment on a second newbuild F-class foundation installation vessel

November

Cadeler strengthens Senior Management team with three key profiles

November

Cadeler triples fleet after ordering a second foundation vessel

December

Increasing revenue by 74% for YoY

Management Review

Business Review

Cadeler is a key supplier within the offshore wind industry for installation services and operation and maintenance work. The Company provides marine and engineering operations to the wind industry with a strong focus on safety and the environment. Headquartered in Copenhagen, Denmark, Cadeler provides high-quality offshore wind support services to customers located mainly in Europe. The Company has a sales office in Taipei, Taiwan and since 2021 also an office in Vejle, Denmark.

Cadeler's early work was centred around the installation of wind turbine foundations. However, this focus has shifted and is now primarily focused on the transport and installation of a new generation of wind turbines, additionally, foundations that are part of increasingly complex offshore wind installation projects.

Cadeler has achieved several industry records so far including the fastest installation, deepest soil penetration, and largest offshore turbine. The Company has completed a total of 540 wind turbine generators (WTG) since 2014, and 528 wind turbine foundations since 2013, generating around 6.9 GW of energy.

In addition to wind turbine and foundations installation, Cadeler's services also cover project management, operations and maintenance as well as decommissioning for the offshore renewable industry. The Company has been successful in establishing a leading market position thanks to its pure-play fleet with high-quality equipment, experienced crew as well as a solid reputation for the highest standards of safety, efficiency and precision.

Cadeler's order book for 2023 is fully booked, but we were able to announce the following significant projects during the second half of the year:

- ✓ Transport and installation (T&I) agreement signed on 13 July with ScottishPower Renewables for the East Anglia windfarm. The project is set to be installed during 2026 and has a contract value of EUR 95 million. In addition, it contains two preferred bidder agreements for East Anglia One North and East Anglia Two with a potential total value of EUR 225 million.

- ✓ On 18 July, Cadeler secured a reservation agreement with Baltic Power for the installation of more than 70 offshore wind turbine generators (WTGs) in the Polish Baltic Sea with a capacity of up to 1,200 MW green energy. This marks Cadeler's entry into a new and developing offshore market in Poland. Baltic Power is the first commercial-scale project in Poland and is set to begin in 2024 and finalized in 2026.

- ✓ Cadeler signed a new agreement with Ørsted on 1 August to execute the installation of turbine foundations at the Hornsea 3 offshore wind farm, off the east coast of UK. For this project that is expected to begin in 2026, the Company will make use of the newly ordered F-class vessel. The contract also contains a mutual commitment to develop the vessel hire agreement into a transportation and installation (T&I) contract for the entire foundation scope, widening Cadeler's involvement in the project.

- ✓ An agreement with an undisclosed customer is signed on 12 October which secures significant utilization of one of the Company's F-class vessels from 2027 to 2030. If all options are called during the four-year agreement, the potential agreement value will exceed EUR 330 million.

Business Review

Continued from previous page

Expanding fleet to meet demand

Currently, the Company owns and operates two O-class jack-up wind farm installation vessels, Wind Orca and Wind Osprey. The fleet is soon to be expanded by the addition of two state-of-the-art X-class vessels as well as two F-class foundation installation vessels, all capable of handling the next generation of wind turbines and foundations. These four newbuilds are expected to start operations in late 2024 and throughout the second half of 2026.

Expanding the Company's jack-up fleet is a key strategic priority to meet the increasing demand for installation capacity. By ordering the new vessels, Cadeler pushes the boundaries of the offshore industry by providing the most efficient vessels for stakeholders that are developing increasingly complex projects. As with the X-class vessels, the construction of the two F-class vessels has been awarded to COSCO SHIPPING Heavy Industry. The order, worth EUR 661 million, is a major step in future-proofing Cadeler's operations and enabling the transition to renewable energy. The Company's two X-class vessels, which have been ordered during 2021, are in the process of being executed by the same shipyard. These new builds will be financed by the Company's operational cashflow and financing activities, and paid for in instalments from 2021 through 2026.

In addition, Wind Orca and Wind Osprey are planned to undergo an upgrade of cranes in the second half of 2023. These new NOV cranes are designed to satisfy market demands for best-in-class WTG installation vessels. The upgrade costing EUR 83 million will take place from October 2023 to March 2024. This investment will be financed by the Company's operational cashflow and financing activities, and paid for in instalments from 2022 through 2024.

Continuing the growth journey

Since Cadeler was listed on the Oslo Stock Exchange in Norway in November 2020, the Company has been on a continuous growth journey. Building a strong backlog and tripling its number of vessels requires qualified personnel to ensure timely execution, which is why the total number of Cadeler personnel has increased during 2022 to over 200 employees representing 19 nationalities, divided between offshore crew and office personnel.

Cadeler's purpose of helping customers set a new course for renewable energy while improving the living conditions of people and the health of the planet has remained throughout the growth journey. The Company continues to be committed to providing excellence in services to the offshore wind industry and to be environmentally sustainable. During 2022, its vessels have contributed to the installation of over 6.9 GW of offshore wind energy capacity. As it ramps up activities, Cadeler continues to build a greener future.

Cadeler Milestones

IPO
2,716M NOK
27 November 2020

Private Placement
794M NOK gross proceeds
28 April 2021

Vessel Order
X1 + X2
contract signed with COSCO
30 June 2021

Reflagging
of vessels to Danish flag
29 November 2021

Private Placement
846M NOK gross proceeds
4 May 2022

Vessel Order
F1 (+ option)
contract signed with COSCO
9 May 2022

Adding T&I Foundation Scope
Vessel hire contract signed with commitment to develop into foundation T&I scope for Hornsea 3
1 August 2022

Private Placement
1,018M NOK gross proceeds
17 October 2022

Vessel Order
F2 option called
contract signed (+option) with COSCO
22 November 2022

Installation of New Cranes
Wind Orca & Wind Osprey
Q4/2023

Vessel Delivery
X1
Q3/2024

Vessel Delivery
X2
Q2/2025

Vessel Delivery
F1
Q4/2025

Vessel Delivery
F2
Q3/2026

SWIRE BLUE OCEAN

- Established in 2008
- 2010 - 2020 as a subsidiary company of Swire Pacific Offshore
- Operated the two O-class vessels delivered in 2012

Finance Review

Capital structure and funding

Equity

In 2022, the Company conducted two successful private placements. The first, which took place in May, saw the issuance of 26.2 million shares at a price of NOK 32.32 per share, while the second in October placed 32.9 million shares at a price of NOK 31.00 per share. Overall, the Company raised approximately EUR 183 million before transaction costs. As of 31 December 2022, the Company had 197.6 million shares in issue, compared to 138.6 million shares at the beginning of the reporting period.

On 31 December 2022, equity amounted to EUR 541 million (EUR 325 million in 2021), as a result of profit for the year of EUR 36 million (EUR 7 million in 2021), EUR 1.3 million value adjustment of hedges and net capital increase of EUR 178 million.

Fleet expansion and main cranes upgrade

The proceeds from the 2022 private placements were used to order the two new F-class foundation installation vessels. The funds from the May 2022 private placement provided the down payment for the contract signed on 9 May 2022 with COSCO SHIPPING Heavy Industry to build one new F-class foundation installation vessel. The contract included an option for an additional X or F-class vessel. This option was called on 22 November 2022 for another F-class vessel to be built by COSCO SHIPPING Heavy Industry in Qidong, China.

The total amounts paid to COSCO SHIPPING Heavy Industry for these two new F-class contracts amount to EUR 167 million in down payments executed in June 2022 and December 2022.

The total sum of the contracts for the new F-class vessels is approximately EUR 661 million. After down payments, the remaining amounts will be due over the years from 2025 to 2026. Of the total contract, USD 495 million will be paid in USD and EUR 205 million will be paid in EUR.

Cadeler's largest shareholder BW Group provided COSCO SHIPPING Heavy Industry with guarantees in respect of the sums owed by Cadeler pursuant to the two F-class vessels. Similar guarantees are in place since 2021 for the construction of the X-class vessels.

The Company is upgrading the main cranes for both vessels Wind Orca and Wind Osprey, and has paid instalments to NOV for a total of EUR 27 million in 2022. In addition to the EUR 7 million paid in 2021, the Company has paid a total of EUR 34 million of the EUR 83 million contract with NOV. The remaining amounts will be due over the years 2023 and 2024. The Company estimates that the total investment in the two new cranes is EUR 112 million.

Funding

Since June 2021, the Company has had a contract with COSCO SHIPPING Heavy Industry to build two new X-class wind turbine installation vessels. The total contract for the construction of the X-class vessels is USD 390 million plus EUR 220 million, of which EUR 137 million was paid in 2021. The remaining scheduled payments will be due between 2023 and 2025.

The currency exposure arising from the contracts in USD has been partially swapped to EUR at the Company's banks at an average USD:EUR rate of 0.92, for a total of USD 200 million by the end of the reporting period.

Finance Review

Continued from previous page

The Company obtained an indicative term sheet for the financing of the X-class vessels acquired from COSCO SHIPPING Heavy Industry. The credit facility to secure the funding for these vessels is currently under negotiation with the support of export credit agencies. This credit facility is among the various initiatives that aim to secure additional financing from 2024. The objective is to fully fund the capital expenditure requirements described in Note 22.

At the start of July 2022, the Company signed a new Senior Secured Green Revolving Credit Facility ("RCF") of a 3-year term loan of EUR 185 million, which consists of EUR 150 million term loan and a guarantee facility of up to EUR 35 million.

The Company utilized EUR 115 million from the total EUR 150 million available from the RCF. With these funds the Group repaid in full the outstanding amounts, related to the term loan EUR 55 million and overdraft facility EUR 25 million from DNB Bank ASA and SpareBank 1 SR-Bank signed on 4 November 2020. By the end of the reporting period, EUR 35 million remained unutilized from the RCF.

The group entered into interest rate swap contracts with the Group's main bank and related these to the RCF and the future loans. The interest rate risk arising from the loans have been partially swapped from 3M EURIBOR to a fixed rate. The average fixed rate of the swaps is 2.8%.

Income statement

Revenue

In 2022, the Company's revenue experienced a significant increase of 74% to EUR 106 million compared to the previous year. This growth can be primarily attributed to the consistent performance across the operations, even while Wind Orca was under scheduled drydock for the first quarter of 2022. Both Wind Orca and Wind Osprey achieved a combined utilization rate of 87% while executing contracts with higher rates than those performed in 2021.

Costs

The cost of sales for 2022 increased by 26% to EUR 49 million, compared to EUR 39 million in the previous year. The increase was largely driven by higher depreciation charges resulting from the installation of new equipment in early 2022, as well as project-related expenses and maintenance charges for our vessels, which added up to approximately EUR 9 million.

Administrative expenses increased from EUR 11 million to EUR 16 million compared to the previous year. The increase was primarily due to higher marketing expenses EUR 0.6 million and employee compensation, resulting from the average number of onshore employees rising from 58 in 2021 to 70 in 2022, which added to approximately EUR 2.3 million in costs.

EBITDA

On 17 November 2022, the Company issued a revised outlook projecting an EBITDA in the range of EUR 60 million to EUR 69 million for the year. The realized EBITDA for the year was EUR 64 million, a significant improvement compared to EUR 28 million from 2021.

Finance Review

Continued from previous page

Financial Income and Expenses
The net financial expenses for the period increased to EUR 5.7 million from EUR 3.7 million in 2021. The net financial expenses is a combination of EUR 4 million in finance income and EUR 9.7 million in finance expenses. The primary reason for the higher expenses is the impact of currency exchange movements, which had a net effect of EUR 4.4 million. Specifically, EUR 2 million of this amount relates to the private placements made during the year, while the remaining EUR 2 million is attributed to USD payments made in 2022 as part of the down payments for the F-class vessels.

Profit for the year
The Group's net result for the year is EUR 36 million profit (EUR 7 million profit in 2021), while Cadeler A/S, the Parent Company, has a net result of EUR 27 million profit (EUR 3 million loss in 2021). The difference is driven by the two subsidiaries, Wind Orca Ltd and Wind Osprey Ltd being measured at cost in the Parent Company.

Cash flows
In 2022 the net cash from operating activities was EUR 29 million, which is EUR 1 million lower than 2021. This is mainly driven by net profit increasing by EUR 29 million, a decrease of EUR 13 million of deferred charter hire income and an increase in contract assets of EUR 19 million. Net cash from investing activities in 2022 was EUR 225 million compared to EUR 163 million in 2021, the increase is driven by the EUR 167 million down payment for the new F-class vessels and the EUR 27 million instalments paid for the main crane upgrades for the O-class vessels, as disclosed in Note 16. Net cash from financing activities increased by EUR 144 million from EUR 72 million in 2021 to EUR 213 million in 2022 due to the net borrowing proceeds of EUR 41 million and EUR 178 million net proceeds from issue of shares.

The Company has significant headroom to comply with its debt covenants and on 31 December 2022 the Company had available liquidity of EUR 54 million from cash at hand and available funds from the RCF.

Assets
On 31 December 2022, the Company's total assets amounted to EUR 670 million, which is an increase from EUR 425 million in 2021. The increase can be attributed to the following: EUR 17 million from cash, EUR 18 million from contract assets in other receivables, and a significant increase of EUR 207 million in property, plant, and equipment. Capital expenditures for 2022 included additions to property, plant, and equipment, which amounted to EUR 229 million, compared to EUR 163 million in 2021, as described in Note 16.

Parent Company
The activities of the Parent Company, are similar to the activities described for the Group. The finance review as described for the Group is also applicable for the Parent Company, except for the material differences described below.

- The Parent Company's revenue is EUR 108 million (EUR 63 million in 2021). The difference to the Group relates to off-hire ship management income derived from vessel owning subsidiaries of EUR 2 million.

Finance Review

Continued from previous page

- Total expenses for the Parent Company in 2022 amount to EUR 75 million (EUR 62 million in 2021) compared to EUR 65 million (EUR 50 million in 2021) for the Group. As the vessels of the Group are owned by subsidiaries of the Parent Company, no vessel depreciation nor vessel insurance is recognized in the Parent Company. Instead, the Parent Company is subject to bareboat charges from vessel owning subsidiaries. This amounts to EUR 33 million in 2022 (EUR 30 million in 2021).

- Total assets were EUR 723 million (EUR 450 million in 2021), the difference to the Group EUR 670 million (425 million 2021) being driven by lower assets from the main crane upgrades EUR 34 million recorded in the subsidiaries and higher assets EUR 89 million due to receivables from subsidiaries at the Parent Company.

- Total liabilities were EUR 198 million (EUR 132 million in 2021), the difference to the Group EUR 130 million (EUR 99 million in 2021) being driven by higher liabilities due to EUR 70 million payables to subsidiaries. Equity EUR 525 million (EUR 318 million in 2021), the difference to the Group EUR 540 million (EUR 325 million in 2021), is due to the accumulated losses at the Parent Company.

Knowledge resources
The Company is committed to attracting and retaining highly skilled professionals to meet the needs of its customers and provide exceptional service. This includes recruiting experienced engineers who can modify the Company's vessels to meet the specific requirements of customer projects, as well as commercial experts with relevant industry knowledge. The Company's ongoing investment in talent enables it to maintain a competitive edge in the market and position itself for long-term success.

Research and development activities
The Company's Research and Development department is focused on enhancing the fleet and exploring innovative solutions to optimize operations within the offshore wind market.

By continuing to invest in R&D, the Company aims to maintain its competitive edge, achieve greater operational efficiency, and meet the evolving needs of its customers. The Company recognizes the importance of ongoing research and development activities in ensuring its continued growth and success in the years ahead.

Special risks
Operational risks
The Company is vulnerable to a loss of revenue if any of its vessels are taken out of operation or if the delivery of newbuilds is delayed. The Company's fleet currently consists of two windfarm installation vessels, Wind Orca and Wind Osprey, and it has orders for four newbuilds, two X-class and two F-class vessels. If any of the vessels in the Company's operational fleet at any given time are taken out of operation or delivered later than anticipated, due to risks such as delays in the delivery of the new builds or operational incidents, this could materially impact the Company's business, prospects, financial results, and condition.

Finance Review

Continued from previous page

The Company has contracted with COSCO SHIPPING Heavy Industry, a Chinese shipyard, to take delivery of four new build vessels in total in the period from the third quarter of 2024 to the second half of 2026. Any problems that may affect China in general, the general availability of components or material needed, or the shipyard specifically could lead to delays of one or all four new build vessels. The vessels may also be subject to upgrades, refurbishments, and/or repairs, which are subject to risks, including delays and cost overruns, which could have an adverse impact on the Company's available cash resources, results of operations, and its ability to comply with financial covenants pursuant to its financing arrangements.

The Group is operating in the offshore industry and is thus subject to inherent hazards, such as breakdowns, technical problems, harsh weather conditions, environmental pollution, force majeure situations (nationwide strikes, etc.), collisions and groundings. These hazards can cause personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by third parties or customers and suspension of operations.

Windfarm installation vessels, including the Company's vessels, will also be subject to hazards inherent in marine operations, either while on-site or during mobilization, such as but not limited to capsizing, sinking, grounding, collision, damage from severe weather and marine life infestations. Operations may also be suspended because of machinery breakdowns, abnormal operating conditions, failure of subcontractors to perform or supply goods or services or personnel shortages.

Employment of vessels is key

The Group's income is dependent on project contracts and vessel charters for the employment of the vessels. Typically, these contracts are concluded several years in advance, giving visibility of future deployment. However, there is a risk that it may be difficult for the Company to obtain future cover for the vessels and utilization may drop. Consequently, the vessels may need to be deployed on lower-yielding work-scopes or remain idle for periods without any compensation to the Company. There can also be off-hire periods as a consequence of accidents, technical breakdown and non-performance. The cancellation or postponement of one or more employment contracts can have a material adverse impact on the earnings of the Company.

Impact from Covid-19

The Covid-19 pandemic has affected Denmark and the global economy, and although vaccines have been rolled out successfully, there was still uncertainty in 2022 due to new variants and vaccine effectiveness. The pandemic has also placed additional pressure on the physical and mental well-being of employees, but Cadeler has taken measures to protect their health and safety. Fortunately, the pandemic has had no impact on current or future projects, and management is still focused on ensuring safe vessel operation. The Company has implemented safety procedures to minimize the risk of crew members being infected and spreading the virus onboard.

Foreign exchange risks

The Company is exposed to foreign currency risks. Income is primarily invoiced in EUR, as are most costs, or in DKK, which is pegged to the EUR. A significant proportion of the Company's commitments for the construction of the new X and F-class vessels will be paid in USD. The currency exposure arising from the contracts has been partially swapped to EUR at the Company's banks at an average USD:EUR rate of 0.9187.

Finance Review

Continued from previous page

Debt facility risks
The Company has entered into a debt financing agreement with challenging terms, conditions, and covenants that restrict its ability to obtain new financing and operate freely. This agreement contains specific financial covenants, and failure to meet them could result in the mandatory repayment of the Company's Debt Facility, negatively impacting the Company's financial position. The Debt Facility also constrains the Group's ability to pay dividends in the future. With only two operational vessels, the Group's ability to comply with financial covenants will depend on the market value of these vessels and their ability to generate revenue. Their indebtedness could affect future operations and flexibility, limiting the Group's ability to dispose of assets and compete with others in the industry for strategic opportunities.

Liquidity risks
The Company manages liquidity risk by having enough cash and credit facilities to meet operational needs and new vessel instalments. Financing will be needed from 2024 for milestone payments on new vessels, and the Company is exploring various funding options, including export credit agencies support and an indicative term sheet for financing acquired vessels.

Macroeconomic risks
The Company operates in multiple jurisdictions and serves a wide range of customers. The macroeconomic factors include, among other things, the rate of growth in the global economy, political conditions and levels of public/institutional spending within the energy sector, currency and interest rate fluctuations and inflation. Additionally, geopolitical tensions may have an impact on the future prospects of the Group's markets and may increase risk related to the Group's operations for example with relation to cyber threats to energy supply.

Interest risks
The group entered into interest rate swap contracts with the group's main bank and related these to the RCF and the future loans. The interest rate risk arising from the loans has been partially swapped from 3M EURIBOR to a fixed rate. The average fixed rate of the swaps is 2.8%.

Credit risks
The Company adopts stringent procedures on extending credit terms to customers and on the monitoring of credit risk. The Company deals only with customers with an appropriate history and obtains sufficient security where appropriate to mitigate credit risk. Historically only immaterial credit losses have been experienced.

Data ethics
As per section 99D of the Danish Financial Statements Act, Cadeler as a listed Company is obliged to disclose the Company's policy towards data ethics.

Cadeler complies with all relevant laws and legislations concerning privacy, confidentiality and cyber security and is in the process of outlining a specific data ethics policy.

At Cadeler, we manage data of various types from different sources. Our strategy for handling such information is to ensure that it is created, maintained, and stored in a safe and secure way. Our governance for handling data applies to all personnel, both in our office and on board our vessels, as well as any third-party contractors engaged on our behalf. For third parties, we take particular care to minimize loss of information and sensitive information is only disclosed to authorised persons.

Finance Review

Continued from previous page

Impact on the external environment
Sustainability is a strategic objective for the Company and is key to its ability to create long-term value for its shareholders. It represents an opportunity for innovation, improved efficiency and a foundation for growth. The Company is committed to delivering leadership in matters of environment, health and safety, employment, and corporate responsibility across its value chain.

The Company pursues the long-term goals of decarbonisation and optimising energy efficiency. The Company strives to identify and reduce the negative impact that its business has on the environment, monitor performance and identify potential areas for improvement. This is done, inter alia, by:

- Annual sustainable development reporting (see pages 26 – 64), including selected sustainable development goals SDG3, SDG 7, SDG 8, SDG 10, SDG 12, SDG 13 and SDG 14, which explains among other targets:

  - Maintaining vessel compliance with MARPOL II requirements and operating on low sulphur fuels

  - Improvements to vessel design for the new build vessels

  - Planning for energy efficiency improvements on the O-class

Cadeler at a Glance

540
WIND TURBINES INSTALLED SINCE 2014

528
FOUNDATIONS INSTALLED SINCE 2013

39
WIND FARMS SERVED SINCE 2013

780M EUR
CONTRACT BACKLOG

64M EUR
EBITDA

106M EUR
REVENUE

€

6.9GW
INSTALLED

2+4
NUMBER OF CURRENT AND ORDERED VESSELS

>200
AVERAGE NO OF EMPLOYEES

Corporate Governance

The Company's corporate governance principles are based on, and in all material aspects in compliance with, the Norwegian Code of Practice and applicable Danish law. A full copy of the Company's corporate governance code is available on the Company's website:
https://www.cadeler.com/media/1917/cadeler-corporate-governance-policy-2023.pdf

Statutory CSR report
To fulfil the requirement for statutory reporting on corporate responsibility cf. sections §99a and §107d of the Danish Financial Statements Act, the Company has integrated its annual sustainable development reporting into the Annual Report 2022, see pages 26 – 64. Also see pages 151-161 for the ESG Appendices, which contain KPIs and accounting practices related to Cadeler's Statutory reporting.

Gender composition of Management
Cadeler has set a goal to increase the representation of women on the board to at least 25% by the end of 2026. The Company has one woman and five men in the Board of Directors. The Company is currently working to meet its objective of having two women on its Board of Directors, despite not having achieved it by the end of 2022 as intended. In that same year, the Company re-elected Andreas Beroutsos, Connie Hedegaard, Ditlev Wedell-Wedellsborg and Jesper T. Lok as members of the Board of Directors for a period of two years. The Company considered it a priority to provide continuity to the board of directors due to its growth journey.

Cadeler has set a goal to increase the number of women in other managerial positions to 30% by the end of 2025, this will include all managers with staff responsibility and exclude Executive and other CXO level management. During 2022, five of our onshore managers at other managerial positions were women (four in 2021) and fifteen were men (ten in 2021), equal to 25% women. We wish to ensure a diverse workforce and have a policy of increasing the underrepresented gender on management levels. In order to support this policy, Cadeler seeks to have at least one person of each gender represented among the last three candidates in the hiring process for management positions.

Overall, the current onshore gender composition in Cadeler as of 31 December 2022 is 63% men (62% in 2021) and 37% women (38% in 2021).

Andreas Sohmen-Pao

Nationality:	Austrian
Born:	1971
Gender:	Male
Joined the Cadeler board:	2021
Current election period:	2021-2023

Chairman of the Board.

Former Chief Executive Officer of BW Group Limited and Chairman of the Singapore Maritime Foundation.

Considered non-independent.

Other management duties, etc.

- BW Group Limited (Executive Chairman)
- BW Offshore Limited (Chairman)
- BW Energy Limited (Chairman)
- BW LPG Limited (Chairman)
- BW Epic Kosan Ltd (Chairman)
- Hafnia Limited (Chairman)
- Global Centre for Maritime Decarbonisation (Chairman)
- Navigator Holdings Ltd (member of the Board)
- Lloyd's Register Foundation (member of the Board of Trustees)

Education

- MBA with distinction, Harvard University, 1997
- BA with First Class Honours in Oriental Studies, 1994

Qualifications

More than 20 years of experience in the shipping industry. Chairman for multiple corporate boards and board experience from international/listed companies from various sectors, including shipping and finance.

Attendance in Board and Committee meetings during 2022

4/4 Board meetings
4/4 Chairmanship meetings
2/2 Remuneration Committee meeting

Jesper T. Lok

Nationality:	Danish
Born:	1968
Gender:	Male
Joined the Cadeler board:	2020
Current election period:	2022-2024

Board Member and chairs the Remuneration Committee.

Considered independent.

Other management duties, etc.

- Dagrofa (Chair)
- Vestergaard (Chair)
- PISIFFIK (Vice Chair)
- RelyOn Nutec (Vice Chair)
- Gertsen & Olufsen (Chair)
- Inchcape Shipping Services (Chair)
- Silverstream Technologies (NED)

Education

- MBA, Nova Southeastern University (NSU)

Qualifications

Board experience from international private and listed maritime, retail, production and services companies. Management experience as CEO in private and public companies in the maritime and mobility sectors.

Attendance in Board and Committee meetings during 2022

4/4 Board meetings
2/2 Remuneration Committee meetings

Connie Hedegaard

Nationality:	Danish
Born:	1960
Gender:	Female
Joined the Cadeler board:	2020
Current election period:	2022-2024

Board Member and chairs the Nomination Committee.

Former EU Commissioner and Minister for Environment and Climate & Energy.

Considered independent.

Other management duties, etc.

- KR Foundation (Chair)
- CONCITO (Chair)
- OECD Round Table on Sustainable Development (Chair)
- Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping (Vice Chair)
- BBVA (member of the Board)
- Danfoss (member of the Board)
- KIRKBI (member of the Board)

Education

- MSc in History and Literary studies, University of Copenhagen

Qualifications

Solid experience from the political and regulatory arena as a result of being elected in the Danish Parliament in 1984 as well as from working as a journalist for 14 years and heading the national radio news. Serving in numerous boards in both Danish and international companies as well as in public committees and commissions since 2015.

Attendance in Board and Committee meetings during 2022

4/4 Board meetings

Ditlev Wedell-Wedellsborg

Nationality:	Danish
Born:	1961
Gender:	Male
Joined the Cadeler board:	2020
Current election period:	2022-2024

Board Member and chairs the Audit Committee.

Considered independent.

Other management duties, etc.

- Wessel&Vetts Fond, (Chair)
- Weco Travel CEE and associated companies. (Chair)
- Travel House and associated companies. (Chair)
- Vind A/S, (Chair)
- Weco Invest, (Chair)
- Donau Agro, (member of the Board)
- Damptech and associated companies, (member of the Board)
- AeroGuest, (member of the Board)
- Rigensgade Kaserne, (member of the Board)
- Aquitas, advisor
- Niki Invest. Manager

Education

- BA from Stanford University
- MBA from INSEAD

Qualifications

Board experience from Nordic companies and from the transportation sector. Management experience from ship owning company.

Attendance in Board and Committee meetings during 2022

3/4 Board meetings
4/4 Audit Committee meetings

David Cogman

Nationality:	British
Born:	1974
Gender:	Male
Joined the Cadeler board:	2021
Current election period:	2021-2023

Board Member and member of the Audit Committee.

Former partner of McKinsey & Company.

Considered non-independent.

Other management duties, etc.

- Swire Pacific Limited (Executive Director), John Swire & Sons (Hong Kong) (Director), and director of various subsidiary companies

Education

- BSc in Economics, London School of Economics, 1995
- MBA, Stanford Graduate School of Business, 2001

Qualifications

Board and Management experience in M&A, strategy, and business development.

Attendance in Board and Committee meetings during 2022

4/4 Board meetings
4/4 Audit Committee meetings

Andreas Beroutsos

Nationality:	Greek
Born:	1965
Gender:	Male
Joined the Cadeler board:	2020
Current election period:	2022-2024

Board Member.

Considered non-independent.

Other management duties, etc.

- Navigator Gas (NYSE: NVGS, representing BW Group)
- BW Solar (private, representing BW Group)
- Ductor Oy (private, representing BW Group)
- PetSmart (USA; parent of NYSE: CHWY, Chewy)
- HIG Acquisition (NYSE: HIGA)

Education

- BA in Social Studies, Harvard College, 1988
- MBA, Harvard Business School, 1992

Qualifications

Long service on multiple corporate and non-profit Boards, including as Chairman/officer, and member of Finance/Risk, Remuneration, Audit etc. committees. Long-term investor/asset manager for institutional asset managers active in Private Equity, Infrastructure and public markets.

Attendance in Board and Committee meetings during 2022

4/4 Board meetings

Mikkel Gleerup

Nationality:	Danish
Born:	1978
Gender:	Male
Joined Cadeler:	2017

Chief Executive Officer (CEO)

Mikkel Gleerup does not have other roles or positions of trust outside the Company.

Education

- MBA, INSEAD, 2016
- MSc in Transportation and Maritime Management, University of Southern Denmark, 2008

Qualifications

Experience from working within the offshore wind segment for more than 17 years inter alia with Siemens Wind Power, Global Marine Systems Ltd. and A.P. Møller-Maersk.

Peter Brogaard

Nationality:	Danish
Born:	1965
Gender:	Male
Joined Cadeler:	2022

Chief Financial Officer (CFO)

Peter Brogaard does not have other roles or positions of trust outside the Company.

Education

- MSc in Accounting and Auditing, Aarhus University, 1995

Qualifications

Significant experience from the shipping industry and finance, among others from working as Vice President, Group Finance at the product tanker shipping company TORM Plc. where he worked prior to joining the Company. He has also held various board positions in the Torm's subsidiaries.

Corporate Governance

Continued from previous page

Largest shareholders

As per 28 March 2023, four shareholders held shares in excess of 5% of the total share capital of Cadeler. BW Altor Pte. Ltd. held 30.31%, Swire Pacific Limited held 15.11%, Nordea Funds Ltd held 6.87% and Handelsbanken Fonder AB held 6.21% of the total share capital.

Share capital increases and issuance of shares

In May 2022, the Company successfully completed the private placement of 26.2 million shares priced at NOK 32.32 per share, then in October 2022 the Company completed another private placement of 32.8 million shares at a price of NOK 31.00 per share. In addition to the 138.6 million shares at the beginning of the reporting period, the Company has 197.6 million shares in issue as of 31 December 2022.

Purchase of own shares

At the general meeting held on 26 October 2020, the board of directors was granted an authorisation in the period until 30 September 2025 to purchase own shares of the Company. The Company does not plan to repurchase any own shares for the time being other than for the purpose of satisfying its obligations under the Company's share-based incentive programmes.

Voting rights

As per 31 December 2022 there were 197,600,000 issued shares in Cadeler. At the general meeting, each share of the nominal value of DKK 1 shall carry one vote. No shareholders have any special or different voting rights pursuant to the Articles of Association.

Resolutions at general meetings shall be passed by a simple majority of votes cast, unless otherwise prescribed under the Danish Companies Act or by the Articles of Association. Adoption of changes to the Articles of Association, dissolution of the Company, merger or demerger requires that the resolution is adopted by at least 2/3 of the votes cast as well as of the share capital represented at the general meeting. The provisions in the Articles of Association relating to a change of the rights of shareholders or a change to the capital are not more stringent than required by the Danish Companies Act.

Change of control

The EUR 150 million RCF entered into with DNB Bank ASA on 1 July 2022 has a change of control clause which is triggered: If any person or group of persons (other than Swire Pacific or the BW Group) acting in concert directly or indirectly gains control of 25% or more of the voting and/or ordinary shares of Cadeler, the Agent (acting on instructions from the majority lenders) may by written notice of ten (10) business days cancel the total commitments and demand prepayment of all amounts outstanding under the facilities.

Customer contracts may include change of control clauses, which are considered customary for the industry.

Anti-corruption

Cadeler also has a Supply Chain Sustainability Code of Conduct that outlines our expectations for the companies we work with. There is both a business and a moral case for ensuring that human rights and anti-corruption principles are upheld during our operation and throughout our value chain. In order to further reduce any risk of poor practice within our supply chains, we are strengthening our system for ensuring our suppliers comply with our requirements.

2023 Outlook

Cadeler will continue to provide transport, installation, maintenance, decommissioning and other services for the renewable offshore industry. Due to the current contract coverage, the financial performance of the Group for 2023 is expected to result in a revenue of between EUR 84 million to EUR 94 million, compared to a revenue of EUR 106 million in 2022.

EBITDA is expected to be in the range of EUR 32 million to EUR 42 million in 2023 (in 2022 EUR 64 million). The outlook for 2023 reflects the growth journey that the Company is embarking on, in order to manage an upgraded and expanding fleet.

The Company has signed contracts that will provide a steady, continuous flow of projects from 2023 to 2031. This strong pipeline will deliver a total value of EUR 780 million.

Management expects that Cadeler performance, as a Parent Company, will result in a revenue of between EUR 92 million to EUR 102 million, which is lower than its performance in 2022, EUR 108 million. The difference to Group's revenue is driven by intercompany charges to its subsidiaries.

The Company has experienced rapid growth during the past year through securing new contracts, investing in new assets, and tripling the size of its fleet. The Company has also expanded its business scope by investing in transport and installation of turbine foundations. Cadeler aims to operate responsibly by reducing its environmental impact, ensuring the safety of its employees, and upholding high standards of business ethics across its value chain.

The offshore sector and Cadeler continue to benefit from favourable macroeconomic trends and policy initiatives such as the EU Strategy on Offshore Renewable Energy. The need for a swift transition to renewable sources is emphasised by recent geopolitical events and is being addressed by initiatives such as the US Inflation Reduction Act and the upcoming EU Net-Zero Industry Act, which provide significant funding and opportunities for the renewable energy sector.

Cadeler's expansion into foundation transport and installation (T&I) is a logical step towards growing the business as it meets the Company's investment criteria and has good earnings potential. The Company aims to operate in areas where entry barriers are high, where there is growing demand for specialized services, and where the market capacity is likely to increase. Finally, Cadeler recognizes that its workforce is the key to its success, and it aims to ensure that its employees are future-ready to meet the challenges of operating in a fast-paced business environment.

Given that the Group is currently in a fleet expansion phase, during which it is investing in new vessels and equipment to facilitate future growth, the Group does not expect to make dividend payments in the medium term.

Cadeler's guidance for 2023 is subject to risks and uncertainties, many of which are beyond Cadeler's control. One-off market-shaping events such as strikes, embargoes, political instability, or adverse weather conditions, could have a substantial impact on the business. There could also be off-hire periods as a consequence of accidents, technical breakdown and non-performance. The cancellation or postponement of one or more vessel employment contracts could have a material adverse impact on the earnings of the Company.

The future doesn’t just happen. We build it.

Sustainable Development

This section constitutes Cadeler's statutory reporting on corporate responsibility cf. §99a and §107d of the Danish Financial Statements Act

Also see pages 151-161 for the ESG Appendices, which contain KPIs and accounting practices related to Cadeler's Statutory reporting

Company Overview

Cadeler owns and operates two wind farm installation vessels and is a key supplier to the offshore wind industry for the transportation, installation and maintenance of offshore wind turbine generators and their foundations. The Company proudly delivers its services with a strong focus on safety and the environment, as it helps the world transition to a greener tomorrow, turbine by turbine.

The Company is dedicated to serving the current and future offshore wind industry. Starting in 2024, Cadeler's fleet is expanding with four new installation vessels, and the fabrication of upgraded cranes for the existing fleet of the O-Class vessels is well under way. The investment in expanding and improving the fleet shows commitment to maintaining the Company's status as a leading player in the offshore wind industry.

As Cadeler's expansion improves its capacity to bring renewable energy to customers across Europe and around the world, the increased size of the Company footprint also emphasises the importance of ensuring the net environmental and social impacts from operations remain positive. Continuous improvement of the Company's governance, policies and procedures are more important than ever to ensure growth is sustainable and continues to benefit society. Through this approach, Cadeler strives to support the generation of more clean energy than ever before while minimising any negative impacts from operations.

Cadeler is on a mission is to enable the transition to renewable energy. The values upheld in pursuit of this mission are fundamental to our responsible and sustainable operations.

Key points of Cadeler's sustainable development strategy:

1. The health and safety of our people is always our number-one priority.

2. We strive to reduce environmental impact and to minimise our contribution to global climate change.

3. Our operations should do no significant or lasting harm to the marine environment in which we operate.

4. We provide a working environment with equal opportunity and zero tolerance for discrimination.

5. We are focused on corporate governance and business ethics. We have zero tolerance for corruption, bribery, human rights violations and other unethical practices within our company and across our value chain.

6. We are focused on improving circularity and reducing our consumption of resources (This point is newly added in 2022, please see further information on page 32)

Materiality

A materiality assessment is intended to guide the Company's focus towards key ESG topics that are priorities for internal and external stakeholders. Throughout 2022, Cadeler engaged with stakeholders to define the areas the organisation should highlight as core business priorities and the issues that require consideration in the sustainable development strategy.

Steps taken to define material topics:

1. Identifying salient environmental, social and governance issues for which the Company has potential positive or negative impacts

2. Identifying internal and external stakeholders (Cadeler's list in 2022 included key clients, contractors, our employees, investors, ESG rating agencies, and regulatory bodies)

3. Extracting information from internal and external stakeholders about the ESG topics they view as material to Cadeler. This was performed using a combination of direct discussions; taking note of which topics were prioritised in requests for information and questionnaires received from clients and investors throughout the year; and finally a formal materiality survey sent out to employees and management within Cadeler.

4. Evaluating the various sources of information to identify the critical ESG topics

The findings from the materiality assessment enabled Cadeler to adapt the Sustainable Development Strategy and reporting template to cover all topics highlighted as material issues. The results of the 2022 assessment prompted Cadeler to add a point on circularity and resource consumption as an additional strategic focus area.

Material topics as defined by the 2022 assessment

Environment

- GHG emissions
- Compliance with environmental regulations
- Vessel improvements
- Use of resources/waste
- Marine pollution

Social

- Occupational health and safety
- Diversity and equal opportunity
- Human rights

Governance

- Management of ESG topics in the supply chain
- Anti-corruption
- Business ethics

UN Sustainable Development Goals

The Member States of the United Nations adopted the Sustainable Development Goals (SDGs) by General Assembly resolution A/RES/70/1 of 25 September 2015. The aim of this resolution was to achieve these 17 goals by 2030, with a view to ending all forms of poverty, fighting inequalities and tackling climate change while ensuring that no one is left behind.

The United Nations' objective has been to create positive, hopeful language that will be a constant thread through all efforts to support the SDGs, strengthening the sense that we are all in this together and working toward the same objective. This will foster inspiration and help carry forward the promise of a better world.

Cadeler is one of more than 14,000 businesses and 4,000 organisations that have signed the UN Global Compact. Cadeler supports its 10 principles along with the 17 UN Sustainable Development Goals and commits to integrating basic principles related to human rights, worker rights, environmental protection and anti-corruption into our business practices. The SDGs are used to establish our framework for assessing the Company's sustainable development and serve as a reminder of the broad variety of issues that must be addressed in order to operate a business sustainably.

Cadeler focuses on seven goals relevant to its operations, using them to guide its sustainable development strategy. This expands on the 2021 report's focus on five. The newly added goals include Good Health and Well-being, a topic which has always been critical to the Cadeler strategy, and Reduced Inequalities, a focus area which is critical to supply chain management and in optimizing the workplace environment.

Sustainable Development Strategy

01

Focus on the health, safety and well-being of our people

Cadeler believes a consistent focus on workplace safety is a cornerstone of the business. The provision of a safe work environment is necessary to promote a platform on which all other successes can built. A feeling of personal security is a necessity for people to thrive, and no business can thrive without its employees. This focus area supports Sustainable Development Goal 3, Good Health and Well-being.

Key target: Aim for zero lost time incidents

For information about Cadeler's performance, please see the Health and Safety section starting on page 34

02

Reduce the emissions intensity of our business

Cadeler's core business is installation and maintenance for offshore wind farms. The Company's operations enable the transition of the global energy system to affordable renewable sources. By the end of 2022, Cadeler had installed 540 wind turbines and 528 wind turbine foundations and had performed maintenance for more than 20 offshore wind farms in European waters. The Company is a key supplier in the development of renewable, offshore wind energy and has supported the grid connection of enough electrical capacity to cover the consumption of almost seven million European households.

Cadeler serves a worthy purpose, but its operations still have an environmental impact. The Company believes the only way to reduce its carbon footprint is to cut emissions at their source. Cadeler's main direct source of emissions is the consumption of fuel to operate its vessels. The Company aims to reduce this impact by investing in greener designs for vessels under development and by working to improve the performance of the existing vessels. A number of emission reduction initiatives have been implemented in the design of the four vessels under construction. On the O-Class vessels, the Company is in the process of installing fuel monitoring systems, which are expected to reduce fuel consumption by diagnosing operational improvements and has included the installation of shore power connections in the budget. This focus area supports Sustainable Development Goals 7 and 13, Affordable and Clean Energy and Climate Action.

Key targets:

- Net zero operations by 2035
- Reduction of company-wide scope 1 and 2 emission intensity by 50% by 2030
- By the publication of the 2024 Annual Report, Cadeler commits to presenting the full overview of scope 3 emissions and will set a target for reduction of scope 3 emissions
- Cadeler commits to sourcing 100% of its electricity consumption from renewable sources by 2030

For information about Cadeler's performance, please see the Environmental Footprint Section starting on page 42

Sustainable Development Strategy

03

Protect the marine environment

It is important that Cadeler avoids negative impacts on the natural environment in which it operates. Achieving this goal requires proper management of vessel discharges, waste, ballast, and water exchange; avoiding hydrocarbon and chemical spills; and consideration of any other impacts vessel operations may have. This focus area supports Sustainable Development Goal 14, Life Below Water.

Key targets:

- Aim for zero spills to the marine environment
- Meet all environmental regulations for operation of our vessels in accordance with the laws under which the Company operates and the Danish Flag State

For information about Cadeler's performance, please see the Environmental Improvement Programme on page 47

04

Provide a positive workplace environment

Cadeler provides a working environment with equal opportunity and zero tolerance for discrimination. Employees are the backbone of the Company, and it is vital to ensure all employees feel the Company provides a workplace that attracts and develops talented individuals. This is done by offering competitive benefits and learning opportunities, building a diverse workforce, and ensuring that people always feel they are treated fairly and with respect. This focus area supports Sustainable Development Goals 8 and 10, Decent Work and Economic Growth and Reduced Inequalities.

Key target: Achieve 30% women in onshore management positions by end of 2025

For information about Cadeler's performance, please see the Cadeler as a Workplace section starting on page 38

Sustainable Development Strategy

05

Focus on corporate responsibility

The Company maintains a focus on anti-corruption policies, supply chain management, compliance with human rights and labour standards, and transparency. Cadeler strives to sustain ethical business practices and views any violations, either internally or in the supply chains, as unacceptable. Cadeler has policies in place that are reviewed annually and is working to improve supply chain management processes to ensure the Company values are upheld across the value chain. This focus area supports Sustainable Development Goals 10 and 12, Reduced Inequalities and Responsible Consumption and Production.

Key target: By 2024, 100% of key personnel trained on core responsible business topics, including Anti-bribery and Corruption as well as Data Protection and Privacy

For information about Cadeler's performance, please see the Governance section starting on page 50

06

Focus on circularity and reduced consumption of resources

This is the newest addition to the overall strategy. Cadeler's employees and a few key clients have requested a clearer definition of the Company strategy in this area, so starting in 2023, Cadeler intends to place more focus on its consumption of resources and the topic of circularity. Reducing the impact from the Company's use of resources can be achieved with development of an improvement plan. The Company aims to place a consistent focus on reducing overall consumption of resources and reusing and recycling materials wherever possible. This focus area supports Sustainable Development Goal 12, Responsible Consumption and Production.

Key target: Cadeler aims to reduce waste from its own operations by 50% by 2030

For information about Cadeler's performance, please see the Environmental Improvement Programme on page 47

Social Impact

Commitment to Health and Safety

Cadeler's number-one priority remains the health and safety of the people on board its vessels and in its offices. The Company continuously works to improve its health and safety processes, ensuring its employees and project partners have a secure workspace.

Maintaining a safe work environment is not a simple task, as the primary operations take place in a harsh and ever-changing offshore environment. Cadeler has redeveloped its safety management system to better support the objectives of ensuring safety at sea, preventing human injury and loss of life, and avoiding negative impacts on the environment. The safety management objectives of Cadeler remain focused on defining safe practices for vessel operations by controlling all identified risks to the Company's ships, personnel, and the environment; and establishing appropriate safeguards.

Cadeler's safety management system promotes safe operations by ensuring compliance with the mandatory rules and regulations of relevant international jurisdictions and flag state legislation. The Company operates with ISM certification and has a management system certified under the ISO 45001 standard. Processes that ensure continuous improvements in safety and efficiency are an integrated part of the Company management system. Cadeler continues to improve and customise its management system so that it better meets the unique needs of its business, providing operations as a transportation and installation contractor.

Cadeler believes all employees contribute towards the maintenance of a safe working environment and operates an intervention policy. Every person at a Cadeler work site has the authority and the responsibility to intervene in any job, activity or scenario, wherever there is a concern for safety.

Health, Safety, Environment and Quality (HSEQ): Statistics[1]

Cadeler uses two metrics as primary indicators of overall safety performance: total recordable case frequency (TRCF) and lost time injury frequency (LTIF).

In previous years, Cadeler has calculated person exposure hours considering a 24-hour day onboard its vessels. Calculation of incident frequency is now being calculated considering a 12-hour workday onboard.

Cadeler's management has decided to report in this way in the belief that it increases the Company's accountability for the provision of a safe workplace. Incident rates are intended to indicate the safety of the workplace, so inclusion of non-working hours would decrease the overall incident rate, as off-work hours cover a period when people are exposed to lower levels of risk.

	2022	2021	2020	2019	2018
Total person exposure hours[4]	483,494	459,544	264,672	363,329	400,394
Fatalities	-	-	-	-	-
Lost time incidents	1	1	-	-	3
Total recordable cases	2	3	1	1	4
Total recordable case frequency rate (per million hours worked)[2]	**4.14**	**6.53**	**3.78**	**2.75**	**9.99**
Lost time injury frequency rate (per million hours worked)[3]	**2.07**	**2.18**	**0.00**	**0.00**	**7.49**

[1]Statistics cover Cadeler's seafarers and shoreside employees while working at sites for which Cadeler is responsible (in our office, onboard our vessels, on the quayside reserved for our project works).

[2]Total recordable case frequency rate = total recordable cases / total person exposure hours x 1,000,000.

[3]Lost time injury frequency rate = lost time incidents / total person exposure hours x 1,000,000.

[4]Total person exposure hours: for office employees, calculated based on monthly hours worked as per contract. For seafarers, calculated as vessel days x 12hrs.

HSEQ Improvement

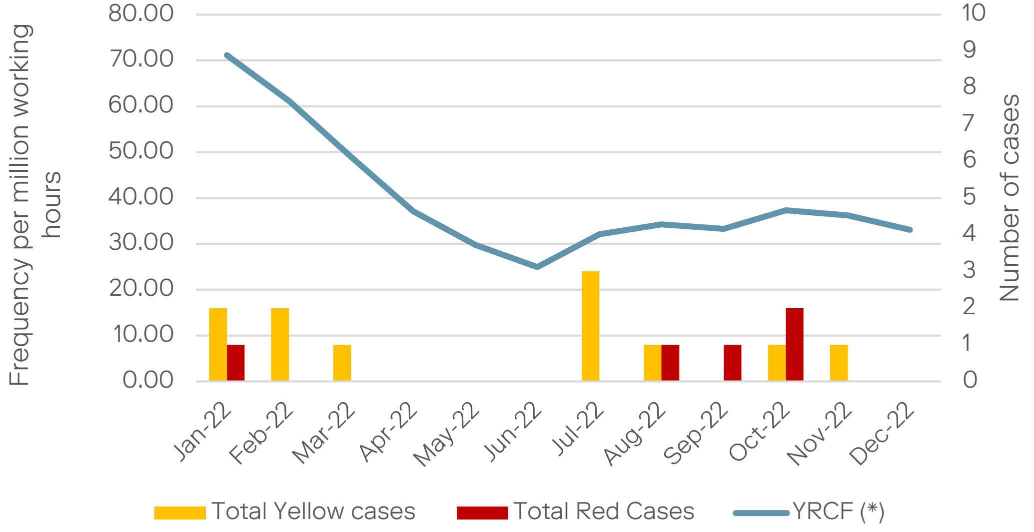
Cadeler aims for continuous improvement in its HSEQ performance. This requires a culture of learning both from internal experience and from industry experience. The Company constantly strives to update processes and performance in the areas where it sees the most potential for improving safety.

Towards the end of 2022, Cadeler initiated a safety leadership programme focused at further strengthening the safety culture within the Company. The safety leadership program aims at continuous improvement of the core HSEQ controls in the Company, combined with a concept developed to promote employee behaviours and attitudes that lead to improved safety performance. A solid framework to stimulate a strong safety culture is vital as Cadeler grows, and the Company must ensure it can maintain and improve its safety culture, regardless of how many new colleagues are welcomed to the team.

Over the past two years, Cadeler also developed a stronger focus on safety observations, both proactive and reactive. The offshore crews have shown excellent initiative and are now making several hundred observations each month related to their working environment, noting risks and suggesting potential improvements. During 2022, to further strengthen the effectiveness of this reporting system, Cadeler introduced a monthly safety award, encouraging all employees to report their observations and also increase the quality of their reports. This decision has led to better reporting coverage, including more detailed information. This, in turn, has provided a more solid foundation for reporting KPIs.

In last year's Sustainable Development Report, Cadeler announced its intention to introduce leading indicators to supplement the indicators currently in place (LTIF and TRCF). The Company's ultimate goal is to create a safety culture strong enough to achieve zero workplace incidents. Cadeler now presents a new KPI that was introduced to the HSEQ programme in 2022. Yellow/Red Case Frequency was introduced as a leading indicator, recording occurrences of high-risk situations that either led to incidents or had the potential to lead to incidents. The Company's principle is that focusing on reduction of risky behaviours and situations will prevent incidents from taking place.

Yellow/Red Case Frequency (YRCF):



HSE YRCF definition: Yellow/Red Case Frequency is the number of health, safety and environmental accidents, near misses and observations with a red (high) or yellow (medium) risk potential per million man-hours. The risk potential associated with a case is defined by Cadeler's risk assessment matrix, which accounts for the potential severity of risk.

Workplace Health Programme

Offshore services
All vessels are served by a qualified medic and equipped with an onboard clinic providing services as required by the Danish Maritime Authority. In order to work offshore, employees undergo a medical examination every second year, in line with industry standards. This requirement is in place as a preventative measure that aims to reduce the possibility of anyone going offshore if it would be a risk to their own health and safety, or to the safety of the rest of the crew and the ship.

In addition to the provision of onboard health services, Cadeler also has the responsibility of ensuring that the foundations of a healthy lifestyle can be achieved while living on board. For this reason, the vessels are equipped with gyms that provide a space for daily exercise, and full service-canteens to provide our personnel with a nutritious diet.

Onshore offering
The head office is equipped with an in-house gym that is available to employees. Additionally, Cadeler continues to operate our health initiative, Cadeler Care. The Company provides all employees, both on and offshore, with a supply of vitamins. All onshore employees are offered a fitness check on an annual basis, have the option to receive a flu-vaccine at the expense of the Company, and have the opportunity to receive a full medical examination every three years.

First aid training
Offshore employees are required to stay up to date with training on the administration of first response medical care. Additionally, employees within the office are offered a first aid course every two years. This ensures that whenever a health emergency arises at a Cadeler worksite, someone trained in first aid response is nearby.

Cadeler as a Workplace

Beyond providing a safe workspace, Cadeler has the responsibility to provide a positive work environment for its employees. The Company has two departments that guide efforts when it comes to employment matters: the People and Culture department and the Marine HR department. This split is determined by the fact that the business spans two different work environments that each have unique issues to consider.

Cadeler is an equal opportunity employer. Diversity is more than a commitment - it is a foundation of what we do. The Company is focused on equality and believes that the diversity of race, gender, sexual orientation, religion, age, national origin and other characteristics all contribute to a healthier and more inspiring work environment. Cadeler is committed to ensuring that all people are treated with dignity and respect. As a company, Cadeler supports diversity and inclusion and does not tolerate any form of discrimination or harassment in the workplace.

Additionally, Cadeler intends to maintain its status as an attractive employer and is committed to offering fair and market-competitive remuneration to its employees. Cadeler operates in compliance with applicable employment laws and requires that organisations which do business on its behalf do the same.

Cadeler is nearing the delivery of four new installation vessels, which means the Company is entering a period of high growth in the number of employees required to operate the business, both onshore and offshore. For this reason, the departments focused on employment matters have been strengthened.

In 2022, Cadeler invested in improving the workplace environment by establishing a People and Culture department. The Company previously had a human resources function for onshore employees, but management decided that the function should go well beyond involvement in the hiring process. Establishment of a full department focused on employment matters and workplace environment ensures that the Company has sufficient resources devoted to the area, improving and maintaining the Company's positive workplace culture and enabling the Company to deliver on its goal to support diversity and inclusion.

Cadeler is conscious of the need to grow in a controlled manner and is spending the necessary time and resources to ensure the workplace environment remains a positive aspect for all people who become part of the Cadeler journey, regardless of differences in their backgrounds.

Employee statistics	**2022**	**2021**	**2020**	**2019**	**2018**
Office-based employees	70	58	42	33	32
Vessel-based employees	162	12	-	-	-
Total employees[1]	232	70	42	33	32

Average number of Cadeler employees for the full year. Figures do not include consultants or contractors.

Cadeler's Onshore Workplace

Throughout 2022, Cadeler's office-based workforce continued to grow as the Company strengthened its teams with additional resources. Cadeler values its workforce and understand that any company is only as strong as its people. The Company is continually looking for innovative ways to attract new talent and remains committed to making improvements in the workplace environment. Cadeler encourages high levels of employee involvement and is in continuous dialogue with staff about the future direction of the Company. Cadeler provides opportunities for learning and development and has an updated annual performance management process in place.

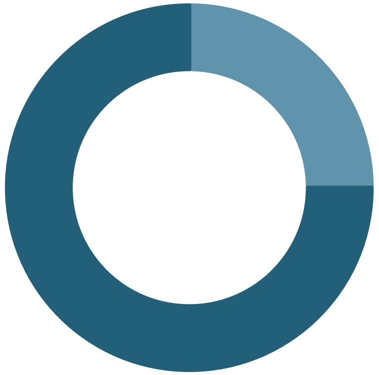
In 2022, the pressure on the physical and mental well-being of our employees caused by the Covid-19 pandemic began to ease, but Cadeler decided to permanently implement a few measures which we viewed as improvements to our overall work culture. The Company continues to offer equipment to office-based employees for working from home and maintains a policy of offering flexibility in working hours and working outside the office.

19 nationalities working in
Cadeler offices at the end of 2022

Senior Management Positions
Onshore

2 women
5 men

Management Positions
Onshore



5 women
15 men

2025 goal
30% women

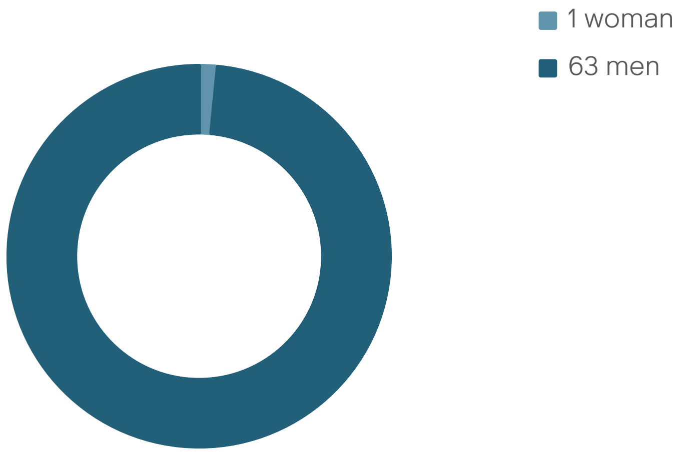
Cadeler’s Offshore Workplace

On 29 November 2021, Cadeler moved Wind Osprey and Wind Orca under the Danish flag and welcomed their crews onto a Danish working agreement. Through this decision, the Company moved its seafarers onto Cadeler contracts rather than continuing to hire them through a staffing agency. The reflagging came after a broad majority in the Danish Parliament decided to adopt the DIS scheme to apply to offshore vessels, making such a move possible. The Company views the change as advantageous for the seafarers, who are now fully covered by Danish social security laws and collective bargaining agreements.

With the flag change, the Company was proud to welcome 160 employees into the team. Cadeler also expects to hire many new offshore-based employees each time the Company takes the delivery of one of the two X-class and two F-Class new build vessels from 2024 to 2026, In total, Cadeler expects to recruit well over 300 additional seafarers by the end of 2026. The Company is happy to have integrated the crews into the Cadeler team and works constantly to ensure they receive the right training and employment terms and conditions.

14 nationalities working onboard
Cadeler vessels at the end of 2022

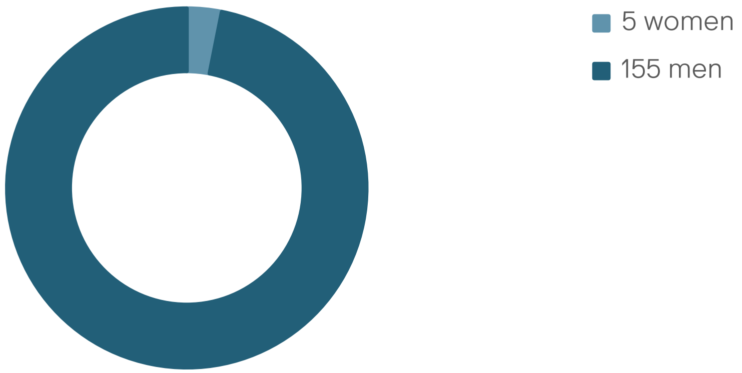
Management Positions
Offshore



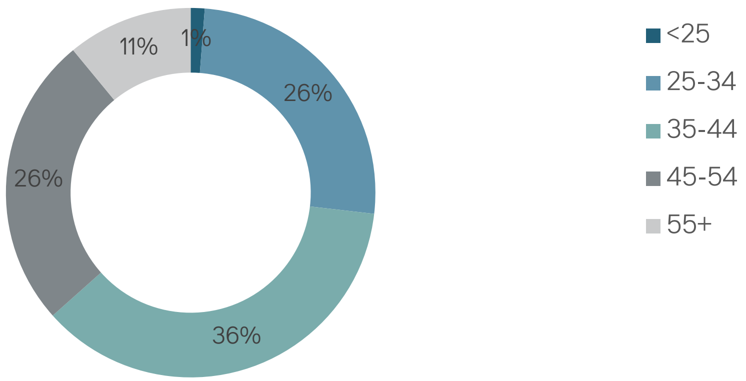
Workplace Statistics

Gender Balance
Onshore - End of 2022

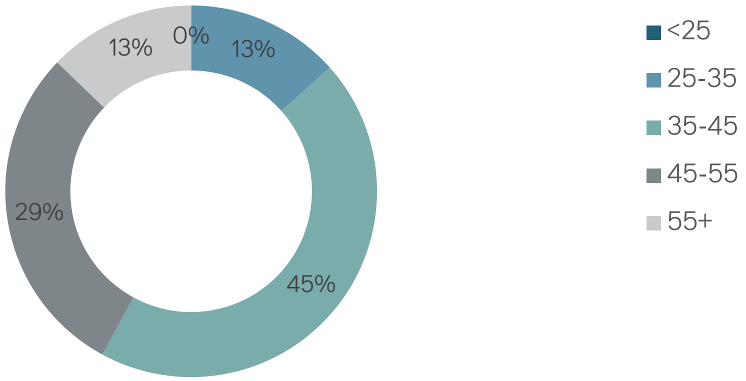
Gender Balance
Offshore - End of 2022



Generational Diversity
Onshore - End of 2022



Generational Diversity
Offshore - End of 2022



Environmental Footprint

Environmental Management

Cadeler works to meet the environmental legal requirements of the countries in which it operates. The Company aims to deliver effective monitoring of its impacts on the environment, ensuring risks associated with operations are appropriately identified and managed. To sufficiently manage environmental impact, an organisation must consider all environmental issues relevant to its operations, such as air pollution, water pollution, sewage management, waste management, soil contamination, climate change mitigation and adaptation, and resource use and efficiency.

To control and improve environmental performance, Cadeler has a management manual, HSSEQ policy and sustainable development policy in place. These documents outline corporate practices for working towards a sustainable future, by maximising positive environmental impacts, minimising negative impacts, and holding ourselves accountable for any damage we may cause. Cadeler's ISO 14001:2015 certified environmental management system establishes the set of formal policies, processes and requirements implemented to minimise environmental impacts from our operations. It covers all of Cadeler's vessels, operational sites, offices and activities.

Emissions for scope 1 and 2 activities are tracked and reported annually. Emissions from some scope 3 activities are also tracked and reported annually, and in the coming years, the Company aims to expand its scope 3 reporting to more fully capture the upstream and downstream impacts related to operations. To report on emissions, Cadeler looks to the GHG Protocol Corporate Standard as its guide. The Company has used the definition of operational control to set our organisational boundary, so Cadeler aims to account for emissions from all facilities and assets where it has full authority to introduce and implement its operating policies, as scope 1 emissions.

Cadeler has equipment in place on board the vessels for tracking the consumption of fuel, lube oils and other substances that eventually result in the release of CO_2 and other gases into the atmosphere. The marine gas oil purchased is required to meet the sulphur emission caps in the North Sea and Baltic regions (0.1% concentration). Additionally, NOx emissions from the vessels may not exceed the upper limits set in MARPOL Annex VI.

Cadeler also records and manages other impacts related to its offshore operations. The Company monitors consumption of F-gases used as refrigerants. Cadeler also has a water management plan in place, under which consumption of fresh water is tracked and any discharges of ballast water or grey water from the vessels are recorded. Another core part of environmental management on board the vessels is the garbage management plan. Cadeler records its total waste production and ensures segregation of waste onboard so that it can be properly managed when offloaded on the quayside. The vessels also have a shipboard marine pollution emergency plan, which outlines the practices intended to prevent spills into the ocean. It ensures the crews know how to act if any incident should occur and have the necessary clean-up equipment available.

The operation of the vessels is the core source of environmental impact, but Cadeler also records impacts from the onshore segment of the business. Variables tracked include electricity and heat consumption from the offices, fuel and electricity consumption from company cars, fresh water consumption, and emissions from flights booked for business travel.

Looking forward, Cadeler intends to keep taking voluntary steps to improve environmental performance, measure its environmental performance, and report transparently on the Company's impact. Cadeler has a designated position responsible for managing sustainable development and environmental issues.

Organisational Boundaries for 2022 CO_{2e} Emissions

Scope 1 direct emission sources
Vessel off-hire marine gas oil and all lube oil consumption (tank to wake emissions), fuel for company cars, vessel F-gas related emissions

Scope 2 indirect emission sources
Office electricity consumption, office heat consumption, electricity for company electric cars

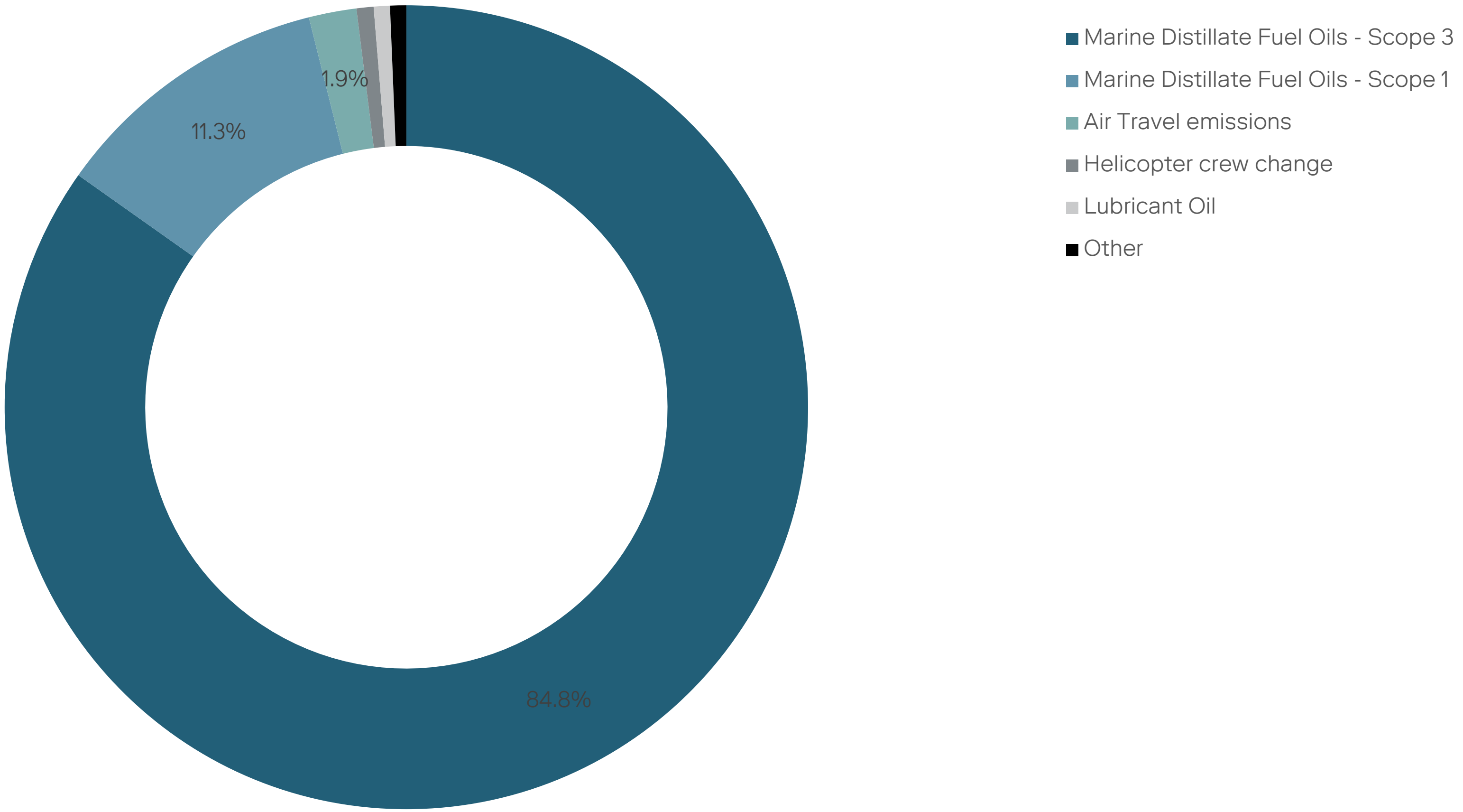
Scope 3 indirect emission sources
Air travel for vessel and office personnel, helicopter crew changes, vessel on-hire (time-charter) marine gas oil consumption (tank to wake emissions)

Scope 1	Scope 2	Scope 3
Tonnes CO_{2e}	Tonnes CO_{2e}	Tonnes CO_{2e}
3,204.56	**22.15**	**22,367.03**
% of Cadeler's emissions in 2021	% of Cadeler's emissions in 2021	% of Cadeler's emissions in 2021
12.52%	**0.09%**	**87.39%**

Environmental Performance Data

Environmental Data	Unit	2022	2021	2020	2019
Scope 1 CO_{2e}	Tonnes	3,204.56	6,631.61	5,801.42	7,902.73
Scope 2 CO_{2e}	Tonnes	22.15	15.65	7.78	10.07
Scope 3 CO_{2e}	Tonnes	22,367.03	30,632.74	16,428.81	14,911.43
Total CO_{2e}	Tonnes	25,593.74	37,280.00	22,238.01	22,824.23
SO_x	Tonnes	151.34	224.57	133.12	138.22
NO_x	Tonnes	330.68	490.68	290.85	302.00
Particulates	Tonnes	9.08	13.47	7.99	8.29
VOCs	Tonnes	73.40	108.92	64.56	67.04
Fresh water consumed on board	m^3	9,856.65	11,672.00	12,769.00	9,992.00
Plastic waste produced (vessels)	m^3	182.80	279.40	195.64	269.20
HFC-134A	kg	0.78	1.00	15.00	0.75
HFC-404A (Cadeler has phased out use of HFC-404A from 2020)	kg	-	-	-	6.03
HFC-407C	kg	52.90	19.00	80.20	144.90
HFC-407F	kg	20.65	-	-	-
HFC-410A	kg	-	-	-	0.53
HFC-R32	kg	-	-	-	-
HFC-R22A	kg	-	-	-	-
HFC-452A	kg	-	-	-	-
Uncontained Spills (hydrocarbon or chemical)	Occurrences	2.00	-	-	-

Breakdown of CO_{2e} Emissions by Source



Environmental Improvement Programme

Reducing emissions
To achieve reductions in emission intensity, Cadeler intends to implement technological advancements across its fleet. This includes a heavy focus on delivering new-build assets that are significantly improved in terms of energy efficiency and emissions intensity. Additionally, Cadeler is continually investigating changes (both operational and technological) that can be made on existing assets to further reduce carbon intensity across the fleet. Cadeler views reduction of emissions at the source as a more effective and responsible strategy than reliance on carbon offsetting to achieve reduction of its carbon footprint.

X-class green design
Cadeler previously announced plans to build two new wind farm installation vessels. The Company confirms its intention to deliver vessels that are more eco-friendly than Wind Orca and Wind Osprey. A decade of innovative solutions since the delivery of the O-class vessels will enable us to implement energy efficiency and emission reduction technologies. Improvements to the design include shore power connections (expected to reduce fuel consumption by up to 15%), fuel-efficient engines and optimised engine sizing. Other refinements include an onboard power-saving system, which includes batteries covering >10% of energy required for crane operations and ~10% of energy required for DP and manoeuvring, regeneration of power from the jacking system and variable frequency drives.

F-class vessels
In 2022, Cadeler announced the further expansion of its fleet to include two jack-up foundation installation vessels designed with a hybrid purpose, allowing the vessels to convert from being foundation installation units to wind turbine installation vessels within a short period of time. Both F-class vessels will be equipped with the same green design elements as the X-class.

Planned improvements for Wind Orca and Wind Osprey
The Company made the decision to invest in improved fuel tracking systems for our O-class vessels. In the 2021 Sustainable Development Report, Cadeler announced that the system would be installed by the end of 2022. This process was delayed by a few months, but the Company expects the systems to be installed on the O-class within the first few months of 2023. The fuel monitoring systems improvement will enable the vessels to track fuel consumption more accurately, identify operational areas for improvements, and set best practice standards for engine efficiency. In last year's report, Cadeler also committed to selecting at least one additional investment in a technological improvement aimed at reducing emissions from the O-class vessels. Cadeler can now announce that the installation of shore power connections on the O-class vessels was the selected improvement. Implementation of shore power on the vessels is in the planning process, and the Company expects installation in early 2024.

Company car policy to limit emissions
From 2021 to 2023, Cadeler will only lease vehicles meeting a carbon efficiency limit of <50g CO_{2e} per km. From the end of 2023, the Company will commit to leasing only electric vehicles or vehicles running on renewable fuel cells (if available).

Renewable electricity commitment
Cadeler commits to sourcing 100% of its electricity consumption from renewable sources by 2030.

Emission reduction target
Cadeler strives to reduce the carbon intensity of operations by 50% by 2030, ensuring its contribution is in line with the International Maritime Organization (IMO) goals for the shipping sector (For international shipping, IMO aims for a worldwide average reduction in carbon intensity of 40% by 2030 and 70% by 2050 as compared to 2008 levels.)

Environmental Improvement Programme

Continued from previous page

Net zero greenhouse gas emissions target:
Cadeler aims to run a carbon-neutral business by 2035. Achieving this goal requires emission reductions across the fleet, innovations in operations, and research into reliable solutions for sequestering the greenhouse gases that the Company cannot avoid emitting.

Protecting the marine environment
Cadeler is committed to meeting all environmental regulations for the operation of its vessels in accordance with the laws under which it operates and the Danish Flag State.

Aiming for zero spills
The Company has placed a high priority on ensuring zero spills of hydrocarbons and other toxic substances into the marine environment. Checks are performed to ensure proper storage of chemicals and hydrocarbons on board and that sufficient secondary containment is available. Each vessel carries a shipboard marine pollution emergency plan (SMPEP) and regularly performs ship oil pollution emergency plan drills (SOPEP). After two minor spills in 2022, involving a release of less than 10 litres each, the Company will place additional emphasis on these precautions to avoid any similar incidents in the future.

Ballast water protocols
To prevent the spread of invasive aquatic species, Cadeler complies with the Ballast Water Management Convention. The vessels have a ballast water management plan, keep a ballast water record book and have an international ballast water management certificate. In 2021, ballast water treatment plants were installed on board, ensuring compliance with the D-2 Ballast Water Performance Standard. All new builds will be delivered with ballast water treatment plants.

Focus on circularity and reducing our consumption of resources
The use of resources and the production of waste across our operations deserves a greater focus, as there is potential for improvement and the Company's stakeholders have highlighted the topic as an important area for improvement.

Waste production and management
Cadeler previously highlighted the use of single-use plastics, as this is a waste category with elevated potential to negatively affect the marine environment. The Company will continue aiming to avoid single-use plastics wherever substitutes can be found and will also expand its attention to all categories of waste. Cadeler intends to place a greater focus on reducing the production of waste from its operations and supply chain. The Company also intends to put more effort into ensuring the recycling and reuse of waste, wherever possible.

Overall improvement target
By 2030, Cadeler aims to reduce waste from its own operations by 50%.

Consider end of life for assets and project equipment
It is important that the Company also find solutions for the eventual recycling and reuse of components from its vessels and the major components used for operations, such as sea fastening. Cadeler will consider whether a creative second life can be found for any key components and will investigate how it can ensure that eventual recycling of its assets is performed in a responsible manner.

Emissions Intensity

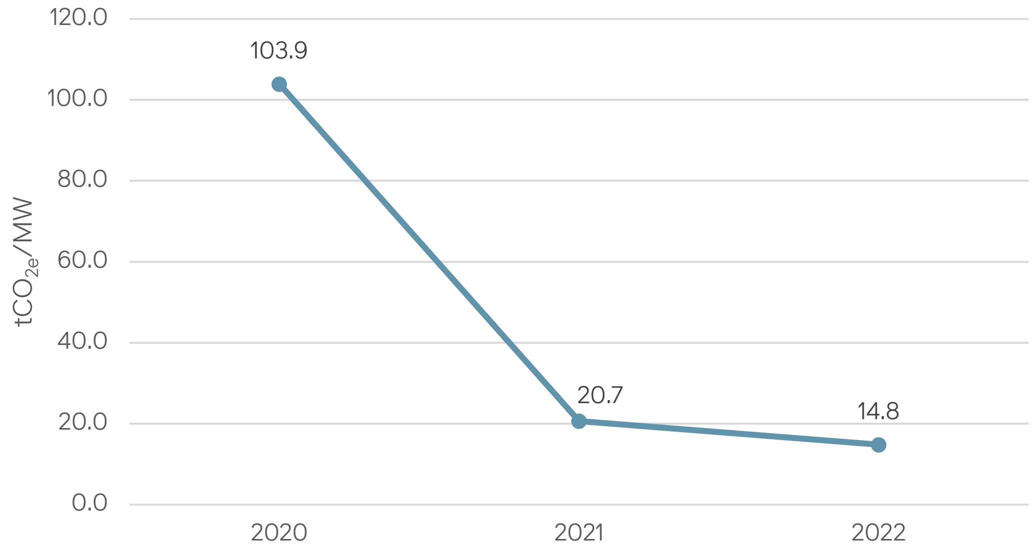
Cadeler is working to reduce the emissions intensity of its operations and improve the performance of its assets. In order to achieve this target, the Company needs a baseline upon which it can improve. For this reason, Cadeler has defined a new metric for tracking emissions intensity which it intends to report on an annual basis. The Company will track its annual emissions of CO_{2e} from its vessels versus its annual installation of wind turbine generators and foundations and its maintenance of offshore wind power capacity → tCO_{2e}/MW installed or serviced.

This metric was chosen because the core purpose of the Company is to support the transition to a renewables-based energy grid. It makes sense to judge vessel performance based on the efficiency of supporting the installation and maintenance of turbines in terms of how much carbon the vessel emits (negative impact) per MW of offshore wind power installed or serviced (positive impact).

Cadeler views every MW of wind power installed or repaired as a service providing societal benefit, so the aim is to maximise the Company's positive impact against the negative impact of greenhouse gas emissions from operations. To improve upon this metric, the Company strives to maximise the usage of its vessels for projects which provide the maximum societal benefit, reduce the emissions from operations via improvements to the technical systems on our existing and future vessels, improve its operational practices, and ensure its vessels maintain their ability to serve the requirements of the offshore wind market.

In line with the Company-wide net zero goal, Cadeler will aim to approach zero tonnes of CO_{2e} emitted from our vessel engines per MW installed or serviced by 2035.

tCO_{2e} from vessel engines per MW installed or serviced



Governance

Our Structure and Governance of CSR topics

Cadeler's framework for corporate governance is intended to decrease business risk, maximise value and utilise our resources in an efficient, sustainable manner, for the benefit of shareholders, employees and society at large. Further information on Cadeler's approach to corporate governance is included in the Corporate Governance section of the Management Review.

When it comes to management of CSR topics, some of the responsibilities of Cadeler's Board of Directors are defined in the Corporate Governance Manual. The Board is responsible for ensuring that Cadeler has sound internal control and systems for risk management (including those in respect of corporate values, ethical guidelines, and guidelines for corporate social responsibility) that are appropriate and in proportion to the nature and extent of the Company's activities. The Board must, at a minimum, carry out an annual review on the Company's exposure and control of risks, including CSR topics.

Additionally, the Board is responsible for establishing guidelines for the Company's reporting of information via the Annual Report, including sustainability reporting. The Board ensures this reflects the Company's corporate social governance performance and strategy. The CSR report is issued once per year with the Cadeler Annual Report and covers the period from 1 January to 31 December. In 2022, CSR reporting was integrated into the same document as the Company's Annual Report.

In order to manage CSR-related topics on a day-to-day basis, Cadeler has an HSEQ department responsible for matters related to health and safety, a People and Culture department and a Marine HR department responsible for employment matters, and a Sustainability Manager driving the company's overall sustainability strategy. The Company has made the decision to bring in a Business Ethics and Legal Compliance Partner who joins in Q1 2023. The CEO takes responsibility over important CSR issues and escalates matters to the Board of Directors as necessary.

Cadeler Certifications and Management Systems

Company management system
Cadeler migrated to a fully integrated HSEQ management system in 2022
In order to improve accessibility and effectiveness for its offshore and onshore employees, Cadeler migrated to a single management system in 2022. This combined processes and procedures for the management of safety, environmental, and quality related issues within the Company. The system includes company policies, general operating procedures, definitions of accountability, emergency plans and risk registers.

The Cadeler management system is under continuous improvement, ensuring that all operations are in line with legal requirements, best practice and stakeholder expectations. All Cadeler's vessels, operational sites, offices and activities are covered under the management system and are thereby certified under the standards listed to the right.

Company certifications
IMO International Safety Management (ISM)
Certified by DNVGL.

ISO 14001
Certified by DNVGL – assurance of our Company environmental management system.

ISO 9001
Certified by DNVGL – assurance of our Company quality management system.

ISO 45001
Certified by DNVGL – assurance for onshore and offshore sites in addition to ISM.

eCMID certification
The IMCA eCMID system, which provides the marine and offshore industry with a standardised format for vessel inspection, is performed by accredited independent IMCA inspectors. It offers a health check of the safety management system. Cadeler has been inspected annually since 2014.

Responsible Business

Cadeler's values

The Cadeler Way, which is communicated to all employees and is available on the Company intranet, sets out Cadeler's vision, purpose and focus areas and includes a few core values that guide behaviours and business decisions.

Cadeler believes that if its employees are committed, courageous, and persistent, then the Company can have positive impacts in four focus areas:

People – People are at the heart of the Company. Cadeler's employees look out for each-other and for the well-being of those working in the Company's value chain.

Partners – Cadeler values its business partners and does its utmost to solve their challenges. Cadeler supports its clients as they help set the world on a new course for renewable energy.

Safety – Cadeler reiterates that its number-one priority remains the health and safety of the people on board its vessels and in its offices. The Company continuously works to improve its health and safety processes, ensuring employees and project partners have a secure workplace. For further information on the Cadeler approach to health and safety, see section starting on page 34.

Planet – Cadeler strives to give back more than it takes and reduces its environmental impact.

When Cadeler upholds its values, the Company can realise its purpose: to help its customers set a new course for renewable energy and to improve living conditions for people and the health of our planet.

Raising concerns

All employees are encouraged to raise concerns wherever they identify activities which are not aligned with Cadeler values and behaviours.

Cadeler encourages employees to report concerns directly to line management. In circumstances where it may be more appropriate to do so, a confidential reporting (whistleblower) hotline is available. This provides a framework that enables concerns to be raised responsibly and securely without fear of adverse consequences. The hotline is communicated to employees internally and is also publicly available on our website (www.cadeler.com).

Responsible Business

Bribery and corruption
Cadeler is committed to conducting business with integrity. All forms of corruption, extortion, fraud and bribery are prohibited. Cadeler seeks to address the risks of bribery and corruption in its value chain in the Company Supply Chain Sustainability Code of Conduct, which applies to any suppliers who do work on Cadeler's behalf. The processes and procedures through which Cadeler onboards new suppliers is subject to continuous review and improvement.

Human rights and modern slavery
An important part of Cadeler's commitment to responsible business is respecting human rights in accordance with internationally recognised standards. There is both a business and a moral case for ensuring that human rights principles are upheld during our operations and throughout our value chain.

The Company recognises that business has a responsibility to respect human rights. Cadeler continues to work to identify, prevent and mitigate any risk of adverse human rights impacts resulting from or caused by its business activities. The Cadeler approach is informed by the UN Guiding Principles on Business and Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the UN Global Compact. Cadeler's key responsibilities are defined in the Company Human Rights Policy, which includes a prohibition on modern slavery, forced labour and human trafficking, and sets out a mandate supporting diversity, inclusion and fair compensation.

In 2022, there were no reported cases concerning potential human rights violations through Cadeler's confidential reporting (whistleblower) hotline, or, to the best of Cadeler's knowledge, through other available channels.

Fair competition
Cadeler is committed to complying with national and international standards for ensuring fair competition. This includes prohibitions on anti-competitive behaviour (such as price-fixing or the exchange of competitively sensitive information with or between competitors) which may amount to an infringement of applicable competition laws.

Responsible supply chain
Cadeler actively seeks to select and work with suppliers who not only comply with laws and regulations, but go beyond by setting standards that are expected of an industry leader. Cadeler has a strong preference to work with suppliers who share the Cadeler commitment to honesty and integrity and who seek to integrate principles of sustainable development into all areas of their business.

The Cadeler approach is supported by the Company Sustainable Development Policy and Supply Chain Sustainability Code of Conduct. This commits Cadeler to preferring to work with suppliers who share the same standards and promote sustainable development.

SASB Sustainability Disclosure Topics and Accounting Metrics for Engineering and Construction Services, Standardised Business Ethics KPIs:

Total amount of monetary losses as a result of legal proceedings associated with charges of bribery or corruption was zero EUR in 2022.

Total amount of monetary losses as a result of legal proceedings associated with anti-competitive practices was zero EUR in 2022.

Responsible Business – Relevant Policies and Procedures

Cadeler's policies outline its social, environmental and corporate responsibilities and establish the key actions that the Company should take to uphold its values and reach its targets. The selection of Company policies highlighted in this section cover the core responsibilities that must be upheld for the Company to operate sustainably.

Unless otherwise noted, all Cadeler policies apply to all employees, contractors and suppliers and third-party personnel employed or working on board its vessels, or at its offices and other workplaces ashore. Cadeler reviews company policies on an annual basis for their level of effectiveness, promoting continuous improvement.

All policy texts are incorporated as part of the Company management manual. Employees can freely access the documents on the Company intranet.

Policy for health, safety, security, environment and quality
Health – People are the heart and soul of Cadeler, and they should return to their families in the same condition or better.

Safety – All incidents are preventable and Cadeler aims to achieve the ultimate goal of zero harm.

Security – Cadeler provides a secure environment to protect people, assets, and information from potential threats.

Environment – Cadeler should minimise our environmental impact through the full asset lifecycle and across our operations. Cadeler is dedicated to continuously improving its environmental performance.

Quality – Cadeler should always deliver on customer and stakeholder commitment to success, while continuously optimising our efficiency.

Sustainable development policy
Cadeler aims to work towards a sustainable future in everything it does and work towards alignment with the UN Sustainable Development Goals. Cadeler commits to reducing the carbon intensity of its operations, reducing its resource use and moving towards a circular economy. Cadeler will provide a working environment that prioritises workers' rights and promotes an atmosphere of equality and respect. The Company will practise good business ethics, ensure safeguards against corruption and other unethical behaviour, and protect internationally proclaimed human rights in its operations and across its supply chains.

Responsible Business – Relevant Policies and Procedures

Continued from previous page

Supply chain sustainability code of conduct
Cadeler prefers to work with business partners that share its values. The Company understands that the impacts of its activities extend beyond its direct operations, so it is important to manage activities occurring beyond the boundary of the Cadeler organisation. The Company Supply Chain Sustainability Code of Conduct sets out expectations with around protection of human rights (including labour rights of the workers in our supply value chain), management of environmental impacts, health and safety standards, and requirements for business ethics and community issues.

More specifically, the document outlines Cadeler's expectations on the following topics:

Legal and regulatory compliance; not employing forced labour; not employing underaged workers; compensation and working hours; non-discrimination and employment rights; requirements for a grievance mechanism that is available to employees, compliance with EU, US, UK, and Norwegian sanctions; requirements for environmental and safety management systems; and finally, agreement to upholding proper business ethics, especially around anti-corruption and anti-bribery practices.

To further reduce any risk of poor practice within the supply chains, Cadeler is strengthening its system for ensuring suppliers comply with its requirements. The Company implemented a new process in 2022 that utilises a more structured approach for gathering suppliers' agreements to uphold our policies. It also allows for Cadeler or a third party on its behalf to perform audits of key suppliers, ensuring standards are upheld. Additionally, Cadeler has started including adherence to its Supply Chain Code of Conduct as a contractual obligation for suppliers delivering some critical works.

Human Rights Policy
Reference to the Human Rights Policy is made in the Responsible Business section above. Cadeler has a responsibility to respect human rights and contribute to positive impacts for the communities in which it operates. The approach is based on the UN Guiding Principles on Business and Human Rights. Cadeler prohibits all forms of modern slavery and the employment of children under the legal minimum age. Cadeler supports diversity, inclusion and fair compensation.

Sustainability Accounting Principles

Reporting framework – inspired by GRI standards. The SASB Sustainability Disclosure Topics and Accounting Metrics for Engineering and Construction Services and Marine Transport are covered in Appendices ESG.1 and ESG.2. A GRI Content index is available in Appendix ESG.3. See pages 151-161

The report covers Cadeler's performance from 1 Jan 2022 until 31 Dec 2022

Boundaries for the scope of this report
Not all indirect impacts of our operations are covered in this report. For safety statistics, the data covers Cadeler employees while at work sites for which Cadeler has responsibility. Safety management and improvement processes are focused on keeping all persons safe while present on a Cadeler-controlled work site. The boundaries placed on environmental impact are as follows: Cadeler considers direct impact from the operation of its vessels and offices, and the use of company cars. The company considers indirect impact from flights taken by office employees and offshore crew for business purposes, helicopter crew changes, kilometres driven in personal vehicles for business purposes, etc. Cadeler has not accounted for all indirect impact of operations - for example, the environmental impact from our supply chain (i.e. production and transportation of goods and equipment from production sites to our vessels), or the downstream emissions from treatment of waste produced by our operations. The company intends to begin fuller accounting for indirect scope 3 emissions in the near future.

Materiality
The main factors contributing to the selection of material topics to cover in this report: CSR reporting requirements under the Danish Financial Statements Act §99a; CSR-related questionnaires received from potential clients, focusing Cadeler's reporting on the topics which came up with the greatest frequency; and an internal materiality assessment aimed at Cadeler management and employees. Our materiality assessment was performed by sending out a short questionnaire requesting input on which ESG topics were viewed as most important to our management and general employees.

Data accuracy
Documented data: financial data, fuel consumption, air emissions, energy consumption
Documented data is data for which it is possible to confirm that data sets are valid and complete. Financial data (covered in the Cadeler 2022 Annual Report) is externally audited. Energy and fuel consumption data were extracted from technical systems by qualified individuals. Emission factors have been applied to this data to calculate emissions.

Probable data: safety data, waste, water consumption
Probable data is operationally scoped, but Cadeler's management does not have a way to ensure that every data point that should be recorded has been recorded. This is due to the fact that recording this data requires active participation from employees. Nevertheless, there is a high level of confidence that Company procedures have been followed and data sets should capture most relevant information.

Sustainability Accounting Principles

Continued from previous page

Emission conversions and calculations

Scope 1 CO_{2e}

Direct GHG (Kyoto Protocol gases) based on emissions of CO_2, CH_4, and N_2O from burning of marine gas oil (MGO) when vessels are not leased out, when vessels are on T&I contracts (if Cadeler maintains operational control of vessel) and emissions from company cars. All emissions from and consumption of lube oils and SF6, NF3, HFC and HCFC emissions reported as resulting from scope 1 emissions. Carbon intensity factors extracted from UK Government GHG Conversion Factors for Company Reporting. Cadeler fuel records are verified annually by DNV-GL for IMO DCS reporting.

Scope 2 CO_{2e}

Indirect GHG based on consumed electricity/heat in our offices and electricity consumption for company electric cars. CO_{2e} is considered to be the summation of the CO_2 equivalent emissions for CO_2, CH_4, and N_2O. Carbon intensity (per kWh) is calculated using the emissions data for the Danish electrical grid as published in the annual Environmental Report released by Energinet.dk: https://energinet.dk/om-publikationer/publikationer/miljoredegorelse-2021/. Global warming potential for each gas extracted from the US Environmental Protection Agency Website: https://www.epa.gov/ghgemissions/understanding-global-warming-potentials.

Scope 3 CO_{2e}

Emissions of CO_2, CH_4, and N_2O from burning of marine gas oil (MGO) when vessels are on lease (on time charter contracts where Cadeler does not maintain operational control...i.e. control of sailing speeds and other factors that affect total emissions). Emissions related to lube oil consumption and SF_6, NF_3, HFC and HCFC related emissions not accounted for as they are considered as Scope 1 emissions regardless of chartering status due to inability to separate data for consumption into on-hire and off-hire periods.

Flight GHG data provided by our travel agency, Marine Travel, based on all flights booked for Cadeler seafarers and office personnel in 2022. Marine Travel uses a conversion factor of 0.00018 tonne CO_{2e}/km for flights < 1,000 km and 0.00011 tonne CO_{2e}/km for flights > 1,000 km. Helicopter crew transfer: fuel consumption per flight (stated by flight provider) x percentage of passengers who are Cadeler crew x CO_{2e} emission factor.

SO_x

We only track SO_x as a product of marine gas oil combustion. Cadeler uses MGO with a sulphur content of maximum 0.01% of the fuel weight. Conversion figure, from Lloyd's Register Engineering Services (1995), given as 20 x fuel sulphur content (kg/tonne)

NO_x

NOx is also only tracked as product of marine gas oil combustion. Same source used as for SO_x conversion reference. Assume equal amounts of time spent in transit mode, manoeuvring mode, and "hotelling" mode. Cadeler took an average NO_x emission intensity across all vessel modes for an emission factor of 43.7kg/tonne fuel.

Particulates

As per Lloyd Register Engineering Services, the PM emission factor is considered to be 1.2kg/tonne marine gas oil.

VOCs

Similarly to NO_x emissions, Lloyds Register gives values for various operating modes. Cadeler assumes equal time spent in all operating modes for an average emission factor of 9.7kg/tonne marine gas oil. Reporting does not currently include VOC emissions from use of paints or other solvents. The Company is investigating impacts from use of these materials.

EU Taxonomy

EU Taxonomy

"The EU Taxonomy is a classification system, establishing a list of environmentally sustainable economic activities. It could play an important role helping the EU scale up sustainable investment and implement the European green deal. The EU taxonomy would provide companies, investors and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable. In this way, it should create security for investors, protect private investors from greenwashing, help companies to become more climate-friendly, mitigate market fragmentation and help shift investments where they are most needed." – from the European Commission

Cadeler expects that reporting alignment of economic activities with EU Taxonomy will be mandatory for the Company, based on its profile, within a few years. In late 2022, the Company initiated the process of categorizing its economic activities and ensuring that eligible activities are aligned with EU Taxonomy requirements. Cadeler is not quite ready to report on alignment as the Company is still in the middle of evaluating whether it meets the do no significant harm criteria and ensuring that sufficient social minimum safeguards are in place. Cadeler expects to be able to report on Taxonomy-alignment of its activities in its next annual report. This year, the Company finds value in sharing the Taxonomy-eligibility of its economic activities to give an indication of which proportion of the Company's activities have potential to be aligned.

Cadeler's core purpose of operation is to support installation of offshore renewable energy sources. This activity supports climate change mitigation and can be aligned with the EU Taxonomy when performed in a way that does no significant harm to the other 5 environmental objectives of the Taxonomy and preserves the social minimum safeguards. The majority of the Company's eligible economic activities, relating to installation of offshore wind energy, can be categorized as activity 4.3 – electricity generation from wind power. This activity supports the Taxonomy objective of climate change mitigation.

Do no significant Harm (DNSH)
Cadeler is in the process of assessing compliance with the DNSH requirements for climate change mitigation activity 4.3.

Climate Change Adaptation
Cadeler is in the midst of performing a risk assessment for the impact of climate change on its assets and key parts of its supply chain.

Sustainable use and protection of water and marine resources
In the case of construction of offshore wind, the activity cannot hamper the achievement of good environmental status as set out in Directive 2008/56/EC of the European Parliament and of the Council, requiring that appropriate measures are taken to prevent or mitigate impacts in relation to the Directive's Descriptor 11 (Noise/Energy). Cadeler is assessing its construction activities and has already highlighted a few measures that mitigate potential impacts. For example, on foundation installation projects, noise mitigation techniques are typically used to reduce noise pollution escaping into the surrounding marine environment. This practice is especially focused at reducing impact on marine mammals.

Transition to a Circular Economy
The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish. Cadeler has a garbage management plan for its vessels and has added a focus on circularity and the reduced use of resources to its sustainability strategy. The Company will assess whether additional initiatives should be established to ensure it does its part in transitioning to a circular economy.

Pollution prevention and control
This category is not applicable for alignment with Taxonomy activity 4.3, but Cadeler operates its vessels in accordance with MARPOL.

Protection and restoration of biodiversity and ecosystems
It is legally required that all offshore windfarms in the EU and UK have an environmental impact assessment performed before the approval for construction is granted. Cadeler doesn't guide the process at the windfarm level, but it does collaborate with its clients concerning operational measures which may address, reduce or mitigate any potentially negative impacts upon biodiversity and the ecosystem.

Minimum Safeguards
Cadeler has a set of policies in place that outline its commitment to protect human rights, prevent corruption, and promote fair competition and taxation. The Company also has a set of processes and procedures that are intended to engrain its policies into the Company's systems and working culture. Over the next year, the Company will evaluate and strengthen its processes and procedures to ensure they are robust enough to guarantee that social minimum safeguards are in place.

Taxonomy KPIs
Taxonomy eligibility and alignment is expressed with three KPIs. These are calculated as the portion of turnover, CapEx and OpEx that is Taxonomy-eligible and Taxonomy-aligned.

KPI for Taxonomy-aligned turnover
The proportion of Taxonomy-eligible activities has been calculated as net turnover from products and services associated with Taxonomy-aligned activities divided by total net turnover.

KPI for Taxonomy-aligned CapEx
CapEx is defined as Taxonomy-aligned CapEx divided by total CapEx. The total CapEx consists of additions to tangible and intangible fixed assets before depreciation, amortisation, and any re-measurements. It includes acquisitions of property plant and equipment, intangible assets, leases with usage rights, and investment properties.

KPI for Taxonomy-aligned OpEx
OpEx is defined as Taxonomy-aligned OpEx divided by the total OpEx. However, the EU Taxonomy defines OpEx differently than IFRS as it only considers direct costs for:

- Research and development, excluding overhead
- Building renovation
- Short-term lease agreements
- Maintenance, upkeep and repairs
- Any other direct expenditure related to the routine maintenance of tangible assets by the company or by any third-party to which activities, that are necessary to ensure the continued and effective functioning of such assets, are outsourced.

EU Taxonomy - Turnover

				Substantial contribution criteria		DNSH criteria ('Do Not Significant Harm')									
Economic activities	Code(s)	Absolute Turnover 2022 (mEUR)	Proportion of Turnover	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of Turnover 2022	Category (enabling activity)	Category (transitional activity)
A. TAXONOMY-ELIGIBLE ACTIVITIES															
A.1. Environmentally sustainable activities (Taxonomy-aligned)															
4.3 - Electricity generation from wind power	F42.22	0	0%	0%	0%	N	N	N	N	n/a	N	N	0%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0%**	**0%**								**0%**		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (Not Taxonomy-aligned activities)															
4.3 - Electricity generation from wind power		106.4	100%	100%	0%										
Turnover of Taxonomy-eligible but not environmentally sustainable (Not taxonomy-aligned) (A.2)	F42.22	**106.4**	**100%**	**100%**	**0%**										
Total (A.1 + A.2)		**106.4**	**100%**	**100%**	**0%**								**0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES															
Turnover of Taxonomy-non-eligible activities		0	0%												
Total (A + B)		**106.4**	**100%**												

EU Taxonomy - CapEx

Economic activities	Code(s)	Absolute CapEx 2022 (mEUR)	Proportion of Turnover	Substantial contribution criteria: Climate change mitigation	Substantial contribution criteria: Climate change adaptation	DNSH criteria ('Do Not Significant Harm'): Climate change mitigation	DNSH: Climate change adaptation	DNSH: Water and marine resources	DNSH: Circular economy	DNSH: Pollution	DNSH: Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of CapEx 2022	Category (enabling activity)	Category (transitional activity)
A. TAXONOMY-ELIGIBLE ACTIVITIES															
A.1. Environmentally sustainable activities (Taxonomy-aligned)															
4.3 - Electricity generation from wind power	F42.22	0	0%	0%	0%	N	N	N	N	n/a	N	N	0%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0%**	**0%**								**0%**		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (Not Taxonomy-aligned activities)															
4.3 - Electricity generation from wind power		228.8	100%	100%	0%										
CapEx of Taxonomy-eligible but not environmentally sustainable (Not taxonomy-aligned) (A.2)	F42.22	**228.8**	**100%**	**100%**	**0%**										
Total (A.1 + A.2)		**228.8**	**100%**	**100%**	**0%**								**0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES															
CapEx of Taxonomy-non-eligible activities		0	0%												
Total (A + B)		**228.8**	**100%**												

EU Taxonomy - OpEx

				Substantial contribution criteria		DNSH criteria ('Do Not Significant Harm')									
Economic activities	Code(s)	Absolute OpEx 2022 (mEUR)	Proportion of Turnover	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of OpEx 2022	Category (enabling activity)	Category (transitional activity)
A. TAXONOMY-ELIGIBLE ACTIVITIES															
A.1. Environmentally sustainable activities (Taxonomy-aligned)															
4.3 - Electricity generation from wind power	F42.22	0	0%	0%	0%	N	N	N	N	n/a	N	N	0%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0%**	**0%**								**0%**		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (Not Taxonomy-aligned activities)															
4.3 - Electricity generation from wind power		5.4	13%	100%	0%										
OpEx of Taxonomy-eligible but not environmentally sustainable (Not taxonomy-aligned) (A.2)	F42.22	**5.4**	**13%**	**100%**	**0%**										
Total (A.1 + A.2)		**5.4**	**13%**	**100%**	**0%**								**0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES															
OpEx of Taxonomy-non-eligible activities		37.1	87%												
Total (A + B)		**42.5**	**100%**												

Financial Highlights

Financial Highlights

Key Figures	2022	2021	2020[1]	2019[2]	2018[2]
EUR'000	IFRS	IFRS	IFRS	IFRS	IFRS
Revenue	106,424	60,938	19,501	38,382	71,653
EBITDA[3]	63,875	27,626	(10,480)	11,774	36,964
Gross profit / (loss)	56,887	22,059	(26,258)	(6,249)	16,198
Operating profit/(loss)	41,191	11,134	(35,914)	(13,645)	6,718
Net financials	(5,650)	(3,696)	8,881	(8,538)	(11,345)
Profit/(loss) for the period	35,541	7,451	(27,032)	(23,763)	(6,339)
Total assets	670,030	424,766	336,811	111,169	134,843
Non-current asset	610,524	400,148	253,270	93,153	108,794
Total liabilities	129,462	99,510	95,739	124,269	124,180
Equity	540,568	325,256	241,063	(13,100)	10,663
Cash flow from operating activities	29,036	30,200	(9,597)	(2,012)	12,151
Cash flow from investing activities	(225,408)	(163,375)	(256,138)	(64)	28
Of which investment in property, plant and equipment	*(224,606)*	*(162,941)*	*(256,138)*	*(64)*	*(172)*
Cash flow from financing activities	213,075	71,847	328,118	2,922	(12,579)
Cash and cash equivalents	19,012	2,308	63,636	1,243	397

[1] Up until 25 September 2020, the consolidated figures only included numbers for the Parent Company, Cadeler A/S.
As of 25 September 2020, the two subsidiaries, Wind Osprey Ltd and Wind Orca Ltd, were established. From this point in time, the consolidated figures comprised Cadeler A/S, Wind Osprey and Wind Orca.

[2] Figures for the years 2019 and 2018 only include numbers for the Parent Company, Cadeler A/S.

[3] Figures for the years 2020, 2019 and 2018 used EBITDAR (earnings before interest, tax, depreciation, amortization, foreign exchange gains/losses and bareboat rent in the form of variable lease fee and right-of-use asset amortisation).

Financial Highlights

Continued from previous page

Key Figures	2022	2021	2020[1]	2019[2]	2018[2]
Financial ratios					
Return on assets (%)	7.6%	3.0%	-16.1%	-11.1%	8.4%
Return on equity (%)	8.3%	2.7%	-23.8%	-181.4%	-45.9%
Equity ratio (%)	80.7%	76.6%	71.6%	-11.8%	7.9%
Contracted days (no. of days)	635	562	470	383	443
Utilization (%)	86.9%	76.9%	64.4%	52.5%	60.7%
Share related key figures					
Earnings per share (EPS), EUR	0.22	0.06	(1.04)	(30.50)	(8.10)
Diluted earnings per share (diluted EPS), EUR	0.22	0.06	(1.04)	(30.50)	(8.10)
Average number of employees					
Onshore	70	58	42	33	32
Offshore[3]	162	12			

The Company changed the calculation of both *return on assets* and *return on equity* ratios. The new calculation uses average assets and average equity compared to closing positions as it was in the previous calculation. The financial ratios are calculated in accordance with the terms and definitions included in the accounting policies (Note 2.25 to the consolidated financial statements).

[1] Up until 25 September 2020, the consolidated figures only included numbers for the Parent Company, Cadeler A/S.
As of 25 September 2020, the two subsidiaries, Wind Osprey Ltd and Wind Orca Ltd, were established. From this point in time, the consolidated figures comprised Cadeler A/S, Wind Osprey and Wind Orca.

[2] Figures for the years 2019 and 2018 only include numbers for the Parent Company, Cadeler A/S.

[3] Offshore crew was hired directly by the Company by the end of November 2021. Average number of full-time employees in 2021 reflect the number of seafarers divided by 12 months. The Company had 148 seafarers by the end of 2021.

Consolidated Financial Statements

Consolidated Statement of Profit and Loss and Other Comprehensive Income

EUR'000	Note	2022	2021
Revenue	3	106,424	60,938
Cost of sales	4	(49,537)	(38,879)
Gross (loss)/profit		**56,887**	**22,059**
Administrative expenses	4	(15,696)	(10,925)
Operating (loss)/profit	26	**41,191**	**11,134**
Finance income	8	4,031	1,795
Finance costs	8	(9,681)	(5,491)
Profit/loss before income tax		**35,541**	**7,438**
Income tax credit/expense	9	-	13
Profit/loss for the period		**35,541**	**7,451**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Cash flow hedges - changes in fair value	23	1,343	-
Other comprehensive income after tax		**1,343**	**-**
Total comprehensive income for the period, net of tax		**36,884**	**7,451**

EUR'000	Note	2022	2021
Profit/loss for the period attributable to:			
Equity holders of the parent	10	35,541	7,451
		35,541	**7,451**
Total comprehensive income attributable to:			
Equity holders of the parent	10	36,884	7,451
		36,884	**7,451**
Earnings per share			
Basic, profit/loss for the period attributable to ordinary equity holders of the parent (EUR per share)	10	0.22	0.06
Diluted, profit/loss for the period attributable to ordinary equity holders of the parent (EUR per share)	10	0.22	0.06

Consolidated Balance Sheet

EUR'000	Note	2022	2021
Assets			
Non-current assets			
Intangible Assets	15	419	402
Property, plant and equipment	16	606,204	399,087
Rights-of-use assets	17	287	464
Leasehold deposits		238	195
Derivatives	22, 23	3,376	-
Total non-current assets		**610,524**	**400,148**
Current assets			
Inventories	13	549	440
Trade and other receivables	12	38,234	20,373
Prepayments	14	1,699	1,497
Current Income tax receivable		12	-
Cash and bank balances	11	19,012	2,308
Total current assets		**59,506**	**24,618**
Total assets		**670,030**	**424,766**

EUR'000	Note	2022	2021
Equity			
Share capital	20	26,575	18,641
Share premium		509,542	339,400
Hedging reserves	23	1,343	-
Retained earnings / (Accumulated losses)		3,108	(32,785)
Total equity		**540,568**	**325,256**
Liabilities			
Non-current liabilities			
Lease liabilities	22	-	209
Deferred charter hire income	3	1,326	969
Debt to credit institutions	24	114,230	44,476
Derivatives	22, 23	2,108	-
Total non-current liabilities		**117,664**	**45,654**
Current liabilities			
Trade and other payables	18	8,822	9,703
Payables to related parties	25	89	63
Deferred charter hire income	3	1,831	15,187
Lease liabilities	22	279	298
Current income tax liabilities		5	6
Debt to credit institutions	24	772	28,599
Total current liabilities		**11,798**	**53,856**
Total liabilities		**129,462**	**99,510**
Total equity and liabilities		**670,030**	**424,766**

Consolidated Statement of Changes in Equity

EUR'000	Share capital	Share premium	Hedging reserves	(Accumulated losses)/ retained earnings	Total
2021					
Beginning of financial year	15,557	265,742	-	(40,236)	241,063
Profit for the year	-	-	-	7,451	7,451
Total comprehensive profit for the year	**-**	**-**	**-**	**7,451**	**7,451**
Capital increase	3,084	76,134	-	-	79,218
Transaction costs in relation with capital increase	-	(2,155)	-	-	(2,155)
Share-based payments	-	(321)	-	-	(321)
End of financial year	**18,641**	**339,400**	**-**	**(32,785)**	**325,256**
2022					
Beginning of financial year	18,641	339,400	-	(32,785)	325,256
Profit for the year	-	-	-	35,541	35,541
Other comprehensive income for the year	-	-	1,343	-	1,343
Total comprehensive profit for the year	**-**	**-**	**1,343**	**35,541**	**36,884**
Capital increase May 2022	3,518	81,234	-	-	84,752
Transaction costs in relation with May 2022 capital increase	-	(2,305)	-	-	(2,305)
Capital increase October 2022	4,416	94,082	-	-	98,498
Transaction costs in relation with October 2022 capital increase	-	(2,869)	-	-	(2,869)
Share-based payments	-	-	-	352	352
End of financial year	**26,575**	**509,542**	**1,343**	**3,108**	**540,568**

Consolidated Statement of Cash Flows

EUR'000	Note	2022	2021
Cash flow from operating activities			
Profit/loss for the period		**35,541**	**7,451**
Adjustments for:			
Depreciation and amortization		22,684	16,479
Interest expenses		923	4,506
Share-based payment expenses		352	(321)
		59,500	**28,115**
Changes in working capital:			
Inventories		(109)	(128)
Trade and other receivables		(18,029)	(9,883)
Trade and other payables		660	2,448
Receivables from related parties		-	7,463
Payables to related parties		26	(5,319)
Deferred revenue		(12,999)	7,346
Net change in working capital		**(30,451)**	**1,927**
Income tax paid		(13)	158
Net cash provided by operating activities		**29,036**	**30,200**

Consolidated Statement of Cash Flows

Continued from previous page

EUR'000	Note	2022	2021
Cash flow from investing activities			
Additions to property, plant and equipment		(224,606)	(162,941)
Additions to intangibles		(228)	(434)
Movement to right of use assets		(574)	-
Net cash (used in)/provided by investing activities		**(225,408)**	**(163,375)**
Cash flow from financing activities			
Principal repayment of lease liabilities	22	(228)	(285)
Interest paid		(5,775)	(3,930)
Proceeds from issue of share capital		183,250	79,218
Transaction costs on issues of shares		(5,174)	(2,154)
Proceeds from borrowing	22	115,000	-
Proceeds from overdraft	22	16,067	8,998
Repayment of loan	22	(65,000)	(10,000)
Repayment of overdraft	22	(25,065)	-
Net cash used in financing activities		**213,075**	**71,847**
Net increase/(decrease) in cash and cash equivalents		**16,704**	**(61,328)**
Cash and cash equivalents at beginning of the period	11	2,308	63,636
Cash and cash equivalents at end of the period		**19,012**	**2,308**

Notes to the Consolidated Financial Statements

Note 1

General Information

Corporate information

Cadeler A/S is incorporated and domiciled in Denmark. The address of its registered office is Arne Jacobsens Allé 7, 7., DK-2300 Copenhagen S, Denmark.

The Group is a leading offshore wind farm T&I contractor headquartered in Copenhagen, Denmark. The Group owns and operates two offshore jack-up windfarm installation vessels, Wind Orca and Wind Osprey. In addition to wind farm installation, these vessels can perform maintenance, construction, decommissioning, and other tasks within the offshore industry.

The consolidated financial statements of the Group is composed of the Financial Statements of the company Cadeler A/S and its subsidiaries (which are fully owned by the Parent Company Cadeler A/S). The subsidiaries of Cadeler A/S are the two companies owning the wind farm installation vessels, Wind Orca Ltd and Wind Osprey Ltd.

Note 2

Significant Accounting Policies

2.1. Basis for preparation

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU as well as additional Danish disclosure requirements applying to listed companies. Further they are prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

The preparation of these consolidated financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the consolidated financial statements are further described in note 2.24.

The accounting policies remain unchanged from the previous year. The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand (€000), except when otherwise indicated.

Comparative figures

The activities between the two years are unchanged, hence the numbers are comparable.

Going concern assessment

In connection with the preparation of the consolidated financial statements, the Board of Directors, the Audit Committee and the Executive Management have assessed whether it is well founded that the going concern assumption is used as a basis. The Board of Directors, the Audit Committee and the Executive Management have concluded that at the time of the presentation of the accounts, there are no factors that give rise to uncertainties as to whether the Group and the Company can and will continue operations at least until the next balance sheet date.

European Single Electronic Format (ESEF)

As a group with securities listed on a regulated market within the EEA, Cadeler A/S is required to prepare its official Annual Report in the XHTML format and to tag the main consolidated financial statements using inline eXtensible Business Reporting Language (iXBRL) applying a specific ESEF taxonomy.

As such, the Annual Report is therefore both human- and machine-readable.

A separate assurance report on the iXBRL tagging of the consolidated financial statements is issued by Cadeler's independent auditors and included on page 144. For general use, a PDF version of the Annual Report is published in line with previous years.

2.2. Changes in accounting policies and disclosures

The Group has adopted standards and interpretations effective as of 1 January 2022. Adoption of new and amended standards and interpretations had no impact on the consolidated financial statements.

The Group has not early adopted any other standard, interpretation or amendments that have been issued but are not yet effective.

Note 2

Significant Accounting Policies

Continued from previous page

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are not expected to have a material impact on the Group.

2.3. Revenue recognition

2.3.1. Time charter

Revenue from time charter revenue is generated from leasing of vessels and provision of services within wind farming projects, catering and accommodation and mobilization.

A time charter contract consists of a leasing component (the bareboat element) and a service component. The service component is within the scope of IFRS 15, while the leasing component is within the scope of IFRS 16. Refer to Note 2.11 on accounting policy for leases. Both the service component and the leasing component are recognized as revenue over time over the leasing period.

Prepayments from customers for which the service component has yet to be provided are recognized as deferred charter hire income and recognized as revenue over the period during which the services are performed.

Payments from customers for the bareboat element are recognized over time in accordance with the length of the customer contract. Prepayments from customers for the leasing component are recognized as deferred charter hire income. Refer to Note 2.16 for accounting policy on deferred charter hire income.

2.3.2. Catering and accommodation income

Catering and accommodation income comprise income derived from catering services and the provision of accommodation. Revenue is recognized as the service is being provided over time.

2.3.3. Mobilization income

Mobilization income comprises income for vessel mobilization to support customer projects. Revenue is recognized over time as the service is being provided.

2.3.4. Sundry income

Sundry income comprises income derived from the mark up on cost recharged to clients for example fuel, and specific charter equipment requests by the customer. Revenue is recognized on consumption or delivery of charter equipment.

2.4. Cost of sales and administrative expenses

Cost of sales and administrative expenses include the year's expenses relating to the Group's core activities, including depreciation, crew hire and expenses relating to operation of vessels, maintenance, staff costs and administration costs.

2.5. Employee compensation

Employee benefits are recognized as an expense, unless the cost qualifies to be capitalized as an asset.

Note 2

Significant Accounting Policies

Continued from previous page

Employee compensations include wages and salaries, including compensated absence and pensions, as well as other social security contributions made to the entity's employees or public & government authorities. The item is net of support schemes made by public & government authorities.

2.6. Interest income

Interest income is recognized using the effective interest method.

2.7. Borrowing costs

Borrowing costs are capitalized in accordance with IAS 23, where borrowing costs directly attributable to the construction of assets are capitalised until such a time as the asset is substantially ready for its intended use.

2.8. Income taxes

2.8.1. Income tax

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax is measured at the tax rates that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred income taxes are recognized as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognized directly in equity.

2.8.2. Tonnage tax

The Danish tonnage tax scheme was extended to give vessels such as those operated by the Company. Under the scheme, ship-owners (or bareboat charterers) pay a fixed tax amount per net tonne at their disposal rather than paying taxes based on income, expenses, and depreciation. The Company participates in the scheme from 27 November 2020.

As the vessels are registered in Cyprus and owned by the subsidiaries in Cyprus, the Group is also subject to tonnage taxation in Cyprus. This tonnage taxation income is calculated based on a fixed tax amount per tonne.

Note 2

Significant Accounting Policies

Continued from previous page

As both of these tax schemes are on a notional income derived from tonnage capacity and not based on the entities' actual income and expenses, the Group does not consider the schemes to fall under the rules of IAS 12. Consequently, the tonnage tax expenses are not presented as part of tax expense in the statement of profit and loss, but are recognized under costs of sales.

2.9. Inventories

Inventories are carried at the lower of cost and net realizable value. Cost is determined using the first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Inventory mainly covers fuel and lube. Major spare parts are recorded as fixed assets.

2.10. Property, plant and equipment

Property, plant and equipment are recognized at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognized includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditure relating to property, plant and equipment that has already been recognized is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognized in profit or loss when incurred.

To keep performing their operational activity, the vessels have an obligation to go through drydock procedures every five years. The costs of the drydock procedures are capitalized per their purchase price and any costs that are directly attributable to bringing the vessels to the location and condition necessary for the drydock procedures.

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over the assets' estimated useful life. The estimated useful life is as follows:

	Useful life
Vessels and furnished equipment	Up to 25 years
Drydock	5 years
Cars	5 years
Other fixtures and fittings	2 to 3 years

The estimated useful life of the vessels of 25 years has been estimated by an external consultant through a determined fatigue analysis based on the technical specification of the vessels. Prior to their acquisition, the vessels had already been in use for 8 years, therefore the remaining useful life of the vessels is estimated at 17 years for all components except jacking system and main crane with a remaining useful life of 3 years from the acquisition of the vessels. Hull and steel have a salvage value of EUR 10 million per vessel by the end of their useful life.

The residual value, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted accordingly, if appropriate.

Note 2

Significant Accounting Policies

Continued from previous page

2.11. Leases

When the Group is the lessor

Lessor – operating leases

The Group leases vessels (the bareboat element under time charter contracts) under operating leases to non-related parties. This is classified as an operational lease, as such leases do not cover a significant part of the economic life of the vessels and the Group retains substantially all risks and rewards incidental to ownership of the vessels. Rental income from operating leases is recognized in profit or loss on an over time basis over the lease term and included in revenue.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are capitalized and recognized as an expense in profit or loss over the lease term on the same basis as the lease income.

When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

a. Right-of-use assets

The Group recognizes a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities using an incremental borrowing rate adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

The right-of-use asset is subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability.

Right-of-use assets are depreciated on a straight-line basis lease term.

b. Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs. Utilization lease fees can be classified as a variable fee.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Note 2

Significant Accounting Policies

Continued from previous page

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

c. Short-term and low-value leases

The Group has elected to not recognize right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value-leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term. Short-term and low-value leases consists of cars, coffee machines, office premises and AV equipment.

Derecognition of lease

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts of the asset and the liability is recognized in the statement of profit and loss.

2.12. Impairment of non–financial assets

Property, plant and equipment and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing of assets, recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognized as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.

The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

A reversal of impairment loss for an asset is recognized in profit or loss.

Note 2

Significant Accounting Policies

Continued from previous page

2.13. Financial assets

The classification of financial assets depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

(i) At initial recognition
At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) At subsequent measurement
Financial assets
Financial assets of the Group mainly comprise of cash and bank balances, trade receivables and other current assets.

Interest income from these financial assets are recognized using the effective interest rate method.

The Group assesses on forward looking basis the expected credit losses associated with its financial assets carried at amortized cost.

For trade and other receivables, the Group applied the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

2.14. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.15. Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost, using the effective interest method.

2.16. Deferred charter hire income

Time charter revenue received in advance and reservation fees are deferred and recognized as current liabilities if the service is due within one year or less. Otherwise, they are presented as non-current liabilities. Deferred charter hire income is recognized as revenue in profit or loss over time over the period during which the related service is performed.

2.17. Financial liabilities

Debt to credit institutions etc. is recognized at the time of borrowing at fair value after deduction of transaction costs incurred. Subsequently, the financial liabilities are measured at amortized cost using the "effective interest method", so that the difference

Significant Accounting Policies

Continued from previous page

between the proceeds and the nominal value is recognized in the income statement under financial expenses over the loan period.

2.18. Derivatives and hedge accounting

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value over profit and loss. Derivatives are carried as financial assets, presented under derivatives assets, when the fair value is positive and as financial liabilities, presented under derivatives liabilities, when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge.

Changes in the fair value of derivative financial instruments designated as cash flow hedges are recognized in other comprehensive income and presented under "Hedging reserves" (equity). Where the expected future transactions results in the acquisition of non-financial assets, any amounts deferred under equity are transferred from equity to the cost of the asset. Where expected future transaction results in income or expense, amount deferred under equity are transferred from equity to the income statement in the same item as the hedged transaction as a reclassification adjustment.

The amount included in the hedging reserve is the lower of, in absolute amounts, of the cumulative fair value adjustment of the hedging instrument and the hedged item. Ineffectiveness is recognised in the income statement.

2.19. Share capital

Ordinary shares are classified as equity.

2.20. Share premium reserve and retained earnings

Capital increase is classified as equity. Capital increase Incremental costs directly attributable to the issuance of new shares and share based payments are accounted for as a deduction from equity.

2.21. Share based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized in employee benefits expenses, together with a corresponding increase in equity (retained earnings), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Note 2

Significant Accounting Policies

Continued from previous page

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share in a loss situation only if Loss per share increases.

2.22. Currency translation

The financial statements are presented in Euro (EUR), which is also the functional currency of the Parent Company.

Transactions in a currency other than the EUR ("foreign currency") are translated into EUR using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet are recognized in profit or loss. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Foreign exchange gains and losses impacting profit or loss are presented in the income statement within finance income or finance costs.

2.23. Cash flow statement

Statement of cash flows

The statement of cash flows shows the Group's cash flows for the year distributed on operating, investing and financing activities, net changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Positive amounts indicate cash inflows, whereas negative amounts indicate cash outflows.

Cash flows from operating activities

Cash flows from operating activities are stated as the profit/loss for the year adjusted for non-cash operating items such as depreciation, changes in working capital and income tax paid or received. Working capital includes current assets less current liabilities, excluding cash and cash equivalents.

Note 2

Significant Accounting Policies

Continued from previous page

Cash flows from investing activities
Cash flows from investing activities comprise cash flows from the acquisition and sale of non-current assets.

Cash flows from financing activities
Cash flows from financing activities comprise cash flows from instalments on lease liabilities, and interest paid/received.

Cash and cash equivalents
Cash and cash equivalents are measured in the balance sheet nominal value, and mainly consists of short-term deposits and cash and bank balances.

2.24. Significant accounting judgements, estimates and assumptions
Property, plant and equipment
The estimation made regarding the duration of the useful life of the vessels has been determined through an analysis made by an external consultant.

The determined fatigue analysis is based on the technical specification of the wind turbine installation vessels, the useful life of the vessels is estimated at 25 years. Prior to their acquisition, the vessels had already been in use for 8 years, therefore all material components on the vessel such as engines, jacking legs and hull have 17 years of useful life. Management chooses to depreciate the jacking system and main crane through a 3 year useful life and keep a EUR 10 million salvage value for the hull and steel components per vessel at the end of their 17 year useful life.

The residual value, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted accordingly, if appropriate.

*Impairment of non-*financial *assets*
Management is responsible for the identification of indicators of impairment related to non-financial assets. If indicators of impairment are identified, an impairment test must be performed.

Impairment exists when the carrying value of an asset including right-of-use assets or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available sales transactions conducted at arm's length terms, if available. The value in use calculation is based on a DCF model. The cash flows are derived from the budget and the most recent project pipeline. These cash flows do not include restructuring activities or significant future investments which will enhance the performance of the assets or CGU being tested.

The recoverable amount is sensitive to the discount rate used in the DCF model as well as future cash in-flows and growth rate assumptions, for further information please refer to Note 16.

In preparing the financial statements, management has considered the impact of both macroeconomic factors as well as climate change. Offshore wind will play a vital role in a climate-neutral future and Cadeler has continued investing in new assets as part of its strategy. As Cadeler continues to undergo expansion, we are also continuing to ensure that our business operates responsibly. Macroeconomic uncertainties include, among other things, the rate of growth in the global economy, political conditions and levels of public/institutional spending within the energy sector, currency and interest rate fluctuations and inflation. Additionally, geopolitical tensions may have an impact on the future prospects of the Group's markets and may increase risk related to the Group's operations.

Note 2

Significant Accounting Policies

Continued from previous page

2.25. Financial ratios and operational metrics

Return on assets	*Profit/loss from operating activities* / Average assets
Return on equity	*Profit/loss for the year* / Average equity
Equity ratio	*Equity, year-end* / Total equity and liabilities, year-end
Contracted days	Number of on hire days in the fiscal year (in total for all vessels)
Utilization	*Contracted days* / Days in the year (365*all vessels)
Earnings per Share	*Result for the year* / Average number of shares during the year
Diluted earnings per Share	*Result for the year* / Average number of shares during the year + average number of shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares
EBITDA	Earnings before interest, tax, depreciation, amortization and foreign exchange gains/losses.
EBITDAR	Earnings before interest, tax, depreciation, amortization, foreign exchange gains/losses and bareboat rent in the form of variable lease fee and right-of-use asset amortisation. Applied between 2018 – 2020.
Contract Backlog	The total value of all customer contracts, both firm and options, that are not yet recognized as revenue as of the reporting date, but includes all new contracts signed until the release date of the annual or interim report. Firm days are counted at full committed amounts, while options are measured at 50%. The definition also includes any contracts where revenue recognition has started but not yet completed as of the reporting date.

Note 3

Revenue

Disaggregation of revenue from contracts with customers

EUR'000	2022	2021
Revenue from contracts with customers		
Time charter hire services	99,368	49,538
Catering and accommodation	352	1,888
Mobilisation	4,858	5,023
Sundry income	1,846	4,489
Total revenue	**106,424**	**60,938**

Revenue from time charter hire services are contracts with customers where the Group utilizes its vessels, equipment and crew to deliver a service to the customer based on either a fixed day rate or milestone deliverables. Contracts may also include other services such as mobilization income, catering and accommodation as well as sundry income.

Revenues are recognized over time, with the exception of a minor part of mobilization fees and sundry income, which might be recognised at a point in time depending on the contract.

Mobilization are the fees earned for the movement of the vessel from one location to another in order to deliver a project. Sundry income is derived from nonrecurring items directly related to the execution of the projects. The total amount of mobilization fees and sundry income recognized at a point in time amounted to EUR 7 million (EUR 10 million in 2021).

Catering and accommodation income are derived from the provision of food and accommodation on the vessels and is deemed service revenue. Payment terms with customers vary by contract and do not include a finance component.

Operating segments

The Group's management are not operating or making decisions based on customer types, type of service or geographical segments. The Group operates two windfarm installation vessels, which are viewed as one segment and can operate in all geographical areas required for the specification of a specific windfarm project. Accordingly, the Group only has one operating segment.

Contract assets and liabilities

Customers are typically invoiced on a monthly basis, when the vessels are on contract. Sometimes contracts will accrue revenue for work performed and it will be reported as a contract asset until it is invoiced. For more information about contract assets at the reporting period, refer to Note 12.

The contract liabilities relate to consideration received from customers for the unsatisfied performance obligation in the charter contracts. Revenue will be recognized when the related services are provided to the customers.

EUR'000	2022	2021
Revenue recognized in current period that was included in the contract liabilities balance at the beginning of the period		
Time charter hire services	15,856	1,751
Total liabilities at the beginning of the period	**15,856**	**1,751**

Note 3

Revenue

Continued from previous page

Major customers

By end of 2022, revenue with two customers each exceeded 10% of total revenue. The revenue derived from these two customers was EUR 52.4 million and EUR 53.2 million respectively.

In 2021, revenue with two customers also each exceeded 10% of total revenue. The revenue derived from these two customers was EUR 24.6 million and EUR 29.1 million respectively.

Type of revenue

Revenue from time-charter contracts include both a lease component (use of the vessels) and a service component (vessel operation). These components are not treated or priced separately in the contracts, nor does the Group offer either of the services separately.

The service component of time-charter contracts is primarily derived from crewing costs with a markup, where the residual is deemed to be the lease component. Milestone-based time charters or contracts with a fixed price is deemed to be 100% service revenue. Mobilisation fee and Catering and accommodation income is allocated as a service component.

EUR'000	2022	2021
Revenue from contracts with customers		
Service component	13,939	13,437
Lease component	90,639	43,012
Sundry income	1,846	4,489
Total revenue	**106,424**	**60,938**

Contract backlog

The Group has an order backlog amounting to EUR 780 million (2021 total backlog was EUR 409 million) including contracts announced as of 28 March 2023 and represents the value of the outstanding performance obligations in current contracts and future contracts. This backlog includes lease payments relating to the bareboat of the vessels. Of this total backlog, EUR 84 million relates to performance obligations of contracts for the remaining of the year 2023.

EUR million	2022 as of 28 March 2023	2021 as of 29 March 2022
Within one year	84	110
After one year	696	299
Total[1]	**780**	**409**

[1] Contract backlog for 2022 is split between, EUR 653 million firm and EUR 127 million options. For 2021 the split was EUR 351 million firm and EUR 58 million options.

Note 4

Expenses by Nature

EUR'000	Note	2022	2021
Cost of sales			
Insurance		1,933	1,772
Vessel depreciation	16	21,664	16,077
Crewing costs paid to a related party and an external party	25	61	11,517
Seafarer payroll	5	13,089	1,159
Fuel and oil		1,113	892
Maintenance		4,039	2,305
Messing costs		1,428	1,224
Seafarer travel		2,589	1,876
Specific charter costs		2,623	1,239
Utilities		689	541
Other operating expenses		309	260
Tonnage tax		-	17
Total cost of sales		**49,537**	**38,879**

EUR'000	Note	2022	2021
Administrative expenses			
Depreciation and amortisation	15, 16, 17	1,020	414
Employee compensation	5	9,905	7,603
Repair and maintenance expenses		796	161
Legal and professional fees		1,047	564
Rental expenses		582	584
Travel expense		612	305
Management fees to related party	25	-	115
Marketing and entertainment expenses		788	159
Other expenses		946	1,020
Total administrative expenses		**15,696**	**10,925**

Note 4

Expenses by Nature

Continued from previous page

Auditor remuneration

Administrative expenses include fees to the auditors appointed by the shareholder at the Annual General Meeting:

EUR'000	2022	2021
Statutory audit	125	92
Tax services	105	50
Other assurance services	-	8
Other services	51	14
Total	**281**	**164**

Other services include advice regarding EU taxonomy and prospectus.

Note 5

Employee Compensation

Onshore

EUR'000	Note	2022	2021
Wages and salaries		8,873	6,637
Employer's contribution to defined contribution plans		502	350
Share based payment expense	6	352	360
Other short-term benefits		178	145
		9,905	**7,492**
Average number of full time employees		70	58

Offshore

EUR'000	Note	2022	2021
Wages and salaries		11,693	1,097
Employer's contribution to defined contribution plans		1,082	60
Other short-term benefits		314	2
		13,089	1,159
Average number of full time employees		162	12

Total

EUR'000	Note	2022	2021
Wages and salaries		20,566	7,734
Employer's contribution to defined contribution plans		1,584	410
Share based payment expense	6	352	360
Other short-term benefits		492	147
		22,994	**8,651**
Average number of full time employees		232	70

Offshore crew was hired directly by the Company by the end of November 2021. Average number of full-time employees as of 2021 reflect the number of seafarers divided by 12 months. The Company had 148 seafarers by the end of 2021.

Note 6

Cash and Share Based Payments

In December 2021, a new remuneration scheme was agreed starting in January 2022 and replacing the existing share-based incentive schemes for the majority of eligible employees. The terms of the programme initiated in December 2021 are:

(i) with effect from 2021, an annual cash bonus up to 12 months of salary for the CEO, and up to 6 months for selected employees. This bonus is at the discretion of the board and paid in cash the following January. Bonuses regarding selected employees is expensed in 2022.

(ii) with effect from 2021, an annual cash bonus up to 3 months of salary for other employees. This bonus paid based on company, team and individual performance. The bonus is paid in cash at the end of the calendar year.

(iii) in January 2022, the executive management and selected employees were granted from 10,393 to 55,430 Restricted Share Units (RSU) which will vest July 2024 and are conditional upon continued employment within Cadeler. The total value of the RSU allocation is calculated based on the Black-Scholes model and the value is EUR 394 thousand (EUR 3.3 per RSU). The expense recognized in profit and loss for the year amounts to EUR 157 thousand. The average remaining contractual life is 1.5 years.

(iv) in January 2022, the executive management and selected employees were granted from 10,393 to 55,430 Options in Cadeler shares which will vest May 2024 and expire in April 2027. The strike price will range from NOK 36,02 to NOK 38,42 depending on the exercise period and are conditional upon continued employment within Cadeler. The fair value of these granted options was determined using the Black-Scholes model and the value is EUR 160 thousand (EUR 1.3 per RSU). The expense recognized in profit and loss for the year amounts to EUR 69 thousand. The average remaining contractual life for the options as of 31 December 2022 is 4.3 years.

For the programmes described in (iii) and (iv) the annualized volatility of the shares 48.1% is based on the historical volatility of the price of shares, annual risk free interest rate of 1%, dividend yield of zero, expected life until expiration date and average share price of EUR 3.7.

(v) in May 2022, the executive management and selected employees were granted from 43,420 to 221,719 Options in Cadeler shares which will vest in May 2025 and expire in May 2028. The strike price will be NOK 40,24 and is conditional upon continued employment within Cadeler. The fair value of these granted options was determined using the Black-Scholes model and the value is EUR 761 thousand (EUR 1.3 per RSU). The expense recognized in profit and loss for the year amounts to EUR 127 thousand. The average remaining contractual life for the options as per 31 December 2022 is 5.3 years. The annualized volatility of the shares 42.5% is based on the historical volatility of the price of shares, annual risk free interest rate of 2.8%, dividend yield of zero, expected life until expiration date and average share price of EUR 3.7.

(vi) in January 2023, the executive management and selected employees will be granted from 19,760 to 130,416 Restricted Share Units which will vest in July 2025 and are conditional upon continued employment within Cadeler. The total value of the RSU allocation is calculated based on the Black-Scholes model and the value is EUR 1.2 million. The average remaining contractual life is 2.5 years.

The Group previously had a share-based incentive scheme for its key employees in connection with the IPO, with the following key terms:

(vii) an incentive varying from 1 to 8 months of salary of the key employee paid in shares in the event the Offering is successful. The gross monthly salary and share price for the basis of calculation of the shares to be issued is based on the gross monthly salary of the employee and share price on the first day of trading of the shares. The initial share price was set at observable input 27 November 2020 (146,626 shares) and was paid out in cash at the share price after the vesting period 27 November 2021.

Note 6

Cash and Share Based Payments

Continued from previous page

The initial cost was calculated to EUR 504 thousand but was paid out at EUR 734 thousand. The charge to equity amounts to EUR 230 thousand.

(viii) an incentive varying from 2 to 4 months of salary of the key employee paid in shares for the continuous employment of the employee for each full calendar year of 2020 and 2021. The incentive will be paid with the employee's salary in June in the following year, i.e., in June 2021 and June 2022. The gross monthly salary and share price for the basis of calculation of the shares to be issued is based on the gross monthly salary of the employee and share price on the date the incentive will be paid in June 2021 and June 2022. As stated above this programme was terminated for most of employees and this part is reversed in equity and in profit and loss as well. The amount reversed regarding 2020 is EUR 3 thousand and 2021 EUR 167 thousand.

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

As stated above this programme is terminated and was replaced with a cash bonus. The programme was accounted for as a cash-based incentive programme for 2021 and the full cash bonus was expensed for in 2021.

				2022
	Executive management		**Other employees**	
Outstanding instruments - Options	Number	WAEP[1]	Number	WAEP[1]
Outstanding at 1 January	-	-	-	-
Granted during the year	344,589	39.56	330,963	39.40
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at 31 December	**344,589**	39.50	**330,963**	39.42

				2022
	Executive management		**Other employees**	
Outstanding instruments - RSU	Number	WAEP[1]	Number	WAEP[1]
Outstanding at 1 January	-	-	-	-
Granted during the year	55,430	-	65,823	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at 31 December	**55,430**	-	**65,823**	-

[1]NOK Weighted average exercise price (WAEP).

Note 7

Management Compensation

EUR'000	2022 Board of directors	2022 Executive management	2022 Total	2021 Board of directors	2021 Executive management	2021 Key management	2021 Total
Wages, salaries and board fees	180	683	863	180	650	337	1,167
Share based payment	-	173	173	-	164	48	212
Other short-term benefits	-	36	36	-	23	34	57
Cash bonus	-	482	482	-	314	159	473
Total management compensation	**180**	**1,374**	**1,554**	**180**	**1,151**	**578**	**1,909**

Executive management means the members of the executive management which were registered with the Danish business authority and who have the authority and responsibility for the planning, directing and controlling activities of the Company as defined by IAS24.

In 2021, Key management included personnel who supported executive management, for the planning, directing and controlling activities of the Company.

David Peter Cogman is employed by the Swire Group and Andreas Sohmen-Pao and Andreas Beroutsos are employed by the BW Group. These board members have not received remuneration from Cadeler in 2021 and 2022.

Further details of management and board compensation can be found in the 2022 Cadeler Remuneration Report.

Note 8

Finance Income and Expenses

EUR'000	2022	2021
Foreign currency gain	3,424	1,795
Fair value change of derivative	363	-
Interest gained	244	-
Finance income	**4,031**	**1,795**

EUR'000	2022	2021
Interest expense		
- Interest linked to debt liabilities	1,351	2,727
- Interest with related parties	157	684
Lease liabilities	21	30
Foreign currency loss	7,834	1,692
Bank fees	318	358
Finance expenses	**9,681**	**5,491**

Total interest paid in 2022 as per Consolidated Statement of Cash Flows amounts to EUR 5.8 million (2021: EUR 3.9 million) out of which EUR 4.2 million (2021: EUR 0 million) have been capitalized to Property, Plant and Equipment (refer to Note 16) and EUR 1.6 million have been expensed.

Note 9

Income Taxes

EUR'000	2022	2021
Income tax expense		
Tax expense attributable to profit is made up of:		
Utilization of non recognized tax losses offset against Danish Tonnage Tax expense	-	(13)
Total Income tax expense	-	(13)

An expansion of the Danish tonnage tax regime to cover wind farm installation vessels was passed in January 2020 with retroactive effect from 2017, 2017 inclusive.

On 15 December 2020, Cadeler A/S received a binding ruling from the Danish Tax Authorities. According to this, Cadeler A/S was able to apply the Danish Tonnage Taxation after the listing of the shares 27 November 2020. Management applied the Danish Tonnage Taxation during 2021. The recorded tonnage tax expense for 2022 in Denmark and Cyprus amount to EUR 0 thousand and EUR 5 thousand respectively.

Cadeler A/S also has material tax losses from previous periods available for carry forward. Such tax losses can be utilized against future tonnage taxation income and other income, which does not qualify for tonnage taxation. The tax value of tax losses to be carried forward as of 31 December 2022 are in the region of EUR 13 million and has not been recognised as it is not considered probable that the tax loss will be utilised. The tax losses are not subject to expiration.

Note 9

Income Taxes

Continued from previous page

Effective Tax Rate	2022		2021	
	EUR'000	%	EUR'000	%
Tax expense attributable to profit is made up of:				
Accounting profit before income tax	35,541		7,450	
Adjustment regarding tonnage taxed income	(35,541)		(7,450)	
Accounting profit before income tax relating to Corporation Tax	-		-	
Calculated tax at statutory tax rate in Denmark, 22 %	-	22	-	22
Tax impact from:				
Change in impairment of deferred tax assets in the year	-	22	(13)	22
Income tax expense, reported	**-**	**-**	**(13)**	**-**
Effective tax rate (%)	**0.0%**		**0.0%**	

Note 10

Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

EUR'000	2022	2021
Result attributable to ordinary equity holders of the parent for basic earnings	**35,541**	**7,451**
Result attributable to ordinary equity holders of the parent adjusted for the effect of dilution	**35,541**	**7,451**

Thousands	2022	2021
Weighted average number of ordinary shares for basic EPS[1]	**163,219**	**131,161**
Effect of dilution from shared based payments programme	676	-
Weighted average number of ordinary shares adjusted for the effect of dilution[1]	**163,895**	**131,161**

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these Financial Statements.

[1]The weighted average number of shares takes into account the weighted average effect of share based payments during the year.

Note 11

Cash and Bank Balances

EUR'000	2022	2021
Cash at bank and on hand	19,012	2,308

Note 12

Trade and Other Receivables

EUR'000	2022	2021
Trade receivables from non-related parties	17,635	18,424
Contract assets	19,999	843
Other receivables	600	1,106
	38,234	**20,373**

As of 31 December 2022, the Company's other receivables include contract assets totalling EUR 20 million, a significant increase from EUR 0.8 million in 2021. These contract assets represent the Company's entitlement to proportional consideration for ongoing projects as of the balance sheet date. Typically, these contract assets are reclassified to trade receivables when the Company fulfils its obligations and the right to consideration becomes unconditional, usually upon completion of the project.

Expected credit loss on trade receivables

The Group has historically only experienced immaterial losses on trade receivables, if any. Further, a material part of the cash flows in the contracts are prepayments received up front.

The Group's expected credit losses are immaterial. This is based on historical data, a few high-quality debtors and expectations to the future.

EUR'000	Trade receivables	Expected loss	Contract assets	Total
31 December 2022				
Not due	17,197		19,999	37,196
Overdue 1-30 days	438			438
Overdue 31 to 60 days	-			-
Overdue +61 days	-			-
Total	**17,635**	**-**	**19,999**	**37,634**
31 December 2021				
Not due	7,850		843	8,693
Overdue 1-30 days	8,962			8,962
Overdue 31 to 60 days	316			316
Overdue +61 days	1,296			1,296
Total	**18,424**	**-**	**843**	**19,267**

Note 13
Inventories

EUR'000	31 December 2022	2021
Fuel and lube oil	549	440

Note 14
Prepayments

EUR'000	2022	2021
Prepayments	1,699	1,496

Prepayments include deferred costs like insurance annual premiums and software annual subscriptions.

Note 15

Intangible Assets

EUR'000	2022
Software	
Cost	
Beginning of period	434
Additions	228
End of period	**662**
Accumulated depreciation	
Beginning of period	32
Depreciation charge	211
End of period	**243**
Net book value	**419**

EUR'000	2021
Software	
Cost	
Beginning of period	-
Additions	434
End of period	**434**
Accumulated depreciation	
Beginning of period	-
Depreciation charge	32
End of period	**32**
Net book value	**402**

While 2021 additions were mainly implementation costs for Enterprise Resource and Planning (ERP), Vessel and Crew Management software, 2022 additions are mainly further developments of these initially implemented solutions.

Note 16

Property Plant and Equipment

EUR'000	Vessels	Dry Dock	Other fixtures and fittings	Assets under Construction	Total
Cost 2022					
Beginning of financial year	258,148	1,983	536	158,734	419,401
Additions	15,105	5,281	-	208,455	228,841
Transfer from assets under construction	9,029	1,997	-	(11,026)	-
End of financial year	**282,282**	**9,261**	**536**	**356,163**	**648,242**
Accumulated depreciation					
Beginning of financial year	19,629	300	386	-	20,315
Depreciation charge	19,941	1,723	59	-	21,723
End of financial year	**39,570**	**2,023**	**445**	**-**	**42,038**
Net book value	**242,712**	**7,238**	**91**	**356,163**	**606,204**

Additions during 2022 are mainly driven by down payments for EUR 167 million of the two new F-class foundation installation vessels and instalments for the main cranes for both Wind Orca (EUR 10.7 million) and Wind Osprey (EUR 16.3 million), represented above on Assets under Construction. There was also a transfer from assets under construction to additions for EUR 11 million, of which EUR 9 million due to the activation of vessel equipment.

Borrowing costs for 2022 has been capitalized for a total of EUR 4.2 million. The capitalization rate used to determine the amount of borrowing costs to be capitalized is the weighted average interest rate applicable to the Company’s general borrowings during the reported period, in this case 5.7%.

Note 16

Property Plant and Equipment

Continued from previous page

EUR'000	Vessels	Dry Dock	Other fixtures and fittings	Assets under Construction	Total
Cost 2021					
Beginning of financial year	255,030	1,050	379	-	256,459
Additions	3,118	933	157	158,734	162,942
End of financial year	**258,148**	**1,983**	**536**	**158,734**	**419,401**
Accumulated depreciation					
Beginning of financial year	3,853	-	280	-	4,133
Depreciation charge	15,776	300	106	-	16,181
End of financial year	**19,629**	**300**	**386**	**-**	**20,315**
Net book value	**238,520**	**1,683**	**150**	**158,734**	**399,087**

Additions during 2021 are mainly driven by down payments for EUR 137 million of the two new X-class wind turbine installation vessels and new crane for Wind Orca (EUR 7 million), represented above on Assets under Construction.

Note 16

Property Plant and Equipment

Continued from previous page

Impairment Test

The Company has not identified an impairment triggering event but on a voluntary basis management performs an impairment test every year.

As of 31 December 2022, Management tested the carrying amount of its two vessels for impairment. Management considers the vessels as one CGU as they will generate revenues from similar contracts, have similar operating environment and functionality.

Two independent evaluations of the market value of the two vessels were received in the second half of 2022. The first evaluation was made by Fearnleys Asia (Singapore) Pte Ltd the 7 November 2022 for an estimation of USD 360 million (corresponding to EUR 334 million), which is 37% higher than the carrying amount. The second vessel evaluation was made the 14 November 2022 by Clarksons Valuations Limited for an estimation of USD 400-440 million (corresponding to EUR 371-408 million), which is 53-68% higher than the carrying amount.

The Company also performed a value-in-use calculation in accordance to assess the risk of impairment. The discounted cash flow period has been calculated from the remaining useful life of the vessel as this is deemed most representative for the actual value of the vessels.

The value in use is calculated based on cash flow projections in financial budgets and business plans as follows:

- 2023-2026 is based on signed customer contracts.
- From 2027 revenue is based on estimated day rates, based on the average day rate of current contract backlog for O-class vessels and a yearly increase of 2%.

The discount rate used in the calculation is based on a Weighted Average Cost of Capital (WACC) of 8% after tax, (8.5% after tax in 2021). As the Company is subject to the tonnage tax regime, the tax consideration in the WACC calculation for impairment of a vessel is immaterial. Therefore, the before and after tax WACC remain the same for impairment testing purposes.

WACC is calculated by using a standard WACC model in which cost of equity, cost of debt and capital structure are the key parameters.

The calculation showed no need for impairment as the future value of cashflows were higher than the Net Book Value of the vessels.

A sensitivity analysis was also undertaken assuming an increase or decrease in the WACC by 1.5% as well as an increase or decrease in the revenue by EUR 15 thousand per day. Within this sensitivity analysis the calculations also showed no need for impairment as the future value of cashflows were higher than the Net Book Value of the vessels.

Sufficient headroom is calculated with respect to the investment in new cranes.

As for the new X and F class vessels it is management opinion that current signed contracts and the expected day rates in the future support the agreed purchase prices of the vessels.

Note 17

Right of Use Assets

Nature of the Group leasing activities

Leasehold equipment

In 2022 the Group started an agreement for the use of vessel equipment for a total contract value of EUR 464 thousand during the initial term, plus additional repair and installation costs. The amount is amortized over the initial term which is 13 months.

Office space

The Group leases office space for the purpose of office operations. The lease term of the office is based on the first date at which the Group can exit without penalty (31 August 2023).

EUR'000	Leasehold equipment	Office space	Total
Cost 2022			
Beginning of financial year	-	1,572	1,572
Movement during the year	464	109	573
End of financial year	**464**	**1,681**	**2,145**
Accumulated depreciation			
Beginning of financial year	-	1,108	1,108
Amortisation charge	381	369	750
End of financial year	**381**	**1,477**	**1,858**
Net book value	**83**	**204**	**287**

EUR'000	Office space	Total
Cost 2021		
Beginning of financial year	1,572	1,572
End of financial year	**1,572**	**1,572**
Accumulated depreciation		
Beginning of financial year	832	832
Amortisation charge	276	276
End of financial year	**1,108**	**1,108**
Net book value	**464**	**464**

Please refer to Note 22 for disclosure on the lease liabilities and to Note 21 for disclosure on the low-value and short-term lease commitments.

Note 17

Right of Use Assets

Continued from previous page

Lease interest expenses recognized in profit and loss

a. Interest expense

EUR'000	2022	2021
Interest expense on lease liabilities (vessels and office)	21	30

b. Lease expense not capitalized in lease liabilities

EUR'000	2022	2021
Short-term lease expense	53	34

c. Total cash outflow for all leases in 2022 and 2021 were EUR 728 thousand and EUR 315 thousand respectively, excluding variable lease fee (refer to Note 22).

EUR'000	2022	2021
Repayment of lease liability	728	315
Rental above standby rate	-	196
Cash outflow for leases that are not capitalised	53	34
	781	**545**

Note 18

Trade and Other Payables

EUR'000	2022	2021
Trade and other payables:		
Trade payables	3,979	2,795
Other payables	4,843	6,908
	8,822	**9,703**

Note 19

Deferred Income Taxes

Cadeler A/S has material tax losses from previous periods available to carry forward.

Such tax losses can be utilized against future tonnage taxation income and other income, which does not quality for tonnage taxation. The tax value of tax losses to be carried forward as of 31 December 2022 are in the region of EUR 13 million.

The tax losses are not subject to expiration.

No deferred tax asset in relation to the tax losses has been recognized as of 31 December 2022 as they are not expected to be utilized within the foreseeable future (3-5 years).

Note 20

Issued Share Capital

EUR'000	No. of shares	2022	2021
Ordinary shares			
Beginning and end of financial year 2021	138,574	18,641	18,641
Issued on May 2022 for capital increase	26,176	3,518	-
Issued on October 2022 for capital increase	32,850	4,416	-
End of financial year 2022	**197,600**	**26,575**	**18,641**

As of 1 January 2022, the Group's issued and paid in share capital amounted to DKK 138,574 thousand, equal to EUR 18,641 thousand, consisting of 138,574,468 shares of DKK 1.

In May 2022, the authorized share capital was increased by DKK 26,176 thousand, equal to EUR 3,518 thousand, consisting of 26,175,532 shares of DKK 1.

In October 2022, the authorized share capital was increased by DKK 32,850 thousand, equal to EUR 4,416 thousand, consisting of 32,850,000 shares of DKK 1.

At the end of 2022 the Group had share capital amounted to DKK 197,600 thousand, equal to EUR 26,575 thousand, consisting of 197,600,000 shares of DKK 1.

All shares have equal rights.

Note 21

Commitments and Pledges

Low value and short-term lease commitments

The future minimum lease payables under non-cancellable low value and short-term leases contracted for at the balance sheet date but not recognized as liabilities, are as follows:

EUR'000	2022	2021
Not later than one year	53	18
Between one and five years	9	-
	62	**18**

Pledge of Fixed Assets

The Debt Facility detailed in Note 24 is secured by, inter alia, a first priority mortgage over the Wind Orca and Wind Osprey Vessels (EUR 243 million carrying value, see Note 16) and a first priority assignment of the insurances and earnings of the Wind Orca and Wind Osprey vessels.

F-class vessels

On 9 May 2022 and 22 November 2022 the Company signed additional contracts with COSCO SHIPPING Heavy Industry to build a total of two new F-class foundation installation vessel.

The total sum of the contracts for the new vessel is approximately EUR 661 million, of which approximately a total of EUR 167 million was paid in June and December 2022, while the remaining amounts will be due over the years from 2025 to 2026. Of the total contract, USD 495 million will be paid in USD and EUR 205 million will be paid in EUR.

X-class vessels

Since 30 June 2021 the Company has a contract with COSCO SHIPPING Heavy Industry to build two new X-class wind turbine installation vessels.

The total sum of the contract for the new vessels is approximately EUR 584 million, of which EUR 137 million was paid in 2021. The remaining scheduled payments will be due between 2023 and 2025. Of the total contract, USD 390 million will be paid in USD and EUR 220 million will be paid in EUR.

Wind Osprey & Wind Orca new crane contract

The Company signed a contract with NOV on 18 December 2020 to replace the main crane of Wind Orca and then executed the option to replace the main crane for Wind Osprey on 17 June 2021.

The total sum of the contract for the replacement of both cranes is EUR 83 million, of which EUR 7 million was paid in 2021, and EUR 27 million was paid in 2022. The remaining scheduled payments will be due between 2023 and 2024.

Note 22

Financial Risk Management

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The financial risk management of the Group is managed by the management of Cadeler and overseen by the Board of Directors and Audit Committee. The fair value of the Group's financial assets and liabilities as of 31 December 2022 does not deviate materially to the carrying amounts as of 31 December 2022.

Market risk

Currency risk

The Group's business is exposed to the Danish Kroner ("DKK"), Norwegian Kroner ("NOK") and United States Dollar ("USD") as certain operating expenses are denominated in these currencies. The Company will look to use financial instruments to reduce currency risk when there is significant liability or income in a non-EUR or DKK denominated currency and there is a cost-effective solution.

The largest currency exposure of the group is the future instalments for the new X and F class vessels in USD (USD 816 million), more details can be found in Note 23 with regards of the current instruments used to mitigate this currency risk. Management and Board of Directors will evaluate the potential cost and benefits of currency exposure on an ongoing basis.

The Group holds cash balances in USD. If the USD:EUR exchange rate deteriorated by 1% the result before tax would have decreased by EUR 3 thousand (EUR 8 thousand in 2021) based on the USD cash holdings as at 31 December 2022.

As the EUR is pegged to DKK, no material currency risk has been identified against the DKK even though the Company has costs denominated in DKK.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's current exposure to the risk of changes in market interest rates relates primarily to the Revolving Credit Facility (RCF) which was taken out on the 1 July 2022, more details can be found in Note 23 with regards of the current instruments used to mitigate this risk.

The term loan in the RCF is based on a EURIBOR interest rate plus a margin. The EURIBOR interest rate has a floor of 0bps and was 2.2% at the end of 2022.

If the EURIBOR interest rate increased 100bps over the floor of 0bps, and the loan had been provided throughout the entire period of 2022, the cost would have increased by EUR 1.5 million (EUR 715 thousand in 2021). This variation could potentially qualify as capitalizable borrowing costs and minimize the impact on the result before tax.

If the EURIBOR interest rate decreases the result before tax would not change due to capitalisation of borrowing costs.

Management and Board of Directors will evaluate the potential cost and benefits of fixed interested rate borrowings on an ongoing basis

Credit risk

Risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group adopts the following policy to mitigate credit risk.

Note 22

Financial Risk Management

Continued from previous page

For banks and financial institutions, the Group mitigates its credit risks by transacting only with counterparties who are rated “A” and above by independent rating agencies.

The Group adopts the policy of dealing only with customers of appropriate history and obtaining sufficient security where appropriate to mitigate credit risk. The Group adopts stringent procedures on extending credit terms to customers and on the monitoring of credit risk.

These credit terms are normally contractual and credit policies spell out clearly the guidelines on extending credit to customers, including monitoring the process and using related industry’s practices as reference. This includes assessment and valuation of customers’ credit reliability and periodic review of their financial status to determine the credit limits to be granted. Customers are also assessed based on their historical payment records. Where necessary, customers may also be requested to provide security or advance payment before services are rendered.

Related party credit risk is managed by the management of Cadeler and overseen by the Board of Directors and Audit Committee.

The maximum exposure to credit risk is the carrying amount of trade receivables and other receivables, receivables from group entities and cash and bank balances presented on the balance sheet.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses (“ECLs”) associated with its financial assets which are trade and other receivables, cash and bank balances and contract assets. Financial assets are written-off when there is no reasonable expectation of recovery, such as a non-related debtor failing to engage in a repayment plan with the Group.

Where receivables have been written-off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The Group has applied the simplified credit loss approach by using the provision matrix to measure the lifetime expected credit losses for trade receivables from customers. To measure the expected credit losses, the Group grouped receivables based on shared credit characteristics and days past due.

Trade receivables from external customers that are neither past due nor impaired are with creditworthy companies. Based on the provision matrix, the trade receivables from external customers are subject to immaterial credit loss.

For cash and bank balances and other receivables that are measured at amortized cost, the Group has considered these financial assets as low credit risk. Cash and bank balances are mainly deposits with banks who have high credit-ratings as determined by international credit-rating agencies. As at 31 December 2022, cash and bank balances and other receivables are subject to immaterial credit loss.

There is no credit loss allowance for other financial asset at amortized cost as at 31 December 2022 and 31 December 2021.

Note 22

Financial Risk Management

Continued from previous page

Liquidity risk
The Group manages liquidity risk by maintaining sufficient cash and available funding through committed credit facilities to enable it to meet its operational requirements and instalments for the new X and F class vessels recently signed.

Further financing will be required from 2024 in connection to milestone payments for the new X and F class vessels. The Company is currently exploring numerous options for securing funds to fulfil the contract, including export credit agencies support. Further, the Company obtained an indicative term sheet for the financing of the X-class vessels acquired from COSCO SHIPPING Heavy Industry and planned to be delivered in the period of 2024 to 2025.

The BW Group, provided COSCO SHIPPING Heavy Industry with a guarantee in respect of the sums owed by Cadeler pursuant to the two X-class vessels and the two F-class vessels.

The following maturity table shows the contract obligation for the construction of the X and F class vessels:

Millions	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
Obligation in USD	-	197	619
Obligation in EUR	41	41	105

For further information regarding Interest-bearing loans and borrowings please refer to Note 24.

The table below analyses the maturity profile of the financial liabilities of the Company based on contractual undiscounted cash flows.

EUR'000	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
2022				
Trade and other payables	8,822	-	-	8,822
Payables to Related parties	89	-	-	89
Lease liabilities	279	-	-	279
Debt to credit institutions	772	-	114,230	115,002
Derivatives	-	1,821	287	2,108
	9,962	**1,821**	**114,517**	**126,300**
2021				
Trade and other payables	9,703	-	-	9,703
Payables to Related parties	63	-	-	63
Lease liabilities	298	209	-	507
Debt to credit institutions	28,599	14,476	30,000	73,075
	38,663	**14,685**	**30,000**	**83,348**

Note 22

Financial Risk Management

Continued from previous page

EUR'000	2022	2021
Lease liabilities at 1st of January (current and non-current lease)	507	792
Cash flows	(228)	(285)
Lease liabilities at 31st of December (current and non-current lease)	**279**	**507**

Change in the debts to credit institutes during the year

EUR'000	2022	2021
Debt to credit institutes at 1st of January (current and non-current lease)	(73,075)	(73,500)
Overdraft facility drawn	(16,067)	(8,998)
Loans repayment	65,000	10,000
Overdraft repayment	25,065	
New loan	(115,000)	
New loan fees	1,541	
Non-Cash flow of interest	(2,466)	(577)
Debt to credit institutes at 31st of December (current and non-current lease)	**(115,002)**	**(73,075)**

EUR'000	Less than 1 year	Between 1 and 2 years	After 2 years	Total	Carrying amount
2022					
Derivative financial instruments					
Interest rate swaps with a positive fair value	(305)	1,158	4,231	5,084	3,376
Interest rate swaps with a negative fair value	-	-	(370)	(370)	(287)
Gross settled foreign currency contracts, pay leg (EUR)	-	(183,741)	-	(183,741)	
Gross settled foreign currency contracts, receive leg (USD)	-	181,921	-	181,921	(1,821)
	(305)	**(662)**	**3,861**	**2,894**	**1,268**

Capital management

The Company's objectives when managing capital are to ensure the Company's ability to continue as a going concern and to maintain an optimal capital structure.

Financial Risk Management

Continued from previous page

In order to achieve this overall objective, the Company's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

In order to maintain or adjust the capital structure in the future, the Group may adjust the amount of dividends paid to shareholders, issue new shares and/or sell assets to reduce debt. Pursuant to the RCF, the Company is not permitted to pay any dividends or other distributions without DNB Bank ASA's written consent.

Fair value measurement

The Group measures financial instruments such as derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the balance sheet date.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

In measuring the fair value of unlisted derivative financial instruments and other financial instruments for which there is no active market, fair value is determined using generally accepted valuation techniques.

– Market-based parameters such as market-based yield curves and forward exchange prices are used for the valuation.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Financial instruments for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as following accounting hierarchy:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (e.g. over-the counter derivatives) is determined using valuation techniques that maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Note 22

Financial Risk Management

Continued from previous page

EUR'000	Level 1	Level 2	Level 3	Total
2022				
Through income statement				
Derivative assets		363		363
Total financial assets at fair value through the income statement	**-**	**363**	**-**	**363**
Derivative liabilities				-
Total financial liabilities at fair value through the income statement	**-**	**-**	**-**	**-**
Cash flow hedges				
Derivative assets		3,013		3,013
Cash flow hedges				
Derivative liabilities		(2,108)		(2,108)

The table below shows the fair value measurement hierarchy of the Group's assets and liabilities:

Note 23

Derivative Financial Instruments

Hedge accounting
The Group uses forward exchange contracts and interest rate swap contracts to hedge currency risks and interest risk regarding highly probable future cash flows and designates them as cash flow hedges subject to meeting the criteria for application of cash flow hedging.

The hedging ratios are determined as the notional value of the instrument divided by the notional value of the hedge item. The group seeks to establish hedge relationships with a hedging ratio of 1:1. Due to the nature of the hedge items risk, this will be possible by either designating a proportion of the hedge instrument or the hedge notional value being equal or lower of the hedge items notional value. The main score of ineffectiveness arises from the timing of the delivery of the vessels. The delivery of the vessels will expose the group to several market risks, related to foreign currency risks and interest rate risk. The fair value reserve of the derivatives is recognized in other comprehensive income until the hedged items are realized.

The table below shows the movement in the reserve for cash flow for hedging, listed by the hedged risk.

EUR'000	2022	2021
Fair Value change of Cash flow hedges		
Cumulative fair value change at 1 January	-	-
Fair value adjustment at year-end, net	1,343	-
Cumulative fair value change at 31 December	1,343	-
The fair value of cash flow hedges at 31 December can be specified as follows:		
Interest rate risk hedging	3,163	-
Foreign currency risk hedging	(1,820)	-
Cumulative fair value change at 31 December	1,343	-

Note 23

Derivative Financial Instruments

Continued from previous page

Interest rate risk
In 2022 the group entered into a Senior Secured Green EURIBOR based revolving credit facility (RCF) with a 0 bps floor which led the group to be exposed to changes in the 3M EURIBOR rate on their current funding. Further the group obtained an indicative term sheet for the financing of the X-class vessels acquired from COSCO SHIPPING Heavy Industry and planned to be delivered in the period of 2024 to 2025. The group intends to enter these loans as the main source of future funding and considered the risk of changes to EURIBOR based interest payments in 2022 and coming years.

The group entered into interest rate swap contracts with the group's main bank and related these to the RCF and the future loans. The interest rate risk arising from the loans have been swapped from 3M EURIBOR to a fixed rate. The average fixed rate of the swaps is 2.82%.

The economic relationship is established as a match of critical terms between the hedge item and hedge instrument. The group has assessed the following terms when entered into the hedge relationship:

- Instalments on the facilities.
- Payment date of interest and instalment.
- Timing difference in the maturity of the hedge item and hedge instrument.

The expected causes of hedging ineffectiveness relate to:

- Changes to the expected date of delivery of the vessels.
- 3M EURIBOR rate falling below 0%.

The below table shows the profile of the nominal amount of the interest rate swaps and the fair values.

				Fair value	
Notional amount EUR'000	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Asset	Liability
2022					
Interest rate Swap – EURIBOR 3M	-	-	469,375	3,451	(288)

EUR'000	2022	2021
Movements in the hedging reserve		
Beginning of year	-	-
Fair value adjustment for the year	2,726	-
Transferred to Financial expenses	437	-
End of year	3,163	-

Note 23

Derivative Financial Instruments

Continued from previous page

Foreign currency risk hedging
In 2021, the group entered into a binding contract for the construction of two X-class vessels from COSCO SHIPPING Heavy Industry. The contracts are partly settled in USD. USD payments will be due in 2024 and 2025. The currency exposure arising from the contracts has been swapped to EUR at the company's banks at an average USD:EUR rate of 0.9187.

The economic relationship is established as a match of critical terms between the hedge item and hedge instrument. The group has assessed the following terms when entered the hedge relationship:

- Payment date of instalment in foreign currency.
- Maturity of the hedged item and forward contract.

The expected causes of hedging ineffectiveness relate to:

- Changes to the expected date of delivery of the vessel.

The below table shows the profile of the nominal amount of the interest rate swaps and the fair values.

				Fair value EUR'000	
Notional amount USD'000	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Asset	Liability
2022					
US dollar	-	200,000	-	-	(1,820)

EUR'000	2022	2021
Movements in the hedging reserve		
Beginning of year	-	-
Fair value adjustment for the year	(1,820)	-
End of year	(1,820)	-

Note 24

Financial Liabilities: Interest-bearing Loans and Borrowings

On 1 July 2022 the Company entered into a Senior Secured Green Revolving Credit Facility ("RCF") of a 3-year term loan of EUR 185 million with DNB Bank ASA.

The RCF consists of (i) a three-year non-amortizing term loan of EUR 150 million, in addition to voluntary prepayments in whole or any part of the loan, at any time, the loan will be repayable in a balloon payment of EUR 150 million, and (ii) a guarantee facility of up to EUR 35 million.

On 4 July 2022 the Company utilized EUR 115 million from the total EUR 150 million available from the RCF. With these funds the Group repaid in full the outstanding amounts, related to the term loan EUR 55 million and overdraft facility EUR 25 million from DNB Bank ASA and SpareBank 1 SR-Bank signed on 4 November 2020. At that time, the new RCF added about EUR 70 million in liquidity. By the end of the reporting period, EUR 35 million remains unutilized from the RCF.

The RCF bears interest at 3-month or 6-month EURIBOR + the Applicable Margin, and subject to a green loan margin discount as long as the Company is in compliance with certain green asset criteria such as earmarked investments in green assets. The Group is currently in compliance with this green criteria and are expected to remain compliant for the duration of the facility. Due to a confidentiality agreement, the applicable margin cannot be disclosed.

The full repayment of the senior debt facility generated a finance cost for the write off of borrowing costs of approximately EUR 810 thousand in July 2022.

Covenants
The Group is in compliance with all covenants in the RCF:

Minimum Free Liquidity: Freely available cash and cash equivalents at all times to be the higher of EUR 10,000,000 or an amount equal to 7.5% of the gross interest bearing debt.

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

Contracted cash flows: If at any reported quarter the aggregated loans exceed the forward-looking expected cash revenues from legally binding contracts, the Contracted Cash Flows, the Borrower shall prepay the exceeding part of the Loans within five (5) Business Days.

Fair market value of vessels: The fair market value of the vessels shall at all times cover at least 170% of the aggregate outstanding utilisations.

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

Change of control: If any person or group of persons (other than Swire Pacific or the BW Group) acting in concert directly or indirectly gains control of 25% or more of the voting and/or ordinary shares of the Borrower, the Agent (acting on instructions from the majority lenders) may by written notice of ten (10) business days cancel the total commitments and demand prepayment of all amounts outstanding under the facilities.

Note 25

Related Party Transactions

The following significant transactions took place between the Company and related parties within the BW Group and Swire Pacific Offshore Holdings Group at terms agreed between the parties:

EUR'000	2022	2021
Costs related to guarantees fees to BW Group Limited	(5,307)	(1,853)
Costs related to bunker supply to Hafnia Pools Pte Ltd (Member of BW Group)	(2,537)	-
Cost related to share lending fees to BW Altor Pte. Ltd.	(85)	-
Cost related to travel expenses for board meetings to BW Maritime Pte. Ltd	(3)	-
Costs related to performance guarantees to Swire Pacific Offshore Holdings Group	(157)	(684)
Crew hire expenses paid to the Swire Pacific Offshore Holdings Group	(115)	(11,461)
Payables to BW Altor Pte. Ltd. at reported period	85	-
Payables to BW Maritime Pte. Ltd at reported period	3	-
Payables to Hafnia Pools Pte Ltd at reported period	1	-
Management fees paid to the Swire Pacific Offshore Holdings Group	-	(197)
Payables to Swire Pacific Offshore Holdings Group at reported period	-	63

Related party transactions over the reported period are primarily linked to guarantee fees issued by the BW Group Limited, bunker supply by Hafnia Pools (member of the BW Group), share lending fees by BW Altor in connection with the private placement in October 2022 and costs related to performance guarantee fees and crew hire expenses to the Swire Pacific Offshore Holdings Group.

Note 26

Operating Profit/(Loss)

As a performance measure, the Company uses EBITDA: Earnings before interest, tax, depreciation, amortization and foreign exchange gains/losses.

EBITDA is calculated as shown below:

EUR'000	Note	2022	2021
Operating profit or loss as reported in the statement of profit		41,191	11,134
Right-of-use asset amortization	17	750	276
Depreciation and amortization	15, 16	21,934	16,216
EBITDA		**63,875**	**27,626**

Note 27

Events After Reporting Period

New Headquarters from 2024

The Company signed a contract with Castellum Denmark, in the first days of 2023, for a new headquarters location from 2024. The Company will have access to almost 5,000 m^2 of office space in central Copenhagen.

The Company has terminated the existing agreement on current premises until the first half of 2024. No material costs are expected from this termination.

Note 28

Authorization of Financial Statements

These financial statements were authorized for issue in accordance with a resolution of the Board of Directors of Cadeler A/S on 28 March 2023 and recommend for approval of the shareholder of the Company at the annual general meeting to be held on 25 April 2022.

Parent Company Financial Statements

Parent Company Statement of Profit and Loss

EUR'000	Note	2022	2021
Revenue	2	108,443	62,849
Cost of sales	3	(60,269)	(51,134)
Gross (loss)/profit		**48,174**	**11,715**
Administrative expenses	3	(15,291)	(10,962)
Operating (loss)/profit		**32,883**	**753**
Finance income		4,031	1,784
Finance costs		(9,660)	(5,461)
Profit before income tax		**27,254**	**(2,924)**
Income tax credit/expense	5	-	13
Profit for the year		**27,254**	**(2,911)**

Parent Company Balance Sheet

EUR'000	Note	2022	2021
Assets			
Non-current assets			
Intangible assets	7	419	402
Tangible assets			
Property, plant and equipment	8	321,055	139,912
Total tangible assets		321,055	139,912
Financial assets			
Investments in subsidiaries	9	249,534	249,534
Leasehold deposits		238	195
Derivatives	11	3,376	-
Total financial assets		253,148	249,729
Total non-current assets		**574,622**	**390,043**

EUR'000	Note	2022	2021
Current assets			
Inventories		549	440
Receivables			
Trade receivables		38,234	20,373
Receivables from subsidiaries		89,533	36,301
Current Income tax receivable		12	-
Other current assets		708	649
Total receivables		128,487	57,323
Cash and bank balances		19,012	2,308
Total current assets		**148,048**	**60,071**
Total assets		**722,670**	**450,114**

Parent Company Balance Sheet

Continued from previous page

EUR'000	Note	2022	2021
Equity			
Share capital	13	26,575	18,641
Hedging reserves		1,343	-
Share premium		509,542	339,400
(Accumulated losses)/retained earnings		(12,831)	(40,437)
Total equity		**524,629**	**317,604**
Liabilities			
Non-current liabilities			
Debt to credit institutes		114,230	44,476
Deferred charter hire income		1,326	969
Derivatives	11	2,108	-
Total non-current liabilities		**117,664**	**45,445**

EUR'000	Note	2022	2021
Current liabilities			
Debt to credit institutions		772	28,599
Deferred charter hire income		1,831	15,187
Trade payables		3,979	1,828
Payables to related parties		89	63
Payables to subsidiaries		69,688	35,944
Current income tax liabilities		-	6
Other payables		4,018	5,438
Total current Liabilities		**80,377**	**87,065**
Total liabilities		**198,041**	**132,510**
Total equity and liabilities		**722,670**	**450,114**

Parent Company Statement of Changes in Equity

EUR'000	Note	Share capital	Share premium	Hedging reserves	(Accumu-lated losses)/ retained earnings	Total
2021						
Beginning of financial year		15,557	265,741	-	(37,526)	243,772
Profit for the year		-	-	-	(2,911)	(2,911)
Capital increase		3,084	76,134	-	-	79,218
Transaction costs in relation with capital increase		-	(2,154)	-	-	(2,154)
Share-based payments		-	(321)	-	-	(321)
End of financial year		**18,641**	**339,400**	**-**	**(40,437)**	**317,604**
2022						
Beginning of financial year		18,641	339,400	-	(40,437)	317,604
Profit for the year		-	-	-	27,254	27,254
Value adjustments of hedging instruments		-	-	1,343	-	1,343
Capital increase May 2022		3,518	81,234	-	-	84,752
Transaction costs in relation with May 2022 capital increase		-	(2,305)	-	-	(2,305)
Capital increase October 2022		4,416	94,082	-	-	98,498
Transaction costs in relation with October 2022 capital increase		-	(2,869)	-	-	(2,869)
Share-based payments		-	-	-	352	352
End of financial year		**26,575**	**509,542**	**1,343**	**(12,831)**	**524,629**

Notes to the Parent Company Financial Statements

Note 1

Accounting Policies

The Parent Company financial statements of Cadeler A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class D entities.

The Parent Company's accounting policies on recognition and measurement are generally consistent with those of the Group. For accounting policies with differences between the Parent Company's accounting policies and the Group's accounting policies are described below.

Changes in accounting policies
The Parent Company financial statements have been prepared using the same accounting policies as last year. Disclosure requirements have been stated to comply with the requirements of the Danish Financial Statements Act.

Omission of a cash flow statement
With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flows are part of the consolidated cash flow statement of Cadeler A/S.

Dividends from subsidiaries
The item includes dividend received from subsidiaries in so far as the dividend does not exceed the accumulated earnings in the subsidiary in the period of ownership.

Receivables
Receivables are measured at amortized cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognized if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognized on an individual basis.

Revenue
The Company has chosen IFRS 15 under Danish GAAP as interpretation for revenue recognition.

Investments in subsidiaries
Investments in subsidiaries are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary during the period of ownership are treated as a reduction of cost.

Derivatives and hedge accounting
Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value over profit and loss. Derivatives are carried as financial assets, presented under derivatives assets, when the fair value is positive and as financial liabilities, presented under derivatives liabilities, when the fair value is negative.

Note 1

Accounting Policies

Continued from previous page

Changes in the fair value of derivative financial instruments designated as cash flow hedges are recognized in equity and presented under “Hedging reserves” (equity).

Leasing with the Company as lessee

The Company has decided to apply IAS 17 as the basis of accounting for leases rather than using IFRS 16. Applying IAS 17, operating lease expenses are recognised as incurred on a straight line basis over the lease term.

Note 2

Revenue

Refer to Note 3 in the Consolidated Financial Statements for disclosure of revenue. Parent Company revenue further includes revenue from related parties totalling EUR 2 million (2021: EUR 1.9 million). Related party revenue consists of income derived from managing and maintaining the two windfarm installation vessels during off-hire periods.

Segment information

The Group’s management are not operating or making decisions based on customer type, type of service or geographical segments. The Group operates two windfarm installation vessels, which are viewed as one segment and can operate in all geographical areas required for the specification of a specific windfarm project. Accordingly, the Group only has one operating segment.

Note 3

Expenses by Nature

EUR'000	Note	2022	2021
Cost of sales			
Bareboat charter hire		33,638	29,919
Insurance		231	182
Crewing costs paid to a related party and an external party		61	11,517
Seafarer payroll	4	13,089	1,159
Fuel and oil		1,113	892
Maintenance		4,039	2,304
Messing costs		1,428	1,224
Seafarer travel		2,589	1,876
Specific charter costs		3,088	1,239
Utilities		689	542
Other operating expenses		309	263
Tonnage tax		(5)	17
Total cost of sales		**60,269**	**51,134**

EUR'000	Note	2022	2021
Administrative expenses			
Depreciation and amortisation	7, 8	273	136
Employee compensation	4	9,905	7,492
Repair and maintenance expenses		796	665
Legal and professional fees		1,047	564
Rental expenses		940	898
Travel expense		612	305
Management fees to related party		1	115
Marketing and entertainment expenses		788	212
Other expenses		929	575
Total administrative expenses		**15,291**	**10,962**

Note 3

Expenses by Nature

Continued from previous page

Auditor remuneration

Administrative expenses include fees to the auditors appointed by the shareholder at the Annual General Meeting:

EUR'000	2022	2021
Statutory audit	125	92
Tax services	105	50
Other assurance services	-	8
Other services	51	14
Total	**281**	**164**

Other services include advice regarding EU taxonomy and prospectus.

Note 4

Employee Compensation

Onshore

EUR'000	2022	2021
Wages and salaries	8,873	6,637
Employer's contribution to defined contribution plans	502	350
Share based payment expense	352	360
Other short-term benefits	178	145
	9,905	**7,492**
Average number of full time employees	70	58

Offshore

EUR'000	2022	2021
Wages and salaries	11,693	1,097
Employer's contribution to defined contribution plans	1,082	60
Other short-term benefits	314	2
	13,089	1,159
Average number of full time employees	162	12

Total

EUR'000	2022	2021
Wages and salaries	20,566	7,734
Employer's contribution to defined contribution plans	1,584	410
Share based payment expense	352	360
Other short-term benefits	492	147
	22,994	**8,651**
Average number of full time employees	232	70

Offshore crew was hired directly by the Company by the end of November 2021. Average number of full-time employees in 2021 reflect the number of seafarers divided by 12 months. The Company had 148 seafarers by the end of 2021.

Note 5

Tax

EUR'000	2022	2021
Tax expense attributable to profit is made up of:		
Utilization of non recognized tax losses offset against Danish Tonnage Tax expense	-	(13)
Total	**-**	**(13)**

An expansion of the Danish tonnage tax regime to cover wind farm installation vessels was passed in January 2020 with retroactive effect from 2017, 2017 inclusive.

On 15 December 2020, Cadeler A/S received a binding ruling from the Danish Tax Authorities. According to this, Cadeler A/S was able to apply the Danish Tonnage Taxation after the listing of the shares 27 November 2020. Management applied the Danish Tonnage Taxation during 2021. The recorded tonnage tax expense for 2022 in Denmark amounts to EUR 0 thousand.

Cadeler A/S also has material tax losses from previous periods available for carry forward. Such tax losses can be utilized against future tonnage taxation income and other income, which does not qualify for tonnage taxation. The tax value of tax losses to be carried forward as of 31 December 2022 are in the region of EUR 13 million. The tax losses are not subject to expiration.

Tonnage taxes are not to be accounted for in accordance with IAS 12, accordingly the costs are presented as part of cost of sales. No tax expense has been recognized in 2022 in relation to Danish Tonnage tax.

Note 6

Management Compensation

EUR'000	2022 Board of directors	2022 Executive management	2022 Total	2021 Board of directors	2021 Executive management	2021 Total
Wages, salaries and board fees	180	683	863	180	650	830
Share based payment	-	173	173	-	164	164
Other short-term benefits	-	36	36	-	23	23
Cash bonus	-	482	482	-	314	314
Total Management Compensation	**180**	**1,374**	**1,554**	**180**	**1,151**	**1,331**

Executive management includes management members registered with the Danish business authority.

David Peter Cogman is employed by the Swire Group and Andreas Sohmen-Pao and Andreas Beroutsos are employed by the BW Group. These board members have not received remuneration from Cadeler in 2021 and 2022.

Further details of management and board compensation can be found in the 2022 Cadeler Remuneration Report.

Note 7

Intangible Assets

EUR'000	2022
Software	
Cost	
Beginning of period	434
Additions	228
End of period	**662**
Accumulated depreciation	
Beginning of period	32
Depreciation charge	211
End of period	**243**
Net book value	**419**

EUR'000	2021
Software	
Cost	
Beginning of period	-
Additions	434
End of period	**434**
Accumulated depreciation	
Beginning of period	-
Depreciation charge	32
End of period	**32**
Net book value	**402**

While 2021 additions were mainly implementation costs for Enterprise Resource and Planning (ERP), Vessel and Crew Management software, 2022 additions are mainly further developments of these initially implemented solutions.

Note 8

Property, Plant and Equipment

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over the assets' estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Other fixtures and fittings	2 to 3 years

EUR'000	Other fixtures and fittings	Assets under construction	Total
Cost 2022			
Beginning of financial year	536	139,760	140,296
Additions	0	181,204	181,204
End of financial year	**536**	**320,964**	**321,500**
Accumulated depreciation			
Beginning of financial year	386	-	386
Depreciation charge	59	-	59
End of financial year	**445**	**-**	**445**
Net book value	**91**	**320,964**	**321,055**

EUR'000	Other fixtures and fittings	Assets under construction	Total
Cost 2021			
Beginning of financial year	379	-	379
Additions	157	139,760	139,917
End of financial year	**536**	**139,760**	**140,296**
Accumulated depreciation			
Beginning of financial year	280		280
Depreciation charge	106	-	106
End of financial year	**386**	**-**	**386**
Net book value	**150**	**139,760**	**139,910**

Additions during 2022 are mainly driven by the down payments of the two new F-class foundation installation vessels for EUR 167 million (in 2021 EUR 137 million was related to down payments of the two X-class wind turbine installation vessels), represented above on Assets under Construction.

Note 9

Investment in Subsidiaries

Entity	Company Number	Registered Office
Wind Orca Ltd	HE 412457	23 Kennedy Avenue, Global House, 1075 Nicosia, Cyprus
Wind Osprey Ltd	HE 412453	23 Kennedy Avenue, Global House, 1075 Nicosia, Cyprus

Here below the movements related to the investments in subsidiaries:

EUR'000	Total
Cost 2022	
Beginning of financial year	249,534
End of financial year	**249,534**
Impairment	
Beginning of financial year	-
End of financial year	**-**
Carrying amount	**249,534**

Latest financial statements for both subsidiaries comprise the period from 2 September 2020 to 31 December 2021. Wind Orca Ltd with net profit of EUR 4.6 million and total equity of EUR 124 million. Wind Osprey Ltd with net profit EUR 3.1 million and total equity of EUR 133 million.

At 31 December 2022, the management has not identified any impairment indications.

Note 10

Share Based Payments

Share based payment is disclosed in Note 6 to the Consolidated Financial Statements.

Note 11

Derivative Financial Instruments

Derivative Financial Instruments are disclosed in Note 23 to the Consolidated Financial Statements.

Note 12

Off Balance Sheet Obligations and Commitments

The Company has off balance sheet obligations relating to the leasing of vessels from its subsidiaries Wind Orca Ltd and Wind Osprey Ltd. The lease has no fixed expiry and is expected to continue for the duration of the contract backlog. The annual off balance sheet obligations of the vessels are estimated to be up to EUR 39 million, depending on the number of days on hire.

The off balance sheet liability relating to the leasing of the office is estimated at EUR 281 thousand. The leasing of the office ends in August 2023.

F-class vessels
On 9 May 2022 and 22 November 2022 the Company signed additional contracts with COSCO SHIPPING Heavy Industry to build a total of two new F-class foundation installation vessel.

The total sum of the contracts for the new vessel is approximately EUR 661 million, of which approximately a total of EUR 167 million was paid in June and December 2022, while the remaining amounts will be due over the years from 2025 to 2026. Of the total contract, USD 495 million will be paid in USD and EUR 205 million will be paid in EUR.

X-class vessels
Since 30 June 2021 the Company has a contract with COSCO SHIPPING Heavy Industry to build two new X-class wind turbine installation vessels.

The total sum of the contract for the new vessels is approximately EUR 584 million, of which EUR 137 million was paid in 2021. The remaining scheduled payments will be due between 2023 and 2025. Of the total contract, USD 390 million will be paid in USD and EUR 220 million will be paid in EUR.

Financial liabilities: Interest-bearing loans and borrowings
Terms and covenants regarding the Debt Facility is disclosed in Note 24 to the Consolidated Financial Statements.

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

Note 13

Issued Share Capital

Thousands	No. of shares	2022	2021
Ordinary shares			
Beginning and end of financial year 2021	138,574	18,641	18,641
Issued on May 2022 for capital increase	26,176	3,518	-
Issued on October 2022 for capital increase	32,850	4,416	-
End of financial year 2022	**197,600**	**26,575**	**18,641**

As of 1 January 2022, the Group's issued and paid in share capital amounted to DKK 138,574 thousand, equal to EUR 18,641 thousand, consisting of 138,574,468 shares of DKK 1.

In May 2022, the authorized share capital was increased by DKK 26,176 thousand, equal to EUR 3,518 thousand, consisting of 26,175,532 shares of DKK 1.

In October 2022, the authorized share capital was increased by DKK 32,850 thousand, equal to EUR 4,416 thousand, consisting of 32,850,000 shares of DKK 1.

At the end of 2022 the Group had share capital amounted to DKK 197,600 thousand, equal to EUR 26,575 thousand, consisting of 197,600,000 shares of DKK 1.

All shares have equal rights.

Cadeler A/S' related parties comprise two subsidiaries, Wind Orca Ltd and Wind Osprey Ltd, which are fully owned by the Company. The subsidiaries of Cadeler A/S are the two companies owning the wind farm installation vessels.

Note 14

Related Parties

Cadeler A/S' related party transactions comprise revenue from the subsidiaries of EUR 2 million related to managing and maintaining the vessels during off-hire periods as well as operating lease expenses paid to the subsidiaries of EUR 33.6 million related to the vessels during on-hire periods.

Cadeler A/S also has related parties transactions as disclosed in the Consolidated Financial Statements.

Note 15

Appropriation of Profit and Loss

EUR'000	2022	2021
Recommended appropriation of Profit and Loss		
Retained earnings/accumulated loss	28,597	(2,911)
	28,597	**(2,911)**




Statement by Management

Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Cadeler A/S for 2022.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU. The Parent Company financial statements are prepared in accordance with the Danish Financial Statements Act. Further, the annual report is prepared in accordance with additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of their operations and the consolidated cash flows for the financial year 1 January – 31 December 2022.

In connection with digital filing under the ESEF regulation, in our opinion, the annual report for the financial year ended 31 December 2022, has been prepared in all material respects in compliance with the ESEF regulation.

Further, in our opinion, the management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, results for the year, consolidated cash flows and financial position as well as a description of material risks and uncertainties that the Group and the Parent Company face.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 28 March 2023

Executive Management

M. Gleerup
CEO

P. Brogaard
CFO

Board of Directors

A. Sohmen-Pao
D. Cogman
C. Hedegaard
J. Lok
D. Wedell-Wedellsborg
A. Beroutsos

Independent Auditor's Report

Independent Auditor's Report

To the shareholders of Cadeler A/S

Opinion

We have audited the consolidated financial statements and the Parent Company financial statements of Cadeler A/S for the financial year 1 January – 31 December 2022 (page 68 – 148), which comprise statement of profit and loss, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated statement of comprehensive income and a consolidated cash flow statement. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the Parent Company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 December 2022 and of the results of the Group's operations and cash flows for the financial year 1 January – 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

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

Our opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the Parent Company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

Appointment of auditor

We were initially appointed as auditor of Cadeler A/S on 20 November 2020 for the financial year 2020. We have been reappointed annually by resolution of the general meeting for a total consecutive period of 3 years up until the financial year 2022.

Independent Auditor’s Report

Continued from previous page

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 2022. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the key audit matters below. Our audit included the design and performance of procedures to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Valuation of vessels

The accounting principles and disclosures about the Group’s two vessels are included in Note 2 and Note 16 to the consolidated financial statements.

The carrying amount of vessels amounts to EUR 243 million at 31 December 2022. The valuation of vessels is significant to our audit due to the carrying value of the vessels as well as Management’s judgement in relation to the identification of indicators that the value of the vessels may be impaired at 31 December 2022. If indications exist, Management shall estimate the recoverable amount of the vessels being the higher of fair value less costs of disposal and value in use.

As of 31 December 2022, Management has not identified any indications that the vessels may be impaired. However management have performed an impairment test anyway and received two external and independent ship valuations. Both are described in Note 16 to the consolidated financial statements.

As part of our audit procedures, we obtained an understanding of Management’s process for the identification of indicators that the value of the vessels may be impaired. We went through the impairment test prepared by Management especially Managements assumptions, WACC, growth etc. Further, we considered supporting documentation provided by Management including the development in the order backlog. We also tested the mathematical in the impairment test. We examined Management’s comparison of the carrying values of the vessels with the available fair value estimates prepared by the external and independent ship valuation specialists. We examined the adequacy of disclosures in Note 16 to the consolidated financial statements compared to applicable accounting standards.

Statement on the management’s review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Independent Auditor's Report

Continued from previous page

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for the preparation of Parent Company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act.

Moreover, Management is responsible 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

Independent Auditor's Report

Continued from previous page

- 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 Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the Parent Company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation

As part of our audit of the consolidated financial statements and Parent Company financial statements of Cadeler A/S, we performed procedures to express an opinion on whether the annual report for the financial year 1 January – 31 December 2022 with the file name *cadeler-2022-12-31-en* is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;

Independent Auditor's Report

Continued from previous page

- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;

- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human readable format; and

- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;

- Obtaining an understanding of the Company's iXBRL tagging process and of internal control over the tagging process;

- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;

- Evaluating the appropriateness of the Company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;

- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and

- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report for the financial year 1 January – 31 December 2022 with the file name *cadeler-2022-12-31-en* is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, 28 March 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Mikkel Sthyr State Authorised Public Accountant mne26693	Heidi Brander State Authorised Public Accountant mne33252

Forward-looking Statements

Forward-Looking Statements

The annual report contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates.

Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes”, expects”, "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements contained in the annual report, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. such factors may for example include a change in the price of raw materials.

None of the Company or any of its parent or subsidiaries undertakings or any such person's officers or employees provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in the annual report or the actual occurrence of the forecasted developments.

The Company assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to its actual results.

The annual report contains information obtained from third parties. You are advised that such third-party information has not been prepared specifically for inclusion in the annual report and the Company has not undertaken any independent investigation to confirm the accuracy or completeness of such information.

Several other factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by statements and information in the annual report.

Should any risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the annual report.

No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, neither the Company nor any of its subsidiaries or shareholders or any officers, directors, board members or employees accept any liability whatsoever arising directly or indirectly from the use of the annual report.

ESG Appendices

Appendix ESG.1 - SASB Sustainability Disclosure Topics and Accounting Metrics for Engineering and Construction Services

Topic	Accounting metric	Value	Category	Unit of measurement	CODE
Environmental Impacts of Project Development	Number of incidents of non-compliance with environmental permits, standards and regulations	0	Quantitative	Number	IF-EN-160a.1
	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	See page 43-48, 60 of annual report	Discussion and analysis	n/a	IF-EN-160a.2
Structural Integrity and Safety	Amount of defect and safety related rework costs	0	Quantitative	Reporting currency	IF-EN-250a.1
	Total amount of monetary losses as a result of legal proceedings associated with defect and safety related incidents	0	Quantitative	Reporting currency	IF-EN-250a.2
Workforce Health and Safety	(1) Total recordable incident rate and (2) fatality rate for (a) direct employees and (b) contract employees	(1) 4.14 cases per million hours worked (2) 0 Cadeler only has rates for direct employees	Quantitative	Rate	IF-EN-320a.1
Lifecycle Impacts of Buildings and Infrastructure	Number of (1) commissioned projects certified to a third party multi-attribute sustainability standard and (2) active projects seeking such certification	(1) 0 (2) 0	Quantitative	Number	IF-EN-410a.1
	Discussion of process to incorporate operational phase energy and water efficiency considerations into project planning and design	See page 43-49 of annual report	Discussion and analysis	n/a	IF-EN-410a.2

Topic	Accounting metric	Value	Category	Unit of measurement	CODE
Climate Impacts of Business Mix	Amount of backlog for (1) hydrocarbon related projects and (2) renewable energy projects	(1) 0 (2) 780m	Quantitative	Reporting currency	IF-EN-410b.1
	Amount of backlog cancellations associated with hydrocarbon-related projects	0	Quantitative	Reporting currency	IF-EN-410b.2
	Amount of backlog for non-energy projects associated with climate change mitigation	0	Quantitative	Reporting currency	IF-EN-410b.3
Business Ethics	(1) Number of active projects and (2) backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	(1) 0 (2) 0	Quantitative	Number, Reporting currency	IF-EN-510a.1
	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anti-competitive practices	(1) 0 (2) 0	Quantitative	Reporting currency	TR-MT-110a.10
	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behaviour in the project bidding processes	(1) See page 53-56 (2) See page 53-56	Discussion and analysis	n/a	TR-MT-110a.11

Activity metric	Value	Category	Unit of measurement	CODE
Number of active projects	8 total, 2 under construction, 6 in planning	Quantitative	Number	TR-MT-110a.14
Number of commissioned projects	0	Quantitative	Number	TR-MT-110a.15
Total backlog	780m	Quantitative	Reporting currency	TR-MT-110a.16

Appendix ESG.2 - SASB Sustainability Disclosure Topics and Accounting Metrics for Marine Transport

Accounting metric	Value	Unit of measurement	CODE
Gross global scope 1 emissions	3204.56	Metric tons (t) CO_2e	TR-MT-11a.1
Discussion of long-term and short-term strategy or plan to manage scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	See page 47-49 of annual report	n/a	TR-MT-110a.2
Total energy consumed	323000	Gigajoules (GJ)	TR-MT-110a.3
Percentage heavy fuel oil	100	%	TR-MT-110a.3
Percentage renewable	0	%	TR-MT-110a.3
Average Energy Efficiency Design Index (EEDI) for new ships	Not applicable based on build year	Grams of CO_2 per ton-nautical mile	TR-MT-110a.4
Air emissions of NOx (excluding N_2O)	330.68	Metric tons (t)	TR-MT-120a.1
Air emissions of SOx	151.34	Metric tons (t)	TR-MT-120a.1
Air emissions of particulate matter (PM10)	9.08	Metric tons (t)	TR-MT-120a.1
Shipping duration in marine protected areas or areas of protected conservation status	730	Number of travel days	TR-MT-160a.1
Percentage of fleet implementing ballast water exchange	100	%	TR-MT-160a.2
Percentage of fleet implementing ballast water treatment	100	%	TR-MT-160a.2
Number of spills and releases to the environment	2	Number	TR-MT-160a.3
Aggregate volume of spills and releases to the environment	15	litres (l)	TR-MT-160a.3

Accounting metric	Value	Unit of measurement	CODE
Lost time incident rate (LTIR)	2.07	Incidents per million hours worked	TR-MT-320a.1
Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	0	Number	TR-MT-510a.1
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	0	Reporting currency	TR-MT-510a.2
Number of marine casualties, percentage classified as very serious	0	Number, %	TR-MT-540a.1
Number of conditions of class or recommendations	3	Number	TR-MT-540a.2
Number of port state control deficiencies	0	Number	TR-MT-540a.3
Number of port state control detentions	0	Number	TR-MT-540a.3
Number of shipboard employees	162	Number	TR-MT-000.A
Total distance travelled by vessels	7729.31	Nautical miles	TR-MT-000.B
Operating days	634.54	Days	TR-MT-000.C
Deadweight tonnage	26279	Deadweight tons	TR-MT-000.D
Number of vessels in total shipping fleet	2	Number	TR-MT-000.E
Number of vessel port calls	49	Number	TR-MT-000.F
Twenty-foot equivalent unit (TEU) capacity	n/a	TEU	TR-MT-000.G

Appendix ESG.3 - GRI Reporting Content Index

Cadeler has reported the information cited in this GRI content index for the period 1 Jan 2022 – 31 Dec 2022 with reference to the GRI Standards.

GRI Used – GRI 1: Foundation 2021

GRI Standard	Disclosure	Location/ Disclosure comment
GRI 2: General Disclosures 2021	2-1 Organizational details	Note 1 of the annual report
	2-2 Entities included in the organization's sustainability reporting	Note 1 of the annual report
	2-3 Reporting period, frequency and contact point	page 51
	2-4 Restatements of information	Method for calculating HSEQ safety statistics updated - see page 35
	2-5 External assurance	Sustainability section (page 26-64) not externally assured.
	2-6 Activities, value chain and other business relationships	Included in annual report Management Review
	2-7 Employees	Note 5 of the annual report and page 41
	2-8 Workers who are not employees	Not reported
	2-9 Governance structure and composition	Included in annual report Management Review, subsection Corporate Governance
	2-10 Nomination and selection of the highest governance body	Included in annual report Management Review, subsection Corporate Governance

GRI Standard	Disclosure	Location/ Disclosure comment
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	Included in annual report Management Review, subsection Corporate Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	The board is responsible for ensuring that the company has sound internal control and systems for risk management (including in respect of corporate values, ethical guidelines, and guidelines for corporate social responsibility) that are appropriate and in relation to the nature and extent of the company's activities. The board must, at a minimum, carry out an annual review on the company's exposure and control of risks, including CSR topics
	2-13 Delegation of responsibility for managing impacts	page 51
	2-14 Role of the highest governance body in sustainability reporting	page 51
	2-15 Conflicts of interest	Note 24 - discloses related parties
	2-16 Communication of critical concerns	Cases informed via the whisteblowing mechanism are handled by the whistle blowing committee who must inform the chairperson of the board within 3 days of receipt
	2-17 Collective knowledge of the highest governance body	Included in annual report Management Review, subsection Corporate Governance
	2-18 Evaluation of the performance of the highest governance body	See 'Nomination Committee' and 'Board of Directors' sections in the Corporate Governance policy: https://www.cadeler.com/en/investor-relations/
	2-19 Remuneration policies	See the Cadeler Remuneration Policy, https://www.cadeler.com/media/1571/pandion-remuneration-policy-147476308.pdf

GRI Standard	Disclosure	Location/ Disclosure comment
GRI 2: General Disclosures 2021	2-20 Process to determine remuneration	See the Cadeler Remuneration Policy, https://www.cadeler.com/media/1571/pandion-remuneration-policy-147476308.pdf
	2-21 Annual total compensation ratio	Can be calculated with information in Note 5 and Note 7
	2-22 Statement on sustainable development strategy	Chairman and CEO statement and reference in SD section, pgs 30-32
	2-23 Policy commitments	page 55-56
	2-24 Embedding policy commitments	page 55
	2-25 Processes to remediate negative impacts	Formal processes not in place, will become an improvement point for Cadeler
	2-26 Mechanisms for seeking advice and raising concerns	page 53
	2-27 Compliance with laws and regulations	If any material case had occurred, it would be included in the management review
	2-28 Membership associations	Cadeler is a member of Danish Shipping
	2-29 Approach to stakeholder engagement	page 28
	2-30 Collective bargaining agreements	page 40
GRI 3: Material Topics 2021	3-1 Process to determine material topics	page 28
	3-2 List of material topics	page 28
GRI 205: Anti-corruption 2016	3-3 Management of GRI 205	page 54, 56
	205-1 Operations assessed for risks related to corruption	page 54, page 56
	205-2 Communication and training about anti-corruption policies and procedures	Company's Supply Chain Code of Conduct communicated to 338/571 of Company's active suppliers and to 100% of suppliers categorised as requiring such communication; supplier categories defined by the type of service/product provided to Cadeler. Tracking of internal trainings to be refined - established as a Company target: see page 32
	205-3 Confirmed incidents of corruption and actions taken	page 153

GRI Standard	Disclosure	Location/ Disclosure comment
GRI 303: Water and Effluents 2018	3-3 Management of GRI 303	page 43, 48
	303-1 Interactions with water as a shared resource	page 48
	303-5 Water consumption	page 45
GRI 305: Emissions 2016	3-3 Management of GRI 305	page 43
	305-1 Direct (Scope 1) GHG emissions	page 45
	305-2 Energy indirect (Scope 2) GHG emissions	page 45
	305-3 Other indirect (Scope 3) GHG emissions	page 45
	305-4 GHG emissions intensity	page 49
	305-5 Reduction of GHG emissions	page 47,48
	305-6 Emissions of ozone-depleting substances (ODS)	F-Gases reported on page 45
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	page 45
GRI 403: Occupational Health and Safety 2018	3-3 Management of GRI 403	page 34
	403-1 Occupational health and safety management system	page 34, 52
	403-2 Hazard identification, risk assessment, and incident investigation	page 36
	403-3 Occupational health services	page 37
	403-4 Worker participation, consultation, and communication on occupational health and safety	page 36
	403-6 Promotion of worker health	page 37
	403-8 Workers covered by an occupational health and safety management system	page 52
	403-9 Work-related injuries	page 35

GRI Standard	Disclosure	Location/ Disclosure comment
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of GRI 405	page 38
	405-1 Diversity of governance bodies and employees	page 19, page 38-41
	405-2 Ratio of basic salary and remuneration of women to men	Not currently calculated
GRI 408: Child Labour 2016	3-3 Management of GRI 408	page 56
	408-1 Operations and suppliers at significant risk for incidents of child labour	Cadeler is in the process of reviewing and updating its supplier due diligence process to incorporate human rights considerations
GRI 409: Forced or Compulsory Labour 2016	3-3 Management of GRI 409	page 56
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Cadeler is in the process of reviewing and updating its supplier due diligence process to incorporate human rights considerations
GRI 414: Supplier Social Assessment 2016	3-3 Management of GRI 414	page 56
	414-1 New suppliers that were screened using social criteria	page 56 – Cadeler implemented process for tracking supplier acceptance of Supply Chain Code of Conduct in 2022
	414-2 Negative social impacts in the supply chain and actions taken	Not recorded in 2022
GRI 308: Supplier Environmental Assess-ment 2016	3-3 Management of GRI 308	page 56
	308-1 New suppliers that were screened using environmental crite-ria	page 56 – Cadeler implemented process for tracking supplier acceptance of Supply Chain Code of Conduct in 2022
	308-2 Negative environmental impacts in the supply chain and ac-tions taken	Not recorded in 2022

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