

Registered number: 06106237

SEAJACKS UK LIMITED

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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COMPANIES HOUSE

SEAJACKS UK LIMITED

COMPANY INFORMATION

Directors Cameron Mackey
William Burton Blair Ainslie

Company secretary Burness Paul LLP

Registered number 06106237

Registered office South Denes Business Park
South Beach Parade
Great Yarmouth
Norfolk
NR30 3QR

SEAJACKS UK LIMITED

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SEAJACKS UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their strategic report together with the unaudited financial statements for the year ended 31 December 2022 (referred to hereafter as "FY2022").

The Company's year end date was amended to 31 December during the prior period to align with that of its ultimate parent company. The comparative figures are for a 9 month period.

Principal activity and review of business

The Company's principal activity is the management and operation of self-propelled jack up vessels servicing primarily the offshore wind and oil and gas industries under Seajacks trade name.

Operations

The Group's operating markets are principally global offshore wind and offshore UK/European oil and gas. In FY2022 the Group anticipated and experienced continued buoyancy in the global offshore wind market as well as the oil and gas sector which has resulted in a strong financial performance.

The Group maintained significant revenues in FY2022 compared with FY2021, primarily through the execution of brought-forward contract backlog in Asia-Pacific. Namely, utilisation of Seajacks Scylla which provided transportation and installation services for an offshore wind farm project in Taiwan throughout 2022 and finalisation of the Akita project by Seajacks Zaratan from the second quarter of 2022 through to the year end.

The Group has developed a leading offshore wind presence in Asia-Pacific markets such as Japan and Taiwan and anticipates further growth in this region. As of the filing of these financials, the Group has secured additional firm future contract backlog in Asia-Pacific totaling approximately USD 32 million in FY2023 and USD 78 million in FY2025 and continues to explore further opportunities in the Asia-Pacific region.

The Group also anticipates strengthening offshore wind opportunities in UK/Europe market beyond FY2022, and, as of the filing of these financials approximately USD 76 million of firm UK/European wind contract backlog has been secured in FY2023 of which USD 20 million relates to our NG2500X vessels.

The Group has experienced increased utilisation of its NG2500X vessels as a result of postponed UK/European oil and gas projects executed during FY2022 following delays caused by COVID-19, as well as the increased focus on natural gas production in SNS due to the conflict in Ukraine. The Group expects that further UK/European oil and gas projects within the North Sea that were postponed from FY2020 – FY2021 due to COVID-19 will continue to materialise during FY2023. As of the filing of these financials, the group has secured USD 11 million additional firm future contract backlog for its NG2500X vessels in FY2023 relating to UK/European oil and gas.

Growth in global demand for renewable energy and the recovery of the oil and gas market, partly resulting from global priorities such as climate change and the war in Ukraine respectively, is expected to continue in FY2023 and beyond. Group strategy continues to focus on global profit generation through securing robust future vessel utilisation and optimised contracting through market knowledge, expertise and continued delivery of safe and efficient global offshore solutions.

Prior to FY2022, 100% Group shareholders Eneti Inc., entered into a binding agreement to construct two NG16000X vessels, both of which are expected to add significant capacity and capability to the Group in FY2025. Group management continue to build contract backlog for the vessels and, as mentioned above, at the time of filing the Group has agreed a firm contract for one of the newbuild vessels in FY2025 generating approximately USD 78 million revenue in Asia-Pacific.

SEAJACKS UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Financing

Strong financial performance has generated organic cash inflows during FY2022 and the Group may also rely on robust financial support from its ultimate parent, Eneti Inc, if required. In March 2022 the Group entered into a USD 175 million multi-currency credit facility with DNB Capital LLC, of which the USD 75 million revolving credit tranche remains undrawn at the year end.

During FY2022, the Group utilised its financing options to fully repay its USD 60 million ING Revolving Credit Facility (repaid May 2022) and its USD 87.7 million subordinated Parent Guarantee Loan (repaid February 2022).

Group management anticipates significant cash outflows relating to construction milestone payments for the two newbuild NG16000X vessels which will be funded through existing cash, loans and shareholder support.

In consideration of global events, even if the negative effects of COVID-19 and the conflict between Russia and Ukraine continue for an extended period of time, the Group has sufficient firm client contracts and shareholder guaranteed funding to ensure a continued business for at least the coming 12 months. Offshore wind activity levels beyond FY2023 are expected to remain high resulting in significant long-term project opportunities in Europe, Asia Pacific and in the United States in the future.

	Year ended 31 December 2022	9 month period ended 31 December 2021
	US\$000	US\$000
Revenue	203,311	212,771
Gross profit/(loss)	117,391	129,035
EBITDA*	106,213	117,983

*Earnings before interest, tax, depreciation, amortisation and impairment.

The profit for the year ended 31 December 2022 after taxation amounted to US\$30,310,000 (9 month period ended ended 31 December 2021 - loss of US\$18,977,000).

Principal risks and uncertainties

Financial risk

The Company through its activities in the wider Group is exposed to a variety of financial risks: market risk (including currency risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company's board of directors meets on a regular basis to monitor and manage the Company's sensitivity to financial risk. The board reviews the management financial statements and key financial data to consider measures to mitigate financial risk.

Currency risk

The value of monetary assets and liabilities denominated in foreign currencies will fluctuate due to changes in foreign exchange rates.

The Company is subject to currency risk on its foreign currency balances, receivables, payables and foreign currency revenue contracts and also its expenses. The primary currencies to which the Company is exposed to currency risk are the Euro (EUR) and British Pound (GBP).

SEAJACKS UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Principal risks and uncertainties (continued)

During the year, the Company recognised a foreign exchange loss of US\$1,979,000 (9 month period ended 31 December 2021 - US\$2,716,000) on the retranslation of monetary assets and liabilities.

Below is a summary of the Company's trade receivables, cash balances and trade payables in foreign currencies:

	Year ended 31 December 2022 GBP Denominated US\$000	Year ended 31 December 2022 EUR Denominated in US\$000	9 month period ended 31 December 2021 GBP Denominated in US\$000	9 month period ended 31 December 2021 EUR Denominated in US\$000
Trade and other receivables	-	17,967	-	4,317
Cash at bank and in hand	18,548	14,385	233	2,565
Trade and other payables	(1,602)	(321)	(686)	(770)

A ten per cent strengthening of the US\$ against GBP would result in a increase of profit by US\$1,695,000 (9 month period ended 31 December 2021 - decrease by US\$45,000). A ten per cent strengthening of the US\$ against the Euro would result in a increase of profit by US\$3,208,000 (9 month period ended 31 December 2021 - increase of profit by US\$611,000).

Management monitor the exposure to currency risk on a regular basis and partially mitigate the risk by holding foreign currency contracts in the Company. Adoption of hedge accounting is determined at the inception of the contracts and is reviewed on each reporting date.

Credit risk

The Company services the offshore industry by time chartering (leasing) vessels owned by fellow subsidiaries to third party charterers and by entering into construction contracts. The Company is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Management mitigate this risk by, to the extent possible, only chartering the vessels to blue chip companies, obtaining payment security where possible and conducting comprehensive credit reviews of counterparties with payment terms limited to 30 days, to the extent commercially attainable. Concentration of credit risk exists to the extent that all cash and cash equivalents are held with two (9 month period ended 31 December 2021 - two) financial institutions with credit ratings according to S&P of A and A (9 month period ended 31 December 2021 - A and A).

Concentration of credit risk also exists to the extent that amounts of US\$4,869,000 (9 month period ended 31 December 2021 - US\$4,435,000) which represent 12% (9 month period ended 31 December 2021 - 25%) of trade and other receivables that are due from subsidiary counterparties. Also an amount of US\$15,064,000 (9 month period ended 31 December 2021 - US\$1,603,000) of trade and other receivables are due from the parent undertaking. The Company considers these amounts to be recoverable.

Concentration of credit risk also exists to the extent that amounts of US\$21,973,000 (9 month period ended 31 December 2021 - US\$9,785,000) which represent 54% (31 December 2021 - 54%) of trade and other receivables are due from two (31 December 2021 - two) counterparties. The amounts have been recovered subsequent to the reporting date.

SEAJACKS UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Principal risks and uncertainties (continued)

Liquidity risk

The Company's finance department monitors the liquidity position of the Company by preparing cash-flow forecasts to ensure sufficient funds are available. The Company is exposed to risks relating to the current economic environment but its cash and cash equivalents and its charter coverage are adequate for the Company to meet its obligations and finance its operations.

The Company has both intra-group receivables and payables as set out in notes 15 and 17 which are repayable on demand and are interest free.

Operational risks

The Company's activities also expose it to a number of operational risks as discussed below:

Concentration of charterer risk

The Company is dependent on income from few charterers, and management aims to secure charter contracts six to twenty-four months in advance to ensure stability and predictability of income.

Health and safety risk

The Company is subject to various regulations designed to ensure that the vessels are operating in accordance with the relevant safety requirements. The Company operates formal procedures including daily monitoring to ensure that health and safety is always at the forefront of the Company's operations. The Company's vessels are also subject to inspections by independent third parties.

Future developments

On 16th June 2023, the Group's 100% shareholders Eneti Inc., announced its agreement with Cadeler to combine through a stock-for-stock exchange offer to be made to all stockholders of Eneti based on an exchange ratio of 3.409 Cadeler shares for each Eneti share. The combined entity will be named Cadeler and the combination is expected to close in the fourth quarter of 2023; subject to regulatory approvals and applicable conditions being met.

During FY2022 and FY2023, Eneti Inc. publicly recognised the three NG2500X vessels as non-core to its long-term renewable market objective and on 8th August 2023 announced an agreement to sell those vessels (refer to note 23).

The future prospects for the Group are positive with continued strong government efforts both in Northern Europe, the US and Asia-Pacific to significantly increase the level of offshore wind based electricity production. The Group secured significant contract coverage in Asia-Pacific for FY2023 and FY2025; in Europe for FY2023; and in Europe for portions of FY2024 and FY2025.

Specifically, Seajacks Scylla (NG14000X), transited to Europe to perform turbines and / or foundation installations in FY2023 and Nessie (NG16000X) is contracted to transport and install wind turbines in Asia-Pacific within the first half of FY2025. The Group has contracted Seajacks Zaratan (NG5500C) to the installation of wind turbines at Yunlin offshore windfarm in Taiwan, commencing in the second quarter of FY2023. As of the filing of these financials, the Group has also contracted its NG2500X vessels to four UK/European offshore wind contracts within FY2023 of which one contract provides a short repeat offshore wind support project in Europe within FY2023, FY2024 and FY2025.

SEAJACKS UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Future developments (continued)

The oil and gas maintenance market also has high potential due to old UK/European infrastructure with significant maintenance overhang and a need for well intervention and / or decommissioning services. At the time of filing, the Group has signed three oil and gas contracts with customers in North Western Europe and UK for its NG2500X vessels throughout FY2023.

The directors are monitoring the impact of the conflict between Russia and Ukraine on the business environment and global economy and, at this stage the directors do not consider a negative significant impact on its business. None of the Group's vessels trade in the Black Sea and there are no Russian charterers in its customer base.

The outbreak of COVID-19 significantly impacted the global economy during FY2021. Whilst the situation continued to prevail during FY2022 to reduced effect, management observe minimal contractual impact during FY2023. The slow recovery of travel infrastructure, combined with additional compliance as a result of BREXIT is expected to continue to impact crew logistics within FY2023 and beyond. Management continue to monitor to impact of COVID-19 on the business with diminishing significance expected beyond FY2023.

Statement of Directors in Performance of their Statutory Duties in Accordance with s172(1) Companies Act 2006

The directors are aware of their duty under s172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company and the group for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company, (the s172(1) Matters).

The board of directors ("the Board"), which largely comprises shareholder representatives, acts with a shared vision to offer innovative solutions to offshore oil and gas and renewable structures. The Board aims to provide long-term value to shareholders through promoting the Seajacks brand name and nurturing a global reputation based on sustainability and safety. The ambition of the Board is exemplified through strategic expansion into new global markets, namely in Asia. All decisions and risks are extensively measured by the Board to ensure the highest standards of safety and security to all stakeholders, therefore ensuring long-term security to Company assets and values.

As a result of Eneti's acquisition of the Atlantis Investorco Limited and its subsidiaries on 12th August 2021, the Board were renewed to reflect new shareholder representatives. The duties, ambitions and expectations of the revised Board remain the same.

SEAJACKS UK LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of Directors performance of their Statutory Duties in Accordance with s172(1) Companies Act 2006 (continued)

Stakeholders

The Board explore principal stakeholders and carefully considers how to engage with them. To ensure that the Group (or Seajacks) is operating in line with good corporate practice, open communication is encouraged both internally and externally in order to receive feedback quickly and directly through our flat management structure.

The Board is committed to its obligations to stakeholders and meets on a regular basis to discuss strategic matters affecting the business in both the short and longer-term. Below is a summary of key stakeholder engagements.

Stakeholder Group	Form of engagement	How this stakeholder group influenced the Board agenda and decision making
<u>Shareholders</u> Company shareholders provide vital support and expertise to strengthen Seajacks' interests and to promote their long-term investment. Shareholders expect Seajacks and the Board to provide financial discipline and a collective approach to implement agreed strategies and controls. Directors should protect and enhance the reputation of the Group.	Shareholders actively engage in strategic decision making through representation of non-executive directors on the Board. The Board and/or key members of the board approve all large financial and operational decisions. The Board review and discuss quarterly forecasts, prepared by the Seajacks team. Alongside regular updates, Board meetings allow executive directors to report on financial, operational, commercial and safety performances to non-executive counterparts.	Shareholder support is key to the long-term future of the Company, providing robust financial backing and bargaining power to sustain long-term strategies and maintain financial security. The Board agenda during FY2022 has focused upon ensuring robust and viable contract backlog relating to new and existing vessels alongside financial planning for the completion of newbuild construction.

SEAJACKS UK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Statement of Directors performance of their Statutory Duties in Accordance with s172(1) Companies Act 2006 (continued)

Stakeholder Group	Form of engagement	How this stakeholder group influenced the Board agenda and decision making
<p>Employees Both offshore and onshore employees contribute to the long-term success of the Company. Seajacks actively recruit skilled and ambitious employees to further its history of novel market leading solutions. It is vital to engage with employees to utilise skills and expertise.</p> <p>Important aspects for employees include fair treatment, open and inclusive dialogue, and to feel safe in their workplace.</p> <p>Seajacks does not compromise on Health, Safety or Environmental standards and the Board consider this topic to be a continuous priority; aiming to perform above and beyond industry safety standards.</p>	<p>Staff meetings are held on a regular basis with an open invite and are hosted by the executive directors. The directors seek to engage with employees on key issues and provide insight to Company strategy and direction on behalf of the Board. Such forum-style meetings allow staff to voice concerns and share information. Safety and welfare are a permanent fixture on the agenda.</p> <p>Seajacks' senior management regularly meet with head of departments and ensure that important employee topics are heard and discussed by the board.</p>	<p>The Board relies on the expertise and professionalism of its onshore and offshore teams to achieve its commercial goals and maintain Seajacks' reputation for safety and efficiency. Through engagement with employees, the board are able to ensure that Group assets are maintained to the highest standards and that Seajacks' workplace is a collaborative, professional and fair environment.</p> <p>Employees are encouraged to file Hazard Observation Cards to pinpoint small and large health & safety issues. These are continuously reviewed, discussed, and acted upon by the executive directors and by the Board.</p> <p>The directors encourage remote attendance to staff meetings, where unable to attend in person, to promote an inclusive culture whereby everybody has a voice.</p>
<p>Customers Seajacks prides itself on offering market leading solutions for client projects, with a focus on safety and quality.</p> <p>Aside from commercial factors, key customer considerations include safety, efficiency, and sustainability.</p>	<p>Tender feedback is sought whether successful or unsuccessful and is reviewed by the Board to address client needs.</p> <p>The Board continuously reviews market data to ensure that Seajack's vessels are best placed to fulfil client needs.</p>	<p>Seajacks maintains investment in research and development to offer market leading solutions.</p> <p>Seajacks is compliant in the following ISO standards to ensure that highest standards are offered to clients:</p> <p>ISO14001- environmental management. ISO9001- quality management. ISO45001 – health and safety.</p>
<p>Suppliers The Board encourages relationships with suppliers who share Seajacks' commitment to safety, sustainability, equal opportunities, and anti- corruption.</p> <p>Suppliers expect collaborative and responsive relationships.</p>	<p>Face to face meetings with our purchasing department are encouraged where safe and appropriate.</p> <p>New and existing suppliers are regularly updated by our HSE department with updates and requirements.</p>	<p>Seajacks staff, including the directors, are given anti-corruption training, and are expected to display exemplary ethics.</p> <p>Seajacks perform rigorous supplier checks and communication with suppliers to ensure that both parties share the same values.</p>

SEAJACKS UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of Directors performance of their Statutory Duties in Accordance with s172(1) Companies Act 2006 (continued)

Stakeholder Group	Form of engagement	How this stakeholder group influenced the Board agenda and decision making
Financial Lenders The primary interest of our financial lenders are the financial performance of the Company and the well-being of its assets. Lender support is imperative to the long-term success of the Group and the Board considers this to be a key relationship.	The Board engages with lenders both personally and through a central agency on key matters, taking close consideration of any and all feedback.	Through regular dialogue, the lenders provide guidance on acceptable financial performance, capital spending and environmental focus which is a key input to the Boards' discussions and decisions.

Community and environment

Due to its global operations, the Board considers local communities in all areas of operation. Our head office is based in Great Yarmouth (UK) and the Board is committed to supporting the local area, including local school and college events.

The environment has risen in the global agenda and the board takes its responsibility to sustainable practices very seriously. Alongside ISO14001 accreditation, the company arranges regular beach cleans; records and encourages green miles and adopts a paperless approach to work.

Risk management

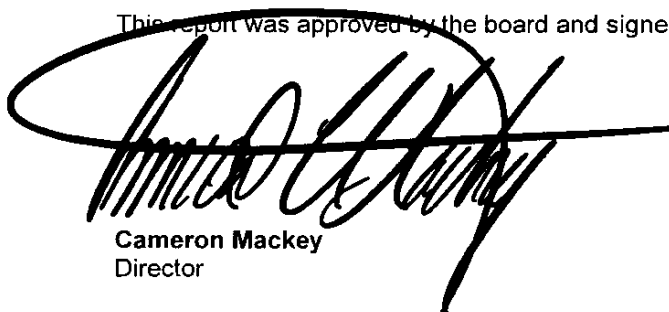
The board seeks to embed effective risk management, considering both opportunities and threats, throughout the organisation. The Board ensures that it identifies and addresses all relevant risks in order to execute and deliver the Company's agreed strategy. The principal risks and their mitigations are listed in the Strategic Report on pages 2 to 4.

The board is mindful of all stakeholder's risk tolerance and risk appetite when setting strategy and carefully determine the extent of risk exposure, especially in the areas of the Company's supply chain, project delivery and liquidity that the stakeholders will accept.

Energy reporting

The Company has taken exemption from the requirements to comply with SECR disclosures as the disclosures are made on a group basis by the parent company, Atlantis Investorco Limited.

This report was approved by the board and signed on its behalf.



Cameron Mackey
Director

Date: 16 OCT 2023

SEAJACKS UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

The Company's year end date was amended to 31 December during the prior period to align with that of its ultimate parent Company. The comparative figures are for a 9 month period.

Results and dividends

The profit for the year, after taxation, amounted to \$30,310,000 (*9 month period ended 31 December 2021 - \$18,977,000*).

The Company did not pay an interim dividend during the period (*9 month period ended 31 December 2021 - US\$Nil*). The directors do not recommend the payment of a final dividend (*9 month period ended 31 December 2021 - US\$Nil*).

Directors

The directors who served during the year and up to the date of signing this report were:

Cameron Mackey
William Burton Blair Ainslie

Director's liabilities

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

Going concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes that we will continue in operation for at least a period of one year after the date these financial statements are issued, and contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business. At the end of the reporting period, current liabilities of the Company exceeded current assets by US\$219,720,000 (*9 month period ended 31 December 2021 - US\$256,473,000*) mostly due to amounts due to parent undertakings (note 16).

In assessing the going concern basis of preparation of the Company's financial statements for the year ended 31 December 2022, the directors have taken into consideration detailed cash flow forecasts for the Company, the Company's forecast compliance with bank covenants, the continued availability of funding to the Company from banks and ongoing financial support provided by its shareholders.

The directors have considered the impact of the COVID-19 pandemic and the conflict between Russia and Ukraine on the Company and the resultant global economic uncertainties and have undertaken a re-assessment of the cash flow forecasts covering a period of at least 12 months from the date these financial statements are issued. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements (Further details - see note 2.2).

SEAJACKS UK LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Matters covered in the Strategic Report

Information required to be included in the Directors' Report in respect of the financial instruments can be found in the Strategic Report in accordance with S414C(11) of the Companies Act 2006.

Post reporting date events

Refer to note 23.

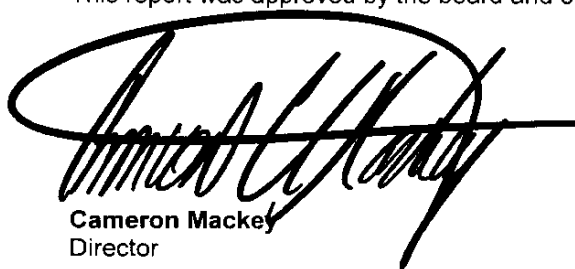
Exemption from audit

For the year ended 31 December 2022 the company was entitled to exemption under section 479A of the Companies Act 2006.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

This report was approved by the board and signed on its behalf.



Cameron Mackey
Director

Date: 16 OCT 2023

SEAJACKS UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with international accounting standards in conformity with the Companies Act 2006. Under Company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

For the year ended 31 December 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its financial statements for the period in question in accordance with section 479A.

SEAJACKS UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

		Year ended 31 December 2022 \$000	9 month period ended 31 December 2021 \$000
	Note		
Revenue	4,18	203,311	212,771
Cost of sales		(85,920)	(83,736)
Gross profit		117,391	129,035
Administrative expenses		(52,593)	(41,356)
Other operating income		2,116	1,704
Operating profit	5	66,914	89,383
Interest receivable and similar income	7	52	24
Interest payable and similar charges	8	(41,340)	(31,372)
Profit before tax		25,626	58,035
Tax charge	9	4,684	(39,058)
Profit for the financial year		30,310	18,977
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Gain/(loss) on hedging instruments		-	1,065
Taxation in respect of items of other comprehensive income	9	-	(203)
		-	862
Total comprehensive income for the year		30,310	19,839

All amounts relate to continuing activities.

The notes on pages 16 to 43 form part of these financial statements.

SEAJACKS UK LIMITED
REGISTERED NUMBER:06106237

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		31 December 2022 \$000	31 December 2021 \$000
Non-current assets	Note		
Intangible assets	10	12,575	13,185
Property, plant and equipment	11	1,351	1,768
Right-of-use assets	12	727,343	763,476
Trade and other receivables: amounts falling due after more than one year	14	7,306	-
		<u>748,575</u>	<u>778,429</u>
Current assets			
Inventories	13	5,795	5,846
Contract costs		-	-
Trade and other receivables	14	46,371	25,676
Cash at bank and in hand	15	69,534	35,966
		<u>121,700</u>	<u>67,488</u>
Current liabilities			
Trade and other payables	16	(341,420)	(323,961)
Net current liabilities		<u>(219,720)</u>	<u>(256,473)</u>
Total assets less current liabilities		<u>528,855</u>	<u>521,956</u>
Non-current liabilities			
Trade and other payables: Amounts falling due after more than one year	17	(757,378)	(780,789)
Net liabilities		<u>(228,523)</u>	<u>(258,833)</u>
Capital and reserves			
Share capital	21	-	-
Accumulated losses	22	(228,523)	(258,833)
		<u>(228,523)</u>	<u>(258,833)</u>

SEAJACKS UK LIMITED
REGISTERED NUMBER:06106237

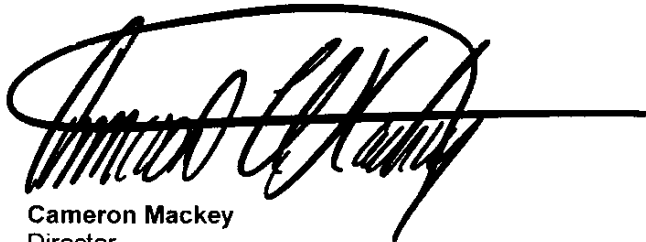
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

For the year ended 31 December 2022 the company was entitled to exemption under section 479A of the Companies Act 2006.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 479A of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

A handwritten signature in black ink, appearing to read 'Cameron Mackey', is written over a horizontal line. The signature is stylized and cursive.

Cameron Mackey
Director

Date: **16 OCT 2023**

The notes on pages 16 to 43 form part of these financial statements.

SEAJACKS UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital \$000	Accumulated losses \$000	Total deficit \$000
At 1 January 2022	-	(258,833)	(258,833)
Comprehensive income for the year			
Profit for the year	-	30,310	30,310
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	30,310	30,310
Total transactions with owners	-	-	-
At 31 December 2022	-	(228,523)	(228,523)

**STATEMENT OF CHANGES IN EQUITY
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2021**

	Share capital \$000	Fair value reserve \$000	Accumulated losses \$000	Total deficit \$000
At 1 April 2021	-	(862)	(277,810)	(278,672)
Comprehensive income for the period				
Profit for the period	-	-	18,977	18,977
Loss on hedging instruments (note 18)	-	1,065	-	1,065
Taxation in respect of items of other comprehensive income	-	(203)	-	(203)
Other comprehensive income for the period	-	862	-	862
Total comprehensive income for the period	-	862	18,977	19,839
Total transactions with owners	-	-	-	-
At 31 December 2021	-	-	(258,833)	(258,833)

The notes on pages 16 to 43 form part of these financial statements.

SEAJACKS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Seajacks UK Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is South Denes Business Park, South Beach Parade, Great Yarmouth, Norfolk, NR30 3QR and the nature of the Company's operations and its principal activities are set out in the Strategic Report.

The financial statements for the current period consists of a year ending on 31 December 2022. The comparatives are presented for the 9 month period ending 31 December 2021 and hence the comparatives are not comparable. The company has changed the reporting period to December in the prior period to align with its parent Company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Company's financial statements are exempt under Companies Act 2006 section 400 from the requirement to produce consolidated accounts, as a result of being a wholly owned subsidiary undertaking which is consolidated within the accounts of a larger group, which is established in under UK company law, and shares the same reporting date.

The presentational and functional currency of these financial statements is US Dollars (US\$). Values are rounded to the nearest thousand US Dollars (US\$).

2.2 Going concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes that we will continue in operation for at least a period of one year after the date these financial statements are issued, and contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business. At the end of the reporting period, current liabilities of the Company exceed current assets by US\$219,720,000 (9 month period ended 31 December 2021 - US\$256,473,000) mostly due to amounts due to parent undertakings (note 17).

In assessing the going concern basis of preparation of the financial statements for the year ended 31 December 2022, the directors have taken into consideration detailed cash flow forecasts for the Company, the Company's forecast compliance with bank covenants, the continued availability of funding to the Company from banks and ongoing financial support provided by its shareholders.

The directors have considered the impact of the COVID-19 pandemic and the conflict between Russia and Ukraine on the Company and the resultant global economic uncertainties and have undertaken a re-assessment of the cash flow forecasts covering a period of at least 12 months from the date these financial statements are issued. Even if the negative effects of COVID-19 and the conflict between Russia and Ukraine should continue for an extended period of time, the Company has sufficient firm client contracts and ongoing financial support from its shareholder to ensure a continued business for at least the coming 12 months. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

SEAJACKS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.3 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 of IAS 8 to disclose the future impact of new IFRS's in issue but not yet effective at the reporting date;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

SEAJACKS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 New interpretations and revised standards effective for the year ended 31 December 2022

The Company has adopted the following new interpretations and revised standards effective for the year ended 31 December 2022:

- Presentation of Financial Statements (Amendment to IAS 1);
- Accounting Policies - changes in accounting estimates and errors (Amendment to IAS 8);
- Income Taxes (Amendment to IAS 12);
- Property, Plant and Equipment (Amendment to IAS 16);
- Provisions, Contingent Liabilities and Contingent Assets (Amendment to IAS 37);
- Business Combinations (Amendment to IFRS 3);
- Leases (Amendment to IFRS 16); and
- Insurance Contracts (Amendment to IFRS 17).

The adoption of these interpretations and revised standards did not have a material impact on the disclosures and presentation of the financial statements.

2.5 Standards issued but not yet effective

A number of new standards and amendments to existing standards have been published which are mandatory, but are not effective for the year ended 31 December 2022:

- Amendments to IAS 1 Presentation of Financial Statements;
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- Amendments to IFRS 16 Leases; and
- Amendments to IFRS 17 Insurance Contracts.

The directors do not anticipate that the adoption of these revised standards and interpretations will have a significant impact on the figures included in the consolidated financial statements in the period of initial application.

2.6 Revenue

Time charter hire

Time charter hire revenues are earned for exclusive use of the services of the vessel by the charterer for an agreed period of time. There is a lease component of the hire and a service component. The lease component relates to the hire revenues which are recorded on a straight-line basis over the term of the charter in accordance with IFRS 16, with due allowance made for periods of off-hire. The service component involves maintenance of the vessel in a good condition together with the deployment of the crew classified as revenue under IFRS 15. The performance obligation in relation to both the service element and lease element are satisfied over the period of the contract, therefore, such revenue is recorded on a straight-line basis.

Revenues related to reimbursable expenses

The Company generally receives reimbursements from our customers for the purchase of supplies, equipment, and other services provided at their request in accordance with the terms of the contracts. Such reimbursable revenue is variable and subject to uncertainty, as the amounts received and the timing thereof are highly dependent on factors outside of the Company's influence. Accordingly, reimbursable revenue is fully constrained and not included in the total transaction price until the uncertainty is resolved, which typically occurs when the related costs are incurred on behalf

SEAJACKS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.6 Revenue (continued)

of a customer. The Company is generally considered a principal in such transactions and record the associated revenue at the gross amount billed to the customer.

Mobilisation and demobilisation revenue

The Company may receive fees, on either a fixed lump-sum or variable day rate basis, for the mobilisation and demobilisation of its vessels. These activities are not considered to be distinct within the context of the contract and therefore the associated revenue is allocated to the overall performance obligation and recognised rateably over the agreed term of the related time charter contract. The Company defers mobilisation and contract preparation fees received, as well as direct and incremental costs associated with the mobilisation of equipment and contract preparation activities as "contract fulfilment costs" and amortise each on a straight-line basis, over the related time charter contract. Demobilisation revenue expected to be received upon contract completion is estimated as part of the overall transaction price at contract inception and recognised over the term of the contract.

2.7 Interest income

Bank and other interest receivable is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

2.8 Interest expense

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Foreign currencies

The functional and presentation currency is US dollars (US\$). Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the reporting date.

Revenue, costs and non-monetary assets and liabilities are translated at the exchange rates ruling at the dates of transactions. Foreign exchange gains and losses are included in profit or loss.

2.10 Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

SEAJACKS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.11 Taxation

Current tax is provided for at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

SEAJACKS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.12 Property, plant and equipment

i. Vessels

Vessels are stated at cost less accumulated depreciation and any provisions for impairment. For vessels acquired through a business combination, cost represents the fair value of the vessels at acquisition. For vessels constructed by the Company, cost comprises those items set out at (ii) below.

Depreciation is provided on the basis that the book value of the vessel, less any estimated residual value, is written off on a straight-line basis over the remaining useful economic life, taken to be 30 years from the date the vessel is available for its intended use. The residual value is based on management's estimates of the value of the vessel at the reporting date assuming they were already of an age and condition expected at the end of their useful economic life, usually with reference to expected scrap value.

Project equipment is capitalised as a component part of the vessel cost and is depreciated on a straight-line basis over useful economic lives ranging from 1 to 7 years.

ii. Other fixed assets

Other fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on a straight-line basis at the following useful economic lives:

Office and computer equipment	-	3 to 5 years
Project equipment	-	5 years
Leasehold improvements	-	15 years

2.13 Intangible assets

Intangible assets are recognised at cost, less any amortisation and any impairment losses. The cost of intangible assets acquired is their fair value at the date of acquisition. Each identifiable asset is amortised over its own estimated useful economic life.

The estimated useful lives range as follows:

Trade name	-	25 years
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Useful economic lives are examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

An intangible asset is derecognised on disposal or when no further future economic benefits are expected from its use. Gains or losses arising on de-recognition are recognised in profit or loss as they arise.

2.14 Impairment of assets

At the end of each financial reporting period, the Company assesses whether there is any indication that its vessels, other fixed assets and intangible assets may have suffered an impairment loss. If any indication exists, the Company estimates the asset's recoverable amount.

SEAJACKS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.14 Impairment of assets (continued)

The assessment of whether there is an indication that an asset is impaired is made with reference to trading results, predicted trading results, market rates, technical and regulatory changes and market values. If any such indication exists, the recoverable amount of the asset or CGU is estimated in order to determine the extent of any impairment loss.

The first step in this process is the determination of the lowest level at which largely independent cash flows are generated, starting from the individual asset level. A cash generating unit (CGU) represents the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows generated from other assets or groups of assets. In identifying whether cash inflows from an asset or group of assets are largely independent, and therefore determining the level CGUs, the Company considers many factors including management's trading strategies, how management makes decisions about continuing or disposing of the assets, nature and terms of contractual arrangements and actual and predicted employment of the vessels. CGU's cannot be larger than an individual operating segment. Based on the above, the Company has determined at the reporting date that it has one CGU comprising of the individual vessel.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Fair value less costs to sell is determined as the amount at which assets may be disposed of on a willing seller, willing buyer basis, less directly associated costs of disposal. In estimating fair value, the Company considers recent market transactions for similar assets, and the views of reputable shipbrokers.

If the recoverable amount is less than the carrying amount of the asset or the CGU, the asset is considered impaired and an expense is recognised equal to the amount required to reduce the carrying amount of the vessel or the CGU to its recoverable amount. The expense is recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in prior years. Such reversal is recognised in profit or loss.

2.15 Inventories

Inventories comprise critical vessel spares that are held in storage and recorded in the profit or loss when transferred for use onboard the vessels. Critical spares are parts considered by management to be of critical importance to the operation of the vessel or have long a lead time which may result in vessel off-hire if ordered at short notice. Inventories may also comprise bunker fuel on board the vessels which are stated at the lower of cost or net realisable value using the first-in-first-out method.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

SEAJACKS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.17 Contract asset and liability

In certain cases, the measurement of revenue will not be the same as amounts invoiced to a customer. In these circumstances, the Company recognises either a contract asset or a contract liability for the difference between cumulative revenue recognised and cumulative amounts billed for that contract. A contract asset is recognised when the Company's right to consideration, in exchange for goods or services delivered to the customer, is conditioned on the entity's future performance. Conversely, where the Company receives a payment for consideration in relation to goods or services to be provided in future, the amount is recorded as a contract liability.

2.18 Financial instruments

Financial assets and liabilities are initially recognised on the statement of financial position at fair value when the company has become party to the contractual provisions of the instruments.

All financial assets other than derivatives are categorised as financial assets at amortised costs. Such assets are subsequently carried at amortised cost using the effective interest method if the time value of money may have a significant impact on their value.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition. The 12 months ECL is applied to financial instruments which have not increased significantly since initial recognition (except for a purchased or originated credit impaired financial asset). The simplified approach is applied for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method less allowances for credit losses. The Company reviews the ageing analysis of receivables on a regular basis.

Cash and cash equivalents

The Company defines these as short-term highly liquid investments readily convertible into known amounts of cash. They are normally represented by bank deposits with an original maturity of less than three months less borrowings that are repayable on demand.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Hedge accounting

The Company uses interest rate swaps, interest rate caps and forward currency contracts to hedge exposures to interest rate and foreign exchange rate movements which are normally designated in cash flow hedges. The Company discontinued hedge accounting on all its forward currency contracts during the year. Changes in the fair value of the derivative financial instruments that are designated, and effective hedges of future cash flows, are recognised directly in equity and the ineffective portion is recognised immediately in profit or loss. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in profit or loss as they arise and the ineffective portion is recognised immediately in profit or loss.

SEAJACKS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.18 Financial instruments (continued)

Fair value of financial instruments

The Company initially measures financial instruments at fair value at each reporting 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 measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company. 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Derecognition of financial assets and liabilities

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

SEAJACKS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.18 Financial instruments (continued)

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where 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 derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if and only if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.19 Leases - the Company as lessee

The Company leases various offices from third parties and also vessels from other subsidiary entities under bareboat charter agreements.

Until the 2019 financial year, leases of property, plant and equipment were classified as operating leases. From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

SEAJACKS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.19 Leases - the Company as lessee (continued)

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- used a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less and lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office and IT equipment.

3. Critical accounting estimates and judgements

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from estimates. The following summarises the judgements, estimates and assumptions that may cause amounts recognised or disclosed to change in following reporting periods:

Non-current asset impairment testing - critical judgement and estimation

The Company reviews its intangibles and other non-current assets if indicators exist for impairment at each reporting date. The Company also assesses impairment indicators on its investment in subsidiaries which is directly linked with the outcome of the impairment assessment of intangibles, and other non-current assets which are owned by the Company through its subsidiaries.

SEAJACKS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

3. Critical accounting estimates and judgements (continued)

The assessment of impairment indicators requires judgement to be exercised and changes in circumstances means such judgements may not be borne out over time. In order to assess if impairment exists, management estimates discounted future cash flows, residual values and the remaining economic lives of assets, a suitable discount rate and recoverable amounts based on comparable market transactions. Market factors affecting expected future revenue, utilisation rates, operating expenses and residual values may affect the discounted future cash flows. Actual outcomes may differ from the estimates and judgements made which could result in potential impairment losses recognised in future periods.

Leases - critical judgement

The Company is party to leasing arrangements as a lessee under bareboat charter of its vessels. Accounting for leases is mainly determined by the judgement of whether the lease is considered to be a finance lease or an operating lease. Management look to the substance of the transaction and the terms and conditions of the leasing arrangements in judging whether all the risks and rewards of ownership are transferred. In determining the right-of-use asset and liability for the vessels, the term of the lease has been considered to be the useful economic life of the vessels as described below.

Classification of revenue - critical judgement

The time charter revenues of the Company's shipping operations contain both lease revenue and revenue from contracts with customers. The Company uses judgement in determining the amount of revenue classified as lease revenue and the amount classified as revenue from contracts with customers based on observable bareboat charter rates, the level of operating costs incurred by the vessel and the level of operating costs that would be expected based on industry benchmarks.

Intangible asset useful economic life - critical estimate

The Company depreciates/amortises its vessel and trade name over a useful economic life of 25 years. The 'Seajacks' trade name is transferable between the vessel operating entities within the group. Management expects to utilise an economic benefit from use of trade name over the life of the vessel, therefore, 25 years is reflective of the remaining useful economic life of the Company's vessel at the date of transfer of vessel and related intangible to the Company by a fellow subsidiary.

Deferred tax assets - critical judgement and estimation

The Company recognised deferred tax assets in relation to tax losses incurred in current and past years. The Company reviewed the carrying amount of deferred tax assets at the reporting date and assessed if sufficient taxable profits will be available to allow all of the deferred tax asset to be utilised. To assess the availability of future taxable profits, management estimates future revenues and costs, capital allowances and tax planning opportunities. The Company has adopted the guidance within IFRIC 23 and therefore critically reviews supporting evidence for recognition of deferred tax assets and assesses the probability of future profits, particularly in light of continued losses. Changes in tax laws, applicable tax rates and market factors affecting expected future revenue and operating expenses may impact the future profitability and actual outcome may differ from the estimates and judgements made which could result in part of the deferred tax asset to remain unutilised.

Management also assessed the availability of tax deductions on the amortisation of intangible assets transferred between two of the wholly owned subsidiaries and concluded that any transfer of assets within the group entities does not change the Company's tax position and hence is likely to have no tax impact on the already available tax deductions.

SEAJACKS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Revenue

An analysis of revenue by activity is as follows:

	Year ended 31 December 2022 \$000	Year ended 31 December 2021 \$000
Lease income	90,141	17,794
Service income	109,002	89,462
Construction contract income	-	102,781
Vessel supervision income	4,168	2,734
	<u>203,311</u>	<u>212,771</u>

Service income relates to catering and other similar costs incurred and recharged to the charterers and provision of vessel management services as part of the time charter arrangement.

	Year ended 31 December 2022 \$000	Year ended 31 December 2021 \$000
United Kingdom	16,156	4,957
Belgium	-	-
Netherlands	7,827	1,620
Taiwan	94,016	71,309
China	-	21,737
Japan	73,494	103,171
USA	4,168	2,734
Denmark	-	7,243
Germany	7,650	-
	<u>203,311</u>	<u>212,771</u>

All of the amounts in the table relate to continuing operations.

During the year ended 31 December 2022, revenue recorded from two major customers contributing more than 10% revenue each were US\$93,718,000 and US\$73,494,000 (9 month period ended 31 December 2021 - three major customer contributing more than 10% revenue was US\$103,170,000, US\$69,165,000 and US\$21,737,000).

SEAJACKS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Operating profit

The operating profit/(loss) is stated after charging/(crediting):

	Year ended	<i>9 month</i>
	31	<i>period ended</i>
	December	<i>December</i>
	2022	<i>2021</i>
	\$000	<i>\$000</i>
Fees payable to the Company's auditor for non-audit services	(7)	10
Depreciation of property, plant and equipment (note 11)	1,530	404
Depreciation of right-of-use assets (note 12)	37,157	27,801
Amortisation of intangible assets (note 10)	610	375
Bareboat charter fees paid	7,449	8,416
Vessel operation and insurance costs	23,376	19,608
Vessel maintenance costs	10,216	5,971
Net foreign exchange loss/(gain)	1,979	2,176

During the year ended 31 December 2022, the average GBP/USD exchange rate was 1.23 (*9 month period ended 31 December 2021 - 1.38*) and the closing rate was 1.21 (*9 month period ended 31 December 2021 - 1.35*).

SEAJACKS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Employees

	Year ended 31 December 2022 \$000	9 month period ended 31 December 2021 \$000
Staff costs were as follows:		
Wages and salaries	28,213	19,786
Social security costs	752	473
Pension contributions	232	155
	<u>29,197</u>	<u>20,414</u>
	Year ended 31 December 2022 \$000	9 month period ended 31 December 2021 \$000
Staff costs are included in:		
Cost of sales	22,402	5,493
Administrative expenses	6,795	14,921
	<u>29,197</u>	<u>20,414</u>
	Year ended 31 December 2022 No.	9 month period ended 31 December 2021 No.
Operations	49	46
Administrative	26	23
	<u>75</u>	<u>69</u>

All directors' remuneration was paid by the parent undertaking, Seajacks International Limited. All crew are employed by the fellow subsidiary companies and not the Company.

SEAJACKS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Interest receivable

	Year ended 31 December 2022 \$000	9 month period ended 31 December 2021 \$000
Interest (expense)/income	52	24

8. Interest payable and similar charges

	Year ended 31 December 2022 \$000	9 month period ended 31 December 2021 \$000
Other interest and finance charges	309	548
Lease interest payable to group undertakings	41,031	30,824
	41,340	31,372

SEAJACKS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Taxation

	Year ended 31 December 2022 \$000	9 month period ended 31 December 2021 \$000
Current tax on profits for the year/period		
Current tax on profit for the period	-	(696)
Foreign tax suffered	2,776	2,176
Adjustment in respect of prior periods	(154)	-
Total current tax	2,622	1,480
Deferred tax		
Current year tax charge	(5,552)	-
Deferred tax (used) / released	-	37,596
Adjustment in respect of prior periods	-	(18)
Tax rate changes	(1,754)	-
Total deferred tax	(7,306)	37,578
Taxation on (loss)/profit on ordinary activities	(4,684)	39,058

There is a tax charge of US\$Nil (9 month period ended 31 December 2021 - US\$202,365) included in other comprehensive income.

SEAJACKS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	Year ended 31 December 2022 \$000	9 month period ended 31 December 2021 \$000
Profit on ordinary activities before tax	25,626	58,035
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	4,869	11,027
Effects of:		
Effect of overseas tax rate	2,267	1,440
Effect of changes in tax rate	(1,754)	(2,022)
Adjustment in respect of prior years	(154)	-
Income not taxable	(29)	-
Disallowable expenses	119	33
Group relief	(4,031)	(9,217)
Amounts not recognised	(5,971)	37,797
Total tax charge for the year/period	(4,684)	39,058

Factors that may affect future tax charges

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

In September 2021, as previously announced and enacted in Finance Act 2021, the rate of corporation tax will remain at 19% for 2022/23, but there will then be an increase to 25% from April 2023 applying to profits over £250,000. The rate of the diverted profits tax will rise at the same time to 31% to maintain the differential with mainstream corporation tax. As at 31 December 2022, the proposal to increase the rate to 25% had been substantively enacted, therefore its effects are included in these financial statements.

SEAJACKS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Intangible assets

	Trade name \$000
Cost	
At 1 January 2022	25,078
At 31 December 2022	<u>25,078</u>
Amortisation and impairment	
At 1 January 2022	11,893
Charge for the period	610
At 31 December 2022	<u>12,503</u>
Net book value	
At 31 December 2022	<u>12,575</u>
At 31 December 2021	<u>13,185</u>

Impairment of the Company's intangibles is considered together with the Property, Plant and Equipment impairment assessment (Note 11).

Amortisation is charged to administrative expenses within the statement of comprehensive income.

SEAJACKS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Property, plant and equipment

	Leasehold improvements \$000	Other fixed assets \$000	Project equipment \$000	Total \$000
Cost or valuation				
At 1 January 2022	1,370	3,750	12,232	17,352
Additions	-	1,104	-	1,104
Disposals	-	(715)	(3,345)	(4,060)
At 31 December 2022	<u>1,370</u>	<u>4,139</u>	<u>8,887</u>	<u>14,396</u>
Depreciation and impairment				
At 1 January 2022	1,087	3,267	11,230	15,584
Charge for the year on owned assets	73	444	1,002	1,519
Disposals	-	(714)	(3,345)	(4,059)
At 31 December 2022	<u>1,160</u>	<u>2,997</u>	<u>8,887</u>	<u>13,044</u>
Net book value				
At 31 December 2022	<u>210</u>	<u>1,142</u>	<u>-</u>	<u>1,352</u>
At 31 December 2021	<u>283</u>	<u>483</u>	<u>1,002</u>	<u>1,768</u>

Based on the impairment assessment performed by management at group level, no impairment has been made against the Company's non-current assets (2021 - US\$Nil).

SEAJACKS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. Leases

Right-of-use assets

	Vessels \$000	Property leases \$000	Total \$000
Cost or valuation			
At 1 January 2022	854,915	2,834	857,749
Additions	-	1,024	1,024
At 31 December 2022	854,915	3,858	858,773
Depreciation			
At 1 January 2022	92,497	1,776	94,273
Charge for the period	36,697	461	37,158
At 31 December 2022	129,194	2,237	131,431
Net book value			
At 31 December 2022	725,721	1,621	727,342
At 31 December 2021	762,418	1,058	763,476

Lease liabilities

	Vessels US\$000	Property leases US\$000	31 December 2022 Total US\$000	31 December 2021 Total US\$000
At 1 January 2022	801,498	2,127	803,625	820,040
Interest expense	41,031	144	41,175	30,914
Additions	-	-	-	-
Lease payments	(63,128)	(981)	(63,128)	(47,329)
At 31 December 2022	779,401	2,314	781,715	803,625

SEAJACKS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. Leases (continued)

	31 December 2022 \$000	31 December 2021 \$000
Payments due		
Within one year	63,735	47,572
More than one year	717,980	756,053
	<u>781,715</u>	<u>803,625</u>

13. Inventories

	31 December 2022 \$000	31 December 2021 \$000
Spare parts and consumables	4,573	4,714
Bunker Fuel	1,222	1,132
	<u>5,795</u>	<u>5,846</u>

There is no significant difference between the replacement cost of the inventory and its carrying amount.

SEAJACKS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Trade and other receivables

	31 December 2022 \$000	<i>31 December 2021 \$000</i>
Due after more than one year		
Deferred tax asset	7,306	-
	7,306	-
Due within one year		
Trade receivables	19,325	10,499
Amounts due from parent undertakings	15,064	1,603
Amounts due from fellow subsidiary companies	4,870	4,434
Other receivables	1,029	442
Prepayments and accrued income	3,400	4,863
Contract fulfilment costs	634	3,835
Loan to subsidiary	2,049	-
	46,371	25,676

The amounts due from parent undertakings are unsecured, interest free and repayable on demand.

Amounts due from fellow subsidiary undertakings are unsecured, interest-free and repayable on demand. All intercompany balances across the wider Group permeate through to the 100% group parent, Seajacks International Limited, who fully supports all of the intercompany balances.

All trade receivables in respect of charter contracts with a duration of 6 months or more are secured against bank loans held in the company's immediate parent company, Seajacks International Limited.

Trade receivables are normally due within 30 days from the date the invoice is issued. Trade receivables are considered past due based on their respective credit periods. All balances were deemed fully recoverable at the reporting date.

Contract fulfilment costs relate to expenditures incurred on the mobilisation, contract preparation and demobilisation of a vessel and contract preparation which are not considered to be distinct performance obligations within the context of the contract. These are capitalised and deferred until the commencement of the associated contract, aligned with Contract Liabilities in accordance with the Group revenue policy.

SEAJACKS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Cash and cash equivalents

	31 December 2022 \$000	<i>31 December 2021 \$000</i>
Cash at bank and short term deposits	69,534	<i>35,966</i>

Cash and cash equivalents, in respect of charter contracts, are pledged as security against the bank loan held in the immediate parent undertaking.

16. Trade and other payables: Amounts falling due within one year

	31 December 2022 \$000	<i>31 December 2021 \$000</i>
Trade payables	3,282	<i>4,715</i>
Amounts due to fellow subsidiary companies	4,468	<i>10,988</i>
Amounts due to parent undertakings	296,466	<i>267,172</i>
Corporation tax	2,622	<i>2,168</i>
Lease liabilities	24,337	<i>23,401</i>
Accruals and deferred income	3,539	<i>3,242</i>
Contract liabilities	6,706	<i>12,275</i>
	341,420	<i>323,961</i>

The amounts due to parent undertakings and fellow subsidiary companies are unsecured, interest free and repayable on demand.

Contract liabilities relate to mobilisation, contract preparation and demobilisation fees received from customers in advance which are deferred until the commencement of the associated contracts. Non-current advances relating to Financing Components accrue interest using the Group's incremental borrowing rate of 5% (9 month period ended 31 December 2021 - 5%) per annum.

SEAJACKS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Trade and other payables: Amounts falling due after more than one year

	31 December 2022 \$000	<i>31 December 2021 \$000</i>
Lease liabilities	757,378	780,224
Contract liabilities	-	565
	<u>757,378</u>	<u>780,789</u>

Contract liabilities relate to mobilisation and contract preparation fees received from customers in advance which are deferred till the commencement of the associated contracts. The advances accrue interest using the Group's incremental borrowing rate of 5% per annum.

18. Derivative financial instruments

The fair value and movement of the Company's derivative financial instruments during the period was USD nil. Movements in the prior period were as follows:

	Foreign currency contracts - Non hedging instruments \$000	Foreign currency contracts - Hedging instruments \$000	Total \$000
At 1 April 2021	-	(1,065)	(1,065)
Recognised in profit or loss	-	-	-
Effective portion recognised in other comprehensive income	-	1,065	1,065
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>

The Company entered into foreign exchange swap contracts in prior periods with the intention to hedge the foreign exchange risk of expected revenue and expenses.

SEAJACKS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. Financial instruments

The Company's gains and losses in respect of financial instruments in the prior period are summarised below:

	Year ended 31 December 2022 \$000	9 month period ended 31 December 2021 \$000
Gain on derivative financial instruments included in other comprehensive income	-	1,065
	<u>-</u>	<u>1,065</u>

20. Deferred taxation

The Company's gains and losses in respect of financial instruments are summarised below:

	31 December 2022 \$000	31 December 2021 \$000
Fair value gains/(losses)		
At beginning of year	-	37,596
Adjustment in respect of prior years	-	202
Credited/(charged) to profit or loss	7,306	(37,798)
At end of year	<u>7,306</u>	<u>-</u>

21. Share capital

	31 December 2022 \$	31 December 2021 \$
Authorised, Allotted, called up and fully paid		
1 (31 December 2021 - 1) Ordinary share of \$1	<u>1</u>	<u>1</u>

The issued share capital is pledged as security against the bank loan held in the Company's immediate parent company, Seajacks International Limited.

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

SEAJACKS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

22. Reserves

The Company's capital and reserves are as follows:

Share capital

Share capital represents the issued and fully paid up equity share capital of the Company.

Accumulated losses

Accumulated losses represent the cumulative total comprehensive expense attributable to the Company.

Fair value reserve

The fair value reserve represents the cumulative gains and losses arising on hedging instruments used by the Company to manage foreign currency risk. This reserve has been released during the current period.

23. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to US\$231,000 (*9 month period ended 31 December 2021 - US\$155,000*). Contributions totaling US\$3,000 (*31 December 2021 - US\$31,000*) were payable to the fund at the reporting date and are included in payables.

24. Post balance sheet events

On 16th June 2023, the Group's 100% shareholders Eneti Inc., announced its agreement with Cadeler to combine through a stock-for-stock exchange offer to be made to all stockholders of Eneti based on an exchange ratio of 3.409 Cadeler shares for each Eneti share. The combined entity will be named Cadeler and the combination is expected to close in the fourth quarter of 2023; subject to regulatory approvals and applicable conditions being met.

On 8th August 2023, the Group's 100% shareholders Eneti Inc., announced an agreement with an unaffiliated third party to sell the Seajacks Hydra, Seajacks Leviathan and the Seajacks Kraken for approximately \$70.0 million in aggregate. Delivery of the vessels are expected to take place before the end of 2023. The transaction would result in the elimination of the associated right of use assets and lease liabilities held by the company.

SEAJACKS UK LIMITED

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25. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Seajacks International Limited, a company incorporated in the United Kingdom. The ultimate parent undertaking is Eneti Inc., a company incorporated in the Marshall Islands.

The smallest group for which financial statements have been prepared for the year ended 31 December 2022 that include the Company are those of Atlantis Investorco Limited. The financial statements of Atlantis Investorco Limited are available from the Company's registered office address which is South Denes Business Park, South Beach Parade, Great Yarmouth, Norfolk, NR30 3QR.

The largest group for which financial statements have been prepared for the year ended 31 December 2022 that include the Company are those of Eneti Inc. The financial statements of Eneti Inc are available from the Company's registered office address which is South Denes Business Park, South Beach Parade, Great Yarmouth, Norfolk, NR30 3QR.