
ATLANTIS INVESTORCO LIMITED

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



ATLANTIS INVESTORCO LIMITED

COMPANY INFORMATION

Directors	W Ainslie R Bugbee F Lauro C Mackey
Secretary	Burness Paul LLP
Auditor	Rawlinson & Hunter Audit LLP Statutory Auditor & Chartered Accountants Eighth Floor 6 New Street Square New Fetter Lane London United Kingdom EC4A 3AQ
Registered Office	South Denes Business Park South Beach Parade Great Yarmouth Norfolk NR30 3QR
Registered No.	07964020

ATLANTIS INVESTORCO LIMITED

COMPANY INFORMATION

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ATLANTIS INVESTORCO LIMITED

STRATEGIC REPORT

The directors present their strategic report and the financial statements of Atlantis Investorco Limited ("the Company") and its subsidiary undertakings ("the Group") for the year ended 31 December 2022 (referred to hereafter as "FY2022").

Principal activity and review of the business

The Group's principal activity is the ownership, management, consultancy and operation of self-propelled jack up vessels servicing primarily the offshore wind and oil and gas industries under the Seajacks trade name. The Company's principal activity is that of a parent undertaking.

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, between USD 32.5 and 38 million in 2024 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 FY 2022, and, as of the filing of these financials approximately USD 76 million of firm UK/European wind contract backlog has been secured in FY 2023 of which USD 20 million relates to its 2500X vessels.

The Group has experienced increased utilisation of its 2500X 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 FY 2020 – FY 2021 due to COVID-19 will continue to materialise during FY 2023. As of the filing of these financials, the group has secured USD 11 million additional firm future contract backlog for its 2500X 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.

Financing

Strong financial performance has generated organic cash inflows during FY2022 and the Group may also rely on 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).

ATLANTIS INVESTORCO LIMITED

STRATEGIC REPORT (CONTINUED)

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 12 months from the date of signing these consolidated financial statements. Offshore wind activity levels beyond FY 2023 are expected to remain high resulting in significant long-term project opportunities in Europe, Asia Pacific and in the United States in the future.

The key performance indicators of the Group are set out below:

	Year ended 31 December 2022 US\$000	9 month period ended 31 December 2021 US\$000
Revenue	199,326	208,397
Gross Profit	119,856	135,787
EBITDA*	102,389	118,232

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

The Group profit for the year after taxation amounted to US\$16,867,000 (9 month period ended 31 December 2021 – loss after taxation of US\$51,121,000). The Company's loss after taxation for the year amounted to US\$4,136,000 (9 month period ended 31 December 2021 – profit after taxation of US\$37,578,000).

Principal risks and uncertainties

Financial risks

The Group's activities expose it to a number of financial risks including interest rate risk, credit risk, liquidity risk and currency risk. The policies set out by the Group to mitigate the exposure to these risks are set out in note 22 along with quantitative and qualitative analysis.

Operational risks

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

Concentration of charterer risk

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

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STRATEGIC REPORT (CONTINUED)

Future developments

On 16 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 2500X vessels as non-core to its long-term renewable market objective and on 8th August 2023 announced an agreement to sell the vessels (refer to note 28).

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 FY 2023; and in Europe for portions of FY2024 and FY2025.

Specifically, Seajacks Scylla (NG14000X), transited to Europe to perform turbines and / or foundation installations in FY 2023 and Nessie (NG16000X) is contracted to transport and install wind turbines in Asia-Pacific within the first half of FY2025. The Group 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 2500X 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 FY 2023, FY2024 and FY2025.

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 FY 2023.

The directors are continuously 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 by the Directors in Performance of their Statutory Duties in Accordance with S172(1) Companies Act 2006

The directors are aware of their duty under s.172 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 s.172(1) Matters).

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STRATEGIC REPORT (CONTINUED)

The board of directors ("the Board"), acts with a shared vision to offer innovative solutions to offshore wind farms and oil and gas 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 Asia-Pacific. 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 Group assets and values.

Stakeholders

The Board explores 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 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
Shareholders 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.

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STRATEGIC REPORT (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 Group 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>

ATLANTIS INVESTORCO LIMITED

STRATEGIC REPORT (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 Group 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 Board's 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 ISO140001 accreditation, the Group arranges regular beach cleans; records and encourages green miles and adopts a paperless approach to work.

Fair treatment between members of the Company

Group shareholders, Eneti Inc, form the Board and have representatives present at Board meetings. All representatives at Board meetings are encouraged to share their opinions to ensure all stakeholders are treated equally and fairly.

ATLANTIS INVESTORCO LIMITED

STRATEGIC REPORT (CONTINUED)

Energy Reporting

Emissions data is as follows:

	Year ended 31 December 2022 CO2e tonnes	9 month period ended 31 December 2021 CO2e tonnes
Scope 1: Combustion of gas	11	9
Scope 1: Combustion of fuel for road transport purposes	4	2
Total Scope 1	15	11
Scope 2		
Scope 2: Purchased Energy (location based)	37	26
Total Scope 2	37	26
Scope 3		
Scope 3: Business travel in rental cars or employee owned vehicles	2	1
Total Scope 3	2	1
Total	54	38

The Greenhouse Gas ("GHG") emissions intensity ratio was as set out below:

	Year ended 31 December 2022	9 month period ended 31 December 2021
Intensity Ratio (tCO2e/US\$1m of sales)	0.3	0.2

The above emissions disclosures have been prepared in accordance with the provisions of the 'GHG Reporting Protocol - Corporate Standard' and HM Government 'Environmental Reporting Guidelines including streamlined energy and carbon reporting guidance' issued March 2019. The UK Government greenhouse gas reporting conversion factors for 2022 were used in preparing this report.

The methodology to prepare the above has been based on the principles of the GHG Protocol, taking account of the 2015 amendment which sets out a 'dual reporting' methodology for the reporting of Scope 2 emissions. In the 'Total Footprint' summary above, purchased electricity is reported using a location-based methodology.

This report for the year ended 31 December 2022 and the 9 month period ended 31 December 2021 includes limited emissions under Scopes 1 and 2 (gas and fuel used in transport; purchased electricity), and limited emissions under Scope 3 (fuel used in personal/hire cars for business purposes).

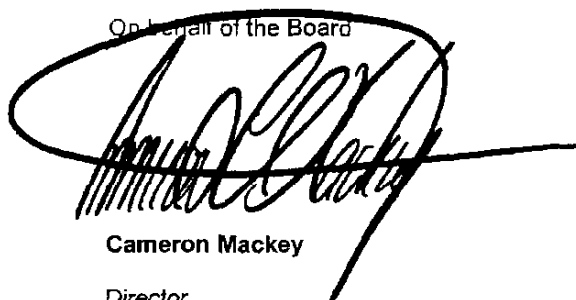
Energy use and emissions figures relate to UK operations (including offshore energy and emissions).

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STRATEGIC REPORT (CONTINUED)

During the prior period, the Company was acquired by Eneti Inc whose financial year ends on 31 December of each year. Consequently, in order to align with the Eneti Inc's financial year, the SECR reporting period was shortened in the prior period to align with the nine month period ending 31 December 2021.

On behalf of the Board

A large, stylized handwritten signature in black ink, appearing to read 'Cameron Mackey', is written over the text 'On behalf of the Board'.

Cameron Mackey

Director

Date: 16 OCT 2023

ATLANTIS INVESTORCO LIMITED

DIRECTORS' REPORT

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

The Company and Group's year end date was amended to 31 December during the prior period to align with that of its ultimate parent company. Therefore, comparative figures are for the 9 month period ended 31 December 2021.

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

Directors

The directors who served the Company during the year and were appointed or resigned subsequently were as follows:

W Ainslie
R Bugbee
F Lauro
C Mackey

Political Donations

During the year, the Company and its subsidiaries made no political donations (9 month period ended 31 December 2021 – US\$Nil).

Employment

During the year the policy of providing employees with information about the Group has been continued through regular staff, departmental and management meetings to allow free flow of information and ideas. It is the policy of the Group to encourage and develop all members of staff to realise their maximum potential. Wherever possible, vacancies are filled from within the Group and adequate opportunities for internal promotion are created. The Group is committed to creating the opportunity for employees to maintain and improve the performance and to develop their potential to the maximum level of attainment. In this way, staff will make their best possible contribution to the organisation's success.

The Group supports the principle of equal opportunities in employment and opposes all forms of unlawful or unfair discrimination on the grounds of race, age, nationality, religion, ethnic or national origin, sexual orientation, gender or gender reassignment, marital status or disability. The Group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training career development and promotion. Where existing employees become disabled, it is the Group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Directors' 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.

ATLANTIS INVESTORCO LIMITED

DIRECTORS' REPORT (CONTINUED)

Matters covered in the Strategic Report

Information required to be included in the Directors' Report in respect of the business review, future developments, S172 statement, energy reporting and financial instruments can be found in the Strategic Report in accordance with S414C(11) of the Companies Act 2006.

Subsequent events

Details of subsequent events are provided in note 28 to the financial statements.

Going concern

The accompanying consolidated financial statements of the Group have been prepared assuming the Group will continue as a going concern. The going concern basis of presentation assumes that the Company and the Group 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. The Group has experienced losses in previous years and at the end of the reporting period, current liabilities of the Group exceed current assets by US\$223,406,000 (9 month period ended 31 December 2021 – US\$352,880,000) mostly due to the Group's shareholder loans and interest-bearing loans and borrowings (notes 18 and 25).

In assessing the going concern basis of preparation of the consolidated financial statements for the year ended 31 December 2022, the directors have taken into consideration detailed cash flow forecasts to 31 December 2024 for the Group, the Group's forecast compliance with bank covenants, the continued availability of funding to the Company from banks and ongoing financial support provided by its shareholder.

The directors have also considered the continuing impact of the COVID-19 pandemic, the conflict between Russia and Ukraine on the Group and the resultant global economic uncertainties and that the Group has significant firm client contracts and shareholder guaranteed funding to ensure the Group can continue in business for at least 12 months from the date these financial statements are issued. Accordingly, the directors continue to adopt the going concern basis in preparing these financial statements.

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, Rawlinson & Hunter Audit LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

On behalf of the Board



Cameron Mackey

Director

Date 16 OCT 2023

ATLANTIS INVESTORCO LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the Group and Company 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 Group and Company and of the profit or loss of the Group and 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 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 or Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and 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 Group 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's subsidiaries were 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 subsidiaries' financial statements for the year in question in accordance with section 479A.

ATLANTIS INVESTORCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTIS INVESTORCO LIMITED

Opinion

We have audited the financial statements Atlantis Investorco Limited ('the Company') and its subsidiaries ('the Group') for the year ended 31 December 2022, which comprise the Group Statement of Comprehensive Income, the Group and Company Statement of Financial Position, the Group and Company Statement of Changes in Equity, the Group and Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards, and as regards the Company financial statements, in conformity with the requirements of the Companies Act 2006.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended; and
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

ATLANTIS INVESTORCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTIS INVESTORCO LIMITED (CONTINUED)

Other information

The directors are responsible for the other information contained within the Annual Report and Consolidated Financial Statements. The other information comprises the information included in the Annual Report and Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

ATLANTIS INVESTORCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTIS INVESTORCO LIMITED (CONTINUED)

Responsibilities of Directors (continued)

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our assessment of the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur, is considered low. This conclusion is reached after the consideration of the fact that there are a number of individuals which comprise "management" and therefore there is no single individual who is likely to be able to override controls to effect a fraud.

We designed our audit procedures to respond to identified audit risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:

- reviewing the audit work of the auditors of the ultimate parent company, Eneti Inc, in particular in respect of higher risk areas and undertaking further work as we considered necessary;
- consideration of the processes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud and how management monitors those processes and controls;
- challenging assumptions and judgements made in areas involving significant estimates;
- obtaining and reviewing for completeness a list of entities and persons considered to be related parties (as defined by UK adopted international accounting standards) and reviewing the ledgers of the Company for previously unreported related party transactions;
- targeting journal entry testing based on identified characteristics the audit team considered could be indicative of fraud, as well as a focus on large and unusual transactions based upon our knowledge of the business; and
- making enquiries of management and those charged with governance as to whether there was any correspondence from regulators in so far as the correspondence related to financial statements.

ATLANTIS INVESTORCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTIS INVESTORCO LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

The Group is also subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation.

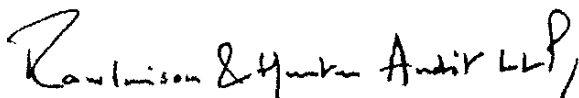
We therefore identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, maritime law and employment law.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increased the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statement, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kulwarn Nagra (Senior Statutory Auditor)

For and on behalf of
Rawlinson & Hunter Audit LLP

Chartered Accountants
Statutory Auditor

Eighth Floor
6 New Street Square
New Fetter Lane
London
United Kingdom
EC4A 3AQ

Date: **16 OCT 2023**

ATLANTIS INVESTORCO LIMITED

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

	Notes	Year ended 31 December 2022 US\$000	9 month period ended 31 December 2021 US\$000
Revenue	4	199,326	208,397
Direct vessel operating and project costs	5	(79,470)	(72,610)
Gross profit		119,856	135,787
Other operating income		785	5
Depreciation of property, plant and equipment and right of use assets	11, 12	(23,800)	(21,175)
Amortisation of intangible assets	13	(2,318)	(2,205)
Impairment of long-lived assets	11, 13	(29,308)	(94,705)
Foreign exchange loss		(1,626)	(1,951)
Administrative expenses		(16,626)	(15,609)
Operating Profit	6	46,963	147
Finance income	8	12	8,965
Finance costs	8	(22,527)	(21,200)
Profit/(loss) on ordinary activities before taxation		24,448	(12,088)
Taxation	9	(7,581)	(39,033)
Profit/(loss) for the financial year/period attributable to the equity holders of the parent		16,867	(51,121)
Other comprehensive income / (expense):			
Effective portion of gain on hedging	19	-	3,290
Deferred tax provision for hedging instruments	9	-	(626)
Other comprehensive income net of tax		-	2,664
Total comprehensive income/(expense) attributable to the equity holders of the parent		16,867	(48,457)

All amounts relate to continuing activities.

The notes on pages 24 to 64 form part of these financial statements.

ATLANTIS INVESTORCO LIMITED
REGISTERED NUMBER: 07964020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

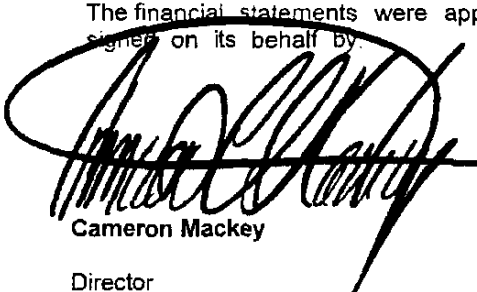
	Notes	31 December 2022 US\$000	31 December 2021 US\$000
Non-current assets			
Property, plant and equipment	11	440,771	491,199
Right of use assets	12	1,621	1,058
Intangible assets	13	48,701	53,033
		<u>491,093</u>	<u>545,290</u>
Current assets			
Inventories – spare parts, consumables and bunkers	14	5,795	5,846
Trade and other receivables	15	37,306	21,707
Contract fulfilment costs	15	634	3,835
Cash and cash equivalents	16	89,143	44,034
Restricted cash	16	7,269	-
		<u>140,147</u>	<u>75,422</u>
Total assets		<u>631,240</u>	<u>620,712</u>
Current liabilities			
Trade and other payables	17	11,559	12,628
Lease liabilities	12	657	353
Contract liabilities	17	6,706	12,275
Interest-bearing loans and borrowings	18	12,039	87,716
Cash settled share awards	20	-	34
Loan from shareholder	25	329,958	311,238
Corporation tax liability	9	2,634	4,058
		<u>363,553</u>	<u>428,302</u>
Non-current liabilities			
Lease liabilities	12	1,657	1,771
Contract liabilities	17	-	565
Interest-bearing loans and borrowings	18	52,253	-
Deferred tax liability	9	6,836	-
		<u>60,746</u>	<u>2,336</u>
Total liabilities		<u>424,299</u>	<u>430,638</u>

ATLANTIS INVESTORCO LIMITED
REGISTERED NUMBER: 07964020

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

	Notes	31 December 2022 US\$000	31 December 2021 US\$000
Shareholders' equity			
Share capital	21	595,000	595,000
Accumulated losses	24	(388,059)	(404,926)
		<u>206,941</u>	<u>190,074</u>
Total liabilities and shareholders' equity		<u>631,240</u>	<u>620,712</u>

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf by:



Cameron Mackey

Director

Date: 16 OCT 2023

The notes on pages 24 to 64 form part of these financial statements.

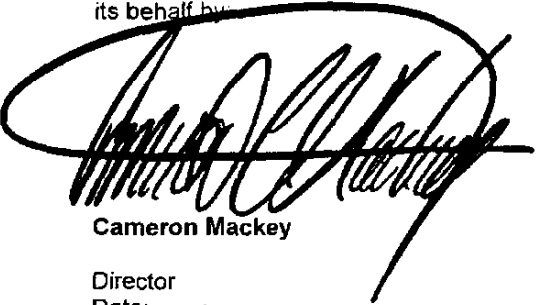
ATLANTIS INVESTORCO LIMITED
REGISTERED NUMBER: 07964020

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	31 December 2022 US\$000	31 December 2021 US\$000
Non-current assets			
Investments	10	300,175	281,915
		<u>300,175</u>	<u>281,915</u>
Current assets			
Trade and other receivables	15	299,567	305,756
Cash and cash equivalents	16	-	1
		<u>299,567</u>	<u>305,757</u>
Total assets		<u>599,742</u>	<u>587,672</u>
Current liabilities			
Trade and other payables	17	23,075	324
Loan from shareholder	25	304,693	311,238
Total liabilities		<u>327,768</u>	<u>311,562</u>
Shareholders' equity			
Share capital	21	595,000	595,000
Accumulated losses	24	(323,026)	(318,890)
		<u>271,974</u>	<u>276,110</u>
Total liabilities and shareholders' equity		<u>599,742</u>	<u>587,672</u>

As permitted by Section 408 of the Companies Act 2006 the Statement of Comprehensive Income for the Company is not presented as part of these financial statements. The Company reported a loss for the year ended 31 December 2022 of US\$4,136,000 (9 month period ended 31 December 2021 – profit of US\$37,578,000).

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf by:


Cameron Mackey

Director

Date: **16 OCT 2023**

The notes on pages 24 to 64 form part of these financial statements.

ATLANTIS INVESTORCO LIMITED

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

	Share capital US\$000	Accumulated losses US\$000	Fair value reserve US\$000	Total US\$000
At 1 April 2021	595,000	(353,805)	(2,664)	238,531
Total comprehensive (expense)/income for the period	-	(51,121)	2,664	(48,457)
At 1 January 2022	595,000	(404,926)	-	190,074
Total comprehensive income for the year	-	16,867	-	16,867
At 31 December 2022	595,000	(388,059)	-	206,941

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

	Share capital US\$000	Accumulated losses US\$000	Total US\$000
At 1 April 2021	595,000	(356,468)	238,532
Total comprehensive income for the period	-	37,578	37,578
At 1 January 2022	595,000	(318,890)	276,110
Total comprehensive expense for the year	-	(4,136)	(4,136)
At 31 December 2022	595,000	(323,026)	271,974

The notes on pages 24 to 64 form part of these financial statements.

ATLANTIS INVESTORCO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

		Year ended 31 December 2022	9 month period ended 31 December 2021
	Notes	US\$000	US\$000
Operating activities			
Profit/(loss) for the financial year/period (after tax)		16,867	(51,121)
Adjustments for:			
Tax charge	9	7,581	39,033
Depreciation of property, plant and equipment and right of use assets	11 & 12	23,800	21,175
Amortisation of intangible assets	13	2,318	2,205
Impairment of long lived-assets	11 & 13	29,308	94,706
Loss on sale of tangible fixed assets	11	899	1,061
Finance income	8	(12)	(8,965)
Finance costs	8	22,527	21,200
Decrease in inventories	14	51	499
(Increase)/decrease in trade and other receivables	15	(12,398)	4,683
(Decrease) in trade and other payables	17	(7,203)	(49,174)
Tax paid		(2,166)	(9)
Cash generated from operating activities		<u>81,572</u>	<u>75,293</u>
Investing activities			
Purchases of property, plant and equipment	11	(1,104)	(1,656)
Interest received	8	12	28
Cash used in investing activities		<u>(1,092)</u>	<u>(1,628)</u>
Financing activities			
Repayment of bank loan	18	(127,024)	(269,065)
Restricted bank balances	16	(7,269)	3,640
Drawdown of bank loan	18	104,998	-
Drawdown of loan from shareholder	25	75,000	322,686
Repayment of loan from shareholder	25	(72,778)	(70,686)
Loan arrangement fees		-	(600)
Interest paid	8	(7,284)	(10,221)
Principal payment of lease liabilities	12	(980)	(333)
Repayment of PIK notes, cash settled share awards and convertible loan notes	20	(34)	(12,027)
Cash used in financing activities		<u>(35,371)</u>	<u>(36,606)</u>
Net change in cash and cash equivalents		45,109	37,058
Cash and cash equivalents at 1 January	16	44,034	6,976
Cash and cash equivalents at 31 December	16	<u>89,143</u>	<u>44,034</u>

The notes on pages 24 to 64 form part of these financial statements.

ATLANTIS INVESTORCO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Cash and non-cash changes in liabilities arising from financing activities

	Notes	1 January 2022 US\$000	Cash flow US\$000	Other Non cash US\$000	31 December 2022 US\$000
Shareholder guaranteed bank loan	18	87,716	(87,650)	(66)	-
Interest bearing loans	18	-	65,625	(1,333)	64,292
Loan from shareholder	25	311,238	2,222	16,498	329,958
Lease liabilities	12	2,124	(980)	1,170	2,314
<i>Total liabilities</i>		401,078	(20,783)	16,269	396,564

	Notes	1 April 2021 US\$000	Cash flow US\$000	Other Non cash US\$000	31 December 2021 US\$000
Revolving loan facility	18	50,069	(50,852)	783	-
Interest bearing loans	18	214,604	(221,557)	6,953	-
Shareholder guaranteed bank loan	18	87,691	(676)	701	87,716
<i>Total interest-bearing loans</i>		352,364	(273,085)	8,437	87,716
Loan from shareholder	25	62,623	249,086	(471)	311,238
Convertible loan notes		3,820	(3,869)	49	-
Derivative financial instruments	19	3,290	(1,933)	(1,357)	-
Lease liabilities	12	2,457	(424)	91	2,124
<i>Total liabilities</i>		424,554	(30,225)	6,749	401,078

The notes on pages 24 to 64 form part of these financial statements.

ATLANTIS INVESTORCO LIMITED

**COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Year ended 31 December 2022 US\$000	9 month period ended 31 December 2021 US\$000
Operating activities			
(Loss)/profit for the financial year/period		(4,136)	37,578
Adjustments for:			
Taxation charge		-	3
Finance costs		14,455	5,552
Reversal of investments/impairment	10	(10,326)	(43,149)
Decrease/(increase) in trade and other receivables	15	6,189	(305,641)
Decrease in trade and other payables	17	(6,183)	(29)
Cash used in operating activities		(1)	(305,686)
Financing activities			
Drawdown of loan from shareholder	25	-	305,686
Cash generated from financing activities		-	305,686
Net change in cash and cash equivalents		(1)	-
Cash and cash equivalents at 1 January	16	1	1
Cash and cash equivalents at 31 December	16	-	1

The notes on pages 24 to 64 form part of these financial statements.

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

The financial statements of Atlantis Investorco Limited for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors. Atlantis Investorco Limited ("the Company") is a company limited by shares incorporated and domiciled in England and Wales. The registered office is located at South Denes Business Park, South Beach Parade, Great Yarmouth, Norfolk, NR30 3QR.

The Company and its subsidiaries ("the Group") are principally engaged in the ownership, management and operation of self-propelled jack up vessels servicing the offshore wind and oil and gas industries. Information on the Group's structure is provided in note 10. Information on other related party relationships of the Group is provided in notes 25 and 29. The Company is engaged in the ownership of its subsidiaries and is a holding company.

2. Accounting policies

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with the UK-adopted *International Financial Reporting Standards and the International Accounting Standards as issued by International Accounting Standards Board (IASB) and Interpretations (collectively IFRSs)*, and in accordance with the Companies Act 2006.

The consolidated financial statements are prepared on the historical cost basis, adjusted for fair values in relation to the Group's derivative financial instruments and cash settled shares. The accounting principles set out below, unless stated otherwise, have been applied consistently for all periods presented in the Consolidated Financial Statements.

These financial statements are presented in US dollars being the currency of the primary economic environment in which the Group operates. All values are rounded to the nearest thousand (US\$000), except when otherwise indicated.

2.2 Going concern

The accompanying consolidated financial statements of the Group have been prepared assuming the Group will continue as a going concern. The going concern basis of presentation assumes that the Company and the Group 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. The Group has experienced losses over the past years and at the end of the reporting period, current liabilities of the Group exceed current assets by US\$223,406,000 (*9 month period ended 31 December 2021 – US\$352,880,000*) mostly due to the Group's shareholder loans and interest-bearing loans and borrowings (notes 18 and 25).

During the year ended 31 December 2022, the Group incurred a consolidated net profit of US\$16,867,000 and generated positive cash flows from operating activities of US\$77,044,000. As of 31 December 2022, the Group had accumulated losses of US\$388,059,000 and cash and cash equivalents of US\$89,143,000.

The directors continue to monitor the impact of COVID-19. Based on the Group's experience during 2022, the focus of the Group and its customers has shifted towards developing processes to 'live with' COVID-19 in 2023 and beyond. For the Group's projects, COVID-19 has caused the Group some additional constraints and costs during FY2022, but these additional costs have primarily been borne by customers.

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.2 Going concern (continued)

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

Cash flow forecasts have been prepared through to December 2024 based on a range of scenarios including, but not limited to, committed contracts in place for key vessels, lower than expected levels of utilisation for the Group's other vessels, the timing of repayment of current borrowing facilities and no further debt or equity funding expected to take place over this period.

Existing charters relating to the Group's key trading vessels, for at least the coming 12 months, provide certainty relating to committed future revenue streams and cash flows. The directors expect the future markets to remain positive, substantiated by the significant order backlog for the years ending 31 December 2023 and 31 December 2024, with further improvements to our utilization and day rates for 2024 onward.

The directors do not anticipate a significant impact on the business arising from the Russian invasion of Ukraine. None of the Group's vessels trade in the Black Sea and there are no Russian charterers in its customer base.

Eneti Inc has undertaken to provide financial support to the Group to enable it to meet its obligations as they fall due, for a period of at least 12 months from the date of approval of these consolidated financial statements.

Based on the above, the consolidated financial statements have been presented on a going concern basis, which contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business. Accordingly, the directors continue to adopt the going concern basis in preparing the consolidated financial statements for the year ended 31 December 2022.

2.3 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:

- Property, Plant and Equipment (Amendment to IAS 16);
- Provisions, Contingent Liabilities and Contingent Assets (Amendment to IAS 37);
- Business Combinations (Amendment to IFRS 3); and
- Annual Improvements to IFRS Standards 2018-2020 Cycle.

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

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 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 IAS 12 Income Taxes;
- 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.

2.5 Basis of consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

- The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights;
- Substantive potential voting rights held by the company and by other parties;
- Other contractual arrangements; and
- Historical patterns in voting attendance.

The consolidated financial statements present the results of the Company and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

2.6 Foreign currencies

The presentation currency of the Group and functional currency of the Company 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.

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.6 Foreign currencies (continued)

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing at the reporting date. Income and expense items are translated at the average rate of exchange for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are classified as other comprehensive income. Such translation differences are recognised as income or expense in the period in which the disposal of the operation occurred.

2.7 Revenue

The Group leases out some of its vessels under time charters. Lessors shall classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, a lease is classified as an operating lease. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or 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. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

Lease and service revenue

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.

Mobilisation and demobilisation revenue

The Group may receive fees, on either a fixed lump-sum or variable day rate basis, for the mobilisation. 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 Group 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.

Lump-sum fees received for equipment moves (and related costs) as part of demobilisations are recognised when the services relating to a demobilisation are rendered.

Revenue financing components

As noted above, lump sum payments are sometimes received at the outset of a contract for the mobilisation of vessels or modifications required to them. These lump sum payments give rise to contract liabilities with a financing element recognised for those revenues received greater than 12 months ahead of the services being provided (note 17).

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.7 Revenue (continued)

Revenue related to reimbursable expenses

The Group generally receives reimbursements from 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 Group'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 of a customer. The Group and its subsidiaries are generally considered a principal in such transactions and record the associated revenue at the gross amount billed to the customer.

Revenues related to construction supervision

Construction supervision revenues relate to advisory and support services provided to third parties during the design and construction phases of new vessels. Revenue is recognised in accordance with the satisfaction of the performance obligations. Advisory services are recognised in line with the agreed milestones and support services are recognised evenly over the duration of the contract, as set out in the contractual terms.

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 Group 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 Group's right to consideration, in exchange for goods or services delivered to the customer, is conditional on the entity's future performance. Conversely, where the Group receives a payment for consideration in relation to goods or services to be provided in the future, the amount is recorded as a contract liability.

Where the Group identifies non-current contract liabilities relating to mobilisation and contract preparation fees received from customers in advance, which are deferred until the commencement of the associated contracts, the Group measures the amount of revenue to recognise on execution of the contracts by calculating a financing component at the interest rate that would have applied had the Group borrowed the funds from its customer.

Construction income

Construction or turnkey projects typically involve the Group accepting risk and responsibility for a defined scope of work or performance obligation on a completed milestone basis. In accordance with IFRS 15, the Group recognises revenue at a point in time when or as the performance obligation is satisfied by reference to the transfer of control. As the Group does not own the installation components or the site to which they are installed, transfer of control is based upon when the client has the ability to direct the use of the installation and obtains the benefit of the completed installation; according to competent engineers.

Reimbursable items within the context of the construction contract follow the expense reimbursement policy listed above.

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.8 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; and
- 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; and
- 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 offset current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.9 Defined contribution pension schemes

Contributions to defined contribution pension schemes are charged to the consolidated statement of comprehensive income in the year to which they relate.

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.10 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.

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.

Vessel related 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. Depreciation commences on commencement of the project.

(ii) Non-vessel fixed assets

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

Office equipment	–	3 to 5 years
Leasehold improvements	–	15 years
Non-vessel related project equipment	–	1 to 7 years

There are certain non-vessel related project equipment that are capitalised and not depreciated until the commencement of the project, with their useful economic lives being determined to be the length of the project as many are project specific.

2.11 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 as follows:

Trade name	–	33 years
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Useful economic lives are examined on an annual basis and adjustments, where applicable, are made on a prospective basis. Customer contracts are derecognised when the contract is completed.

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.

Purchased intangible assets are capitalised at fair value on the date of acquisition if they relate to a business combination and otherwise capitalised at cost, less any amortisation and any impairment losses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.12 Impairment of non-financial assets (excluding deferred taxes)

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows, its cash generating units ('CGUs'). Based on the above, the Group has determined at the reporting date that it has three CGUs comprising of its pool of 2500X vessels, the 5500C vessel and the 14000X vessel including related intangibles (*31 December 2021 – three CGUs reported*).

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 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 Group 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 Group has determined at the reporting date that it has three CGUs comprising of all the Group's vessels and related intangibles.

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 Group 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.

Management's impairment assessment as at 31 December 2022 is explained in more detail in note 11.

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. An impairment loss recognised for goodwill is not reversed.

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.13 Investments in subsidiaries

Investments in subsidiaries are carried at historical cost less provisions for impairment.

2.14 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.

2.15 Financial instruments

Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. Other than financial assets in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises in-the-money derivatives and out-of-the-money derivatives where the time value offsets the negative intrinsic value (See "financial liabilities" for out-of-the-money derivatives classified as liabilities). They are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income in the (loss)/gain on derivatives financial instruments line in operating activities. Other than derivative financial instruments which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Cash and cash equivalents includes short-term highly liquid investments readily convertible into known amounts of cash but excludes restricted amounts held in the Group's bank accounts. They are normally represented by bank deposits with an original maturity of less than three months.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. Other than financial liabilities in a qualifying hedging relationship (see hedge accounting below), the Group's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises out-of-the-money derivatives where the time value does not offset the negative intrinsic value (see "financial assets" for in-the-money derivatives and out-of-the-money derivatives where the time value offsets the negative intrinsic value). They are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income in the (loss)/gain on derivatives financial instruments line in operating activities.

The Group does not hold or issue derivative instruments for speculative purposes, but for hedging purposes. Other than these derivative financial instruments, the Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss

Other financial liabilities include the following items:

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

Interest-bearing loans, borrowings and overdrafts are initially measured at fair value (proceeds received, net of direct issue costs), and are subsequently measured at amortised cost, using the effective interest rate method.

Hedge accounting

The Group uses interest rate swaps and forward currency contracts to hedge exposures to interest rate and foreign exchange rate movements which are normally designated in cash flow hedges. The Group applies IFRS 9 when accounting for hedging. Changes in the fair value of the derivative financial instruments that are designated, and effective hedges of future cash flows, are recognised in other comprehensive income and the ineffective portion is recognised immediately in profit or loss in the consolidated statement of comprehensive income through (loss)/gain on derivative financial instruments included in operating activities.

The forward currency contract hedges the foreign currency risk due to spot rate fluctuations associated with the receipt of firm contracted Euro denominated income.

The interest rate swap hedges the interest rate risk arising on the variable interest payable on certain interest-bearing loan and borrowings, hedged with a fixed interest rate swap.

Hedge ineffectiveness on these contracts and swaps, being the extent to which the change in fair value of future expected cash flows of the hedging instrument not offsetting those of the hedged item, may occur as a result of a major change in credit risk of the counterparty of any forward contracts entered into, or a significant change in the hedged item itself.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Fair value of financial instruments

The Group measures financial instruments, such as derivatives, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in note 22. 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 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. 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 Group 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 consolidated 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 consolidated financial statements on a recurring basis, the Group 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 Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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.

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.15 Financial instruments (continued)

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. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as a gain or loss on loan modification.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount reported in the consolidated 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.

2.16 Leases – Group as lessee

The Group leases various offices and fleet wharfage from third parties.

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 Group. 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 Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group, 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.

To determine the incremental borrowing rate, the Group:

- 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;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, 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.

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.16 Leases – Group as lessee (continued)

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 any 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 Group 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.

2.18 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of property, plant and equipment that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

2.18 Convertible loan notes

The proceeds received on any issue of the Group's convertible loan notes are allocated into their liability and equity components. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently, the debt component is accounted for as a financial liability measured at amortised cost until extinguished on conversion or maturity of the bond. The remainder of the proceeds is allocated to the conversion option and is recognised in a "Convertible debt option reserve" within shareholders' equity, net of income tax effects.

2.19 Share-based payments

Employees (including senior executives) of the Group previously received remuneration in the form of equity shares which are settled in cash (cash settled transactions).

Cash-settled share awards

The cost of cash-settled transactions was measured initially at fair value at the grant date using an annualised consolidated EBITDA. The fair value was expensed over the period until the vesting date with recognition of a corresponding liability. At each reporting date until the end of the vesting period, the fair value of the liability was remeasured, with any changes in fair value recognised in profit or loss for the period. On 12 August 2021, cash-settled share awards were repaid as part of the total debt repayment within the terms of Eneti Inc's acquisition of the Group.

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.20 Provisions

Where relevant, the Group recognises provisions for liabilities of uncertain timing or amount including those for onerous leases, warranty claims, leasehold dilapidations and legal disputes. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability. In the case of leasehold dilapidations, the provision takes into account the potential that the properties in question may be sublet for some or all of the remaining lease term.

2.21 Share capital

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Group's ordinary shares are classified as equity instruments.

2.22 Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the Annual General Meeting.

3. Critical accounting estimates and judgements

In the application of the Group'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 Group and Company reviews its intangibles and other non-current assets at each reporting date, if indicators exist for impairment.

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, discount rates 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. Further details are set out in notes 11 and 13.

Classification of revenue – critical judgment

The time charter revenues of the Group's shipping operations contain both lease revenue and revenue from contracts with customers. The Group 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. This judgment determines whether the income should be accounted for under IFRS 15 as revenue based on the fulfilment of performance obligations, or as lease income under IFRS 16.

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

3. Critical accounting estimates and judgements (continued)*Intangible asset useful economic life – critical estimate*

The Group amortises its trade name over a useful economic life of 33 years. The 'Seajacks' trade name is deemed to be transferable between the subsidiary vessel operating entities and management consider that the 33 years is reflective of the benefit that will be derived to the Group, which is also aligned with the remaining useful economic life of the Group's vessels that existed at the time of acquiring the trade name.

Deferred tax assets – critical judgement and estimation

The Company and certain subsidiaries in the Group previously recognised deferred tax assets in relation to tax losses incurred in past years. The Group reviewed the carrying amount of deferred tax assets at the previous 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 Group critically reviews supporting evidence for recognition of deferred tax assets and assesses the probability of future profits that will be generated, including from confirmed contracts, resulting in projected taxable profits over the next three years. 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.

Largely due to the future projections for the unwind of the tax losses, the Group and subsidiaries have concluded that the recognition of deferred tax assets for the year ended 31 December 2022 is not justified.

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 Group's tax position and hence is likely to have no tax impact on the already available tax deductions.

4. Revenue**Revenue analysis by activity:**

	Year ended 31 December 2022 US\$000	9 month period ended 31 December 2021 US\$000
Lease income	109,730	17,794
Vessel construction supervision income	4,168	2,734
Service income	78,137	89,461
Construction income	7,291	98,408
	<u>199,326</u>	<u>208,397</u>

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Revenue (continued)

Lease income relates to the hire revenues including mobilisation and demobilisation of the vessels and is recorded on a straight line basis over the term of the charter in accordance with IFRS 16. The 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. 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.

Vessel construction supervision advisory income and Construction income are recognised at a point in time when these services are provided according to the contract, with the supervision support element recognised in the month that the services are delivered.

Geographical analysis:

	Year ended 31 December 2022 US\$000	9 month period ended 31 December 2021 US\$000
United Kingdom	16,156	4,957
Taiwan	94,016	71,309
USA	4,168	2,734
Japan	69,509	98,797
Denmark	-	7,243
China	-	21,737
Netherlands	7,827	1,620
Germany	7,650	-
	<u>199,326</u>	<u>208,397</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\$69,509,000 (9 month period ended December 2021 – four major customers contributing more than 10% each were US\$21,796,000, US\$55,006,000, US\$47,537,000 and US\$28,391,000).

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Direct vessel operating and project costs

Direct vessel operating and project costs comprises:

	Year ended 31 December 2022 US\$000	9 month period ended 31 December 2021 US\$000
Crew cost	31,133	22,229
Maintenance cost	10,216	5,843
Operating costs	5,032	2,749
Fuel and other consumptions	12,130	4,251
Catering	4,192	2,977
Other project costs	14,745	33,172
Insurance	2,022	1,389
	<u>79,470</u>	<u>72,610</u>

6. Operating profit

This is stated after charging:

	Year ended 31 December 2022 US\$000	9 month period ended 31 December 2021 US\$000
Auditor's remuneration: - audit of the Company	<u>52</u>	<u>40</u>
Depreciation: - property, plant and equipment (note 11)	23,339	21,022
- right of use assets (note 12)	461	153
Impairment of long-lived assets (notes 11 and 13)	29,308	94,705
Vessel operation and insurance costs	23,376	11,366
Vessel maintenance costs	10,216	5,843
Amortisation of intangible assets (note 13)	2,318	2,205
Net foreign exchange loss	1,626	1,951
Loss on disposal of property, plant and equipment	<u>899</u>	<u>-</u>

Any fees for the audit of the subsidiaries are borne by Eneti Inc.

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

7. Staff and crew costs

	Year ended 31 December 2022 US\$000	9 month period ended 31 December 2021 US\$000
Wages and salaries	9,634	7,203
Social security costs	1,209	853
Pension contributions	399	292
Offshore crew costs	25,041	17,493
Other staff costs	371	776
	<u>36,654</u>	<u>26,617</u>

Staff costs are included in:

Direct vessel operating and project costs	25,040	17,493
Administrative expenses	11,614	9,124
	<u>36,654</u>	<u>26,617</u>

The average monthly number of persons employed by the Group during the year ended 31 December 2022 were:

	Year ended 31 December 2022 No.	9 month period ended 31 December 2021 No.
Management	2	3
Operations	61	54
Administrative	34	31
Offshore crew	177	181
	<u>274</u>	<u>269</u>

Included within staff costs are directors' remuneration, being one director (*9 month period ended 31 December 2021 – one*) and the director has been accruing benefits under a defined contribution pension scheme. The amounts paid to the highest and only paid director during the period were as follows:

	Year ended 31 December 2022 US\$000	9 month period ended 31 December 2021 US\$ 000
Wages and salaries	1,930	388
Social security costs	270	172
Pension contributions	130	58
	<u>2,330</u>	<u>618</u>

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

7. Staff and crew costs (continued)

Staff costs also include amounts paid to key management personnel amounting to US\$2,859,000 (9 month period ended 31 December 2021 – US\$2,171,000) of which US\$Nil (9 month period ended December 2021 – US\$796,000) was paid to a company controlled by a member of key management, as per note 25.

Key management personnel remuneration is made up of the following:

	Year ended 31 December 2022 US\$000	9 month period ended 31 December 2021 US\$000
Wages and salaries	2,366	1,893
Social security costs	363	197
Pension contributions	130	81
	<u>2,859</u>	<u>2,171</u>

Company

The Company does not have any employees and therefore has no staff costs.

8. Finance income and costs

	Year ended 31 December 2022 US\$000	9 month period ended 31 December 2021 US\$000
Finance income:		
Interest income	12	28
Gain on loan modification (note 18)	-	8,937
	<u>12</u>	<u>8,965</u>

	Year ended 31 December 2022 US\$000	9 month period ended December 2021 US\$000
Finance costs:		
Interest expense on financial liabilities measured at amortised cost	19,671	18,987
Amortisation of loan fees	378	-
Interest expense on convertible loan notes	-	49
Interest expense on lease liabilities (note 12)	146	91
Interest expense on non-current contract liabilities	-	410
Other interest and finance charges	2,332	1,663
	<u>22,527</u>	<u>21,200</u>

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

9. Income tax

a) Tax on profit/(loss) on ordinary activities

	Year ended 31 December 2022 US\$000	9 month period ended 31 December 2021 US\$000
Current income tax:		
Foreign taxation	899	4,067
Adjustment in respect of prior year	(154)	(512)
Total current income tax	<u>745</u>	<u>3,555</u>
Deferred tax:		
Current year	6,836	35,662
Adjustment in respect of prior year	-	(184)
Total deferred tax (note 9c)	<u>6,836</u>	<u>35,478</u>
 Tax charge in the statement of comprehensive income	 <u>7,581</u>	 <u>39,033</u>
 Tax charge in the statement of other comprehensive income	 <u>-</u>	 <u>626</u>

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

9. Income tax (continued)

b) Reconciliation of the total tax charge

The tax charge in the Statement of Comprehensive Income for the year is higher than (*9 month period ended 31 December 2021 – higher than*) the standard rate of corporation tax in the UK of 19% (*9 month period ended 31 December 2021 - 19%*). The differences are explained below:

	Year ended 31 December 2022 US\$000	9 month period ended 31 December 2021 US\$000
Profit / (loss) on ordinary activities before taxation	24,448	(12,088)
Multiplied by UK standard rate of corporation tax of 19% (9 month period ended 31 December 2021 – 19%)	4,645	(2,297)
Effects of:		
Disallowable expenses	102,647	26,482
Income not taxable	(105,973)	(23,068)
Adjustment in respect of prior years	(154)	(512)
Effects of overseas tax rates	375	2,130
Deferred tax movement	6,836	-
Deferred tax not recognised	(795)	36,298
Total tax charge in the statement of comprehensive income	7,581	39,033

c) Deferred tax asset/(liability)

	US\$000
At 1 April 2021	36,103
Short-term timing differences – current period (note 9a)	(35,478)
Short-term timing differences – other comprehensive income	(625)
At 31 December 2021	-
Short-term timing differences – current period (note 9a)	(6,836)
At 31 December 2022	(6,836)

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

9. Income tax (continued)

Shown as:	Year ended 31 December 2022 US\$000	9 month period ended 31 December 2021 US\$000
Deferred tax asset – non current	-	-
Deferred tax liability – non current	(6,836)	-
	<u>(6,836)</u>	<u>-</u>

The deferred tax liability is arising from:

	Year ended 31 December 2022 US\$000	9 month period ended 31 December 2021 US\$000
Fixed assets	(6,836)	-
	<u>(6,836)</u>	<u>-</u>

The Group has a deferred tax liability of US\$6,836,000 arising from non-UK vessel assets (9 month period ended December 2021 – US\$Nil).

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 where relevant.

Unrecognised deferred tax assets arising from taxable losses as a result of the impairment of intangible and tangible assets exist, with a net value of US\$120,324,000 at 31 December 2022 (9 month period ended December 2021 – US\$115,058,000). These have not been recognised at this time due to the timing of future projections for the utilization of these losses and current uncertainty.

A corporate tax payable balance of US\$2,634,000 arose on income from foreign operations (9 month period ended 31 December 2021 – US\$4,058,000).

ATLANTIS INVESTORCO LIMITED

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

10. Investments

Company	US\$000
Cost:	
At 1 April 2021 and 1 January 2022	595,000
Additions	7,934
At 31 December 2022	602,934
Impairment:	
At 1 April 2021	(356,234)
Reversal of impairment	43,149
At 31 December 2021	(313,085)
Reversal of impairment	10,326
At 31 December 2022	(302,759)
Net book value:	
At 31 December 2022	300,175
At 31 December 2021	281,915

The subsidiaries of the Company as at 31 December 2022 are set out below.

Company name	Registered office	% of voting rights
Atlantis Equityco Limited	*4	100%
Atlantis Midco Limited*1	*4	100%
Seajacks International Limited*2	*4	100%
Seajacks 1 Limited*3	*4	100%
Seajacks 2 Limited*3	*4	100%
Seajacks 3 Limited*3	*4	100%
Seajacks 4 Limited*3	*4	100%
Seajacks 5 Limited*3	*4	100%
Seajacks UK Limited*3	*4	100%
Seajacks Crewing Services Limited*3	*4	100%
Seajacks Merman Marine Limited*3	*5	100%
Seajacks Japan LLC*3	*6	100%
Seajacks 3 Japan LLC*3	*6	100%

*1 Owned indirectly via Atlantis Equityco Limited

*2 Owned indirectly via Atlantis Midco Limited

*3 Owned indirectly via Seajacks International Limited. The shares in Seajacks 1 Limited, Seajacks 2 Limited, Seajacks 3 Limited, Seajacks 4 Limited and Seajacks 5 Limited are pledged as security against the Group's bank loans (note 18).

*4 South Denes Business Park, South Beach Parade, Great Yarmouth, Norfolk, NR30 3QR

*5 Seajacks Merman Marine Ltd, Canon's Court, 22 Victoria Street, PO Box HM 11 79, Hamilton, HM Ex, Bermuda

*6 10th Floor Stork Building, 3-2-6 Nihonbashi Hongokucho, Chuo-ku, Tokyo, 103-0021, Japan

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Investments (continued)

Based on the impairment assessment performed by management, in reflection of the improvement in the fair value of total underlying vessel assets, the impairment made against the Company's investments as at 31 December 2021 amounting to US\$313,085,000 has been partially reversed by \$10,326,000, leaving an impairment provision at 31 December 2022 of \$302,759,000.

For the year ended 31 December 2022 the Company's subsidiaries were 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 subsidiaries financial statements for the period in question in accordance with section 479A. This Company has provided a guarantee to each subsidiary under section 479C of the Companies Act 2006.

At 31 December 2021, the Company incorrectly treated a balance of US\$7,934,000 relating to purchased ordinary shares in its subsidiary Atlantis Equityco Ltd, as Amounts due from subsidiary undertakings and hence included in note 15 in the previous period. The shares were purchased by the Company from key management within FY2021 as a result of the Group's acquisition by Eneti Inc. The balance of US\$7,934,000 should have been treated as investments, creating an additional impairment reversal gain of the same amount to the Company's Statement of Comprehensive Income. Management deemed retrospective restatement to be impractical and have instead applied the correction within the year ended 31 December 2022. The outcome of the correction principally affects (i) the Company Statement of Comprehensive Income which is not included within these financial statements and, (ii) a reclassification of balances between investments in and amounts due from subsidiary undertakings, both of which are controlled by the Company, and therefore the financial statements are still considered to present a true and fair view. The Consolidated Group Financial Position at 31 December 2021 and 31 December 2022 and results for those periods are unaffected.

11. Property, plant and equipment

Group	Vessels	Other fixed assets	Total
Cost:	US\$000	US\$000	US\$000
At 1 April 2021	890,498	19,539	910,037
Additions	179	1,477	1,656
Disposals	(39,713)	(9,079)	(48,792)
At 31 December 2021	850,964	11,937	862,901
Additions	-	1,104	1,104
Disposals	-	(5,233)	(5,233)
At 31 December 2022	850,964	7,808	858,772
Depreciation:			
At 1 April 2021	(304,423)	(16,366)	(320,789)
Charge for the period	(20,211)	(811)	(21,022)
Disposals	39,713	8,018	47,731
Impairment	(77,615)	(7)	(77,622)
At 31 December 2021	(362,536)	(9,166)	(371,702)
Charge for the year	(21,719)	(1,620)	(23,339)
Disposals	-	4,334	4,334
Impairment	(27,294)	-	(27,294)
At 31 December 2022	(411,549)	(6,452)	(418,001)
Net book value:			
At 31 December 2022	439,415	1,356	440,771
At 31 December 2021	488,428	2,771	491,199
At 1 April 2021	586,075	3,173	589,248

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11. Property, plant and equipment (continued)

Impairment of property, plant and equipment is considered together with intangible assets impairment assessment below. The vessels are pledged as security against the Group's bank loans (note 18).

Capitalised borrowing costs

Borrowing costs amounting to US\$2,964,000 (9 month period ended December 2021 - US\$2,964,000) have been capitalised to date in the carrying amount of property, plant and equipment. There are no borrowing costs capitalised during the current year (9 month period ended 31 December 2021 – US\$Nil).

Impairment

The Group's vessels and trade name are tested for impairment annually. This together with impairment factors identified by the Group during the year ended 31 December 2022 and the 9 month period ended 31 December 2021 has meant that the Group has carried out an impairment assessment against the carrying value of the cash generating units with a combined carrying value of US\$517,424,000 (9 month period ended 31 December 2021 – US\$636,159,000), using value in use calculations and fair values less costs to sell.

Forecast cash flows, used to determine value in use, represent pre-tax projections over the remaining life of the Group's vessels, based on financial forecasts approved by senior management, excluding significant capital expenditure that would enhance the scale of the business which is not already contracted. The Group has already secured significant contract coverage in Asia-Pacific for FY2023 to FY2025.

For the period beyond 48 months, the Group expects an increase both in demand and supply of offshore wind so has replicated FY2027 expectations as a base case.

The discount rate was estimated based on a market derived weighted average cost of capital, calculated based on the market projected average cost of debt over the remaining life of the Group's vessels and a market cost of equity derived using the capital asset pricing model assuming a long term equity risk premium and an appropriate equity beta. The pre-tax discount rate applied to future cash flows was 8.5% (2021 – 8.5%). The Group has considered and incorporated additional business risk factors relating to its changing strategy, which includes more focus on the fast growing and developing offshore wind turbine installation sector and in particular, in the Asia-Pacific region.

Based on the assessment performed, management determined an aggregate value in use of US\$567,850,000 at 31 December 2022 (31 December 2021 – US\$724,900,000). At 31 December 2022 management identified three CGUs (i. Pool of 2500X vessels ii. 5500C vessel iii. 1400X vessel), of which a resulting impairment of US\$29,308,000 was identified against the 2500X pool of plant and equipment and intangible assets when comparing carrying value against Market Value (2021 – impairment US\$94,705,000 against the 2500X plant and equipment and intangible assets pool). The impairment of long-lived assets charged to profit and loss for the year ended 31 December 2022 has been allocated across the 2500X applicable assets on a pro-rata basis amongst asset carrying values. Vessels have been impaired down to the fair value less costs to sell as at 31 December 2022, as supported by independent broker valuations, as follows:

	Year ended 31 December 2022 US\$ 000	9 month period ended 31 December 2021 US\$ 000
Property, plant and equipment – Vessels	27,294	77,615
Property, plant and equipment – Other assets	-	7
Intangible assets (note 13)	2,014	17,083
	<u>29,308</u>	<u>94,705</u>

Company

The Company has no property, plant and equipment.

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

12. Right of use assets and lease liabilities

Group

Right of use assets	Property Leases US\$000	Total US\$000
Cost		
At 1 April 2021	2,834	2,834
Additions	-	-
At 31 December 2021	<u>2,834</u>	<u>2,834</u>
Additions	<u>1,024</u>	<u>1,024</u>
At 31 December 2022	<u>3,858</u>	<u>3,858</u>
Depreciation and impairment		
At 1 April 2021	(1,623)	(1,623)
Charge for the period	(153)	(153)
At 31 December 2021	<u>(1,776)</u>	<u>(1,776)</u>
Charge for the year	<u>(461)</u>	<u>(461)</u>
At 31 December 2022	<u>(2,237)</u>	<u>(2,237)</u>
Net book value:		
At 31 December 2022	<u>1,621</u>	<u>1,621</u>
At 31 December 2021	<u>1,058</u>	<u>1,058</u>
At 1 April 2021	<u>1,211</u>	<u>1,211</u>

Lease Liabilities

	31 December 2022 US\$000	31 December 2021 US\$000
Current	657	353
Non-Current	<u>1,657</u>	<u>1,771</u>
	<u>2,314</u>	<u>2,124</u>
Lease liabilities		
At 1 January	2,124	2,457
Interest expense	146	91
Additions	1,024	-
Lease payments and foreign exchange movements	<u>(980)</u>	<u>(424)</u>
At 31 December	<u>2,314</u>	<u>2,124</u>

No impairment of right of use assets has been deemed necessary in the year (9 month period ended 31 December 2021 – US\$Nil).

Company

The Company has no right of use assets or lease liabilities.

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

13. Intangible assets

Group

	<i>Trade name</i> US\$000
Cost:	
At 1 December 2021 and 31 December 2022	175,959
Amortisation and impairment:	
At 1 April 2021	(103,638)
Charge for the period	(2,205)
Impairment	(17,083)
At 31 December 2021	(122,926)
Charge for the year	(2,318)
Impairment	(2,014)
At 31 December 2022	(127,258)
Net book value:	
At 31 December 2022	48,701
At 31 December 2021	53,033
At 1 April 2021	72,321

The impairment of intangible assets is considered in note 11.

Company

The Company has no intangible fixed assets.

14. Inventories

Group	31 December 2022 US\$000	31 December 2021 US\$000
Bunker fuel	1,222	1,132
Spare parts and consumables	4,573	4,714
	5,795	5,846

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

Company

The Company does not hold any inventory.

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

15. Trade and other receivables and contract fulfilment cost assets

Group – current

	31 December 2022 US\$000	31 December 2021 US\$000
Trade receivables	27,660	10,988
Prepayments	2,118	3,474
Contract assets	5,006	5,950
VAT and other receivables	2,522	1,295
	<u>37,306</u>	<u>21,707</u>

All trade receivables in respect of charter contracts with duration of 12 months or more are secured against the Group's bank loans (note 18).

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 assets comprises contract income relating to consultancy services and crewing recharges of which performance obligations have been completed ahead of billing.

The ageing analysis of trade receivables is as follows:

	Expected Credit Losses	31 December 2022 US\$000	31 December 2021 US\$000
Not due	0%	25,340	10,600
Past due but not impaired 0 - 30 days	0%	-	340
Past due 31 - 60 days	10%	2,320	41
Past due 61 – 90 days	50%	-	7
Past due 91 – 120 days	100%	-	-
Past due more than 120 days	100%	-	-
		<u>27,660</u>	<u>10,988</u>

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above which approximate their fair value at the reporting date. The Group does not hold any collateral as security.

The expected credit losses are considered insignificant as most of the trade receivables are neither past due nor impaired and have been recovered subsequent to the year end.

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

15. Trade and other receivables and contract fulfilment cost assets (continued)

	31 December 2022 US\$000	31 December 2021 US\$000
Group – non current		
Contract fulfilment costs	-	-
Group – current		
Contract fulfilment costs	634	3,835

Contract fulfilment costs relate to expenditures incurred on the mobilisation, contract preparation and demobilisation of a vessel 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.

	31 December 2022 US\$000	31 December 2021 US\$000
Company		
Amounts due from subsidiary undertakings (note 25)	299,506	305,756
Other receivables	61	-
	<u>299,567</u>	<u>305,756</u>

The amounts due from subsidiary companies are unsecured, interest free and repayable on demand. Refer to note 10 on page 47 which explains an error in the previous period regarding an amount included in this balance which should have been included in Investments, which has been rectified in the current year.

16. Cash and Cash Equivalents

	31 December 2022 US\$000	31 December 2021 US\$000
Group		
Cash at bank and short term cash deposits	89,143	44,034

Restricted bank balances for the Group amounting to US\$7,269,000 (31 December 2021 – US\$Nil) are held in escrow and held as security against the client performance bonds.

	31 December 2022 US\$000	31 December 2021 US\$000
Company		
Cash at bank and short term cash deposits	-	1

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

17. Trade and other payables and contract liabilities

	31 December 2022 US\$000	31 December 2021 US\$000
Group – current		
Trade payables	3,967	5,838
Accruals	<u>7,592</u>	<u>6,790</u>
	<u>11,559</u>	<u>12,628</u>
 Contract liabilities	 <u>6,706</u>	 <u>12,275</u>
 Group – non current		
 Contract liabilities	 <u>-</u>	 <u>565</u>

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.

	31 December 2022 US\$000	31 December 2021 US\$000
Company – current		
Accruals	16	16
Amounts due to subsidiary companies (note 25)	<u>23,059</u>	<u>308</u>
	<u>23,075</u>	<u>324</u>

Amounts due to subsidiary companies are interest free, unsecured and repayable on demand.

18. Interest bearing loans and borrowings

	31 December 2022 US\$000	31 December 2021 US\$000
Group		
Amounts falling due within one year		
Shareholder guaranteed bank loan	-	87,716
Secured bank loans	12,039	-
Shareholder loans	<u>329,958</u>	<u>311,238</u>
	<u>341,997</u>	<u>398,954</u>
 Amounts falling due after one year		
Secured bank loans	<u>52,253</u>	<u>-</u>
 Total interest-bearing loans and borrowings	 <u>394,250</u>	 <u>398,954</u>

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

18. Interest bearing loans and borrowings (continued)

Group (continued)

Prior to the acquisition of the Group by Eneti Inc on 12 August 2021 the Group had various secured bank loans. These were fully settled upon completion of the acquisition resulting in a gain of US\$8,937,000 being recognized in the profit and loss account in the 9 month period ended 31 December 2021.

The Group entered into loans with a syndicate of banks. The loans currently outstanding consist of the following facilities:

	Notional	31 December 2022	31 December 2021
Shareholder Guaranteed bank loan	US\$87,650,000	N/A	US\$87,650,000
Shareholder Loan	US\$307,908,000	US\$307,908,000	US\$305,686,000
Term loan	US\$75,000,000	US\$64,292,000	N/A
Revolving loan	US\$75,000,000	US\$Nil	N/A
Revolving letter of credit facility	US\$25,000,000	US\$Nil	N/A

Secured bank loans

On 31 March 2022, the Group signed a new US\$175,000,000 multicurrency syndicated credit facility with DNB Capital LLC, Societe Generale, Citibank N.A., Credit Agricole Corporate and Investment Bank and Credit Industriel et Commercial. The credit facility consists of three tranches: (i) a US\$75,000,000 Green Term Loan (the "Term Loan" tranche), (ii) up to US\$75,000,000 Revolving Loans (the "Revolving Loan" tranche), and (iii) up to US\$25,000,000 revolving tranche for the issuance of letters of credit, performance bonds and other guarantees (the "Letters of Credit" tranche). The credit facility has a final maturity date of five years from the signing date. Up to 100% of the amounts available under the Revolving Loans may be drawn in Euros and up to 50% of the amounts available under the Letters of Credit may be issued in Euros.

i. Term Loan tranche:

The term loan of US\$75,000,000 was drawn in full on 6 May 2022 and bears interest of SOFR plus a margin of 3.05%.

ii. Revolving Loan tranche:

The revolving loan of US\$75,000,000 can be drawn in either US dollars or Euros and bears interest of SOFR plus a margin of 3.15%. The amount available for drawing under the Revolving Loans is based upon 50% of contracted cash flows on a forward-looking 30-month basis.

iii. Letter of Credit tranche:

The revolving Letter of Credit facility of US\$25,000,000 includes any letters of credit, performance bonds or other guarantees issued by the Group and bears fees of 3.15% per annum. At 31 December 2022, the bank loans were secured against, inter alia, the share capital of certain of the Company's subsidiaries (note 10), the vessel component of property, plant and equipment (note 11), certain earnings and trade and other receivables from the operation of vessels (note 15) and certain cash and cash equivalents (note 16).

Shareholder guaranteed bank loan

Prior to acquisition by Eneti Inc on 12 August 2021, the Group entered a parent guaranteed loan facility. The notional value of the loan at 31 December 2021 amounted to US\$87,650,000, of which \$43,825,000 was subject to an interest rate of 3-month US\$ LIBOR plus 0.88% (31 December 2021 – 3-month US\$ LIBOR plus 0.88%) and \$43,825,000 was subject to an interest rate of 3-month US\$ LIBOR plus 0.8% (31 December 2021 – US\$ LIBOR plus 0.8%). On 10 February 2022, management chose to settle the entire facility.

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

18. Interest bearing loans and borrowings (continued)

Group (continued)

Shareholder loan

The Group increased the loan from its key shareholder to US\$307,908,000 at 31 December 2022 (31 December 2021 – US\$305,686,000) of which US\$284,686,000 is owed by the Company (31 December 2021 – US\$305,686,000). For details of the loan with the current shareholders at 31 December 2022 refer to note 25. This shareholder loan bears interest of 5% per annum and is repayable on demand. As of 31 December 2022, the total interest accrued by the Group amounted to US\$22,050,000 (31 December 2021 – US\$5,552,000) of which the total interest accrued by the Company amounted to US\$20,007,000 (31 December 2021 – US\$5,552,000).

Company

Shareholder loans

	Notional	31 December 2022	31 December 2021
Shareholder Loan	US\$284,686,000	US\$284,686,000	US\$284,686,000

On 12 August 2021, the Company received an unsecured loan from its shareholder amounting to US\$284,686,000. The loan bears an interest rate of 5% per annum and is repayable on demand. As of 31 December 2022 the accumulated interest amounted to US\$20,007,000 (31 December 2021 - US\$5,552,000).

19. Derivative financial instruments

Group

The fair value of the Group's derivative financial instruments is as follows:

	Hedging instruments Foreign currency contracts US\$000	Interest rate swap US\$000	Total US\$000
At 1 April 2021	(1,065)	(2,225)	(3,290)
Recognised in profit or loss	-	-	-
Effective portion recognised in other comprehensive income	1,065	2,225	3,290
At 31 December 2021 and 31 December 2022	-	-	-

The derivative financial instruments were all settled during the prior period.

Company

The Company holds no derivative financial instruments.

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

20. Cash settled share awards

Cash settled shares awards were previously issued to key management and employees and recognised at the estimated future exercise value at the reporting date taking account of the period over which any incremental value vests. All cash settled share awards were settled following the acquisition of the Group on 12 August 2021.

The value at the reporting date is calculated using the annualised Group EBITDA and recognised over the vesting period in profit or loss. At the reporting date this value has been calculated to be US\$Nil (9 month period ended 31 December 2021 - US\$34,000) and income of US\$34,000 (9 month period ended 31 December 2021 - US\$Nil) has been recognised in profit and loss for the movement in the value, which takes account of the vesting period.

Interest accretion was US\$Nil for the year ended 31 December 2022 (9 month period ended 31 December 2021 - US\$Nil). Total interest accrued as at the reporting date was US\$Nil (9 month period ended 31 December 2021 - US\$Nil).

21. Share capital

		31 December 2022		31 December 2021
<i>Allotted, called up, issued and fully paid</i>	No.	US\$000	No.	US\$000
Ordinary shares of US\$1 each	595,000,016	595,000	595,000,016	595,000

The issued shares are fully paid, are of the same class and have the same voting rights. The ordinary shares were issued at par for cash consideration.

22. Financial instruments

Financial risk management

The Group, through its activities, is exposed to a variety of financial risks, market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group's board of directors meets on a regular basis to monitor and manage the Group's sensitivity to financial risk. The Group makes use of interest rate swaps, interest rate caps and forward currency contracts to moderate certain risk exposures to fluctuations in interest rates and exchange rates.

Categories of financial instruments

The categories of the Group's financial instruments are as follows:

	Fair Value through profit or loss		Amortised cost		Fair Value through other comprehensive income	
	Dec 2022 US\$000	Dec 2021 US\$000	Dec 2022 US\$000	Dec 2021 US\$000	Dec 2022 US\$000	Dec 2021 US\$000
Financial assets						
Cash and cash equivalents	-	-	89,143	44,034	-	-
Restricted bank balances	-	-	7,269	-	-	-
Trade and other receivables	-	-	35,188	18,233	-	-
	-	-	131,600	62,267	-	-

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

22. Financial instruments (continued)

	Fair Value through profit or loss		Amortised cost		Fair Value through other comprehensive income	
	Dec 2022 US\$000	Dec 2021 US\$000	Dec 2022 US\$000	Dec 2021 US\$000	Dec 2022 US\$000	Dec 2021 US\$000
Financial liabilities						
Trade and other payables	-	-	11,559	12,628	-	-
Lease liabilities	-	-	2,314	2,124	-	-
Cash settled share awards	-	-	-	34	-	-
Interest-bearing loans and borrowings	-	-	64,292	87,716	-	-
Loan from shareholder	-	-	329,958	311,238	-	-
	<u>-</u>	<u>-</u>	<u>408,123</u>	<u>413,740</u>	<u>-</u>	<u>-</u>

The categories of the Company's financial instruments are as follows:

	Dec 2022 Book Value	Dec 2022 Fair value	Dec 2021 Book Value	Dec 2021 Fair Value
	US\$000	US\$000	US\$000	US\$000
Financial assets				
<i>Loans and receivables at amortised cost:</i>				
Trade and other receivables	299,567	299,567	305,756	305,756
Cash and cash equivalents	-	-	1	1
	<u>299,567</u>	<u>299,567</u>	<u>305,757</u>	<u>305,757</u>
Financial Liabilities				
<i>Financial liabilities at amortised cost:</i>				
Trade and other payables	16	16	16	16
Amounts due to subsidiaries	23,059	23,059	308	308
	<u>23,075</u>	<u>23,075</u>	<u>324</u>	<u>324</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

22. Financial instruments (continued)

The following methods and assumptions were used to estimate the fair values both for the Group and the Company:

- The fair value of cash and cash equivalents, trade and other receivables and trade and other payables approximates to their carrying amounts due to the short-term maturities of these instruments.
- The fair value of term loans is computed assuming there is no parent undertaking guarantee. Revolving credit facility is short term in nature, therefore, the carrying amount is assumed to approximate the fair value. A cash flow projection approach has been used with reference to observed market returns and accords to Level 2 in the fair value hierarchy.
- The derivative financial instruments are not traded in an active market; hence their fair value is determined by using discounted cash flow valuation techniques. These valuation techniques maximise the use of observable market data where available, including credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves, and rely as little as possible on entity specific estimates (i.e. they are at Level 2 in the hierarchy).
- No material differences are identified for the loans as the interest payable on borrowings is close to the current market rate or borrowings are of a short-term nature.

Interest rate risk

The Group's and Company's interest-bearing financial assets and liabilities expose them to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their financial position and cash flows.

The Group is subject to interest rates on its bank loans and the shareholder loan.

Loans

The Group and Company entered into loans with a syndicate of banks and its key shareholder. Details of these arrangements are set out in note 18 and not replicated here.

The Board monitor the sensitivity to interest rates on a regular basis.

Currency risk

The value of monetary assets and liabilities denominated in foreign currencies will fluctuate due to changes in foreign exchange rates. The Group 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 Group is exposed to currency risk are the Euro (EUR) and British Pound (GBP).

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 (31 December 2021 – 1.35).

During the year, the Group recognised a foreign exchange loss of US\$1,626,000 (9 month period ended 31 December 2021 – loss of US\$1,951,000) which arose on transactions in EUR and GBP, the retranslation of monetary assets and liabilities and forward currency contracts which are not designated as cash flow hedges.

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

22. Financial instruments (continued)

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

	Dec 2022 GBP denominated in US\$000	Dec 2022 EUR denominated in US\$000	Dec 2021 GBP denominated in US\$000	Dec 2021 EUR denominated in US\$000
Trade Receivables	-	17,967	-	4,317
Cash and Cash Equivalents	19,082	21,655	233	2,565
Trade Payables	<u>(2,597)</u>	<u>(335)</u>	<u>(1,316)</u>	<u>(6,112)</u>

A ten per cent strengthening of the US\$ against GBP would result in an increase of profit by US\$1,649,000 (9 month period ended 31 December 2021 – US\$108,000 decrease). A ten per cent strengthening of the US\$ against the Euro would result in an increase of profit by US\$3,929,000 (9 month period 31 December 2021 – US\$611,000 decrease). Management monitor the exposure to currency risk on a regular basis and partially mitigate the risk by using foreign currency contracts. The fair value of the foreign currency contracts is shown in note 19.

Credit risk

The Group services the offshore industry by time chartering (leasing) its vessels to third party charterers and by entering into construction contracts. The Group takes on exposure 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 98% (9 month period ended 31 December 2021 – 99%) of cash and cash equivalents together with restricted bank balances are held with three (9 month period ended 31 December 2021 – two) financial institutions with credit ratings according to S&P of A for all (9 month period 2021 – all A).

Concentration of credit risk also exists to the extent that amounts of US\$22,659,000 (9 month period ended 31 December 2021 – US\$9,785,000) which represent 82% (9 month period ended 31 December 2021 – 89%) of trade and other receivables are due from two (9 month period ended 31 December 2021 – two) counterparties. The amounts have been recovered subsequent to the reporting date.

Liquidity risk

The Group's finance department monitors the liquidity position by preparing cash-flow forecasts including performing covenant testing on a forecast basis, maintaining adequate reserves and borrowing facilities to ensure sufficient funds are available. The Group is exposed to risks relating to the current economic environment but its cash and cash equivalents, bank loans and charter coverage are adequate for the Group to meet its obligations and finance its operations.

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

22. Financial instruments (continued)

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

	Within 1 year US\$000	Between 1 and 2 years US\$000	Between 2 and 5 years US\$000	Over 5 years US\$000	Total contractual cash flows US\$000
At 31 December 2022:					
<i>Non-derivatives:</i>					
Trade and other payables	11,559	-	-	-	11,559
Lease liabilities	768	772	1,028	-	2,568
Interest-bearing loans and borrowings	17,558	16,754	46,127	-	80,439
Loan from shareholder	329,958	-	-	-	329,958
	<u>359,843</u>	<u>17,526</u>	<u>47,155</u>	<u>-</u>	<u>424,524</u>

	Within 1 year US\$000	Between 1 and 2 years US\$000	Between 2 and 5 years US\$000	Over 5 years US\$000	Total contractual cash flows US\$000
At 31 December 2021:					
<i>Non-derivatives:</i>					
Trade and other payables	12,628	-	-	-	12,628
Lease liabilities	467	485	1,322	96	2,370
Cash settled share awards	34	-	-	-	34
Interest-bearing loans and borrowings	88,357	-	-	-	88,357
Loan from shareholder	311,238	-	-	-	311,238
	<u>412,724</u>	<u>485</u>	<u>1,322</u>	<u>96</u>	<u>414,627</u>

23. Capital management

The capital management of the Group includes all components of equity and the bank loans. Total equity at 31 December 2022 was US\$206,941,000 (9 month period ended 31 December 2021 – US\$190,074,000) and the drawn down bank loan was US\$64,292,000 (9 month period ended 31 December 2021 – US\$Nil). As at 31 December 2022, the Group and Company had the full US\$75,000,000 available to draw down on its revolving facility. Finally, the Group and Company are in receipt of a parent company loan of US\$307,908,000 (9 month period ended 31 December 2021 – US\$305,686,000) and a shareholder guaranteed bank loan of \$Nil (9 month period ended 31 December 2021 – US\$87,650,000).

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

23. Capital management (continued)

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern;
- to enhance the ability of the Group to reinvest in future projects by sustaining a strong financial position; and
- to provide an adequate return to its shareholders.

The Board reviews the capital management of the Group regularly. It is the Group's policy to always maintain a level of equity which enables the Group to borrow at competitive rates and to provide adequate collateral for bank financing, thus maintaining access to capital markets and keep borrowing costs under control. As part of this review, management makes adjustments in the light of changes in economic conditions and the risk characteristics relating to the Group's activities.

The Group has bank covenants which need to be met for interest bearing loans and borrowings. The Group monitors its compliance with these covenants on an ongoing basis.

The Company's capital is managed in the context of the wider group as noted above.

24. Reserves

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 and the Group.

Fair value reserve

The fair value reserve represents the cumulative gains and losses arising on hedging instruments used by the Group to manage interest rate and foreign currency risk. This reserve was transferred to accumulated losses in the previous reporting period on settlement of all outstanding hedging instruments.

25. Related party transactions

Related party balances – Group

Related parties represent shareholders, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. In addition to matters referred to in note 7, significant balances and transactions with related parties are as follows:

Loan from shareholder:

	31 December 2022 US\$000	31 December 2021 US\$000
Current		
Loan from shareholder	329,958	311,238

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

25. Related party transactions (continued)

During the previous reporting period, a loan was agreed from the Group's ultimate parent for US\$307,908,000 (9 month period ended 31 December 2021 – US\$305,686,000). This shareholder loan bears interest of 5% per annum and is repayable on demand. As of 31 December 2022, the interest amounted to US\$22,050,000 (31 December 2021 – US\$5,552,000).

Transactions:

	Year ended 31 December 2022	9 month period ended 31 December 2021
	US\$000	US\$000
<i>Finance costs relating to loan from related party:</i>		
Interest expense on convertible loan notes held by management	-	49
Interest expense on shareholder loans	<u>16,194</u>	<u>8,466</u>
<i>Other costs:</i>		
Service charges paid to parent undertakings	<u>1,199</u>	<u>607</u>

During the 9 month period ended 31 December 2021, the Group paid consultancy fees amounting to US\$796,000 to ScanCorp, a company to which one of the former executive officers of the Group is a director and controlling shareholder. The balance due to ScanCorp at 31 December 2021 was US\$10,000 which was paid in full during the year ended 31 December 2022. The executive officer resigned from the the Group during the 9 month period ended 31 December 2021 and therefore Scancorp is not considered a Related Party during the year ended 31 December 2022.

The previous Group shareholders (Marubeni) incurred remuneration costs of US\$234,000 (9 month period ended 31 December 2021 – US\$128,000) related to a seconded staff member to the Group.

During the year, two close relatives of Blair Ainslie, a director of the Group, were paid US\$5,000 and US\$126,000 respectively (9 month period ended 31 December 2021 – US\$5,000 and US\$92,000 respectively to the same two relatives). The amounts paid are relating to private medical insurance in line with Company policy and employee remuneration. Where the relative is an employee of the Company, their remuneration is deemed reasonable given that the role and salary is in line with other staff employed in a similar capacity.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

25. Related party transactions (continued)

Company

	31 December 2022 US\$000	31 December 2021 US\$000
Loan from shareholder	304,693	311,238
	<u>31 December 2022 US\$000</u>	<u>31 December 2021 US\$000</u>
Due from related parties		
Balance due from subsidiary companies	<u>299,506</u>	<u>305,756</u>
Due to related parties		
Balance due to subsidiary companies	<u>23,059</u>	<u>308</u>

26. Unsatisfied performance obligations and lease income commitments

Group

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations as all contracts have original expected durations of one year or less.

Company

The Company has no unsatisfied performance obligations or lease income commitments.

27. Insurance claims

The Group's vessels may from time to time be involved in vessel incidents and claims arising from lawsuits and complaints, in the ordinary course of business. Although matters are defended vigorously, it is not possible to predict with certainty the outcome or timing of any matter. The Group has suitable insurance policies in place that the directors believe are reasonable and prudent. It is expected that these claims would be covered by insurances, subject to customary deductible amounts. However, there may be instances where insurance policies in place may not be applicable, sufficient or insurers may not remain solvent, which may have a material adverse effect on the financial position, results or liquidity of the Group.

ATLANTIS INVESTORCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

28. Events after reporting date

On 16 June 2023, the Group's 100% shareholders Eneti Inc., announced its agreement with Cadeler A/S 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 8 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 (all 2500X models) for approximately \$70 million in aggregate. Delivery of the vessels is expected to be completed before the end of 2023. The sale price is less than the carrying value of the assets as at 31 December 2022 in these financial statements. The directors do not consider this sale to be a post reporting period adjusting event. Accordingly no adjustment has been recorded in these financial statements for the reduction which may arise in the carrying value of the Property, plant and equipment and Investments in subsidiaries in the Group and Company respectively.

29. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Eneti (Bermuda) Limited, a company incorporated in Bermuda. The Group's ultimate parent undertaking is Eneti Inc., incorporated in the US.

The smallest and largest group for which consolidated financial statements including the financial statements of the Group have been prepared is Eneti Inc. The consolidated financial statements of Eneti Inc. are available to download from their website www.eneti-inc.com.