
SEAJACKS 3 LIMITED

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



SEAJACKS 3 LIMITED

COMPANY INFORMATION

Directors	Hugh Lawrence Baker Cameron Mackey
Company secretary	Burness Paull LLP
Registered number	07964958
Registered office	South Denes Business Park South Beach Parade Great Yarmouth Norfolk NR30 3QR

SEAJACKS 3 LIMITED

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SEAJACKS 3 LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their Strategic Report together with the unaudited financial statements for the 9 month period ended 31 December 2022.

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

Principal activity and review of business

The Company's principal activity historically was the ownership and leasing of a self-propelled jack-up vessel, the Seajacks Zaratan. On 31 March 2020, the Company disposed of the vessel to a fellow subsidiary and ceased its trading activity. During FY2022 the Company has limited trading activity including administrative expenses but no revenue has been recognised.

The loss for the year ended 31 December 2022 after taxation amounted to US\$151,000 (*9 month period ended 31 December 2021 - US\$Nil*).

Principal risks and uncertainties

Financial risk

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

Interest rate risk

The Company is subject to interest rates on loans issued by its parent undertaking. Interest rates are fixed and loan balances are fully supported, giving rise to minimal interest risk.

Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Company's credit risk concentration exists for its receivables which are all represented by receivables due from fellow subsidiaries or from the parent undertaking. At the end of the reporting period the Company is not exposed to any significant credit risk.

Currency risk

The Company does not have any significant foreign currency risk.

Liquidity risk

The Company's finance department monitors the liquidity position of the Company by preparing cash-flow forecasts to ensure sufficient funds are available. The Company's loans and receivables are adequate for the Company to meet its external obligations. The Company is dependent upon its immediate parent company's financial support to manage its liquidity risk (see note 2.3).

No table of contractual maturities of financial liabilities has been presented as all financial liabilities fall due in less than one year.

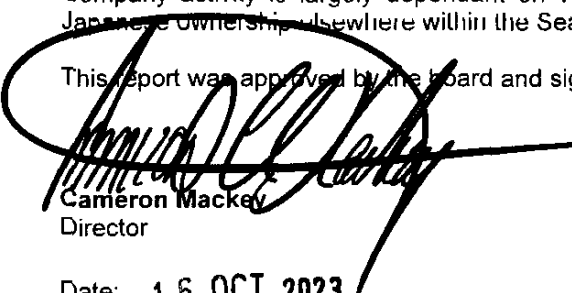
SEAJACKS 3 LIMITED

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

Future developments

Company activity is largely dependant on vessel activity, namely Seajacks Zaratan and the requirement for Japanese ownership elsewhere within the Seajacks Group.

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



Cameron Mackey
Director

Date: 16 OCT 2023

SEAJACKS 3 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

Results and dividends

The loss for the year ended 31 December 2022, after taxation, amounted to US\$151,000 (*9 month period ended 31 December 2021 - US\$Nil*).

The Company did not pay an interim dividend during the year ended 31 December 2022 (*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 during the year and up to the date of signing this report were:

Hugh Lawrence Baker
Cameron Mackey

Director's liabilities

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

Going concern

The accompanying financial statements of the Company have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes that we will continue in operation for at least a period of one year after the date these financial statements are issued, and contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business. We have experienced losses over the past years. However at the end of the reporting period, current assets of the Company exceeded current liabilities by US\$35,221,000 (*9 month period ended 31 December 2021 - US\$35,372,000*) mostly due to amounts due from parent undertakings.

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

The directors have considered the impact of the COVID-19 pandemic and the conflict between Russia and Ukraine and the resultant economic uncertainties on the Company and have undertaken a re-assessment of the cash flow forecasts covering a period of at least 12 months from the date these financial statements are issued. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements (Further details - see note 2.3).

Matters covered in the Strategic Report

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

SEAJACKS 3 LIMITED

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

Post reporting date events

Refer to note 6.

Exemption from audit

The company has availed of the exemption from audit for the year ending on 31 December 2022 in pursuance of the provisions contained under section 479A of the Companies Act 2006. All the members of the Company have consented to the audit exemption being claimed by the Company.

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



Cameron Mackey
Director

Date: 16 OCT 2023

SEAJACKS 3 LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

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

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

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

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

SEAJACKS 3 LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Year ended 31 December 2022 \$000	9 month period ended 31 December 2021 \$000
Administrative expenses	(151)	-
Operating (loss)/profit	(151)	-
(Loss)/profit before tax	(151)	-
Tax on (loss)/profit	-	-
(Loss)/profit for the financial year	(151)	-

All amounts relate to continuing activities.

There was no other comprehensive income for the year ended 31 December 2022 (9 month period ended 31 December 2021 - US\$Nil).

The notes on pages 9 to 15 form part of these financial statements.

SEAJACKS 3 LIMITED
REGISTERED NUMBER:07964958

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		31 December 2022 \$000	31 December 2021 \$000
	Note		
Current assets			
Trade and other receivables	4	35,221	35,372
Net assets		<u>35,221</u>	<u>35,372</u>
Capital and reserves			
Share capital	5	-	-
Accumulated profits		35,221	35,372
		<u>35,221</u>	<u>35,372</u>

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

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

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

The company was entitled to exemption from audit under section 480 of the Companies Act 2006.



Cameron Mackey
Director

Date: 16 OCT 2023

The notes on pages 9 to 15 form part of these financial statements.

SEAJACKS 3 LIMITED

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

	Share capital \$000	Profit and loss account \$000	Total equity \$000
At 1 January 2022	-	35,372	35,372
Comprehensive income for the year			
Loss for the year	-	(151)	(151)
Total comprehensive income for the year	-	(151)	(151)
At 31 December 2022	-	35,221	35,221

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

	Share capital \$000	Profit and loss account \$000	Total equity \$000
At 1 April 2021	-	35,372	35,372
Comprehensive income for the period			
Profit for the period	-	-	-
Total comprehensive income for the period	-	-	-
At 31 December 2021	-	35,372	35,372

The notes on pages 9 to 15 form part of these financial statements.

SEAJACKS 3 LIMITED

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

1. General information

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

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. There were no critical accounting estimates.

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

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

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

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

SEAJACKS 3 LIMITED

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

2. Accounting policies (continued)

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions (continued)

- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.3 Going concern

The accompanying financial statements of the Company have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes that we will continue in operation for at least a period of one year after the date these financial statements are issued, and contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business. We have experienced losses over the past years. However at the end of the reporting period, current assets of the Company exceeded current liabilities by US\$35,221,000 (9 month period ended 31 December 2021 - US\$35,372,000) mostly due to amounts due from parent undertakings.

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

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

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

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

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

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

SEAJACKS 3 LIMITED

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

2. Accounting policies (continued)

2.5 Standards issued but not yet effective

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

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

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

2.6 Financial instruments

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

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

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

Trade and other receivables

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

Trade and other payables

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

Fair value of financial instruments

The Company initially measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

SEAJACKS 3 LIMITED

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

2. Accounting policies (continued)

2.6 Financial instruments (continued)

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

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

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

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

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

Derecognition of financial assets and liabilities

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

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

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

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

SEAJACKS 3 LIMITED

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

2. Accounting policies (continued)

2.6 Financial instruments (continued)

Offsetting of financial assets and liabilities

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

3. Taxation

	Year ended 31 December 2022 \$000	9 month period ended 31 December 2021 \$000
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

SEAJACKS 3 LIMITED

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

3. Taxation (continued)

Factors affecting tax charge for the year/period

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

	Year ended 31 December 2022 \$000	9 month period ended 31 December 2021 \$000
(Loss)/profit on ordinary activities before tax	(151)	-
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (year ended 31 December 2021 - 19%)	(29)	-
Effects of:		
Group relief	29	-
Total tax charge for the year/period	-	-

Factors that may affect future tax charges

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

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

SEAJACKS 3 LIMITED

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

4. Trade and other receivables

	31 December 2022 \$000	31 December 2021 \$000
Amounts due from parent undertakings	35,221	35,372
	<u>35,221</u>	<u>35,372</u>

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

5. Share capital

	2022 \$	2021 \$
Authorised, allotted, called up and fully paid		
16 (31 December 2021 - 16) Ordinary shares of \$1 each	16	16

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption. The share capital is pledged as security against the bank loan held in the parent undertaking.

6. Post reporting date events

On 16th June 2023, the Company's ultimate 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.

7. Ultimate parent undertaking and controlling party

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

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

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