PART I

Item 1Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2Offer Statistics and Expected Timetable

Not applicable.

Item 3Key Information

A. [Reserved]

B. Capitalization and indebtedness

Not applicable.

C. Reasons for the offer and use of proceeds

Not applicable.

D. Risk factors

Set out below is a summary of certain risk factors which could affect the Cadeler Group’s future results and may cause them to differ from expected results materially. The factors discussed below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties that the Cadeler Group’s business faces.

Risks Related to the Cadeler Group’s Business

The Cadeler Group only has a limited number of vessels and could be adversely impacted if any vessel is taken out of operation, or if there is a delay in delivery of any new build vessel.

The Cadeler Group generates revenue by utilizing its fleet for the transportation and installation of offshore wind turbine generators and foundations and the provision of operations and maintenance, accommodation, meteorological mast installation and removal and decommissioning services in the offshore wind industry. The Cadeler Group’s fleet currently consists of two windfarm O-Class vessels in operation, Wind Orca and Wind Osprey (the “Operating O-Class Vessels”), one windfarm S-Class vessel in operation, Wind Scylla (the “Operating S-Class Vessel”), and one windfarm Z-Class vessel in operation, Wind Zaratan (the “Operating Z-Class Vessel” and, together with the Operating O-Class Vessels and the Operating S-Class Vessel, the “Operating Vessels”). In addition, the Cadeler Group has ordered six new builds: two P-Class vessels (previously referred to as X-Class vessels) (the “P-Class New Builds”), two A-Class vessels (previously referred to as F-Class vessels) (the “A-Class New Builds”) and two M-Class vessels (the “M-Class New Builds” and together with the P-Class New Builds and the A-Class New Builds, the “New Builds”). Cadeler has also entered into a letter of intent with COSCO SHIPPING Heavy Industry Co. Ltd. (“COSCO”), a Chinese shipyard, for the delivery of a third A-Class New Build. If any of the Operating Vessels or, once delivered, the New Builds are temporarily or permanently taken out of operation, including due to one of the risks described in this Annual Report on Form 20-F materializing, this could result in a loss of revenue that would otherwise be generated by such vessel. In addition to a potential loss of revenue, the Cadeler Group could also be liable to its customers for liquidated damages under any charters the Cadeler Group has entered into with respect to such vessel. The loss of revenue and liability to its charterers could have a material adverse impact on the Cadeler Group’s business, prospects and financial results and condition, including its ability to be compliant with the financial covenants pursuant to its financing arrangements.

The Cadeler Group's vessels may be subject to operational incidents and/or the need for upgrades, refurbishments and/or repairs following which such vessels may be out of operation for a shorter or longer period of time. For example, Wind Osprey had a crane accident in 2018 following which the vessel was out of operation for more than a year. This was due in part to the incident and in part to the Cadeler Group's decision to design and procure an upgraded crane boom. The incident resulted in a claim from the charterers of EUR 6.25 million, while the Cadeler Group also lost estimated revenue of approximately EUR 15 million as a result of the vessel being out of operation for more than a year. The majority of the physical damage was covered by insurance. However, the vessel was required to be off-hire during the repair and upgrade process. With a fleet of only two vessels in operation at that time, an incident of this nature reduced the Cadeler Group's earning potential by approximately 50%.

As described in the risk factor entitled "—The Cadeler Group is exposed to hazards that are inherent to offshore operations, and damages may not be covered by insurance," the Cadeler Group experiences smaller breakdowns on an ongoing basis as part of its ordinary course of business. Any future incidents or upgrades could result in similar unavailability of the Cadeler Group's fleet and may result in the Cadeler Group losing market share, being exposed to penalties or missing future contract opportunities as a result of shorter or longer periods of limited or no availability of the Cadeler Group's fleet.

In addition, there is a risk that the delivery of the New Builds ordered by the Cadeler Group could be delayed. The Cadeler Group expects to take delivery of the two P-Class New Builds in the third quarter of 2024 and the second quarter of 2025, respectively, while the two A-Class New Builds on order are currently expected to be delivered in the fourth quarter of 2025 and the second half of 2026, respectively, and the two M-Class New Builds are currently expected to be delivered in the first quarter of 2025 and the fourth quarter of 2025, respectively. The Cadeler Group has contracted with COSCO for the delivery of the P-Class New Builds and the A-Class New Builds, and has entered into a letter of intent with COSCO for the construction of an additional A-Class New Build. At the same time, the Company has contracted with Hanwha Ocean Co., Ltd. (formerly Daewoo Shipbuilding & Marine Engineering Co. Ltd) ("Hanwha") for the construction of the two M-Class New Builds. Any problems that may affect China or Korea, whether geographically or geopolitically, the general availability of components or material needed, or the relevant shipyards could lead to delayed delivery of any or all of the New Builds. For example, the COVID-19 pandemic impacted both China and the global supply chain significantly. Further, there is continuing uncertainty relating to the development of the political climate within China and between China and other countries, including the United States, for example with respect to Taiwan, as well as the global supply chain in general and whether such uncertainty will impact the delivery of the New Builds. Delayed delivery of any or all of the New Builds could delay the Cadeler Group's generation of revenue from the utilization of such vessels and may trigger payments of liquidated damages under any charters the Cadeler Group has entered into with respect to these vessels, which may materially affect the Cadeler Group's business, prospects and financial results and condition. See also "—The ordering, construction and delivery of new build vessels and upgrades of existing vessels is subject to various risks and uncertainties, including forward-looking assessments which could turn out to be incorrect, and requires substantial financing which may not be available at favorable terms or at all."

From time to time, the Cadeler Group's vessels undergo upgrades of various types to remain competitive in the market, to ensure compliance with legal requirements and to implement sustainability-related improvements. Expenditures may be incurred when repairs or upgrades are required by law, in response to an inspection by a governmental authority, when damaged, or because of market or technological developments. Such upgrades, as well as other refurbishment and repair projects, are subject to various risks, including delays and cost overruns, which could, if realized, have an adverse impact on the Cadeler Group's available cash resources, results of operations and its ability to comply with financial covenants pursuant to its financing arrangements. To ensure timely completion of refurbishment and repair projects, the Cadeler Group may be required to allocate extra resources to the relevant project, increasing the cost of the refurbishment or repair. For example, the Cadeler Group has from time to time taken the decision to accelerate work on its vessels by adding additional resources in order to ensure the vessel was ready for its next project on time. Moreover, periods without operations for one or more of the Cadeler Group's vessels may have a material adverse effect on the Cadeler Group's ability to generate revenue and thereby on its business, prospects and financial results and condition.

The Cadeler Group is exposed to hazards that are inherent to offshore operations, and damages may not be covered by insurance.

The Cadeler Group is operating in the offshore industry and is thus subject to inherent hazards, such as breakdowns, technical problems, harsh weather conditions, environmental pollution, force majeure events (nationwide strikes, etc.), collisions and groundings. These hazards can cause personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by third parties or customers and suspension of operations. Windfarm installation vessels, including the Cadeler Group's vessels, are also subject to hazards inherent in marine operations, either while on-site or during mobilization, such as capsizing, sinking, grounding, collision, damage from severe weather and marine life infestations. Operations may also be suspended because of machinery breakdowns, abnormal operating conditions, failure of subcontractors to perform or supply goods or services or personnel shortages. For example, the Cadeler Group experienced a crane accident in 2018 following which the vessel involved was out of operation for more than a year causing both a claim from the charterers and lost revenue for the period. Additionally, the Cadeler Group experiences various types of technical breakdowns on an ongoing basis as part of the operation of its vessels; however, such breakdowns are typically of a smaller nature with limited downtime and impact compared to the 2018 crane incident.

The Cadeler Group's vessels are covered by industry standard hull and machinery and protection and indemnity insurance. Standard protection and indemnity insurance for vessel owners provides limited cover for damage to project property during windfarm installation operations, as such damage is expected to be covered by the construction all risks insurance procured by the Cadeler Group's customers. However, in recent years, the Cadeler Group has seen more contracts imposing liability for property damage on contractors such as the Cadeler Group. Such risks are difficult to adequately insure against under standard protection and indemnity insurance for vessel owners. The Cadeler Group has also considered obtaining insurance for loss-of-hire, but has evaluated and considered such insurance not to be commercially viable. As a result, certain damages and losses resulting from the aforementioned hazards may not be covered by insurance.

The Cadeler Group is dependent on the employment and utilization of its vessels, and its backlog of contracts may not materialize.

The Cadeler Group's revenue and income are dependent on project contracts and vessel charters for the employment of its vessels. Typically, these contracts are concluded several years in advance with the terms and conditions not expected to be subject to subsequent change. Additionally, the Cadeler Group has recently experienced a trend towards reservation agreements and contracts being entered into at an earlier stage, which increases the difficulty of capturing the effect of any subsequent changes in circumstances, e.g., due to geopolitical developments and other unforeseen events. In the ordinary course of business, the Cadeler Group continuously seeks to enter into such new contracts for the employment of its vessels. The Cadeler Group has a contract backlog of existing customer contracts that imply revenues in the future, which are referred to as "firm" contracts and/or "options" for such contracts, as applicable. Such contracts and options, and revenues derived therefrom, are subject to various terms and conditions, including certain cancellation events. In addition, the exercise of options is exclusively at the discretion of the relevant customer. Such contracts and options could be subject to termination, amendments and/or delays resulting in revenues being more limited, occurring at a later time or not at all. The Cadeler Group's current customer contracts include express cancellation rights on the part of the customers. Cancellation or termination is generally linked to a penalty or termination fee. Under its customer contracts, the Cadeler Group may also become liable to its customers for liquidated damages if there are delays in delivering a vessel for employment in connection with a project or for delays that arise during the operation of the vessels under the contracts (see also "—The Cadeler Group only has a limited number of vessels and could be adversely impacted if any vessel is taken out of operation, or if there is a delay in delivery of any new build vessel"). As of December 31, 2023, the Cadeler Group's backlog of firm contracts and options amounted to approximately EUR 1,557 million (compared to EUR 780 million as of December 31, 2022), comprising EUR 1,379 million from fixed term contracts and EUR 178 million from options (compared to a split of EUR 653 million from firm fixed term contracts and EUR 127 million from options as of December 31, 2022).

It may also be difficult for the Cadeler Group to obtain future employment for its vessels and, as a result, utilization may decrease. Windfarm installation projects are tendered and awarded at irregular intervals and installation projects in certain locations are seasonal, particularly as a result of weather-related seasonality. Consequently, the Cadeler Group's vessels may need to be deployed on lower-yielding work or remain idle, resulting in periods without any compensation to the Cadeler Group. There can also be off-hire periods as a consequence of accidents, technical breakdown and non-performance, as experienced with the crane accident in 2018 (see "—The Cadeler Group is exposed to hazards that are inherent to offshore operations, and damages may not be covered by insurance") or due to maintenance or upgrades, such as the two Operating O-Class Vessels which were off-hire for approximately six months as a result of the crane upgrades nearing completion as of the date of this Annual Report on Form 20-F.

The cancellation, amendments to or postponement of one or more contracts can have a material adverse impact on the Cadeler Group's revenue and may thus affect the pricing of the Cadeler Shares. For example, the Cadeler Group narrowed its guidance for the financial year ended December 31, 2022 due to upstream delay as a result of a subcontractor on a project being unable to operate as planned. While the Cadeler Group has generally not had a history of cancellations, amendments or postponement of its contracts, there can be no assurance that such cancellations, amendments or postponements will not occur in the future. As the Cadeler Group currently has only four Operating Vessels in its fleet, the Cadeler Group's business, prospects and financial results and condition could be materially impacted if any of these vessels became disabled or otherwise unable to operate for an extended period.

The Cadeler Group faces other contractual and non-contractual legal risks related to its operations, which may expose the Cadeler Group to financial loss.

The Cadeler Group may fail to fulfil its contractual obligations under the customer contracts or other commercial contracts. For example, the Cadeler Group experienced a crane accident in 2018 following which the vessel involved was out of operation for more than a year causing both a claim from the charterers and lost revenue for the period. In addition, the Cadeler Group may be in breach of warranties made to customers if the vessels lack the required specifications or are otherwise unsuitable or unable to perform as required under the relevant contracts. In such cases, the customer contracts could be terminated and/or the Cadeler Group held liable for the relevant charterer's losses.

Contract terms may also not be sufficient to protect the Cadeler Group from liability with respect to installation works. The Cadeler Group could be liable to third parties who are involved or have an interest in the various projects involving the Cadeler Group's vessels. The Cadeler Group may also face claims for damages from customers based on, for example, poor workmanship. Some of these liabilities and/or losses may not be covered by the Cadeler Group's insurance policies or otherwise indemnified.

The ordering, construction and delivery of new build vessels and upgrades to existing vessels is subject to various risks and uncertainties, including forward-looking assessments which could turn out to be incorrect, and requires substantial financing which may not be available at favorable terms or at all.

The Cadeler Group may from time to time order additional new vessels, such as the ordering of the New Builds and the entering into a letter of intent regarding the construction of an additional New Build, upgrades of existing vessels, such as the recent crane upgrades for both Operating O-Class Vessels.

The ordering, construction, supervision and delivery of such new build vessels or upgrades to existing vessels is subject to a number of risks, including the risk of cost overruns and delays. Further, when such vessels or upgraded vessels are delivered, they are subject to market risk at the time of delivery including fulfilling conditions in any pre-committed customer contracts for such vessels or upgraded vessels, and the risk of failure to secure future employment of the new or upgraded vessels at satisfactory rates, which could have a material adverse effect on the financial performance of the Cadeler Group. If the Cadeler Group is not able to procure the New Builds, similar new build vessels or vessel upgrades in the future, this could have an adverse impact on the Cadeler Group's business, prospects and financial results and condition.

The offshore wind installation market is a fast-moving market with a relatively long leadtime on delivery of new build vessels with the specifications needed to bid on, and win, wind farm installation contracts. The Cadeler Group must correctly predict future supply of and demand for wind farm installation vessels and continuously assess the attractiveness of securing a contract for the construction of additional vessels. When making such assessments, the Cadeler Group considers a number of uncertainties and factors, including expected supply and demand (see also "—The Cadeler Group could be materially adversely affected if demand for the Cadeler Group's services is lower than anticipated or decreases, including as a result of oversupply, changing trends in the energy market or a deterioration of the Cadeler Group's market reputation and client relationships"), construction time, the price of construction and the expected development in construction prices, technological development in the offshore wind installation market and financing possibilities. If the Cadeler Group fails to correctly and timely assess the need for placing orders for additional vessels, the Cadeler Group may miss out on attractive contract opportunities due to capacity constraints and lose market share or incur costs of construction without being able to secure contracts for such new build vessels on commercially attractive terms or at all.

Ordering new build vessels will increase capital expenditures (consisting of the purchase price and associated costs) materially and thus requires significant debt or equity financing. The vast majority of the agreed construction costs for the New Builds is fixed. However, some elements of the construction contract pricing are subject to variation. As a result, the total construction costs for the New Builds could increase, and the Cadeler Group may be unable to pass on such higher costs to its customers, which could have an adverse impact on its financial results.

The aggregate capital expenditures for the New Builds are approximately EUR 1.8 billion, of which EUR 437 million has already been paid. The remaining scheduled payments will fall due during the period from 2024 to 2026. In addition, the cost of the recent crane upgrades for the Operating O-Class Vessels has been financed through the New Debt Facility (as defined below) with a term loan of up to EUR 100 million (8.5 year tenor) guaranteed by The Danish Export and Investment Fund of Denmark (EIFO). In connection with the Business Combination, the Cadeler Group acquired the New Credit Facility (as defined below) which finances approximately 65% of the purchase cost of the M-Class New Builds. On December 22, 2023, Cadeler and two of its subsidiaries, WIND N1064 Limited and WIND N1063 Limited, entered into a Sinosure-backed green term loan facility of up to EUR 425 million (12 year tenor) to finance the purchase of the P-Class New Builds (the "P-Class Facility"). Further financing will be required from 2025 in connection with milestone payments for the A-Class New Builds. The Cadeler Group's management expects to require approximately EUR 450 million of additional funding for the A-Class New Builds. Cadeler currently has a letter of intent in place for the order of one additional A-Class New Build. There can be no guarantee that the financing of such new builds and any future upgrades can be obtained on attractive terms or at all. If the required financing is not obtained, the Cadeler Group may default on its obligations and be liable towards the relevant yard and/or other suppliers of goods and services related thereto, and the Cadeler Group may not be able to expand its fleet and thereby maintain its competitive position. The Cadeler Group may seek to obtain the required financing through capital markets or debt financing. Should the Cadeler Group not be able to secure the needed financing, in part or in whole, for example due to unattractive terms such as unfavorable interest rates, the Cadeler Group may be required to postpone future investments (including orders for new build vessels). If, in connection with an equity financing, the demand for or price of the Cadeler Shares is lower than historically experienced, this could result in significant dilution of the shareholding of existing holders of Cadeler Shares (the "Cadeler Shareholders") and a decrease in the price of the Cadeler Shares.

The Cadeler Group typically derives its revenue from a small number of customers, and the loss or default of any such customer could result in a significant loss of revenue and adversely affect the Cadeler Group's business.

The Cadeler Group has historically had a high customer concentration as a result of the small number of vessels in its fleet and the typical duration of its projects. For example, in 2022 and 2023, the entirety of the Cadeler Group's revenue was generated from a small number of customers. As of December 31, 2023, the Cadeler Group's backlog comprised ten customers. Consequently, if the Cadeler Group loses any of its most significant customers or any of them fail to pay for the services provided by the Cadeler Group or enters into bankruptcy, the Cadeler Group's revenue could be materially adversely affected. The loss of one or more significant customers, or a decline in the number of projects or consideration paid for the Cadeler Group's services under the Cadeler Group's contracts with significant customers, would affect the Cadeler Group's revenue and cash flow, and could have a material adverse effect on the Cadeler Group's business, prospects and financial results and condition. Additionally, any delay of a project for one or more of the Cadeler Group's most significant customers could affect the Cadeler Group's revenue, the utilization of its vessels and potentially the ability to fulfil other contracts. Many of the Cadeler Group's contracts contain options for additional work, which, if exercised, would generate additional revenue. If such options are not exercised to the extent the Cadeler Group expects based on its historic experience, the Cadeler Group's revenue could be substantially lower than anticipated.

The Cadeler Group has identified material weaknesses in internal control over financial reporting. If the Cadeler Group fails to maintain an effective system of internal control over financial reporting, it may not be able to accurately report financial results in a timely manner or prevent fraud, which may adversely affect its business and the market price of the Cadeler ADSs and Cadeler Shares.

In connection with the audits of its financial statements for the years ended December 31, 2023, 2022 and 2021, the Cadeler Group and its independent registered public accounting firm have identified material weaknesses related to the Cadeler Group's internal control over financial reporting driven by (i) a lack of formalized risk assessment and documented procedures in relation to the Company's business processes and entity level controls, lack of evidence of performing internal controls including the completeness and accuracy of information used in the execution of controls, and lack of monitoring control activities, and (ii) lack of internal controls over change management and access management in the relevant financial information technology ("IT") systems required to support effective internal control framework. The Cadeler Group believes that these material weaknesses continue to exist as of the date hereof.

As defined in the standards established by the U.S. Public Company Accounting Oversight Board (“PCAOB”), a material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Cadeler Group’s annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

The material weaknesses identified relate to existing processes to assess risk and to design and implement effective control activities. In particular, the Cadeler Group does not have formalized risk assessment, oversight and compliance processes or formalized control descriptions for all key controls. Where process and control descriptions do exist, they do not necessarily include all relevant information to enable the operating effectiveness of such controls. Where control activities are dependent on IT applications or certain information or reports, currently there are no documented internal controls to assess the completeness and accuracy of such information. The Cadeler Group also does not currently monitor control activities and identified control deficiencies; thus, the Cadeler Group is unable to evaluate whether other deficiencies, individually or in combination, result in a reasonable possibility that a material misstatement of the financial statements would not be prevented or detected on a timely basis.

The Cadeler Group has recently initiated steps aimed at remediation of the identified material weaknesses and strengthening of internal controls over financial reporting such as development and implementation of formal processes, internal controls (including IT general controls covering access and change management as well as cyber risks), and documentation relating to financial reporting and expects this project to be completed in the first half of 2024, with the updated internal control framework to begin operating in the first half of 2024, although the project may take longer than currently expected. The remediation plan and actions that the Cadeler Group is taking are subject to ongoing executive management review and will also be subject to audit committee oversight.

However, the Cadeler Group’s remediation plan and related actions may not fully address the material weaknesses identified in its internal controls over financial reporting and the Cadeler Group cannot guarantee that it will be successful in remediating the material weaknesses it has identified to date. A failure to remediate such material weaknesses or a failure to discover and address any other material weaknesses or significant deficiencies in the future could result in inaccuracies in the Cadeler Group’s consolidated financial statements and impair its ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis.

Management’s certification under Section 404 of the U.S. Sarbanes Oxley Act of 2002, as amended (the “Sarbanes-Oxley Act”), is included in Item 15 of this Annual Report on Form 20-F. In addition, once the Cadeler Group ceases to be an “emerging growth company,” as such term is defined in Section 2(a)(19) of the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), the Cadeler Group’s independent registered public accounting firm will attest to and report on the effectiveness of the Cadeler Group’s internal control over financial reporting. Currently, the Cadeler Group expects that independent registered public accounting firm attestation requirement to be applicable beginning with its Annual Report on Form 20-F for the year ending December 31, 2024.

The Cadeler Group has recently become a public company, and its reporting obligations may place a significant strain on management, operational and financial resources, and systems for the foreseeable future. The Cadeler Group may be unable to timely complete its evaluation testing and any required remediation. As a result, the Cadeler Group anticipates investing significant resources to enhance and maintain its financial controls, reporting system and procedures over the coming years.

While documenting and testing internal control procedures, in order to satisfy the future requirements of Section 404 as applicable to the Cadeler Group, the Cadeler Group may identify other weaknesses and deficiencies in internal control over financial reporting. If the Cadeler Group fails to maintain the adequacy of its internal controls over financial reporting, as these requirements are modified, supplemented or amended from time to time, management may not be able to conclude on an ongoing basis that the Cadeler Group has effective internal control over financial reporting in accordance with Section 404.

Generally, the failure to achieve and maintain an effective internal control environment could result in material misstatements in the Cadeler Group’s financial statements and could also impair the Cadeler Group’s ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. As a result, the Cadeler Group’s business, prospects and financial results and condition, as well as the trading price of Cadeler Shares and Cadeler ADSs, may be materially and adversely affected.

The Cadeler Group is dependent on technical, maintenance, transportation and other commercial services from third parties.

The Cadeler Group is and will continue to be dependent on technical, maintenance, transportation and other commercial services from third parties to manage its vessels and fulfil its contractual obligations. Performance by such service providers is critical. If third-party service providers, such as those involved in assisting the Cadeler Group in seafastening design, fabrication, installation and various technical services, fail to perform at an optimal level, this could materially and adversely affect the Cadeler Group’s ability to complete its contracts, as well as its business, prospects and financial results and condition, including its ability to be compliant with the financial covenants under its financing arrangements. For example, the Cadeler Group experienced a third-party supplier being delayed in connection with the repair following Wind Osprey’s crane accident in 2018, which extended the downtime period. Additionally, the Cadeler Group narrowed its guidance for the financial year ended December 31, 2022 due to upstream delay as a result of a subcontractor on a project being unable to operate as planned. If the amount the Cadeler Group is required to pay for subcontractors, equipment or supplies exceed what has been estimated, the profitability of the commercial employment of its vessels may be adversely affected. If a subcontractor, supplier, or manufacturer fails to provide services, supplies or equipment as required under a contract for any reason, the Cadeler Group may be required to source such services, supplies or equipment from other third parties, which could lead to delays or higher prices than anticipated.

The Cadeler Group relies on third-party contractors, suppliers, vendors, joint venture partners and other parties for the engineering design, procurement of materials, equipment, and services for the performance of work on the Cadeler Group’s projects. The successful completion of these projects depends on the ability of these third parties to perform their contractual obligations and is subject to factors beyond the Cadeler Group’s control, including actions or omissions by these parties and their subcontractors. Any non-performance, or a failure by such third parties to perform their contractual obligations to a satisfactory standard could result in delays to the planned project timelines, which could in turn result in late penalties or fines being imposed on the Cadeler Group.

The Cadeler Group could be materially adversely affected by increased supply of offshore wind farm installation services as a result of new competitors entering the market or existing competitors expanding their fleet of suitable vessels.

The industry in which the Cadeler Group operates is in management’s view characterized by a limited supply of efficient offshore wind farm installation services as a limited number of vessels are available and fit for the specific needs of, and trusted by, customers. Consequently, it may be difficult or expensive for customers of the Cadeler Group to find efficient alternative suppliers for their contracts in the near term, and it may be even more difficult for customers in the long term to find trusted suppliers of efficient offshore wind farm installation vessels once the new generation of larger turbines (capable of producing 15-20MW of electricity) is being rolled out, which the Cadeler Group expects will occur towards the end of the current decade. Since supply of offshore wind farm installation services depends on the number of vessels dedicated to such services, market conditions may change significantly if one or multiple existing or new competitors of the Cadeler Group were to order new build vessels or modify existing vessels to fit the future needs of the offshore wind farm industry. It is the Cadeler Group’s assessment that over the past decade there has been a general increase in the number of players active in the wind farm industry. Should similar developments occur in the market for offshore wind farm installation, the Cadeler Group may experience increased competition. Any increase in the supply of offshore wind farm installation services may result in a decrease in the prices that the Cadeler Group is able to obtain for its services. As the Cadeler Group currently only operates within the market for offshore wind farm transportation, installation and maintenance, it is more exposed to any changes in prices within the industry or utilization of its vessels compared to those of its competitors having multiple sources of revenue. See also “—The Cadeler Group faces competition from industry participants who may have greater resources than the Cadeler Group.”

The Cadeler Group could be materially adversely affected if demand for the Cadeler Group’s services is lower than anticipated or decreases, including as a result of oversupply, changing trends in the energy market or a deterioration of the Cadeler Group’s market reputation and client relationships.

The Cadeler Group relies on revenue generated from windfarm installation and related maintenance. The lack of diversification in Cadeler’s sources of revenue makes the Cadeler Group vulnerable to adverse developments or periods of low demand in the market in which it operates. The demand for the Cadeler Group’s services may be volatile and is subject to variations for a number of reasons, including uncertainty in future demand and regulatory changes. For example, the U.K. market for offshore wind energy has recently experienced certain challenges, including delays in relevant supply chains and government approvals, which could adversely affect the number of projects in that market in the future, and there is a risk that similar challenges also affect other countries. In case of delays on multiple projects, it may be difficult for the Cadeler Group to adapt, which would impact its revenue stream but also potentially compliance with its financing covenants. Due to the fact that the Cadeler Group invests in capital assets with life-spans of approximately 25 years and that market visibility beyond 10 years is difficult to estimate, the Cadeler Group’s long-term performance and growth depend heavily on the supply of vessels relative to market demand. Any oversupply of vessels compared to the market demand for such vessels or similar capacity could cause contract rates to decline, and falling rates could materially adversely affect the Cadeler Group’s financial performance and results of operations. As the Cadeler Group’s vessels are highly specialized for windfarm installation, redeploying them to other sectors of the marine industry may be difficult or impossible to achieve, both practically and commercially.

The wind energy market is affected by the price and availability of other energy sources, including nuclear, coal, natural gas and oil, as well as other sources of renewable energy. To the extent renewable energy, particularly wind energy, becomes less cost-competitive due to reduced government targets, increases in the cost of wind energy, new regulations or incentives that favor alternative renewable energy, cheaper, more efficient or otherwise more attractive alternatives or otherwise, demand for wind energy and other forms of renewable energy could decrease. Slow growth or a long-term reduction in the demand for wind energy could in turn reduce the demand for the Cadeler Group’s services, which could have a material adverse effect on the Cadeler Group’s business, prospects and financial results and condition.

In addition, market reputation and customer relationships are key factors to securing contracts and establishing long-lasting customer relations. For example, it is the Cadeler Group’s assessment that its market reputation and customer relationships have enabled the Cadeler Group to secure contracts for its New Builds before they are delivered. Adverse changes to the Cadeler Group’s customer relations or market reputation could result in a decrease in demand for the Cadeler Group’s services, resulting in a significant loss of revenue and adversely affecting the Cadeler Group’s business including the ability to secure future contracts.

The Cadeler Group faces competition from industry participants who may have greater resources than the Cadeler Group.

The markets in which the Cadeler Group operates are competitive and the Cadeler Group’s business is subject to risks associated with competition from new and existing industry participants. The Cadeler Group has a number of well-established competitors, including DEME Offshore, Jan de Nul (both Belgium-headquartered), Fred. Olsen (UK-headquartered) and Van Oord (Netherlands-headquartered). In addition, there are a growing number of players with specialist vessels on order. Seaway7, Dominion Energy, Maersk and Havfram, for example, each has a newbuild vessel (or vessels) either on order or currently under construction. These companies will directly compete (and in a number of cases are already directly competing) with the Cadeler Group in tenders for wind foundation and turbine installation projects. There can be no assurances that the Cadeler Group will be able to maintain or improve its competitive position or continue to meet changes in the competitive environment, including when entering new markets. In addition, certain of the Cadeler Group’s competitors may have more resources and better access to capital than the Cadeler Group. For example, new and existing competitors may have greater financial resources, customer support, technical and marketing resources, larger customer bases, longer operating histories, greater name recognition or more established relationships in the industry. These industry participants compete with the Cadeler Group based on, among other things, price, service portfolio, technology, location and vessel availability. There is no assurance that the Cadeler Group will have the resources and expertise to compete successfully in the future, that it will be able to succeed in the face of current or future competition, or that it will be successful when entering new markets. Increased competition in the markets where the Cadeler Group operates or which it may enter could lead to reduced profitability and/or future growth opportunities for the Cadeler Group. The failure of the Cadeler Group to secure future growth, maintain or improve its competitiveness and respond to increased competition may have a material adverse effect on the Cadeler Group’s business, prospects and financial results and condition.

Technological progress might render the technologies used by the Cadeler Group obsolete or less profitable.

The offshore wind sector in which the Cadeler Group operates is affected by constant technological development. To maintain a successful and profitable business, the Cadeler Group must keep pace with technological developments and changing standards to meet the evolving demands of existing and potential customers. For example, the Cadeler Group is dependent on its ability to improve existing services and installation vessels to meet future demand and anticipate and respond to major changes in technology and industry standards. If the Cadeler Group fails to adequately respond to the technological changes in its industry, make the necessary capital investments, or is not suited to offer commercially competitive products and implement commercially competitive services, the Cadeler Group’s business, prospects and financial results and condition may be adversely affected.

Competitors’ vessels have previously become obsolete due to the growth in the size of turbines only 10 years into their lifespan. Although the Cadeler Group seeks to build vessels that can be upgraded, as demonstrated by the recent crane upgrades to its two Operating O-Class Vessels, there is no certainty that such vessels will remain viable for the entirety of their planned 25-year lifespan. In addition, as the vessels are unique to the wind industry, they cannot easily be repurposed for use in other segments of the marine industry. A movement towards other energy sectors or the development of new technology could render the Cadeler Group’s vessels obsolete, and the Cadeler Group may not be able to secure alternative contracts or revenue on attractive terms, if at all.

Future customer contracts may not be obtained at all, or on materially different terms than described herein.

While the Cadeler Group has previously entered into vessel reservation agreements, preferred bidder agreements and letters of intent for contracts with customers, there can be no assurance that such vessel reservation agreements, preferred bidder agreements or letters of intent will actually result in customer contracts and revenue for the Cadeler Group, or if such contracts are entered into, that they will be entered into on the terms expected by the Cadeler Group. Although the Cadeler Group’s vessel reservation and preferred bidder agreements typically contain clauses providing for the payment of customary compensation to the Cadeler Group should such agreements not result in a firm contract in line with market practice, there can be no assurance that such compensation will be paid if and to the extent owed. Additionally, many of the Cadeler Group’s contracts include options exercisable in the sole discretion of the relevant customer, and there can be no assurance that such options will be exercised and result in additional revenue being realized.

Expected and/or estimated contract terms as indicated in this Annual Report on Form 20-F regarding specifications, commercial terms and delivery schedules are only current estimates by the Cadeler Group, and may end up being materially different than expected (if such contracts are entered into at all).

The Cadeler Group operates across multiple jurisdictions and is thereby exposed to a number of risks inherent in international operations, including political, civil or economic disturbance.

The Cadeler Group operates in multiple jurisdictions and serves a wide range of customers. As a result, the Cadeler Group is exposed to risks that are inherent to conducting international operations, some of which are due to factors beyond the Cadeler Group’s control, including:

- terrorist acts, war, civil disturbances and military actions;
- seizure, nationalization or expropriation of property or equipment;
- political unrest or revolutions;
- acts of piracy;
- actions by environmental organizations;
- public health threats, and outbreaks of contagious diseases and pandemics;
- global warming and extreme weather events;
- restrictions on the ability to repatriate income or capital;
- complications associated with repairing and replacing vessels and equipment in remote locations;
- delays or difficulties in obtaining necessary visas and work permits for employees;
- wage and price controls imposed by the relevant authorities; and
- the imposition of trade barriers, moratoriums or sanctions and other forms of government regulation.

Some of these risks could limit or disrupt the Cadeler Group’s operations (for example, by requiring or resulting in the evacuation of personnel, cancellation of contracts, or the loss of personnel, vessels or assets), impose practical or legal barriers to the Cadeler Group’s continued operations, or negatively impact the profitability of those operations, and could therefore have a material adverse effect on the Cadeler Group’s business, prospects and financial results and condition.

The Cadeler Group is exposed to risks related to macroeconomic factors and geopolitical conditions.

The Cadeler Group is exposed to macroeconomic factors and geopolitical conditions. The international macroeconomic situation is currently characterized by material uncertainty, mainly due to the elevated levels of public debt in many of the leading global economies, increasing interest and inflation rates, the war in Ukraine, the imposition of sanctions against Russia, conflict in the Middle East, European energy crises and global supply-chain constraints. For example, the Cadeler Group has contracted with COSCO, a Chinese shipyard, for the delivery of the New Builds, and any problems that may affect China, whether geographically or geopolitically, the general availability of components or material needed, or the shipyard itself could lead to delayed delivery of any or all New Builds (see also “—The Cadeler Group only has a limited number of vessels and could be adversely impacted if any vessel is taken out of operation, or if there is a delay in delivery of any new build vessel” and “—The ordering, construction and delivery of new build vessels and upgrades of existing vessels is subject to various risks and uncertainties, including forward-looking assessments which could turn out to be incorrect, and requires substantial financing which may not be available at favorable terms or at all”). These macroeconomic conditions have had, and continuation or further worsening of these conditions could continue to have, material effects on the global economy and capital markets and could have material adverse effects on the Cadeler Group, its business, prospects and financial results and condition. Additionally, geopolitical tensions may have an impact on the future prospects of the markets in which the Cadeler Group operates and may increase the risks associated with the Cadeler Group’s operations.

On January 31, 2020, the United Kingdom withdrew from the EU (commonly known as “Brexit”). The Cadeler Group has a number of upcoming contracts in U.K. waters, which could be threatened or complicated due to the effects of Brexit. Furthermore, the United Kingdom is one of the largest markets in Europe for offshore wind and restrictions on market access could damage the Cadeler Group’s backlog and future revenue prospects. Brexit could therefore materially adversely affect the Cadeler Group’s business and customers.

If Cadeler’s vessels operate in countries or territories that are subject to restrictions, sanctions, or embargoes imposed by the U.S. government, the European Union, the United Nations, or other governments, it could lead to monetary fines or other penalties and adversely affect Cadeler’s reputation and the market for its shares and trading price.

Although Cadeler does not expect that its vessels will operate in countries or territories subject to country-wide or territory wide sanctions or embargoes imposed by the U.S. government and other authorities in violation of applicable sanctions laws, and Cadeler endeavors to take precautions reasonably designed to mitigate the risk of such activities, it is possible that such vessels may call on ports located, and/or otherwise, operate in countries or territories subject to such sanctions, including on charterers’ instructions and/or without Cadeler’s consent. In addition, certain of Cadeler’s New Builds are being built in China, which depending on the developments in the geopolitics environment in that region, may further expose Cadeler to certain restrictions. Similarly, Cadeler’s supply chain for spare parts for the vessels or secondary steel deliveries needs to be monitored closely and may be limited due to these restrictions, which could result in Cadeler not being able to source such spare parts from certain suppliers.

Failure to comply with the U.S. Foreign Corrupt Practices Act could result in fines, criminal penalties, contract terminations and have an adverse effect on the Cadeler Group’s business.

The Cadeler Group operates in a number of countries throughout the world, including countries known to have a reputation for corruption. The Cadeler Group is committed to doing business in accordance with applicable anti-corruption laws including the U.S. Foreign Corrupt Practices Act of 1977 (“FCPA”), U.K. Bribery Act, the Danish Criminal Code and other applicable anti-corruption laws. The Cadeler Group is subject, however, to the risk that Cadeler, its affiliated entities or its officers, directors, employees and agents may take actions determined to be in violation of such anti-corruption laws, including the FCPA and U.K. Bribery Act. Any such violation could result in substantial fines, sanctions, civil and/or criminal penalties and curtailment of operations in certain jurisdictions, and might adversely affect the Cadeler Group’s business, prospects and financial results and condition. In addition, actual or alleged violations could damage Cadeler’s reputation and ability to do business. Furthermore, detecting, investigating, and resolving actual or alleged violations is expensive and has the potential to consume significant time and attention of Cadeler’s senior management.

Breakdowns in the Cadeler Group’s information technology and/or noncompliance with data protection laws could negatively impact the Cadeler Group’s business, including its ability to service customers.

The Cadeler Group’s ability to operate its business and service its customers is dependent on the continued operation of the Cadeler Group’s IT systems, including those relating to the location, operation, maintenance and employment of the Cadeler Group’s vessels. The Cadeler Group’s IT systems could be compromised by a malicious third party or employee (see also “—A cybersecurity attack could materially disrupt the Cadeler Group’s business”), man-made or natural events, or the inadvertent actions or inactions by the Cadeler Group’s employees and third-party service providers. If the Cadeler Group’s IT systems experience a breakdown, the Cadeler Group’s business information could be lost, destroyed, disclosed, misappropriated, altered or accessed without consent, and the Cadeler Group’s IT systems, or those of its service providers, may be disrupted.

Any breakdown in the Cadeler Group’s IT systems could lead to lost revenues resulting from a loss in competitive advantage due to the unauthorized disclosure, alteration, destruction or use of proprietary information, the failure to retain or attract customers, the disruption of critical business processes or IT systems and the diversion of management’s attention and resources. In addition, such breakdown could result in significant remediation costs, including repairing system damage, engaging third-party experts, deploying additional personnel, training employees and compensation or incentives offered to third parties whose data has been compromised. The Cadeler Group may also be subject to legal claims or legal proceedings, including regulatory investigations and actions, and the attendant legal fees as well as potential settlements, judgments and fines.

In addition, data protection laws apply to the Cadeler Group in certain countries in which it does business. Specifically, the EU General Data Protection Regulation (“GDPR”) imposes penalties of up to a maximum of 4% of global annual turnover for breaches thereof. The GDPR requires mandatory breach notification, the standard for which is also followed outside the EU (particularly in Asia). Non-compliance with data protection laws could expose the Cadeler Group to regulatory investigations, which could result in fines and penalties. In addition to imposing fines, regulators may issue orders to stop processing personal data, which could disrupt operations. The Cadeler Group could also be subject to litigation from persons or corporations allegedly affected by data protection violations. Any violation of these laws or harm to the Cadeler Group’s reputation could have a material adverse effect on the Cadeler Group’s business, prospects and financial results and condition.

A cybersecurity attack could materially disrupt the Cadeler Group’s business.

The efficient operation of the Cadeler Group’s business, including processing, transmitting and storing electronic and financial information, is dependent on computer hardware and software systems. IT systems are vulnerable to security breaches by computer hackers and cyber terrorists. The Cadeler Group relies on industry accepted security measures and technology (including a cloud-based solution provided by Microsoft including their E5 security suite) to securely maintain confidential and proprietary information maintained on its information systems. However, such measures and technology may not adequately prevent security breaches. Therefore, the Cadeler Group’s operations and business administration could be targeted by individuals or groups seeking to sabotage or disrupt such systems and networks, or to steal data, and as a result these systems may be damaged, shut down or cease to function properly (whether due to planned upgrades, force majeure, telecommunications failures, hardware or software break-ins or viruses, other cybersecurity incidents or otherwise), which could have a material adverse effect on the Cadeler Group’s reputation as well as its business, prospects and financial results and condition.

Cybersecurity attacks may result in disruptions to the Cadeler Group’s operations or in business data being temporarily unreadable, and cyber criminals may demand ransoms in exchange for de-encrypting such data. As cybersecurity attacks become increasingly sophisticated, and as tools and resources become more readily available to malicious third parties, there can be no guarantee that the Cadeler Group’s actions, security measures and controls designed to prevent, detect or respond to intrusion, to limit access to data, to prevent destruction or alteration of data or to limit the negative impact from such attacks, can provide absolute security against compromise. Even without actual breaches of information security, protection against increasingly sophisticated and prevalent cybersecurity attacks may result in significant future prevention, detection, response and management costs, or other costs, including the deployment of additional cybersecurity technologies, engaging third-party experts, deploying additional personnel and training employees. Further, as cybersecurity threats are continually evolving, the Cadeler Group’s controls and procedures may become inadequate, and the Cadeler Group may be required to devote additional resources to modify or enhance its systems in the future. Such expenses could have a material adverse effect on the Cadeler Group’s business, prospects and financial results and condition.

A successful cybersecurity attack could materially disrupt the Cadeler Group’s operations or result in the unauthorized release or alteration of information in the Cadeler Group’s systems, particularly if the Cadeler Group’s IT systems were affected for extended periods. Any cybersecurity attack could also result in significant expenses to investigate and repair security breaches or system damages and could lead to litigation, fines, other remedial action, heightened regulatory scrutiny, diminished customer confidence and damage to the Cadeler Group’s reputation. The Cadeler Group does not currently maintain cyber-liability insurance to cover such losses. As a result, a cybersecurity attack or other breach of any such IT systems could have a material adverse effect on the Cadeler Group’s business, prospects and financial results and condition.

The Cadeler Group is subject to restrictive covenants and conditions pursuant to its financing agreements.

The Cadeler Group has entered and will in the future enter into debt financing agreements, including, but not limited to, the Debt Facility, the Holdco Facility, the P-Class Facility and the New Debt Facility (as defined below). See also Item 5.B. “Liquidity and Capital Resources—Financing Arrangements” of this Annual Report on Form 20-F. Such agreements and arrangements contain many terms, conditions and covenants that may be challenging to comply with, restrict the Cadeler Group’s ability to obtain new debt or other financing and/or restrict the Cadeler Group’s freedom to operate.

For instance, there are specific financial covenants in the Debt Facility with respect to the minimum liquidity of the Cadeler Group, fair market value of the Operating O-Class Vessels and equity ratio of the Cadeler Group. Similar financial covenants are included in the New Debt Facility, which also includes a financial covenant with respect to working capital. Failure to meet any of these covenants could trigger the mandatory repayment of the Debt Facility and may thus have an adverse effect on the financial position of the Cadeler Group. Additionally, the Debt Facility, the Holdco Facility and the P-Class Facility each are subject to certain change of control provisions and contain covenants restricting the payments of dividends.

Since the Cadeler Group currently only has four Operating Vessels in operation, its ability to be compliant with financial covenant requirements pursuant to its financing arrangements will to a great extent depend on the market value of these vessels and their ability to generate revenue until the Cadeler Group’s ordered New Builds are delivered. If future cash flows are insufficient to meet all of the Cadeler Group’s financial obligations and contractual commitments, any such insufficiency could negatively impact the Cadeler Group’s business. To the extent that the Cadeler Group is unable to repay any indebtedness as it becomes due or at maturity, the Cadeler Group may need to refinance its debt, raise new debt, sell assets or repay the debt with proceeds from equity offerings.

The Cadeler Group’s indebtedness could affect the Cadeler Group’s future operations, since a portion of the Cadeler Group’s cash flow from operations will be dedicated to the payment of interest and principal on such indebtedness and will not be available for other purposes. Covenants may or will require the Cadeler Group to meet certain financial tests and non-financial tests, which may affect the Cadeler Group’s flexibility in planning for, and reacting to, changes in its business or economic conditions, and may limit the Cadeler Group’s ability to dispose of assets or place restrictions on the use of proceeds from such dispositions. Such covenants may also limit the Cadeler Group’s ability to withstand current or future economic or industry downturns, to compete with others in the Cadeler Group’s industry for strategic opportunities, or to obtain additional financing for working capital, capital expenditures, acquisitions, general corporate and other purposes. See also “—Risks Related to the Business Combination—As a result of the Business Combination, the *Cadeler Group* faces financial risk due to its level of indebtedness.”

Litigation proceedings could have a material adverse impact on the business, prospects and financial results and condition of the Cadeler Group.

The nature of the business of the Cadeler Group from time to time results in clients, subcontractors, employees/manning agencies or vendors claiming, among other things, recovery of costs related to accidents, contracts and projects. The crane accident in 2018 on Wind Osprey, for example, resulted in a claim from the charterers of EUR 6.25 million as well as personal injury claims by four seafarers involved in the accident. The outcome of these claims is uncertain. Should any of the Cadeler Group’s vessels experience or be involved in any future incidents of a similar nature, the Cadeler Group may be subject to further claims and litigation. Litigation outcomes are unpredictable and may result in reputational damage as well as fines, penalties or other sanctions imposed by governmental authorities or general damages payable by the Cadeler Group in respect of third-party claims such as for example, personal injury claims, employment related claims or property damage.

As part of the Cadeler Group's windfarm installation operations, it manages large, high-value components. In addition, as the Cadeler Group takes on full-service foundations projects (such as the Hornsea 3 offshore wind farm in the UK), it is exposed to an increasingly complex scope of work encompassing technical design, engineering and construction. Any claims from its clients, subcontractors or vendors resulting from damage to component parts while within the Cadeler Group's control, or defects in construction works carried out by the Cadeler Group, may be significant and could also require extensive resources to assess and defend the Cadeler Group against potential claims and litigation, including under professional liability or warranty obligations, which could have a material adverse effect on the Cadeler Group's business, prospects and financial results and condition.

The Cadeler Group's insurance coverage may be inadequate to protect the Cadeler Group from liabilities that could arise in its business.

Although the Cadeler Group maintains insurance coverage against certain risks related to its business, risks may arise for which the Cadeler Group is not insured, or which are outside the scope of its existing insurance coverage. In addition, claims covered by insurance are subject to deductibles, the aggregate amount of which could be material, and certain policies impose caps on coverage or certain carve-outs. Insurance policies are also subject to compliance with certain conditions, the failure of which could lead to a denial of coverage as to a particular claim or the voiding of a particular insurance policy. There can be no assurance that existing insurance coverage will be renewed at commercially reasonable rates or that available coverage will be adequate to cover future claims. If a loss occurs that is partially or completely uninsured, or the carrier is unable or unwilling to cover the Cadeler Group's claim with respect to such loss, the Cadeler Group could be exposed to substantial liability. Further, to the extent that the proceeds from its insurance are not sufficient to repair or replace a damaged asset, the Cadeler Group would be required to expend funds to supplement the insurance proceeds and in certain circumstances may decide that such expenditures are not justified, which, in either case, could adversely affect the Cadeler Group's business, prospects and financial results and condition.

The Cadeler Group faces risks related to recruiting and retaining key personnel, and any loss of senior management or failure to recruit or retain highly skilled personnel could have a material adverse effect on the Cadeler Group's operations.

The Cadeler Group's continued success is largely dependent on its ability to recruit, retain and develop skilled personnel for its business. The market for qualified personnel is highly competitive and the Cadeler Group cannot be certain that it will be successful in attracting and retaining key personnel and crewing its vessels in the future. If the Cadeler Group loses any members of its senior management or other key individuals, or fails to hire, train and retain qualified employees, it may not be able to compete effectively and may have increased incident rates as well as regulatory and other compliance failures, which could have a material adverse effect on the Cadeler Group's business, prospects and financial results and condition. Difficulty in hiring and retaining qualified personnel could also adversely affect the Cadeler Group's results of operations.

If key employees depart because of uncertainty about their future roles (whether as a result of the recent Business Combination or otherwise), the Cadeler Group's business, prospects and financial results and condition could be materially and adversely affected.

The Cadeler Group is exposed to counterparty credit risks relating to its key customers and certain other third parties.

The Cadeler Group is subject to risks of loss resulting from the non-payment or non-performance by third parties of their obligations. Although the Cadeler Group monitors and manages counterparty risks, some of the Cadeler Group's customers and other counterparties may be highly leveraged and subject to their own operating, financial and regulatory risks. For example, some of the Cadeler Group's contractual counterparts are special purpose vehicles created for the purpose of carrying out a specific offshore wind farm project. These special purpose vehicles typically have limited assets or capital, and the Cadeler Group is not always able to obtain parent or third-party performance or financial guarantees for such counterparts' obligations. During periods of more challenging market environments, the Cadeler Group will be subject to an increased risk of customers seeking to repudiate contracts. The ability of the Cadeler Group's customers to perform their contractual obligations may also be adversely affected by restricted credit markets and economic downturns. Any bankruptcy, insolvency or inability by the Cadeler Group's customers affecting their ability to settle their debts or honor their obligations to the Cadeler Group when they fall due may adversely affect the Cadeler Group's business, prospects and financial results and condition.

The Cadeler Group may fail to comply with applicable environmental laws and regulations, which could have an adverse effect on the Cadeler Group's business, prospects and financial results and condition.

The Cadeler Group's operations are subject to a variety of laws, regulations, and requirements controlling the discharge of various materials into the environment, requiring removal and clean-up of materials that may harm the environment, controlling carbon dioxide emissions, or otherwise relating to the protection of the environment in the countries in which the Cadeler Group operates. Such laws, regulations and requirements vary from jurisdiction to jurisdiction and the operations of the Cadeler Group may be negatively affected by changes in environmental laws and other regulations that can result in large expenses including modification of vessels and changes in the operation of vessels. A lack of harmonisation globally in relation to environmental, social and governance ("ESG") reform and the different pace at which legislators and regulators across the globe operate creates uncertainty and the risk of fragmentation. New ESG regulation affects how the Cadeler Group can conduct it business as the compliance requirements increase.

Despite the Cadeler Group's commitment to meet the environmental and other ESG requirements for the operation of its vessels, there is a risk that the Cadeler Group fails to comply with applicable laws and regulations. Non-compliance with environmental laws and regulations in any of the jurisdictions in which the Cadeler Group operates may result in increased costs, material fines, penalties, possible revocation of ability to do business or contract termination and could have a material adverse effect on the Cadeler Group's business, prospects and financial results and condition.

The Cadeler Group may face increasing scrutiny related to environmental, social and governance as well as sustainability matters that may impact its business.

Recent years have seen an increase in investor and regulatory attention to ESG, including diversity and inclusion, environmental stewardship and transparency. A lack of harmonization globally in relation to ESG reform and the different pace at which legislators and regulators across the globe operate creates uncertainty and the risk of fragmentation. On March 6, 2024, the SEC adopted final rules for U.S. public companies that mandate significant new disclosures relating to climate-related risks, Scope 1 and Scope 2 greenhouse gas emissions and climate-related financial metrics. These rules, with which the Company will be required to comply when they become effective, impose to a certain extent different obligations than the Corporate Sustainability Reporting Directive adopted by the EU in January 2023. Failure by the Cadeler Group to comply with or meet applicable legal and regulatory requirements or stakeholder or market expectations in relation to ESG matters, or if the Cadeler Group is perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may expose the Cadeler Group to reputational damage, fines and other sanctions and its business and financial condition could be materially and adversely affected. Increasing attention to climate change, including the increasing societal expectations on businesses to address climate change, may result in increased costs, reduced profits, increased investigations and litigation, and negative impacts on the Cadeler Group's ability to access capital markets.

While the Cadeler Group may at times engage in voluntary initiatives (such as voluntary disclosures, certifications, or goals, among others) to improve its ESG profile or to respond to stakeholder expectations, such initiatives may be costly and may not achieve the desired effect. For example, the Cadeler Group has set high standards and ambitions for its environmental responsibility, including its goal to run a carbon-neutral business by 2035. Achieving these goals will require emission reductions across the fleet, innovations in operations as well as research into reliable solutions for sequestering the greenhouse gases that the Cadeler Group cannot avoid emitting. Despite its efforts, there is a risk that the Cadeler Group will fail in meeting its environmental goals, for example due to failed technological advancements and failure in developing more eco-friendly vessels.

Expectations around the Cadeler Group's management of ESG matters continue to evolve rapidly, in many instances due to factors that are out of the Cadeler Group's control. If the Cadeler Group fails to, or is perceived to fail to, comply with or advance certain ESG initiatives (including the timeline and manner in which initiatives are completed), it may be subject to various adverse impacts, including reputational damage, allegations of "greenwashing" and potential stakeholder engagement and/or litigation, even if such initiatives are currently voluntary.

The Cadeler Group is subject to risks related to tax, including the applicability of tonnage taxation, and to changes in tax laws

Tax laws, regulations and treaties are highly complex and subject to interpretation. Consequently, the Cadeler Group is subject to changing tax laws, regulations and treaties in and between the countries in which it operates. Cadeler applies the tonnage tax scheme in Denmark for the vessels owned by the Cadeler Group. Under the Danish tonnage tax scheme, ship-owners (or bareboat charters) pay a fixed amount per net tonne at their disposal, rather than being taxed under a conventional corporate tax regime where a taxable income is calculated based on taxable revenue less tax-deductible expenses, depreciations and amortizations. As certain of the Cadeler Group's vessels are registered in Cyprus and owned by subsidiaries organized in Cyprus, the Cadeler Group is also subject to tonnage taxation in Cyprus. In addition, certain of Cadeler's subsidiaries are resident for taxation purposes in the United Kingdom and so are subject to corporation tax in the United Kingdom on their income. However, these subsidiaries have significant deferred tax assets for United Kingdom tax purposes (generated prior to Cadeler's acquisition of such subsidiaries) that Cadeler expects will be available, subject to the operation of the United Kingdom's rules restricting the use of carried-forward losses, to offset the United Kingdom corporation tax that would otherwise be payable by such subsidiaries until these tax attributes are exhausted.

From time to time, the Cadeler Group's positions in respect of taxes, including tonnage taxation, may be subject to review or investigation by tax authorities in the jurisdictions in which the Cadeler Group operates. If any tax authority were to successfully challenge the Cadeler Group's operational structure, the taxable presence of Cadeler's subsidiaries in certain countries or the Cadeler Group's interpretation of applicable tax laws and regulations, or if the Cadeler Group were to lose any other material tax dispute in any country, the result could be an increase in the Cadeler Group's tax expenses and/or a higher effective tax rate. For instance, if the tax authorities in Denmark or Cyprus were to determine that income taxed under the tonnage tax regime should have been subject to corporate income tax instead, such income would be taxed at a higher rate. In addition, as Cadeler operates in various tax jurisdictions when carrying out wind farm installation projects, one or more foreign tax authorities could claim that Cadeler has a permanent establishment in such tax jurisdiction and Cadeler could, as a result, potentially be subject to taxation in such jurisdictions. The analysis of whether a permanent establishment exists depends on local interpretation of local tax rules and the impact on the Cadeler Group's taxation in Denmark depends on whether or not a double tax treaty exists between Denmark and the relevant jurisdiction. As a general principle under local Danish tax law, income attributed to a permanent establishment abroad should not be included in the taxable income (computed for Danish tax purposes) of a Danish parent company, provided that the Danish tax authorities agree that the permanent establishment exists and that the allocation of profits and costs to such permanent establishment is correct. Thus, the risk is generally limited to the difference in tax rate between Denmark and the "permanent establishment country" leading to a different tax levied on the income attributed to the permanent establishment(s), excluding penalties and interest for any late payment. However, if the income attributable to the permanent establishment is taxed under the tonnage tax scheme in Denmark, such income would likely be subject to corporate income taxation in the permanent establishment country, and as a result such income may be taxed at a higher rate and could result in a higher tax payment by the Cadeler Group. In addition, potential fines and interest for late payment of taxes may be levied for noncompliance with foreign requirements for the registration of any such permanent establishment(s).

The Cadeler Group may also be affected by changes in global tax initiatives. For instance, in October 2021, members of the OECD agreed on a two-pillar approach to reform the international tax system: the so-called Pillar One rules, which reallocate profits to the market jurisdictions where sales arise versus physical presence, and the so-called Pillar Two rules, which are designed to compel multinational corporations with EUR 750 million or more in annual revenue to pay a minimum effective corporate tax rate of 15% on income received in each jurisdiction in which they operate. The reforms aim to level the playing field between countries by discouraging them from reducing their corporate income taxes to attract foreign business investment. The principal jurisdictions in which the Cadeler Group may be exposed to additional taxation as a result of the Pillar Two rules include Denmark and the United Kingdom (each of which has enacted legislation implementing the Pillar Two rules), as well as Cyprus (where public consultation on draft legislation is ongoing). The Cadeler Group is actively assessing the potential future impact of the Pillar Two rules on the Cadeler Group's business. The Pillar Two rules could, however, have the effect of increasing the burden and costs of the Cadeler Group's tax compliance, the amount of taxes the Cadeler Group incurs in the relevant jurisdictions and its global effective tax rate, and in turn have a material adverse impact on the Cadeler Group's business, prospects and financial results and condition.

The Cadeler Group is dependent on certain certificates and approvals.

The Cadeler Group's operations require a number of certificates and approvals from relevant authorities in which the Cadeler Group operates. See also Item 4.B "Business Overview—Impact of regulation" of this Annual Report on Form 20-F. The comprehensiveness and the procedures for obtaining such certificates and approvals may vary across countries. Such certificates and approvals may be necessary for both onshore and offshore construction and operation activities. Moreover, after having obtained such certificates and approvals, the Cadeler Group is required to comply with relevant conditions for their maintenance, and failure to do so may result in sanctions (including, for example, a prohibition on continued operations), fines and/or revocation or suspension of the certificates and approvals granted to the Cadeler Group.

The Cadeler Group can provide no assurance that all necessary certificates and approvals will be obtained and renewed as and when required. Failure to obtain, or delays in obtaining, the necessary certificates and approvals could result in termination or delay of the Cadeler Group's projects.

Classification societies have established requirements that all vessels are required to meet and which may result in substantial costs. The Cadeler Group's vessels are subject to inspections, surveys or tests, and the relevant classification society may impose "conditions of class" or "recommendations," i.e., specific measures, repairs, surveys etc. relating to any vessel and require that the owner of that vessel (i.e., the Cadeler Group) implement such recommendations either immediately, by a certain deadline or at the next (mandatory) drydocking. If any required action is not taken, the classification society may suspend or revoke the relevant vessel's classification, in which case, the vessel is not permitted to operate. The same may result if the Cadeler Group's vessels do not undergo the required surveys at regular intervals or do not make the required reporting to the classification societies. Failure to comply with classification requirements may also adversely affect insurance coverage and may result in certain vessels being denied access to, or detained in, certain ports, which may in turn have a material adverse impact on the Cadeler Group's business, prospects and financial results and condition.

The Cadeler Group is subject to risks relating to changes in, compliance with, or failure to comply with certain domestic and international laws and regulations.

The Cadeler Group and its business are subject to laws and regulations governing the offshore industry. Future changes in the domestic and international laws and regulations applicable to the Cadeler Group and its activities are unpredictable and are beyond the control of the Cadeler Group, and such changes could imply the need to materially alter the Cadeler Group's operations and organization and may prompt the need to apply for permits, which could in turn have a material adverse effect on the Cadeler Group's business, prospects and financial results and condition. See also "—The Cadeler Group is dependent on certain certificates and approvals" and Item 4.B "Business Overview—Impact of regulation" of this Annual Report on Form 20-F.

Any change in or introduction of new regulations may increase the costs of operations, which could have an adverse effect on the Cadeler Group's profitability. For example, changes in regulations on fuel for vessels could materially affect the Cadeler Group's cost base. As a result of a International Maritime Organisation ("IMO") regulation which entered into force on January 1, 2020, the shipping industry has been exposed to a shift from heavy fuel oil to low sulphur fuels or alternatively installing so-called scrubbers on vessels, with either alternative resulting in additional costs to shipping companies. In addition, on July 14, 2021, the European Commission formally proposed its plan to gradually include the maritime sector in the EU Emissions Trading System ("EU ETS") from 2024 by phasing the sector into the EU ETS requirements over a three-year period. This will require shipowners to buy permits to cover greenhouse gas emissions and is expected to affect Cadeler's vessels from 2027 onwards. The European Commission's plan will permit vessel owners to pass the costs of compliance with the EU ETS onto charterers for vessel emissions during on-hire periods. If Cadeler is unable to pass on these additional costs to its customers during on-hire periods, this could have a material adverse effect on the Cadeler Group's financial position. During off-hire periods, Cadeler will need to develop a strategy for purchasing EU ETS allocations at favorable rates. If Cadeler is unable to obtain favorable rates or if Cadeler is unable to implement adequate processes to manage the purchasing and surrendering of EU ETS allocations, it could be exposed to financial penalties or operational restrictions which may in turn have a material adverse impact on the Cadeler Group's business, prospects and financial results and condition.

If any of the Cadeler Group's vessels does not comply with the extensive regulations applicable from time to time, the Cadeler Group may be unable to continue such vessel's operations without costly and time-consuming retrofits, and/or the Cadeler Group could be in non-compliance with applicable rules and regulations. See also "—The Cadeler Group is dependent on certain certificates and approvals."

Labor disruptions could materially adversely affect the Cadeler Group’s business and operations.

The seafarers of the Operating O-Class Vessels belong to unions, and the Cadeler Group has collective bargaining agreements with Metal Maritime, Maskinmestrenes Forening and Dansk EL-forbund that govern the employment of the seafarers serving on the Operating O-Class Vessels. The terms of these agreements generally govern the wages paid to the Cadeler Group’s crew, minimum living conditions onboard the Cadeler Group’s Operating O-Class Vessels, as well as other benefits and conditions of the seafarers’ employment. The agreements are subject to customary renegotiation in 2025, and the Cadeler Group may also become subject to additional agreements in the future. While management believes that the Cadeler Group’s relationships with the Metal Maritime and other trade unions are good, if the Cadeler Group’s relations with its seafarers, the Metal Maritime or other trade unions deteriorate, or if the Cadeler Group’s employees or the relevant unions decide to strike or stop work for any other reason, the Cadeler Group may be unable to operate its vessels, which could result in loss of revenues, increased costs and decreased cash flows. Further, the Cadeler Group’s collective bargaining agreements govern the wages paid by the Cadeler Group to its seafaring employees, and there can be no assurance that future renegotiations will lead to wage levels acceptable to the Cadeler Group. Any labor disruptions or significant increase in wages could harm the Cadeler Group’s operations and could have a material adverse effect on the Cadeler Group’s business, prospects and financial results and condition.

The Cadeler Group is exposed to interest rate risks.

On June 29, 2022, Cadeler and DNB Bank ASA (“DNB”) entered into a new senior secured green revolving credit facility, the Debt Facility, which initially included an agreement of a three-year loan of EUR 185 million, consisting of a EUR 150 million revolving loan facility and a guarantee facility of up to EUR 35 million. On June 16, 2023, Cadeler entered into an amendment to the Debt Facility providing for an increase of the guarantee facility to EUR 60 million and an increase of the committed revolving loan to EUR 250 million, resulting in an increase of the aggregate Debt Facility to EUR 310 million. The guarantees and security provided for the original Debt Facility have been extended to cover the increased Debt Facility. In addition, an accordion option allows Cadeler to request prior to June 30, 2024 that the total commitments be increased by EUR 100 million by way of adding a term loan facility to the Debt Facility, which the lenders shall agree to or refuse at their sole discretion.

On October 5, 2022, the Cadeler Group entered into interest rate swap contracts with DNB which relate to the Debt Facility and future loans thereunder. The interest rate risk arising from the loans under the Debt Facility have been swapped from 3-month EURIBOR to a fixed rate until October 5, 2027. The average fixed rate of the swaps is 2.82%. Such interest rate swap contracts have been replaced by new contracts in connection with the New Debt Facility.

In connection with the Business Combination, on December 7, 2023 Cadeler entered into the New Debt Facility, a new senior secured credit and guarantee facility of up to EUR 550 million. The New Debt Facility has similar terms and conditions as the Debt Facility.

On November 15, 2023, Cadeler entered into an unsecured term loan facility, the Holdco Facility, in an aggregate amount of EUR 50 million (5 year tenor) which includes a noncommitted accordion option of up to EUR 50 million. On March 7, 2024, the Holdco Facility was increased from EUR 50 million to EUR 80 million.

On December 22, 2023, Cadeler and two of its subsidiaries, WIND N1064 Limited and WIND N1063 Limited, entered into a Sinosure-backed green term loan facility of up to EUR 425 million (12 year tenor), the P-Class Facility, to finance the purchase of the P-Class New Builds. Further financing will be required from 2025 in connection with milestone payments for the A-Class New Builds . The Cadeler Group’s management expects to require approximately EUR 450 million of additional funding for the A-Class New Builds.

Risks Related to the Business Combination

In December 2023, Cadeler completed its business combination with Eneti Inc., a registered company incorporated under the laws of the Republic of the Marshall Islands (“Eneti,” and, together with its subsidiaries, the “Eneti Group”) (the “Business Combination”). Set out below is a summary of certain risk factors related to the Business Combination.

Cadeler may fail to realize all of the anticipated benefits of the Business Combination, or these benefits may take longer to realize than expected.

Cadeler believes that there are significant benefits as well as cost and revenue synergies that may be realized through leveraging the flexibility and size of the combined fleet, scale, respective capabilities and deep industry relationships of each of Cadeler and Eneti. The members of the board of directors of Cadeler (the “Cadeler Board”) estimate that the Business Combination will create synergies of at least EUR 106 million per year, comprising EUR 55 million in cost and operational synergies and EUR 51 million in utilization synergies. The foregoing cost and operational synergies estimate of EUR 55 million includes approximately EUR 37 million in estimated operational synergies, based on assumptions made by the management of Cadeler that the combined company will be able to cross-utilize mission equipment, sea fastenings and toolings, and will benefit from increased efficiency in procurement and associated operational expenditures, and approximately EUR 18 million in estimated corporate and financing synergies, based on assumptions made by the management of Cadeler that the combined company will benefit from reduced management headcount, reduced corporate costs and an optimized hiring plan as a result of the consolidation of the combined company’s headquarters operations, and improved financing terms in light of the combined company’s greater scale and negotiating leverage. The foregoing utilization synergies estimate of EUR 51 million is based on assumptions made by the management of Cadeler that the combined company will benefit from optimized fleet utilization, reduced mobilization and demobilization times, and accelerated overall project timeframes. The foregoing figures are estimates only, and there can be no assurance that the estimated synergies will be achieved or that actual results will not be significantly higher or lower than estimated. The material assumptions upon which the estimated synergies have been based may not be realized and are inherently subject to significant business, economic and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond Cadeler’s control.

Cadeler believes that the Business Combination will result in a number of operational benefits, such as increased redundancy and improved ability to meet customer demand for larger scopes and project sizes. However, the efforts to realize these benefits and synergies will be a complex process and may disrupt the Cadeler Group’s operations if not implemented in a timely and efficient manner. Failure to achieve the anticipated benefits of the Business Combination could adversely affect the Cadeler Group’s results of operations or cash flows, decrease or delay any accretive effect of the Business Combination and negatively impact the price of Cadeler Shares and Cadeler ADSs.

Cadeler and Eneti incurred substantial expenses in connection with, and as a result of, completing the Business Combination, and following the completion of the Business Combination, Cadeler has incurred and expects to continue incurring additional expenses in connection with combining the businesses and operations of Cadeler and Eneti. Factors beyond Cadeler’s control could affect the total amount or timing of these expenses, many of which, by their nature, are difficult to estimate accurately and some of which are the result of actions taken by Eneti prior to the completion of the Business Combination. For example, Cadeler has identified that certain performance obligations entered into by Eneti with respect to one of the NG 2500X class vessels sold by Eneti prior to the completion of the Business Combination were not transferred to the buyer of the relevant vessel. Accordingly, the performance obligations remain with Eneti (as an indirect subsidiary of Cadeler) and Cadeler may incur unanticipated costs in satisfying or discharging such obligations. The Cadeler Board believes that it will realize the full benefit of the cost synergies by 2026. However, the costs of achieving the expected synergies may be higher than Cadeler anticipates, or there may be significant additional unanticipated costs in connection with the Business Combination that Cadeler may not be able to recover. These additional costs could reduce the synergy benefits that Cadeler expects to derive from the Business Combination.

In addition, Cadeler has been and is currently required to devote significant attention and resources to successfully align the business practices and operations of Cadeler and Eneti after the completion of the Business Combination. Cadeler may not achieve the expected benefits of the Business Combination as rapidly or to the extent anticipated, Eneti’s business may not perform as anticipated following the Business Combination, or the effect of the Business Combination on the Cadeler Group’s financial results may not meet the expectations of Cadeler’s management, financial analysts or investors. This ongoing process may disrupt the Cadeler Group’s business and, if ineffective, would limit the anticipated benefits of the Business Combination and/or negatively impact the price of the Cadeler Shares and/or Cadeler ADSs. See also “—Integration involves numerous challenges that may be more time-consuming and costly than expected.”

As a result of the Business Combination, the Cadeler Group faces financial risk due to its level of indebtedness.

The Cadeler Group has outstanding debt and other financial obligations, each of which subjects the Cadeler Group to certain risks, including among others increasing the vulnerability to general adverse economic and industry conditions, requiring the Cadeler Group to dedicate a portion of its cash flow from operations to payments on its debt, thereby reducing the availability of cash flow to fund working capital, capital expenditures, acquisitions and investments and other general corporate purposes, and potentially limiting the ability to borrow additional funds or to borrow funds at rates or on other terms it finds acceptable. In addition, the Cadeler Group is, since the completion of the Business Combination, liable for any liabilities in connection with the Eneti Group's existing contracts, and such liability is uncapped.

The agreements governing the Cadeler Group's existing debt, including the debt of the Eneti Group that the Cadeler Group has assumed as a result of the Business Combination, contain (and it is expected that any agreements governing any additional debt that the Cadeler Group may incur or assume would contain) various operating and financial covenants with respect to the business of the Cadeler Group. Any failure to comply with such restrictions may result in an event of default under such agreements. Any such default may allow the applicable creditors to accelerate the related debt, which acceleration may trigger cross-acceleration or cross-default provisions in the Cadeler Group's other debt facilities.

In addition, while Cadeler has recently refinanced the long-term debt obligations of the Cadeler Group's fleet on the water through the New Debt Facility, the Cadeler Group may in the future be required to incur additional costs in refinancing its existing debt or incurring new debt at higher rates. The Cadeler Group will be required to comply with any restrictive terms of its debt, including covenants which may limit the Cadeler Group's ability to incur additional indebtedness, pay dividends or make other distributions, all of which could, in the future, affect the Cadeler Group's ability to plan for, or react to, changes in its business and the markets in which it will operate. If any refinancing and/or other future debt financing is not available when required or is not available on acceptable terms, the Cadeler Group may be unable to grow its business, take advantage of business opportunities, respond to competitive pressures or refinance maturing debt, any of which could affect its ability to take delivery of the vessels currently under construction and have a material adverse effect on the Cadeler Group's business, prospects and financial results and condition.

Integration involves numerous challenges that may be more time-consuming and costly than expected.

The Cadeler Group's success after the Business Combination will depend, in part, upon Cadeler's ability to integrate Eneti without disruption to its existing business. The integration process is complex and has required and continues to require the coordinated efforts of Cadeler's and retained Eneti's management teams and employees. This process is currently ongoing, based on detailed plans created by Cadeler to seek to ensure a smooth and efficient integration of Eneti's and Cadeler's operations. Integration may take longer than expected, may prove more difficult than currently anticipated or unanticipated difficulties may arise, thereby posing a risk to the Cadeler Group's profitability.

A significant amount of the Cadeler Group's management's time has been and will be required to achieve the integration of Cadeler's and Eneti's businesses, and this may affect or impair the ability of the management team to run the business of the combined company effectively. Cadeler has a relatively small management team and organization, which could further exacerbate this risk. In addition, it is possible that certain key personnel may leave during the integration period and the management team will be required to spend additional time and financial resources hiring suitable replacements. The foregoing could have a material adverse effect on the Cadeler Group's business, prospects and financial results and condition.

Cadeler recently became subject to the reporting requirements of the U.S. Exchange Act and it needs to devote substantial time and resources to complying with public company regulations. There can be no assurance that the Cadeler Group's internal control over financial reporting will be sufficient.

Following the completion of the Business Combination, Cadeler became a foreign private issuer and subject to SEC reporting requirements and regulations. As such, and particularly after Cadeler no longer qualifies as an emerging growth company, Cadeler expects to incur significant legal, accounting, and other expenses that Cadeler did not incur previously, including costs associated with its SEC reporting requirements under the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act") and compliance with the requirements of Section 404 of the Sarbanes-Oxley Act. The Sarbanes-Oxley Act requires, among other things, that Cadeler maintains and periodically evaluates its internal control over financial reporting and disclosure controls and procedures. In particular, Cadeler will need to perform system and process evaluation and testing of internal control over financial reporting to allow management and its independent registered public accounting firm to report on the effectiveness of its internal control over financial reporting, as required by the rules and regulations of the U.S. Securities and Exchange Commission ("the SEC") regarding Section 404 of the Sarbanes-Oxley Act. Failure to remediate material weaknesses in the Cadeler Group's internal control over financial reporting may result in Cadeler being unable to prevent or detect misstatements on a timely basis and its financial statements may be materially misstated. Cadeler will need to evaluate areas such as corporate governance, corporate control, internal audit, disclosure controls and procedures and financial reporting and accounting systems. However, these and other measures Cadeler will take may not be sufficient to allow it to satisfy its obligations as a public company on a timely and reliable basis. See also "—Risks Related to the Cadeler Group's Business—The Cadeler Group has identified material weaknesses in internal control over financial reporting. If the Cadeler Group fails to maintain an effective system of internal control over financial reporting, it may not be able to accurately report financial results in a timely manner or prevent fraud, which may adversely affect its business and the market price of the Cadeler ADSs and Cadeler Shares."

In addition, Cadeler will spend additional resources and incur additional costs associated with operating as a public company in both Norway and the United States, and maintaining listings on both the Oslo Stock Exchange (the "OSE") and the New York Stock Exchange (the "NYSE").

Cadeler's senior management and other personnel will need to devote a substantial amount of time to comply with these requirements. Moreover, these rules and regulations will increase Cadeler's legal and financial compliance costs and will make some activities more time-consuming and costly. For example, Cadeler expects that these rules and regulations may make it more expensive for the combined company to obtain director and officer liability insurance, which in turn could make it more difficult for the combined company to attract and retain qualified senior management personnel or directors. In addition, these rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

The Cadeler Group may be required to pay taxes in the United Kingdom as a result of the Business Combination and the integration of the Eneti Group

Certain of the former Eneti Group's subsidiaries, which after the Business Combination are subsidiaries of the Cadeler Group, are resident for taxation purposes in the United Kingdom and so are subject to corporation tax in the United Kingdom on their income. However, the Eneti Group had significant tax losses and other deferred tax assets for United Kingdom tax purposes, which the Cadeler Group assumed after the Business Combination, and which are currently subject to a full valuation allowance, but that the Cadeler Group expects to be available (subject to the operation of the United Kingdom's rules restricting the use of carried-forward losses) to offset the United Kingdom corporation tax that would otherwise be required to be paid until these tax attributes are exhausted. Most of these tax attributes were generated by entities in the Seajacks group prior to its acquisition by the Eneti Group and it is possible that the availability or quantity of these tax attributes could be challenged by the tax authorities. It is also possible that changes in the Cadeler Group's business, organizational structure or capitalization, or future financing transactions, could significantly limit or eliminate these tax attributes, although the Cadeler Group expects that it will be able to conduct itself in a manner such that this will not occur. These considerations, as well as changes in tax laws, applicable tax rates and market factors affecting expected future revenue and operating expenses, may impact the Cadeler Group's future taxation and profitability and its actual outcomes may differ from the Cadeler Group's estimates and judgements made which could result in all or part of the deferred tax assets remain unutilized or become unavailable.

Risks Related to the Cadeler Shares and Cadeler ADSs

Future issuances of new Cadeler Shares or other securities in Cadeler may dilute the holdings of Cadeler Shareholders and could materially affect the price of the Cadeler ADSs and the Cadeler Shares.

Future issuances of new Cadeler Shares or other securities in Cadeler may dilute the holdings of Cadeler Shareholders and could materially and adversely affect the price of the Cadeler ADSs and the Cadeler Shares. Cadeler may in the future issue additional Cadeler Shares or securities convertible into Cadeler Shares through directed offerings without pre-emptive rights for existing holders of Cadeler Shares and Cadeler ADSs. For example, Cadeler has carried out four equity capital raises without pre-emptive rights since its listing on the OSE in November 2020, raising gross proceeds in aggregate of approximately EUR 546.8 million, to finance in part the ordering of its New Builds. It is possible that Cadeler may decide to offer additional Cadeler Shares or other securities in Cadeler in order to finance instalments on its already ordered New Builds, in connection with new capital investments in the future, unanticipated liabilities and expenses, future acquisitions, any share incentive or share option plan, or for any other purposes. Any such offer could reduce the proportionate ownership and voting interests of holders of Cadeler Shares and Cadeler ADSs as well as the earnings per share and the net asset value per share, and any such offering by Cadeler could also have a material adverse effect on the market price of Cadeler Shares and Cadeler ADSs.

The Cadeler Group has currently orders in place for six New Builds and a letter of intent regarding the construction of one additional A-Class New Build, which will require significant funding for further instalments. Such funding is not currently fully in place and may need to be raised through future equity offering(s), in part or in whole. If Cadeler is unable to achieve sufficient debt financing on attractive terms, it may need to raise funding through capital markets transactions, which may lead to dilution of ownership of existing shareholders of Cadeler and/or decrease in share price.

The market value of Cadeler ADSs and Cadeler Shares and dividends are subject to exchange risk.

The Cadeler Shares have a nominal value in DKK, while priced in NOK when listed and traded on the OSE. In addition, Cadeler ADSs are listed and admitted to trading, and the Cadeler Shares underlying such Cadeler ADSs are listed (but not admitted to trading), on the NYSE, where they are priced in USD. Any future payments of dividends on the Cadeler Shares listed on the OSE and the NYSE is expected to be paid in NOK and/or USD, respectively. Additionally, the Cadeler Group prepares its financial statements in EUR, which is also the functional currency of the Cadeler Group, and a majority of Cadeler’s contractual obligations are either in EUR or USD, including the remaining payments for the orders of the New Builds. Income is primarily invoiced in EUR, as are most costs, or in DKK, which is pegged to the EUR. Accordingly, transactions in a currency other than the EUR are translated into EUR using the exchange rates at the dates of the transactions and the Cadeler Group’s revenue, costs and results may increase or decrease compared to prior periods as a result of changes in foreign currency exchange rates. As a result of these factors, investors are subject to adverse movements in NOK, DKK, EUR and USD against the respective other currencies, and the dividends paid on the Cadeler Shares or price received in connection with the sale of such Cadeler Shares could be materially adversely affected by such exchange rate movements.

Holders of Cadeler ADSs may not be able to exercise voting rights or receive distributions as readily as holders of Cadeler Shares.

Holders of Cadeler ADSs who would like to vote their underlying Cadeler Shares at general meetings of Cadeler Shareholders must timely instruct the Depositary on how to vote these underlying Cadeler Shares in advance of such meeting to enable the Depositary to submit the votes ahead of the deadline set out in Cadeler’s notice for the meeting. Neither Cadeler nor the Depositary can guarantee that holders of Cadeler ADSs will receive the notice for any general meeting or any voting materials provided by Cadeler or the Depositary in time to ensure that you are able to instruct the Depositary to vote the Cadeler Shares underlying their Cadeler ADSs. Furthermore, the Depositary and its agents are not responsible for failure to carry out voting instructions or for the manner of carrying out voting instructions. Therefore, there is a risk that the vote of holders of Cadeler ADSs may not be carried out in the manner intended and, in such instance, there would be no recourse available to them. Holders of Cadeler ADSs also may not receive the distributions that Cadeler makes on the Cadeler Shares or any value for them if it is illegal or impracticable for the Depositary to make them available to them.

The Deposit Agreement includes a jury trial waiver provision and a forum selection provision, as a result of which holders of Cadeler ADSs may not be entitled to a jury trial or to bring a claim in a judicial forum they find favorable with respect to claims arising under the Deposit Agreement, each of which could result in less favorable results to the plaintiff(s) in any such action.

On December 19, 2023 Cadeler, JPMorgan Chase Bank, N.A., in its capacity as depositary (the "Depositary") and all holders and beneficial owners from time to time of ADRs issued thereunder, entered into a deposit agreement (the "Deposit Agreement"). The Deposit Agreement governing the Cadeler ADSs provides that holders and beneficial owners of Cadeler ADSs, including those who acquire Cadeler ADSs in the secondary market, irrevocably waive the right to a trial by jury in any legal proceeding arising out of or relating to the Deposit Agreement or the Cadeler ADSs, including claims under U.S. federal securities laws, against Cadeler or the Depositary to the fullest extent permitted by applicable law. If this jury trial waiver provision is prohibited by applicable law, an action could nevertheless proceed under the terms of the Deposit Agreement with a jury trial. To Cadeler's knowledge, the enforceability of a jury trial waiver under the U.S. federal securities laws has not been finally adjudicated by a federal court, and holders of the Cadeler ADSs are not able to waive Cadeler's or the Depositary's compliance with U.S. federal securities laws or the rules and regulations promulgated thereunder.

In addition, the Deposit Agreement governing the Cadeler ADSs provides that by holding or owning Cadeler ADSs or an interest therein, holders and beneficial owners of Cadeler ADSs irrevocably agree that any legal suit, action or proceeding against or involving the Depositary and/or Cadeler brought by holders or beneficial owners, arising out of or based upon the Deposit Agreement, the Cadeler ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby, including, without limitation, claims under the U.S. Securities Act, may be instituted only in the United States District Court for the Southern District of New York (or in the state courts of New York County in New York if either (i) the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute or (ii) the designation of the United States District Court for the Southern District of New York as the exclusive forum for any particular dispute is, or becomes, invalid, illegal or unenforceable). Any person or entity purchasing or otherwise acquiring any Cadeler ADSs, whether by transfer, sale, operation of law or otherwise, shall be deemed to have notice of and have irrevocably agreed and consented to this choice of forum provision. This forum selection provision seeks to reduce litigation costs and increase outcome predictability. While forum selection provisions have been upheld by courts in certain states, it is possible that in connection with any action a court could find the forum selection provision to be inapplicable or unenforceable in such action. If a court were to find the forum selection provision inapplicable to, or unenforceable in respect of, one or more actions or proceedings, a holder or beneficial owner of Cadeler ADSs may incur additional costs associated with resolving such action in other jurisdictions and may not obtain the benefits of limiting jurisdiction to the courts selected. To the extent that such claims may be based upon federal law claims, Section 27 of the U.S. Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the U.S. Exchange Act or the rules and regulation thereunder. Furthermore, Section 22 of the U.S. Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Actions by beneficial owners and holders of Cadeler ADSs to enforce any duty of liability created by the U.S. Exchange Act, the U.S. Securities Act or the respective rules and regulations thereunder must be brought in the U.S. District Court for the Southern District of New York. Holders of Cadeler ADSs will not be deemed to have waived Cadeler's compliance with the federal securities laws and regulations promulgated thereunder.

The jury trial waiver provision and the forum selection provision of the Deposit Agreement can discourage claims or limit the ability of holders of Cadeler ADSs to bring a claim in a judicial forum that they find favorable. In addition, there may be imbalances of resources between Cadeler and the Depositary and holder(s), including in regard to access to information. If any holder or beneficial owner of Cadeler ADSs brings a claim against Cadeler or the Depositary in connection with matters arising under the Deposit Agreement or the Cadeler ADSs, such holder or beneficial owner may not be entitled to a jury trial with respect to such claims. If a lawsuit is brought against Cadeler and/or the Depositary under the Deposit Agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in increasing costs of bringing a claim. A case that is only heard by a judge or justice of the applicable trial court may result in different outcomes than a trial heard by jury would have, including results that could be less favorable to the plaintiff(s) in any such action, depending on, among other things, the nature of the claims, the judge or justice hearing such claims, and the venue of the hearing.

No condition, stipulation or provision of the Deposit Agreement or Cadeler ADSs serves as a waiver by any holder or beneficial owner of Cadeler ADSs or by Cadeler or the Depositary of compliance with any provision of the U.S. federal securities laws.

Cadeler's largest shareholders have significant voting power and the ability to influence matters requiring shareholder approval. Sales of substantial amounts of Cadeler Shares by Cadeler's largest shareholders could reduce the price of Cadeler Shares.

Based on information provided in connection with their latest notifications to Cadeler, BW Altor Pte. Ltd. ("BW Altor") has an ownership interest in Cadeler of approximately 19.57%, Scorpio Holdings Limited ("Scorpio Holdings") has an ownership interest of approximately 12.09% and Swire Pacific Limited ("Swire Pacific") has an ownership interest of approximately 8.51%. Accordingly, each of BW Altor, Scorpio Holdings and Swire Pacific may have the ability to influence matters that require approval by a majority of shareholders at a general meeting, including the appointment of directors and payment of dividends, and exercise of significant influence in matters where a majority or special majority is required, including mergers and other extraordinary transactions, as well as amendments of the combined company's organizational documents and alterations of its capital structure, including authorizing the issue of new shares or share buybacks of existing shares. The interests of each of BW Altor, Scorpio Holdings and/or Swire Pacific may differ significantly from or compete with Cadeler's interests or those of other Cadeler Shareholders, and it is possible that each of BW Altor, Scorpio Holdings and/or Swire Pacific may exercise significant influence or control over the Cadeler in a manner that is not in the best interests of all Cadeler Shareholders. This concentration of ownership and voting power could delay, postpone or prevent a change of control in Cadeler, impede mergers, consolidation, takeover or other forms of combinations involving Cadeler, or discourage a potential acquirer from attempting to obtain control of Cadeler. Further, the interests of each of BW Altor, Scorpio Holdings and/or Swire Pacific may not always coincide with the interests of other Cadeler Shareholders, and other investors may not agree with the manner in which each of BW Altor, Scorpio Holdings and/or Swire Pacific act.

In addition, if any of Cadeler's largest shareholders sell substantial amounts of their shareholdings in the public market or if there is a perception in the market that such substantial sales may occur in the future, the market price of the Cadeler Shares could fall. The occurrence of such substantial sales or the perception that substantial sales of Cadeler Shares may occur in the future could put downward pressure on the market price of Cadeler Shares and may make it more difficult for Cadeler to raise additional financing through the sale of equity or equity related securities in the future at a time and price that Cadeler deems reasonable or appropriate.

There may be less publicly available information concerning Cadeler than there is for issuers that are not foreign private issuers and emerging growth companies because, as a foreign private issuer and an emerging growth company, Cadeler is exempt from a number of rules under the U.S. Exchange Act and NYSE requirements applicable to U.S. domestic companies, and certain of these exemptions will be available to Cadeler as a foreign private issuer even if it no longer qualifies as an emerging growth company.

As a foreign private issuer under the U.S. Exchange Act, Cadeler is exempt from certain rules under the U.S. Exchange Act, and is not required to file periodic reports and financial statements with the SEC as frequently or as promptly as companies whose securities are registered under the U.S. Exchange Act but which are not foreign private issuers. The Cadeler Board, Cadeler's officers and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the U.S. Exchange Act. Accordingly, there may be less publicly available information concerning Cadeler than there is for companies whose securities are registered under the U.S. Exchange Act but are not foreign private issuers, and such information may not be provided as promptly as it is provided by such other companies. In addition, certain information may be provided by Cadeler in accordance with Danish, EU or Norwegian law, which may differ in substance or timing from such disclosure requirements under the U.S. Exchange Act. Subject to certain exceptions, the rules of the NYSE permit a foreign private issuer to follow its home country practice in lieu of the listing requirements of the NYSE, including, for example, certain board, committee and director independence requirements. Accordingly, you may not have the same protections afforded to shareholders of companies that are required to comply with all of the NYSE corporate governance requirements. See also Item 16G of this Annual Report on Form 20-F.

In addition, Cadeler is an emerging growth company as defined in Section 2(a)(19) of the U.S. Securities Act and can take advantage of certain exemptions from various reporting requirements that are applicable to public companies that are not emerging growth companies until the earliest of (a) the last day of its fiscal year following the fifth anniversary of the date of the first sale of Cadeler Shares under an effective registration statement as an emerging growth company, (b) the last date of Cadeler's fiscal year in which it has total annual gross revenue of at least $1.235 billion, (c) the date on which Cadeler is deemed to be a "large accelerated filer" as defined in the U.S. Exchange Act with at least $700.0 million of outstanding securities held by non-affiliates or (d) the date on which Cadeler has issued more than $1.0 billion in non-convertible debt securities during the previous three years.

These exemptions include:

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act;

- not being required to comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis);
- not being required to submit certain executive compensation matters to shareholder advisory votes, such as "say-on-pay," "say-on-frequency" and "say-on-golden parachutes"; and
- not being required to disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the chief executive officer's compensation to median employee compensation.

Even if Cadeler no longer qualifies as an emerging growth company, as long as Cadeler continues to qualify as a foreign private issuer under the U.S. Exchange Act, subject to SEC rule changes, Cadeler will be exempt from certain provisions of the U.S. Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the U.S. Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the U.S. Exchange Act;
- the sections of the U.S. Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the rules under the U.S. Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specific information or current reports on Form 8-K upon the occurrence of specified significant events.

Both foreign private issuers and emerging growth companies are also exempt from certain more stringent executive compensation disclosure rules. Thus, even if Cadeler no longer qualifies as an emerging growth company, but remains a foreign private issuer, Cadeler will continue to be exempt from the more stringent compensation disclosures required of companies that are neither emerging growth companies nor foreign private issuers.

If insolvency proceedings are commenced against Cadeler resulting in a liquidation, the Cadeler Shareholders may only be entitled to receive a liquidation dividend from Cadeler to the extent that all of Cadeler's liabilities have been paid to creditors in full.

Any insolvency proceedings with respect to Cadeler will be subject to the insolvency laws applicable to Danish limited liability companies as set out in the Danish Act no. 1600 of December 25, 2022 on bankruptcy or other applicable laws. If insolvency proceedings are commenced against Cadeler resulting in a liquidation, Cadeler Shareholders may only be entitled to receive a liquidation dividend from Cadeler to the extent that all of Cadeler's liabilities have been paid to creditors in full. If the liquidation of Cadeler's assets does not generate sufficient proceeds for the bankruptcy estate to pay any liquidation dividend to Cadeler's shareholders, any equity investment in Cadeler may be lost.

Former Eneti shareholders that are U.S. taxpayers should note that there can be no assurances that the Internal Revenue Service (the "IRS") will not challenge the treatment of the Business Combination as a tax-free reorganization for U.S. federal income tax purposes.

As part of the Business Combination, Cadeler acquired all of the issued and outstanding common stock of Eneti via (i) an offer to exchange, for each outstanding share of Eneti common stock, Cadeler ADSs and cash in lieu of fractional Cadeler ADSs (the "Offer"), followed by (ii) a merger of Eneti with and into a wholly-owned Marshall Islands subsidiary of Cadeler (the "Merger). As indicated in the prospectus dated and filed by Cadeler with the SEC on November 7, 2023 (the "Prospectus"), Cadeler intends to treat the Offer and Merger, taken together, as a "reorganization" described in Section 368(a) of the U.S. Internal Revenue Code of 1986, as amended. No ruling from the IRS was obtained as to the U.S. federal income tax consequences of the Business Combination and no assurance can be given that the IRS will not successfully challenge the intended treatment. Reference is also made to the section titled "Material Tax Consequences—Material U.S. Federal Income Tax Considerations" on pages 256-261 of the Prospectus.

There can be no assurances that Cadeler will not be a passive foreign investment company (a “PFIC”) for any taxable year, which would generally result in adverse U.S. federal income tax consequences to U.S. investors in Cadeler ADSs or Cadeler Shares.

In general, a non-U.S. corporation is a PFIC for any taxable year in which (i) 75% or more of its gross income consists of passive income or (ii) 50% or more of the value of its assets (generally determined on a quarterly average basis) consists of assets that produce, or are held for the production of, passive income. For the purposes of the above calculations, a non-U.S. corporation that owns, directly or indirectly, at least 25% by value of the stock of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes dividends, interest, investment gains and certain rents and royalties, but does not include income received as compensation for services. Cash and cash equivalents are generally treated as passive assets. Goodwill and other intangible assets are generally treated as active assets to the extent associated with activities that generate non-passive income.

Cadeler’s gross income consists primarily of gross income from time charter hire services contracts with customers where the Cadeler Group utilizes its vessels, equipment and crew to deliver a service to the customer based on either a fixed day rate or milestone deliverables. Customers cannot charter a vessel from the Cadeler Group without also receiving the relevant wind turbine installation, engineering or maintenance services from the vessel’s crew. While the treatment of the gross income from time charter hire services for purposes of the PFIC rules is unclear, Cadeler intends to take the position that such income is non-passive income from services (rather than rental income). This position is based on general U.S. federal income tax law principles and court decisions that distinguish between income from services and rental income for other tax purposes. However, there is a court decision that characterized time charter income as rental income, rather than income from services, for another (not PFIC) tax purpose. Although the IRS indicated that it disagreed with that court decision, and although the facts of the court case may be different from Cadeler’s business model, there is no assurance that the IRS or a court will not treat Cadeler’s gross income from time charter hire services contracts as rental income, in which case the income (and the assets that produce it) may be treated as passive, unless the income is treated as derived in an active conduct of a trade or business under relevant Treasury regulations.

Assuming that Cadeler’s gross income from time charter hire services contracts with customers is not passive income, Cadeler does not believe it was a PFIC for 2023. However, Cadeler’s PFIC status for any taxable year is an annual factual determination that can be made only after the end of that year, and will depend, among other things, on the composition and character of its income and assets and the value of its assets from time to time (including the value of its goodwill and other intangible assets, which may be determined, in part, by reference to its market capitalization, which could be volatile). Accordingly, there can be no assurance that Cadeler will not be a PFIC for any taxable year. If Cadeler is a PFIC for any taxable year during which a U.S. investor owns Cadeler ADSs or Cadeler Shares, the U.S. investor will generally be subject to adverse U.S. federal income tax consequences, including increased taxes on gains and certain distributions as well as reporting requirements. See also Item 10.E. “Taxation—Material U.S. Federal Income Tax Considerations—Passive foreign investment company rules.”