



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	990 673 586
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	SIEM OFFSHORE AS
Forretningsadresse:	Nodeviga 14 4610 KRISTIANSAND S

### Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021
-------------------------	-------------------------

### Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

### Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Dag Ronny Bordvik
Dato for fastsettelse av årsregnskapet:	30.06.2022

### Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 01.07.2023



## Resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	1	106 280 000	109 936 000
<b>Sum inntekter</b>		<b>106 280 000</b>	<b>109 936 000</b>
<b>Kostnader</b>			
Lønnskostnad	2, 3	84 732 000	84 760 000
Avskrivning på driftsmidler	4	357 000	318 000
Annen driftskostnad	2, 5	20 307 000	20 511 000
<b>Sum kostnader</b>		<b>105 396 000</b>	<b>105 590 000</b>
<b>Driftsresultat</b>		<b>884 000</b>	<b>4 346 000</b>
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt	6	40 665 000	16 364 000
<b>Sum finansinntekter</b>		<b>40 665 000</b>	<b>16 364 000</b>
Annen finanskostnad	6	13 266 000	11 032 000
<b>Sum finanskostnader</b>		<b>13 266 000</b>	<b>11 032 000</b>
<b>Netto finans</b>		<b>27 398 000</b>	<b>5 332 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>28 283 000</b>	<b>9 678 000</b>
Skattekostnad på ordinært resultat	7	3 349 000	2 146 000
<b>Ordinært resultat etter skattekostnad</b>		<b>24 934 000</b>	<b>7 532 000</b>
<b>Årsresultat</b>		<b>24 934 000</b>	<b>7 532 000</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>24 934 000</b>	<b>7 532 000</b>
<b>Totalresultat</b>		<b>24 934 000</b>	<b>7 532 000</b>
<b>Overføringer og disponeringer</b>			
Konsernbidrag	8	11 340 000	11 629 000
Avsatt til annen egenkapital	8	13 594 000	
Overført fra annen egenkapital	8		-4 097 000



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Sum overføringer og disponeringer		24 934 000	7 532 000



## Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	7	7 873 000	8 023 000
<b>Sum immaterielle eiendeler</b>		<b>7 873 000</b>	<b>8 023 000</b>
<b>Varige driftsmidler</b>			
Driftsløsøre, inventar o.a. utstyr	4	680 000	397 000
<b>Sum varige driftsmidler</b>		<b>680 000</b>	<b>397 000</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	9	28 446 000	28 446 000
Andre langsiktige fordringer	3		
<b>Sum finansielle anleggsmidler</b>		<b>28 446 000</b>	<b>28 446 000</b>
<b>Sum anleggsmidler</b>		<b>36 998 000</b>	<b>36 867 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Kundefordringer	10	40 566 000	44 569 000
Andre kortsiktige fordringer		7 706 000	2 196 000
Konsernfordringer	10	34 097 000	41 647 000
<b>Sum fordringer</b>		<b>82 370 000</b>	<b>88 412 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter o.l.	11	9 806 000	6 976 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>9 806 000</b>	<b>6 976 000</b>
<b>Sum omløpsmidler</b>		<b>92 176 000</b>	<b>95 388 000</b>
<b>SUM EIENDELER</b>		<b>129 174 000</b>	<b>132 255 000</b>

## BALANSE - EGENKAPITAL OG GJELD



## Balanse

Beløp i: NOK	Note	2021	2020
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Aksjekapital	8, 12	208 000	208 000
Annen innskutt egenkapital	8	29 175 000	29 175 000
<b>Sum innskutt egenkapital</b>		<b>29 384 000</b>	<b>29 384 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital	8, 13	52 439 000	40 632 000
<b>Sum opptjent egenkapital</b>		<b>52 439 000</b>	<b>40 632 000</b>
<b>Sum egenkapital</b>		<b>81 823 000</b>	<b>70 016 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Pensjonsforpliktelser	3	8 941 000	9 386 000
Utsatt skatt	7		
<b>Sum avsetninger for forpliktelser</b>		<b>8 941 000</b>	<b>9 386 000</b>
<b>Annen langsiktig gjeld</b>			
<b>Sum langsiktig gjeld</b>		<b>8 941 000</b>	<b>9 386 000</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	10	14 108 000	19 694 000
Betalbar skatt	7		
Skyldig offentlige avgifter		7 790 000	9 788 000
Kortsiktig konserngjeld	10	14 538 000	14 909 000
Annen kortsiktig gjeld		1 973 000	8 461 000
<b>Sum kortsiktig gjeld</b>		<b>38 410 000</b>	<b>52 853 000</b>
<b>Sum gjeld</b>		<b>47 352 000</b>	<b>62 239 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>129 174 000</b>	<b>132 255 000</b>



**SIEM Offshore**



# Annual Report 2021



Highlights 2021	2
Key Figures	3
Vessels in the fleet	5
Local presence in key markets	7
This is Siem Offshore Inc.	9
Board of Directors' Report	11
Corporate Governance	17
Income Statements	21
Statements of Financial Position – Assets	22
Statements of Financial Position – Equity and Liabilities	23
Statements of Changes in Equity	24
Statements of Cash Flows	26
Notes to the Accounts	27
Environmental, Social and Governance (ESG) Report 2021	93
Auditor's Report	97
Responsibility Statement	103
Board of Directors	104
Financial Calendar	105



---

## Highlights 2021

---

Revenue USD 1,000

254,493

Operating margin USD 1,000

100,585

Employees

1,021

Vessels in operation per 31.12.2021

28

---

### Highlights for the First Quarter

- “Siem Stingray” awarded a 6-month firm contract with options for GE Renewables.
- Bondholders’ meetings in SIOFF01 and SIOFF02 approved the restructuring plan.
- “Siem Barracuda” awarded a 100-day contract with options for an offshore wind project in the Far East.
- Signed term Sheet with all the European Lenders approving the restructuring plan.
- “Siem Spearfish” awarded a 2-month firm contract with options for West Africa.
- Sale and delivery of the Platform Supply Vessel “Siem Hanne”.

### Highlights for the Second Quarter

- “Siem Spearfish” awarded a 110-day firm contract with options for an offshore project in GoM.
- “Siem Dorado” awarded a 40-day firm contract with options for DNC Diving in the North Sea.
- “Siem Dorado” awarded a 55-day firm contract with options for work in Guyana.
- Agreed a 3-month firm contract for “Siem Pearl” for PSE Kinsale Energy Ltd.
- Sold and delivered the 2 AHTS-vessels “Siem Diamond” and “Siem Garnet” to an independent third party, for trading outside the offshore shipping industry. Proceeds were used to repay debt.
- An Extraordinary General Meeting of Siem Offshore Inc. was held on 29 April 2021 to consider a proposal to increase the Company’s authorized share capital and to approve a 100:1 reversed split of its shares. All proposed resolutions were unanimously approved.
- The four-year financial restructuring plan of the Company was successfully completed and implemented on 26 May 2021, significantly strengthening the Company’s balance sheet as financial debt was reduced by USD269 million.

### Highlights for the Third Quarter

- The AHTS “Siem Topaz” was awarded a 6-month extension, securing utilization for the vessel until February 2022.
- The Company was awarded a 300-day firm contract for one of its OSCVs for wind farm installations, commencing operations in Q4 2021.
- “Siem Symphony”, a dual fuel PSV has been upgraded with a hybrid battery package, in line with the Company’s strategic focus to proactively reduce its environmental impact.

### Highlights for the Fourth Quarter

- An Extraordinary General Meeting of Shareholders was held 29 October 2021 electing two new Directors to the Board.
- The client for “Siem Stingray” exercised its option for the vessel securing utilization until Q4 2022. In addition, the Company received extension for “Siem Spearfish”, securing utilization well into the first quarter of 2022.
- Awarded an up to 210-day firm contract plus options for “Siem Dorado”, commencing first quarter of 2022.
- Entered into a 5-month contract plus options for “Siem Barracuda”, in continuation to the vessel’s current contract in the same region.
- Entered into a 6-month contract plus options for “Siem Opal”, commencing March-April 2022.
- Entered into long-term contracts for “Siem Pilot” and “Siem Thiima”, commencing Q1 2022.



## Key figures

(Amounts in USD 1,000)

INCOME STATEMENTS	Ref	CONSOLIDATED	
		2021	2020
Operating revenue		254,493	244,843
Operating expenses		-153,909	-162,584
Operating margin	(1)	100,585	82,259
Operating margin, %	(2)	40%	34%
Depreciation and amortization		-63,539	-74,944
Impairment of vessels		-	-276,857
Gain/(loss) on sale of assets		997	655
Gain/(loss) on currency derivative contracts		204	-1,970
Operating profit	(3)	38,247	-270,856
Net financial items		63,623	-77,787
Result from associated companies		42	844
Profit/(loss) before taxes		101,912	-347,799
Tax benefit/(expense)		1,000	-2,673
Net profit/(loss)		102,912	-350,472
Attributable to non-controlling interest		-4,947	-51,607
Net profit/(loss) attributable to shareholders		107,858	-298,866
<b>STATEMENTS OF FINANCIAL POSITION</b>		<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
Non-current assets		926,037	1,030,207
Current assets		147,460	155,621
Total assets		1,073,497	1,185,828
Shareholders' equity		340,836	57,152
Non-current liabilities		627,570	857,412
Current liabilities		105,630	315,994
Total equity and liabilities		1,073,497	1,185,828

### Definitions

(1) Operating Margin is the net of Operating revenue and operating expenses. For 2021 operating revenues USD254,493 less operating expenses at USD153,909 equals operating margin at USD100,585. The Company considers the operating margin to be a key number when analyzing the fleets operating performance and the margin that can be allocated to the finance of capital expenditures, debt-service and other cash disbursements.

(2) Operating Margin, %. The relative operating margin is calculated to be the percentage of operating margin to operating revenue. For 2021 the operating margin at USD100,585 equals 40% of the operating revenue at USD254,493. The Company considers the operating margin, % to be important when analyzing the vessels' relative performance.





(3) The Operating Profit is the profit before financial items and tax. The operating profit for 2021 is calculated by adding operating revenues at USD254,493, less operating expenses at USD153,909, less depreciation and amortization at USD63,539, add gain on sale of assets at USD997, add gain on currency derivatives at USD204, which equal operating profit at USD 38,247,










## Vessels in the fleet





### Platform Supply Vessels (PSV)

				
	Siem Pride	Siem Symphony	Siem Atlas	Siem Giant
Built	2015	2014	2013	2014
Design	VS 4411DF	VS 4411DF	STX PSV 4700	STX PSV 4700
Dp Class	2	2	2	2
LOA	89.20 m	89.20 m	87.90 m	87.90 m
Breadth	19.00 m	19.00 m	19.00 m	19.00 m
Draught	7.40 m	7.40 m	6.60m	6.60 m
Dwt	5,500 t	5,500 t	4700 T	4,700 T
Accommodation	28	25	34	34
Cargo Deck Area	980 m2	980 m2	1000 m2 usable	1000 m2 usable
Ownership	100%	100%	100%	100%

### Anchor Handling Tug Supply Vessels (AHTS)

					
	Siem Amethyst	Siem Opal	Siem Emerald	Siem Sapphire	Siem Aquamarine
Built	2011	2011	2009	2010	2010
Design	VS 491 CD	VS 491 CD	VS 491 CD	VS 491 CD	VS 491 CD
Dp Class	2	2	2	2	2
LOA	91.00 m	91.00 m	91.00 m	91.00 m	91.00 m
Breadth	22.00 m	22.00 m	22.00 m	22.00 m	22.00 m
Draught	7.95 m	7.95 m	7.95 m	7.95 m	7.95 m
Dwt	3800 T	3800 T	3800 T	3800 T	3800 T
Accommodation	60	60	60	60	60
Cargo Deck Area	800 m2	800 m2	800 m <sup>2</sup>	800 m2	800 m2
BHP	28000	28000	28000	28000	28000
Bollard Pull	297 Te	297 Te	281 Te	301 Te	284 Te
Ownership	78,16%	78,16%	78,16%	78,16%	78,16%

### Offshore Subsea Construction Vessel (OSCV) & Multipurpose field & ROV Support Vessel (MRSV)

				
	Siem Dorado	Siem Barracuda	Siem Spearfish	Siem Stingray
Built	2009	2013	2014	2014
Design	MT 6017 MK II	STX OSCV 11L	STX OSCV 03	STX OSCV 03
Dp Class	2	2	2	2
LOA	93.60 m	120.80 m	120.80 m	120.80 m
Breadth	19.70 m	22.00 m	23.00 m	23.00 m
Draught	6.30 m	6.60 m	6.60 m	6.60 m
Dwt	4.500 t	5.000 t	5.000 t	5.000 t
Accommodation	68	110	110	110
Cargo Deck Area	1046 m2	1300 m2	1,300 m2	1,300 m2
Crane	100 t Offshore/Subsea crane	250 t Offshore/Subsea crane	1 X 250 t AHC, 3,000 m	1 X 250 t AHC, 3,000 m
ROV Moonpool	-	7.2 X 7.2	7.2 X 7.2 m	7.2 X 7.2 m
Ownership	100%	100%	100%	100%



Siem Pilot

Siem Thilma

Built	2010	2016
Design	VS 485	VS 4411DF
Dp Class	2	2
LOA	88.3 m	89.2 m
Breadth	20.00 m	19.00 m
Draught	7.19 m	7.40 m
Dwt	5000 T	5500 T
Accommodation	64	25
Cargo Deck Area	927 m <sup>2</sup> usable	980 m <sup>2</sup>
Ownership	100%	100%



Siem Topaz

Siem Ruby

Siem Pearl

Built	2010	2010	2009
Design	VS 491 CD	VS 490 CD	VS 491 CD
Dp Class	2	2	2
LOA	91.00 m	91.00 m	91.00 m
Breadth	22.00 m	22.00 m	22.00 m
Draught	7.95 m	7.95 m	7.95 m
Dwt	3800 T	3800 T	3800 T
Accommodation	60	60	60
Cargo Deck Area	800 m <sup>2</sup>	800 m <sup>2</sup>	800 m <sup>2</sup>
BHP	28000	28000	28000
Bollard Pull	306 Te	306 Te	285 Te
Ownership	78,16%	78,16%	78,16%

## Other



Brazil – Fleet of 5 vessels

Avalon Sea - Canada

Type	OSRV/FCS/FSV	AHTS
Ownership	100%	100%



Joides Resolution

Big Orange XVIII

Type	Scientific Core Drilling Vessel (SCDV)	Well Stimulation Vessel (WSV)
Ownership	100%	41.3%

## Well Intervention Vessels (WIV)



Siem Helix 1

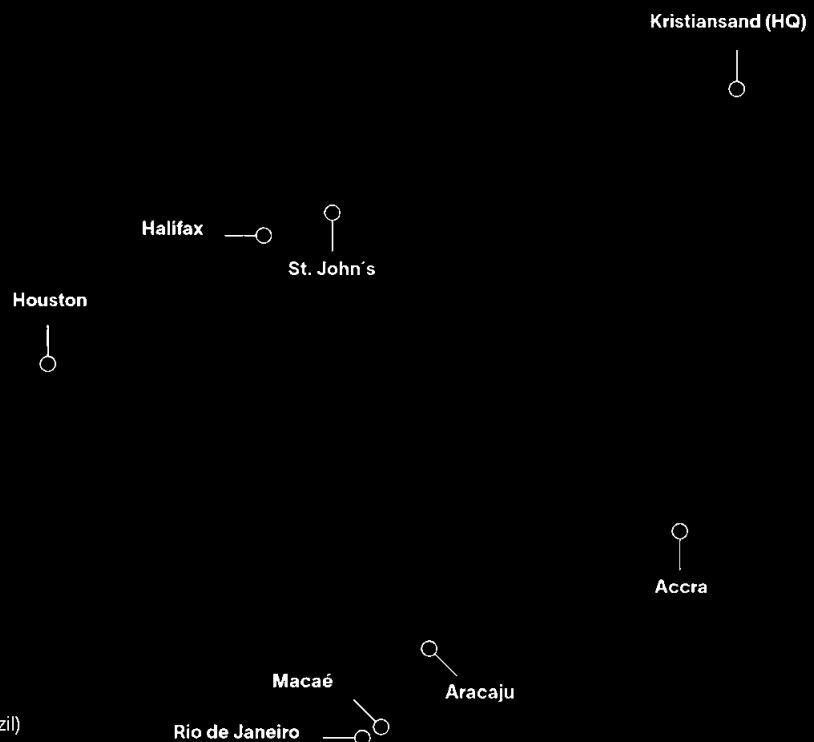
Siem Helix 2

Built	2016	2016
Design	Salt 307 WIV	Salt 307 WIV
Dp Class	3	3
LOA	158.65 m	157.60 m
Breadth	31.00 m	31.00 m
Draught	8.50 m	8.50 m
Dwt	12500 t	12500 t
Accommodation	150	150
BHP	36000	35000
Ownership	100%	100%



Local presence in key markets

# Geographical footprint



**Siem Offshore offices**

- Kristiansand (Norway)
- Rio de Janeiro, Macaé, Aracaju (Brazil)
- Houston (USA)
- Perth (Australia)
- St. John's, Halifax (Canada)
- Accra (Ghana)



Total employees

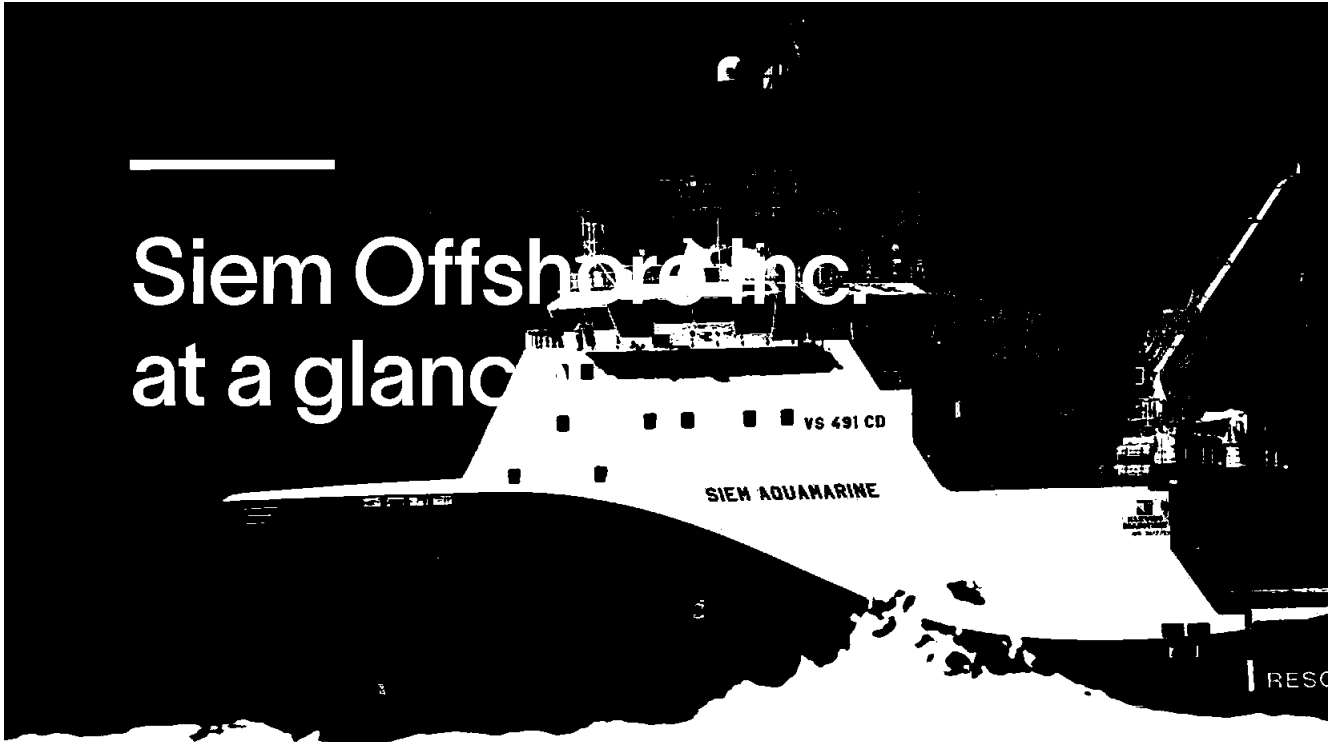
1,021

Vessels in operations

28

PSVs:	6
WIVs:	2
AHTs:	8
OSCVs:	4
CANADIAN FLEET:	1
Other:	7

Perth —○



# Siem Offshore Inc. at a glance

Siem Offshore owns and operates one of the world's most modern fleets of offshore support vessels, equipped to meet demands from clients and the harshest environments.

Siem Offshore had 28 vessels in operation at year-end 2021. By end March 2022, the total fleet comprised of 28 vessels, including, among others the following owned vessels, six Platform Supply Vessels (PSVs), four Offshore Subsea Construction Vessels (OSCVs), eight Anchor Handling, Tug and Supply vessels (AHTS), two Well-Intervention Vessels (WIVs), five smaller Brazilian flagged vessels, one scientific core drilling vessel and one Canadian flagged vessel (an AHTS vessels). The fleet provides a broad spectrum of services offered by a highly experienced and competent crew with a strong focus on Health, Safety, Environment and Quality within offshore oil and gas and within the offshore renewable sector.

The Company's vision is to become the leading provider and the most attractive employer offering marine services to the offshore energy service industry. The Company shall deliver quality and reliable contracted services in a timely manner by executing cost-efficient solutions developed in active collaboration and cooperation with our customers.

Siem Offshore commenced operations with effect from 1 July 2005. The Company is registered in the Cayman Islands and is listed on the Oslo Stock Exchange (OSE Symbol: SIOFF). The Company's headquarter is located in Kristiansand, Norway and additional subsidiary offices are located in Brazil, Canada, Cayman Islands, Australia, USA and Ghana. The Company is tax resident in Norway.



## Our Values

We continuously work to make the values a part of the daily life of the Company, in particular in training of leaders throughout the organization. The values are established to support our present and future business.

### Caring

We encourage team spirit and knowledge sharing. We strive to perform our daily work correctly, safely and without causing damage to people, environment and equipment.

### Competitive

We behave in a pro-active manner and we are innovative in our way of thinking. Continuous improvement is our key to success.

### Committed

We are driven by integrity. We step up and take charge to fulfil given promises.

## Revenue

Amounts in USD 1,000

2021	254 493
2020	244 843
2019	292 530
2018	307 736
2017	306 000
2016	469 000
2015	411 000
2014	491 000
2013	363 000
2012	368 000

## Operating Margin

Amounts in USD 1,000

2021	100 585
2020	82 259
2019	109 744
2018	115 056
2017	125 175
2016	128 295
2015	118 548
2014	194 125
2013	122 663
2012	110 348

## Employees

2021	1 021
2020	1 042
2019	1 102
2018	1 335
2017	1 182
2016	1 058
2015	949
2014	1 073
2013	1 110
2012	1 078



---

## Board of Directors' Report

The Board of Directors of Siem Offshore Inc. (the "Board") presents its report for the fiscal year ended 31 December 2021, together with the audited consolidated financial statements for the Company and the Parent Company. The financial statements and related notes were authorized for issue by the Board on 21 April 2022 and will be presented to the shareholders for approval at the Annual General Meeting to be held on Friday 20 May 2022.

---

---

### THE COMPANY

All references to "Siem Offshore" and the "Company" shall mean Siem Offshore Inc. and its subsidiaries and associates unless the context indicates otherwise. All references to "Parent" shall mean Siem Offshore Inc. as the Parent Company only.

Siem Offshore is registered in the Cayman Islands and is listed on the Oslo Stock Exchange (OSE Symbol: SIOFF). The Company's headquarters is located in Kristiansand, Norway and subsidiary offices are located in Brazil, Australia, Canada, Cayman Islands, United States and. The Company is tax domiciled in Norway.

The Company's primary activity is the ownership and operation of offshore support vessels ("OSVs") for the offshore energy service industry and the offshore renewables market.

The Company operated a fleet of 28 vessels at year-end, including partly-owned vessels and 4 vessels in lay-up. During 2021, the total fleet of OSVs conducted operations in the North Sea, Brazil, Australia, Canada, the Arctic Ocean, Northern Pacific Ocean, Southeast Asia and West Africa.

---

### FINANCIAL RESULTS, POSITION AND RISKS

#### IFRS

The financial statements for the Company and the Parent are prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union.

#### Going-Concern

The financial statements have been prepared under the assumption that the Company and the Parent are going-concerns. The Company's financial position, financing arrangements and forecasted cashflows are supporting a going concern status. Following the financial restructuring in Q2 2021, the Company has substantially improved its equity, cash position and forecasted cash flows. No debt will mature before the end of 2024, except for debt that will be subject to cash sweep if applicable. The volatile market conditions and impact of the COVID-19 pandemic on vessel operations and the world economy continue to have a negative influence on the Company's earnings and cash flows.

#### The Market

The OSV market is now in its 8th year of depressed conditions. The Company expects the market to remain volatile going forward. The increase in offshore activities and demand for offshore vessels that we have seen lately is positive and gives hope that the market will recover faster than earlier expected. Still, there are too many offshore vessels available worldwide which may have an adverse effect on the potential for uplifts in charter rates and vessel utilization.

No impairments were identified in fiscal year 2021. The financial restructuring was implemented in Q2 2021 for a period until 31 December 2024. The restructuring has strengthened the Company's financial position as liabilities to banks and bondholders were reduced by USD269 million with lower mandatory repayments going forward. See note 20 for further details related to the financial items.

Total Equity (inclusive of Non-controlling interests) is USD340 million at 31 December 2021.

The long-term fundamentals and outlook for the OSV market are gradually improving on the back of increasing oil prices and energy demand. New drilling campaigns and



offshore projects, within offshore oil and gas and within offshore renewables segments, are being sanctioned, which over time will create incremental demand for OSV's. The immediate effects for our fleet are however limited to those of our vessels that are idle or which come off charter in Q1 and Q2.

For 2022, several projects have been approved and more are under consideration. Specifically, we see increased activity in Brazil, West Africa and the North Sea. Although we are still positive that our young and advanced fleet will be in demand for many years to come, our focus is on securing commitment through to the end of the winter season and beyond. Although the winter season is always demanding, we believe activity going forward has improved compared to previous years and increased activity in all segments is expected. Although the vessel supply-demand balance is slowly shifting, the market still suffers from oversupply. The Company is well-positioned to compete with its peers based on its modern fleet, quality backlog, strong operating record, positive reputation, and its proven ability to provide employment on a global scale within the fossil and renewable energy markets.

The Company is exposed to credit risk due to the financial strength of some counterparties and the difficulties generally that the Company is facing in its markets. The world supply and demand of oil and its market price is uncertain. Energy prices have a direct impact on the offshore activities which the Company serves. The recent increase in energy prices, with oil now trading in the range between USD100 and USD120 per barrel, is likely to lead to higher activity in the offshore energy industry.

The COVID-19 pandemic and fluctuations in the oil price have resulted in volatility in currency exchange rates. The USD has strengthened against other currencies. The BRL currency has depreciated substantially. As part of the financial restructuring the Company has cancelled all currency and interest rate hedging agreements with its lenders. Thus, the Company will be exposed to changes in currency rates and interest rates on its loans going forward.

#### Income Statement

In 2021, the Company recorded operating revenue of USD254.5 million and a net profit attributable to shareholders of USD107.9 million, or USD0.73 per share, compared to operating revenue of USD244.8 million and a net loss attributable to shareholders of USD298.9 million, or USD-31.97 per share, in 2020. The increase was primarily due to a more positive outlook in the markets following a steady increase in oil price, and improving estimates for worldwide demand for oil and energy. The offshore renewable energy industry launched new projects which generated vessel employment. The supply – demand balance for offshore vessels improved.

The Company's operating margin for 2021 was USD100.6 million compared to USD82.3 million in 2020. Net operating margin as a percentage of operating revenue was 40% in 2021 compared to 34% in 2020. The increase was due to improved vessel utilization and charter rates, and with operating expenses being fairly stable, the operating margin improved.

The Company's operating profit (loss) for 2021 was USD 38.2 million compared to USD -270.9 million in 2020 and includes depreciation and amortization of USD 63.5 million (2020: USD 74.9million). During 2021, the Company conducted periodic reviews of vessel valuations, however concluded not to recognize any impairments. In 2020 impairments of USD 276.9 million were recognized on certain vessels. Net currency exchange gain (losses) of USD 0.2 million (2020: USD -2.0) was recorded on forward currency contracts, all of which was realized. In 2020: USD12 million was unrealized. The net gain (loss) on sale of assets was USD 1.0 million (2020: USD 0.7 million).

The Company's net financial items were USD 63.6 million (2020: USD -77.8 million) and included net financial expenses of USD -28.6 million (2020: USD -55.5 million) and a revaluation gain/(loss) of non-USD currency items of USD -4.5 million (2020: USD -29.4 million) mainly due to weaker NOK and BRL compared to USD during the period. Non-USD currency items are held to match short- and long-term liabilities, including off-balance sheet liabilities, in a similar currency. The Company's debt was restructured 26 May 2021 at a total of USD 269 million. Of the total debt of USD 269 million, USD 177.4 million (representing 65.962%) was reclassified into the Company's equity accounts, and USD 91.6 million was recognized as financial income.

The Parent Company is primarily a holding company owning shares in subsidiaries.

The Board proposes that the Parent's net profit of USD28.4 million for 2021 be allocated to retained earnings and that no dividend shall be paid for 2021.

#### Financial Position and Cash Flows

Total equity for the Company was USD340 million at year-end 2021 (2020: USD12 million), and the book equity ratio was 32% (2020: 1%). Shareholders' equity was USD341 million (2020: USD57 million), equivalent to USD1.43 per share (2020: USD6.11 per share, adjusted for a 100:1 reverse split made effective in May 2021).

The Company recorded USD28 million as gross capital expenditures in fixed assets during 2021, related to project-specific investments in vessels and capitalized dry-dockings and periodic maintenance.

The net interest-bearing debt at year-end was USD532 million (2020: USD928 million). The Company deferred interest and guarantee-fee payments of USD17 million that, during the year, were added to the principal loan balance of secured and unsecured credit facilities related to Payment-in-kind (PIK)



## Board of Directors' Report

agreements (2020: USD19 million). The minority interest in the AHTS fleet increased its subordinated shareholder's loan by USD2.3 million (2020: USD3.6 million), inclusive of accrued interest. The weighted average cost of debt for the Company was approximately 3.3% p.a. at year-end (2020: 3.4% p.a.). Following the financial restructuring all of the Company's debt related financial derivatives (currency hedging programs, interest rate swaps and cross currency swaps) were settled and terminated.

### Cash flows

The cash position at year-end was USD 91.8 million (2020: USD 103.2 million).

The Company paid debt instalments of the equivalent of USD124 million in 2021 (2020: USD21 million). Debt instalments included repayments related to sale of vessels at USD 49 million and repayments from cash sweeps at USD 29 million. Following the refinancing in Q2 2021, fixed repayments of debt have been reduced substantially and cash sweep mechanisms are in place that will balance repayments of debt to the Company's cash position. The Company will be less exposed if cash flows are negatively impacted from a volatile market. If the Company's cash flows are exceeding agreed values, related to cash position and related measures, excess installments will become payable following a set of agreed cash sweep mechanisms.

The Company's cash-flows are primarily denominated in USD, NOK, EUR, BRL, GBP, CAD and AUD. During 2021, the USD strengthened by 3.4% to the NOK, strengthened by 6.7% to the BRL, strengthened by 6.0% to the AUD, strengthened by 1.3% to the GBP and strengthened by 7.7% to EUR. The average recorded exchange rates were NOK/USD 0.11628, EUR/USD 1.18506, BRL/USD 0.18549, GBP/USD 1.37549, AUD/USD 0.75014 and CAD 0.79698 (2020: NOK/USD 0.10672, EUR/USD 1.14518, BRL/USD 0.19420 GBP/USD 1.36491 and AUD/USD 0.69192).

### Financial Risks

#### Interest risk

The Company is exposed to changes in interest rates, as approximately 61% of the interest-bearing debt is based on floating interest rates and primarily denominated in USD and NOK. The average 3-month USD LIBOR was 0.16% p.a. during 2021 (2020: 0.65% p.a.) and the average 3-month NIBOR was 0.47% p.a. during 2021 (2020: 0.7% p.a.). The Company held no interest rate swap agreements, nor any cross-currency interest rate swaps at year-end.

#### Currency risk

The Company is exposed to currency risk as revenue and costs are denominated in various currencies. The Company settled and terminated all forward exchange contracts in 2021.

#### Inflation Risk

The Company is exposed to inflation risk as inflation rates are expected to increase. The revenues may not be inflated at levels that could compensate for inflated operating cost. In addition to general inflation-rates, the operating expenses related to spare parts, service-personnel and logistics within the shipping industry are further exposed to inflation.

#### Liquidity risk

The Company is financed by a combination of debt and equity. If the Company fails to repay or refinance its credit facilities, additional equity financing may be required. There can be no assurance that the Company will be able to repay its debts or extend the debt repayment schedule through re-financing of credit facilities. There is no assurance that the Company will not experience cash flow shortfalls exceeding the Company's available funding sources or to remain in compliance with minimum cash requirements or other covenants. Please see more information regarding this in the Going Concern paragraph above. Further, there is no assurance that the Company will be able to raise new equity or arrange new credit facilities on favorable terms and in amounts necessary to conduct its ongoing and future operations should this be required.

#### Climate risk

The Company is exposed to both transition risk and physical risks associated with climate change. The Company has a structured approach to monitoring the development of the offshore oil and gas market and opportunities created by the transition to offshore renewable energy. The Company's strategy is based on market scenario analysis and positioning of the Company for the energy transition by establishing new segments to explore business opportunities within offshore renewable energy. The physical risks associated with climate change may directly affect our offshore operations through increased occurrence of extreme weather conditions. Available days for offshore operations could be limited as clients could shorten their weather windows. The Company mitigates this risk through good crew training and awareness programs, good vessel maintenance programs and close cooperation with its clients.

#### War risk

The war in Ukraine could impact the market balance of offshore support vessels in the Company's key areas of operation. There is associated risk of price escalations to vessel spare parts, logistics and other services. The Company observes indications of shortages of experienced crew and escalation of crew costs. Sanctions that have been imposed on nations and organizations could affect the Company's



competition directly and indirectly, and its ability to receive and send payments for its services.

## OPERATIONS

### Fleet, Performance and Employment

The fleet in operation at end of year 2021 totaled 28 vessels, including partly owned vessels and 4 vessels in lay-up. The Company performed ship-management services for 3 vessels owned by related parties.

The Company had six PSVs in operation at end of the year (2020: seven). The PSV fleet earned operating revenues of USD39.9 million and had 88% utilization (2020: USD 37.3 million and 94%). The operating margin before administrative expenses was USD 14.8 million (2020: USD 13.8million) and the operating margin as a percentage of revenue was 37% (2020: 37%).

The Company had four OSCVs and two WIVs in operation at end of the year (2020: six in total). The OSCV and WIV fleet earned operating revenues of USD 111.7million and had 88% utilization (2020: USD 105.4million and 89%). The operating margin before administrative expenses was USD 64.4 million (2020: USD 64.5 million) and the operating margin as a percentage of revenue was 58% (2020: 61%).

The Company had eight AHTS vessels in operation at end of the year, following sale of two AHTS vessels in June 2021 (2020: ten). The AHTS fleet earned operating revenues of USD 43.1 million and had 78% utilization excluding vessels in lay-up (2020: USD 37.2million and 67% utilization). The operating margin before administrative expenses was USD 3.8 million (2020: USD (5.9) million) and the operating margin as a percentage of revenue was 9% (2020: -16%).

Secunda Holdings Limited ("Secunda") is a wholly owned subsidiary that owns and operates a one offshore support vessel (2020: one owned vessel and one bare boated vessel). Secunda is a leader in offshore support services for platform supply, anchor-handling, rescue standby and towage in its primary area of operation, offshore Eastern Canada. The Canadian fleet earned operating revenues of USD 12.7million and had 100% utilization (2020: USD 17.7 million and 90%). The operating margin before administrative expenses was USD 9.1 million (2020: USD 8.6 million) and the operating margin as a percentage of revenue was 72% (2020: 49%).

Siem Offshore do Brasil S.A. is the Company's wholly owned Brazilian subsidiary that owns and operates a fleet of five OSVs in Brazil (2020: five). This fleet earned operating revenues of USD 15.7million and had 98% utilization (2020: USD 15.6million and 81%). The operating margin before administrative expenses was USD 8.9 million (2020: USD 7.7 million) and the operating margin as a percentage of revenue was 57% (2020: 49%).

The Scientific Core-Drilling includes the drillship "JOIDES Resolution" which is on a firm charter for ocean seabed core

sample drilling. The charterer is an international research program and expeditions are world-wide. The "JOIDES Resolution" recorded operating revenues of USD 30.0 million (2020: USD 28.6 million) with an operating margin before administrative expenses of USD 16.4 million (2020: USD 13.6 million) and the operating margin as a percentage of revenue was 55% (2020: 49%).

The total firm contract backlog for all OSV vessels at 31 December 2021 was USD298 million (2020: USD483 million), including the drillship "JOIDES Resolution" and the 41%-ownership in the well-stimulation vessel "Big Orange XVIII". The total vessel contract backlog is allocated with USD161 million in 2022, USD96 million 2023 and USD41 million in 2024 and onwards. The contract backlog, as a % of the annual fleet capacity, is 39% for 2022, 19% for 2023 and 7% for 2024 (2020: 46% for 2021, 50% for 2021, 27% for 2022 and 18% for 2023).

### HSEQ

#### Health, Safety, Environment & Quality - Committed to safe, ethical, and sustainable operations

The Company's continuous focus on safe operations, cooperation and environmental initiatives is resulting in safety and environmental improvements.

The Company reached a one-year period without any Lost Time Injuries, which is a major achievement. The Total Recordable Incidents Frequency has reached an all-time low, which reflects hard work and dedication across the fleet and a keen focus on safe operations.

The Company is interacting closely with several clients in Safety Campaigns and environmental cooperation globally on a continuous basis.

Clients are very satisfied with our operational and safety performance, which reflects professional crew and a well-developed safety culture throughout the Company

### Environment

In 2021, protection of the environment has been a high priority area. The environmental strategy outlines the company's internal goals for emission intensity reductions, waste handling and energy loss. We have determined plans for specific research and development targets to further develop emission reduction technologies.

Siem Offshore Environmental Policy confirms the Board of Directors and management's commitment to minimize the Company's impact on the environment, in relation to biodiversity, resource usage, water and waste management. At the senior management level, there is a constant and shared responsibility to ensure that all staff are familiar with this policy and that there are systems and procedures in place to integrate environmental considerations in our decision-making and operations.



---

## Board of Directors' Report

### **Ethics, Compliance and Integrity**

Siem Offshore is committed to carrying out its business in an ethical manner and in strict compliance with applicable laws wherever it operates. This continued to be a focus area in 2021, where we have further earned trust of our clients, business partners, suppliers and other stakeholders by acting consistently and reliably in accordance with these principles.

Management is accountable for compliance, which is the responsibility of everyone who works for the Company. One of the key roles of our compliance and ethics function is to ensure Management understands, accepts and fulfils its accountability.

---

## SHAREHOLDERS AND CORPORATE GOVERNANCE

### **Shareholder Information**

The Company's authorized share capital is USD300,000,000 divided into 300,000,000 ordinary shares of a nominal value of USD1.00 each. The issued share capital on 21 April 2022, based on the 238,852,052 Company shares issued and outstanding, is USD 238,852,052. The Company's shares are listed on the Oslo Stock Exchange with the ticker symbol SIOFF. The Company's largest shareholder is Siem Sustainable Energy S.a.r.l., whose ultimate owner is Siem Industries S.A., with a 33.6% interest at 21 April 2022. In May 2021, a reverse split 100:1 was made effective. Comparable figures involving number of shares have been recalculated reflecting the merger. During 2021, the closing share price reached a high of NOK 74.0, a low of NOK 2.49 and closed at NOK 3.4 at year-end.

### **Corporate Governance**

The Company has implemented guidelines for good corporate governance based on the recommendations and guidelines given by the Oslo Stock Exchange. The purpose of these guidelines is to clarify roles of the Shareholders, the General Meeting, the Board of Directors and the day-to-day Management beyond what follows from the legislation. A detailed summary of our corporate governance principles is included in a separate section of the Annual Report.

### **Directors and Officers Liability Insurance**

Directors and Officers Liability Insurance (DOLI) is for the fiscal year 2021 placed with Zurich Insurance Plc, Norway Branch. The DOLI insurance provides financial protection for the directors and officers of the Company in the event that they are being sued in conjunction with the performance of their duties as they relate to the Company. The insurance coverage includes the directors' and officers' personal legal liabilities,

including defence - and legal cost. The cover also includes employees in managerial positions.

---

## THE WORKING ENVIRONMENT AND THE EMPLOYEES

The Company provides a workplace with equal opportunities for all employees. We treat current and prospective employees fairly in relation to salaries, promotions, and recruitment. The Company offers its employees a sound working environment, giving opportunities for professional development equally and free of any discrimination to all employees.

The sick leave rate for onshore and offshore employees was 0.9% and 1.8% respectively on a global basis.

The knowledge of the crew is vital for safe and secure operations of any vessel. Such knowledge includes good seamanship and understanding of the demanding assignments to be executed.

---

## OUTLOOK

While the oversupply of OSV vessels continues to have effects on charter rates for the Company's fleet, the Board sees an encouraging increase in demand for its services. Our fleet operates in markets that require the most technically advanced and well-equipped vessels. Certain vessel categories such as the IMR, OCSV, WIV and PSV are likely to enjoy better rates in the near to medium term, while both overcapacity and demand fundamentals for the AHTS fleet is likely to remain challenging.

For the AHTS fleet, longer term contracts in the North Sea are generally not available. Seasonal (summer) campaigns, and selective tender contracts in Brazil, West Africa and Australia are exceptions, but does still not provide the required volume of demand that can provide satisfactory economics. In addition, many contracts include liabilities, such as early termination clauses, skewed payment terms, and unacceptable and uninsurable risk to owners. In desperation, owners tend to accept clients' terms to avoid lay-up.

The Offshore Wind market is promising and we expect increased interest for specialized built Offshore Services Vessels (OSV) and Offshore Subsea Construction Vessels (OSCV) to service both construction and maintenance of offshore wind farms. We expect the offshore wind market to grow globally, which will have a positive effect on the demand for the entire OSCV fleet.

Our "best in class" operating efficiency and our deliberate efforts to reduce green house emissions by



investing in fuel efficiency technology and battery packages to several of our vessels, meets our clients demand, and positions us as a preferred service provider going forward.

Further, we strongly believe that consolidation should continue to be a required objective for the stakeholders in our industry. As we move forward, the oil and gas industry will be met with demands to reduce emission of green house gases from its clients. In order to serve the interest of all

stakeholders, our ambition shall be to lead the consolidation effort as well as the shift into new technology.

The Board believes that the Company is well-positioned to compete with its peers based on its modern fleet, quality backlog, strong operating record, positive reputation, and its proven ability to provide employment on a global scale. Following the implementation of the proposed reorganization plan and re-domiciliation, the Company has a sustainable financial position that sheets further growth and development.

---

21 April 2022

**Kristian Siem**  
Chairman  
(Sign.)

**Barry W. Ridings**  
Director  
(Sign.)

**Alexander Monnas**  
Director  
(Sign.)

**Kenneth Ross**  
Director  
(Sign.)

**Peter Ditlef Knudsen**  
Director  
(Sign.)

**Bernt Omdal**  
Chief Executive Officer  
(Sign.)



---

## Corporate Governance

---

### Statement of Policy on Corporate Governance

The principles for corporate governance adopted by the Company are based on the “Norwegian Recommendation for Corporate Governance” issued on the 14 October 2021.

As a company incorporated in the Cayman Islands, Siem Offshore Inc. is an exempted company duly incorporated under the laws of the Cayman Islands and subject to Cayman Islands’ laws and regulations with respect to corporate governance. Cayman Islands corporate law is to a great extent based on English Law. In addition, due to the Company’s listing on the Oslo Stock Exchange, certain aspects of Norwegian Securities Law apply to the Company and there is a requirement to adhere to the Norwegian Code of Practice for Corporate Governance. The Norwegian Code of Practice for Corporate Governance is publicly available at [www.nues.no](http://www.nues.no) in both Norwegian and English languages. Due to new provisions implemented in the Norwegian Accounting Act, compliance with the regulations for Corporate Governance reporting is now a legal requirement provided that it does not conflict with the Cayman Islands laws and regulations. The Company endeavours to maintain high standards of corporate governance and is committed to ensuring that all shareholders of the Company are treated equally and the same information is communicated to all shareholders at the same time.

Corporate Governance is subject to annual assessment and review by the Board of Directors.

The Board of Directors has reviewed this statement. It is the opinion of the Board of Directors that the Company complies with the Norwegian Code of Practice for Corporate Governance.

This statement is structured in accordance with The Norwegian Code of Practice for Corporate Governance.

---

#### Business

Cayman Islands laws and regulation do not require the objects clause of the Companies Memorandum and Articles of Association to be clearly defined. The Company has, however, adopted clear objectives and strategies for its business. Siem Offshore aims to grow the company within offshore support vessels, both organically and through combination with other operators, in order to achieve economies of scale and a stronger presence in the market.

Siem Offshore aims to become a preferred supplier of marine services to the offshore energy industry and in the offshore renewable energy sector, based on quality and reliability, and to provide cost-efficient solutions to its customers by understanding their operations and by applying technology and experience.

The Company builds its business around a motivated and skilled workforce with the appropriate technical solutions. This creates sustainable value for all shareholders.

Reference is made to the Board of Directors report for detailed information.

---

#### Equity and Dividends

The priorities for the use of Company funds are determined by the Board of Directors and with recommendations from the Management, considering existing conditions. At present, priorities for the use of funds in order of importance are vessels operations and maintenance, repayment of debt, investment



opportunities in the business and the return of capital to the shareholders in form of share buy-back or dividends.

The Board's mandate to increase the Company's share capital is limited only to the extent of the authorized share capital of the Company with certain pre-emption rights for shareholders and in accordance with the Company's Memorandum and Articles of Association which comply with Cayman Islands Law.

Under the Articles of Association, the Board can issue new shares, convertible bonds or warrants at any time within the limits of the authorized capital without the consent of the General Meeting, but with pre-emption rights for shareholders. A General Meeting has further authorized the Board to issue new shares without pre-emption rights to all shareholders up to a limit of 50% of Siem Offshore's shares at the time the authorization was given. The authority gives the Board flexibility to finance investments, acquisitions and other business combinations on short notice through the issue of shares or certain other equity instruments in the Company. Furthermore, the Board considers the granting of a new standing authority at the time of holding an Annual General Meeting rather than convening an Extraordinary General Meeting at some future time to be in the best interests of the Company, as this will result in cost savings and more effective time management for both the Company's senior management and its Shareholders.

At the Annual General Meeting held on 29 April 2021 it was resolved to increase the authorised share capital of the Company from USD15,000,000 divided into 1,500,000,000 Common Shares of par value USD0.01 each to USD300,000,000 divided into 30,000,000,000 Common Shares of par value USD0.01 each, by the creation of an additional 28,500,000,000 Common Shares of par value USD0.01 each which shall rank pari passu in all respect with the existing Common Shares.

On 31 May 2021 a reverse split 100:1 was implemented. The Company's authorized capital following the reverse split, is USD300,000,000 divided on 300,000,000 shares, each with a nominal value of USD 1.00. The Company has issued 238,852,052 shares. There are 61,147,948 authorized, but unissued shares that can be issued by the Board.

## **Equal Treatment of Shareholders, Freely Tradable Shares and Transactions with Related Parties**

The Company is committed to ensuring that all shareholders of the Company are treated equally and all the issued shares in Siem Offshore, at nominal value USD1.00 each, are freely tradable and carry equal rights with no restrictions on voting.

Siem Sustainable Energy S.a.r.l, which owns 33.6% of the Company, is represented by its ultimate owner Siem Industries S.A by its Chairman Kristian Siem on the Board of Directors. The Company pays an annual fee to Siem Industries S.A. as compensation for directorships, provision of an office and presence in the Cayman Islands and other services. The fee is adopted by the Annual General Meeting based on a recommendation from the independent Board Members. Related party transactions are disclosed in the notes to the accounts.

## **Freely Negotiable Shares**

All of the shares in the Company carry equal rights and are freely negotiable. The shares are traded according to normal market practice and no special limitations on transactions have been laid down in the Articles of Association.

## **General Meetings**

The Annual General Meeting of the Company will be held at the registered office of Siem Offshore AS on 20 May 2022, at 01:00PM Norway local time and Shareholders can be represented by proxy. Notices of general meetings and related documents are made available to shareholders at the latest 17 days prior to meeting date. Notice of attendance by proxy is to be provided to the offices of Siem Offshore AS at Nodeviga 14, P.O. Box 425, Kristiansand 4664, Norway, email: info@siemoffshore.com, not less than 24 hours prior to the stated time of the Annual General Meeting. Shareholders are given the opportunity to vote on the election of board members.

## **Nomination Committee**

The appointment of a nomination committee is not a requirement under Cayman Islands Law. However, the Board did in 2021 appoint a Nomination Committee, represented by three Board members.

## **Board of Directors; Composition and Independence**

In the nominations to the Board of Directors, the Board consults with the Company's major shareholders and ensures



that the Board is constituted by Directors with the necessary expertise and capacity. There is no requirement under Cayman Islands Law for the Company to establish a corporate assembly.

Each Board member is elected for a term of two years or such shorter term as shall be specified in the ordinary resolution pursuant to which the Director shall be appointed. Representatives of the Executive Management are not members of the Company's Board of Directors.

The Board of Directors as a group has extensive experience in areas which are important to Siem Offshore, including offshore services, international shipping, ship broking, finance and corporate governance and restructuring.

---

## Work of the Board of Directors

The Board monitors the performance of management through regular meetings and reporting. The Company has a Compensation Committee, a Nomination Committee and an Audit Committee.

The Compensation Committee consists of three Directors. The mandate of the committee is to review and approve the compensation of the CEO and any bonuses to all executive personnel. Reference is also made to Note 18 to the Accounts, Remuneration of the Executive Management.

The Nomination Committee consists of three Directors. The Nomination Committee shall actively be seeking and evaluating individuals qualified to become Directors of the Company and nominate candidates to the Board of Directors.

The Audit Committee consists of two Directors. The composition of the committee meets the requirements of the Norwegian Code of Practice for Corporate Governance as regards independence. The committee's mandate can be summarized as follows:

- Ascertain that the internal and external accounting reporting process are organized appropriately and carried out efficiently, and are of high professional quality.
- Monitor and assess the quality of the statutory audit of the Company's financial statements.
- Ensure the independence of the external auditor, including any additional services provided by the external auditor.

---

## Risk Management and Internal Control

### Internal control

A prerequisite for the Company's system of decentralized responsibility is that the activities in every part of the Company meet general financial and non-financial requirements and are carried out in accordance with the Company's common norms

and values. The executive management of each subsidiary is responsible for risk management and internal control in the subsidiary with a view to ensuring 1) optimizing of business opportunities, 2) targeted, safe, high-quality and cost-effective operations, 3) reliable financial reporting, 4) compliance with current legislation and regulations and 5) operations in accordance with the Company's governing documents, including ethical, environmental and social responsibility standards. The Company's risk management system is fundamental to the achievement of these goals.

### Financial reporting process

The Company prepares and presents its financial statements in accordance with current IAS/IFRS rules. Financial information from subsidiaries is received each month in a reporting package in standard format accommodated necessary information for preparing the consolidated financial statement for the Company. The reporting from the subsidiaries is extended at the year-end reporting process to meet various requirements for supplementary information. There are established routines to check the financial data in the received reporting packages to ensure the best quality for the consolidated figures for the Company.

Training and further development of accounting experience within the Company is provided locally by participating on various external courses on a regular basis.

---

## Remuneration of the Board of Directors

The remuneration of the Board members reflect their experience and responsibilities, and is adopted by the Annual General Meeting based on the recommendation from the Board. The Board members do not have share options or profit-based remuneration.

The responsibility statement of the Board of Directors in this report and the notes to the accounts include information about the remuneration of the Board of Directors.

---

## Remuneration of the Executive Management

The Company has a Compensation Committee, which reviews and approves the compensation of the CEO and the bonuses to all executive personnel. The Articles of Association of the Company permit the Board to approve the granting of share options to employees. A long-term share option program for eight key employees of the Company was introduced in Q1 2013. An additional share option program was implemented in Q2 2014 for ten key employees of the Company. The



remuneration of the CEO and the share option scheme are disclosed in the notes to the accounts.

The board of director's statement on the remuneration of executive personnel is presented as a separate appendix to the agenda for the General Meeting. The remuneration statement clearly states which aspects of the guidelines are advisory and which, if any, are binding. The General Meeting will vote separately on each of these aspects of the guidelines.

---

## Information and Communications

The Company has a policy of treating all its shareholders and other market participants equally, and communicates relevant and objective information on significant developments which impact the Company in a timely manner.

The Company also seeks to ensure that its accounting and financial reporting are to the standards of our investors, and the Company presents its financial statements in accordance with the International Financial Reporting Standards (IFRS). The Audit Committee of the Board of Directors monitors the Company's reporting on behalf of the Board.

Notices to the Oslo Stock Exchange and placements of notices and other information, including quarterly and annual reports, can be found on the Company's website ([www.siemoffshore.com](http://www.siemoffshore.com)). The financial calendar for 2022 is presented on the Company's website under "Investors".

---

## Take-overs

The shares in the Company are freely tradable and the Articles of Association of the Company does not hold specific defence mechanisms against take-over situations. In a take-over situation, the Board of Directors will comply with relevant legislation.

---

## Auditor

The Auditor of the Company is elected at the Annual General Meeting, which also approves its remuneration. Details of the Company's remuneration of the external auditor are given in the notes to the accounts.

The Auditor reports to the Audit Committee twice a year at a minimum, but more often if necessary. During the second half of the year, the external auditor presents to the Audit Committee his assessment of risks, internal controls, risk areas and improvement potential in control systems and his audit plan for the following year. The second report to the Audit Committee is the presentation of the Year-End Audit. The external auditor presents a summary of the audit process, including comments on audited internal control procedures and key issues in the financial reporting.

The Audit Committee also receives an annual independence reporting from the external auditor, confirming the external auditor's independence with respect to the Company, within the meaning of the Norwegian Act on Auditing and Auditors. The confirmation also includes services delivered to the Company other than mandatory audit.



## Income statement

PARENT COMPANY				CONSOLIDATED	
2021	2020	(Amounts in USD 1,000)	Note	2021	2020
1,299	1,336	Operating revenue	2,3,4,14	254,493	244,843
-5,271	-3,114	Operating expenses	2,8,14,17,18,19	-153,909	-162,584
<b>-3,972</b>	<b>-1,778</b>	<b>Operating margin</b>	<b>4</b>	<b>100,585</b>	<b>82,259</b>
-	-	- Depreciation and amortization	4,5	-63,539	-74,944
-	-	- Impairment of vessels	3,4,5	-	-276,857
-	-	- Gain/(loss) on sales of assets	23	997	655
-	14	- Gain/(loss) on currency derivative contracts	26	204	-1,970
<b>-3,973</b>	<b>-1,764</b>	<b>Operating profit</b>		<b>38,247</b>	<b>-270,856</b>
<b>Financial income and expenses</b>					
109,396	17,050	Financial income	20	96,727	7,161
-74,880	-301,267	Financial expenses	20	-28,573	-55,514
-862	-3,739	Net currency gain/(loss)	20	-4,531	-29,434
<b>33,654</b>	<b>-287,956</b>	<b>Net financial items</b>		<b>63,623</b>	<b>-77,787</b>
-	-	- Result from associated companies	7	42	844
<b>29,682</b>	<b>-289,720</b>	<b>Profit/(loss) before taxes</b>		<b>101,912</b>	<b>-347,799</b>
-1,308	-693	Tax benefit/(expense)	11	1,000	-2,673
<b>28,374</b>	<b>-290,413</b>	<b>Net profit/(loss)</b>		<b>102,912</b>	<b>-350,472</b>
-	-	- Attributable to non-controlling interest	6	-4,947	-51,607
<b>28,374</b>	<b>-290,413</b>	<b>Attributable to shareholders of the Company</b>		<b>107,858</b>	<b>-298,866</b>
		Weighted average number of outstanding shares (1,000) *	21	147,050	9,347
		Weighted average number of shares diluted (1,000) *	21	147,050	9,347
<b>Statement of comprehensive income</b>					
2021	2020	(Amounts in USD 1,000)		2021	2020
28,374	-290,413	Net profit/(loss)		102,912	-350,472
		Other Comprehensive income			
		<i>Items that will not be reclassified to profit or loss</i>			
-	-	- Pension remeasurement gain (loss)		-203	-721
		<i>Items that may be subsequently reclassified to profit or loss</i>			
-	-	- Cash flow hedges		-2,217	-12,589
-	-	- Currency translation differences		825	15,837
<b>28,374</b>	<b>-290,413</b>	<b>Total comprehensive income for the year</b>		<b>101,317</b>	<b>-347,946</b>
-	-	- Attributable to non controlling-interest		-4,947	-51,606
<b>28,374</b>	<b>-290,413</b>	<b>Attributable to shareholders of the Company</b>		<b>106,263</b>	<b>-296,341</b>

\* Weighted average number of shares for 2020 have been adjusted for the 100:1 reverse split in order to present comparable figures.



## Statements of Financial Position —Assets

PARENT COMPANY			CONSOLIDATED		
12/31/2021	12/31/2020	(Amounts in USD 1,000)	Note	12/31/2021	12/31/2020
<b>Non-Current assets</b>					
766	-	Deferred tax asset	11	8,945	7,526
-	-	Vessels and equipment	4,5	844,652	936,990
-	-	Capitalized project costs	4,5	2,433	3,098
224,117	130,177	Investment in subsidiaries	6	-	-
-	-	Investment in associated companies	7	2,495	2,522
-	-	CIRR Loan deposit	12,27	36,763	45,946
3	59	Long-term receivables	9,14,27	30,749	34,125
<b>224,885</b>	<b>130,236</b>	<b>Total non-current assets</b>		<b>926,037</b>	<b>1,030,207</b>
<b>Current assets</b>					
-	-	Trade receivable	2,27	34,097	29,843
1,014	2,454	Other short-term receivable	9,14,27	17,001	17,869
-	-	Inventories	28	4,524	4,684
33,362	51,777	Cash	2,10,27	91,839	103,225
<b>34,376</b>	<b>54,231</b>	<b>Total current assets</b>		<b>147,460</b>	<b>155,621</b>
<b>259,262</b>	<b>184,467</b>	<b>Total assets</b>		<b>1,073,497</b>	<b>1,185,828</b>



## Statements of Financial Position —Equity and Liabilities

PARENT COMPANY			CONSOLIDATED		
12/31/2021	12/31/2020	(Amounts in USD 1,000)	Note	12/31/2021	12/31/2020
<b>Equity</b>					
821,727	644,306	Paid-in capital		821,727	644,306
-22,302	-22,302	Other reserves		-30,725	-29,332
-542,164	-570,537	Retained earnings		-450,166	-557,822
<b>257,261</b>	<b>51,467</b>	<b>Shareholders' equity</b>	<b>24</b>	<b>340,836</b>	<b>57,152</b>
-	-	Non-controlling interest		-538	-44,730
<b>257,261</b>	<b>51,467</b>	<b>Total equity</b>		<b>340,298</b>	<b>12,423</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
-	86,425	Borrowings	2,12,14,27	576,596	791,897
-	-	CIIRR Loan	12,27	36,763	45,946
-	621	Tax liabilities	11	421	1,255
-	-	Pension liabilities	8	1,014	1,100
-	1,833	Derivative financial instruments	2,15,27	-	1,833
-	-	Other non-current liabilities	19	12,776	15,381
-	<b>88,878</b>	<b>Total non-current liabilities</b>		<b>627,570</b>	<b>857,412</b>
<b>Current liabilities</b>					
36	147	Accounts payable	2,27	13,542	13,654
-	43,664	Borrowings	2,12,14,27	47,650	238,890
-	-	Derivative financial instruments	2,15,26,27	-	18,829
-	-	Taxes payable	11	971	964
-	-	Other current provision	13	16,696	15,317
1,965	311	Other current liabilities	13,14,19,27	26,770	28,340
<b>2,001</b>	<b>44,122</b>	<b>Total current liabilities</b>		<b>105,630</b>	<b>315,994</b>
<b>2,001</b>	<b>133,001</b>	<b>Total liabilities</b>		<b>733,200</b>	<b>1,173,405</b>
<b>259,262</b>	<b>184,467</b>	<b>Total equity and liabilities</b>		<b>1,073,497</b>	<b>1,185,828</b>
606,880	815,504	<b>Guarantees</b>	<b>16</b>	686	686

21 April 2022

**Kristian Siem**  
Chairman  
(Sign.)

**Barry W. Ridings**  
Director  
(Sign.)

**Alexander Monnas**  
Director  
(Sign.)

**Kenneth Ross**  
Director  
(Sign.)

**Peter Dittef Knudsen**  
Director  
(Sign.)

**Bernt Omdal**  
Chief Executive Officer  
(Sign.)



## Statements of changes in equity

### CONSOLIDATED

<i>(Amounts in USD 1,000)</i>	Total no. of shares	Share capital	Share premium reserves	Other reserves	Retained earnings	Share- holders' equity	Non- controlling interest	Total equity
<b>Equity as of 31 December 2019</b>	<b>934,738,777</b>	<b>9,347</b>	<b>634,959</b>	<b>-32,580</b>	<b>-258,234</b>	<b>353,493</b>	<b>6,877</b>	<b>360,370</b>
Net profit/(loss)	-	-	-	-	-298,866	-298,866	-51,607	-350,472
Cash flow hedge	-	-	-	-12,589	-	-12,589	-	-12,589
Currency translation differences	-	-	-	15,837	-	15,837	-	15,837
Pension remeasurement	-	-	-	-	-721	-721	-	-721
<b>Equity as of 31 December 2020</b>	<b>934,738,777</b>	<b>9,347</b>	<b>634,959</b>	<b>-29,332</b>	<b>-557,821</b>	<b>57,152</b>	<b>-44,730</b>	<b>12,423</b>
Net profit/(loss)	-	-	-	-	107,858	107,858	-4,947	102,912
Cash flow hedge	-	-	-	-2,217	-	-2,217	-	-2,217
Currency translation differences	-	-	-	825	-	825	-	825
Pension remeasurement	-	-	-	-	-203	-203	-	-203
Share issues in partially owned subsidiaries	-	-	-	-	-	-	49,138	49,138
Shares issues in Siem Offshore Inc	22,950,466,494	229,505	-52,084	-	-	177,421	-	177,421
Correction number of shares following reversed split	-23,646,353,219	-	-	-	-	-	-	-
<b>Equity as of 31 December 2021</b>	<b>238,852,052</b>	<b>238,852</b>	<b>582,875</b>	<b>-30,725</b>	<b>-450,166</b>	<b>340,836</b>	<b>-538</b>	<b>340,298</b>



## Statements of changes in equity

### PARENT COMPANY

<i>(Amounts in USD 1,000)</i>	Total no. of shares	Share capital	Share premium reserves	Other reserves	Retained earnings	Shareholders' equity
<b>Equity as of 31 December 2019</b>	<b>934,738,777</b>	<b>9,347</b>	<b>634,959</b>	<b>-22,302</b>	<b>-280,663</b>	<b>341,342</b>
Other items	-	-	-	-	538	538
Net profit/(loss)	-	-	-	-	-290,413	-290,413
<b>Equity as of 31 December 2020</b>	<b>934,738,777</b>	<b>9,347</b>	<b>634,959</b>	<b>-22,302</b>	<b>-570,538</b>	<b>51,467</b>
Net profit/(loss)	-	-	-	-	28,374	28,374
Shares issues in Siem Offshore Inc	22,950,466,494	229,505	-52,084	-	-	177,421
Correction number of shares following reversed split	23,646,353,219	-	-	-	-	-
<b>Equity as of 31 December 2021</b>	<b>238,852,052</b>	<b>238,852</b>	<b>582,875</b>	<b>-22,302</b>	<b>-542,164</b>	<b>257,261</b>



## Statements of cash flows

PARENT COMPANY			CONSOLIDATED		
2021	2020	(Amounts in USD 1,000)	Note	2021	2020
<b>CASH FLOW FROM OPERATIONS</b>					
28,374	-290,413	Net profit/(loss)		102,912	-350,472
2,408	5,956	Interest expenses		24,187	49,862
-1,997	-2,192	Interest income		-3,240	-3,855
-3,647	-5,393	Intercompany interest income		-	-
1,308	684	Tax expense	11	-1,000	2,673
-12,198	-	Result from associated companies	7	-42	-844
-	-	Gain/(loss) on sale of assets	22,23	-997	-655
-91,553	-	Debt forgiveness from restructuring	20	-91,553	-
-	-	Depreciation and amortization	5	63,539	74,944
-	-	Impairment of vessels	5	-	276,857
70,910	294,664	Impairment of shares in subsidiaries	20	-	-
-	-	Effect of unreal. gain on currency exchange forward contracts	26	-3,578	-12,039
880	-4,062	Changes in short-term receivables and payables		9,174	1,806
-	-871	Other changes		2,493	11,317
<b>-5,516</b>	<b>-1,626</b>	<b>Cash flow from operations</b>		<b>101,895</b>	<b>49,593</b>
-433	-2,602	Interest paid		-23,342	-13,429
1,685	2,192	Interest received		3,183	4,073
-16	-	Taxes paid/(received)		363	-532
<b>-4,280</b>	<b>-2,036</b>	<b>Net cash flow from operations</b>		<b>82,099</b>	<b>39,704</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>					
-	-	Investment in fixed assets	4,5	-27,736	-25,207
-	-	Proceeds from sale of fixed assets	22,23	52,463	838
-8,190	-8,657	Loan to subsidiaries		-	-
-	-	Change in other non-current receivables		4,202	5,778
<b>-8,190</b>	<b>-8,657</b>	<b>Net cash flow from investment activities</b>		<b>28,929</b>	<b>-18,591</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
-	-	Proceeds from non-controlling interests in consolidated subsidiary		10,000	2,184
-	-	Repayment of lease liability	19	-1,927	-2,112
-	-1,529	Effect from restatement of bonds to convertible bonds		-	-1,529
-	-	Changes in other non-current liabilities		1,697	1,066
-6,216	-	Repayment of long-term borrowing	12	-124,270	-20,652
<b>-6,216</b>	<b>-1,529</b>	<b>Net cash flow from financing activities</b>		<b>-114,500</b>	<b>-21,043</b>
<b>-18,686</b>	<b>-12,222</b>	<b>Net change in cash</b>		<b>-3,472</b>	<b>70</b>
51,777	60,430	Cash at bank as of 1 January		103,225	74,451
271	3,569	Effect of currency exchange rate differences		-7,914	28,704
<b>33,362</b>	<b>51,777</b>	<b>Cash at bank as of 31 December</b>		<b>91,839</b>	<b>103,225</b>



---

## Notes to the accounts

---

### Note 1 Accounting Principles

---

---

#### 1.1 General

Siem Offshore owns and operates a fleet of offshore support vessels, including Platform Supply Vessels, Offshore Subsea Construction Vessels, Anchor Handling Tug Supply Vessels and Well-Intervention Vessels. Siem Offshore Inc. commenced operations 1 July 2005 and is an exempted company under the laws of the Cayman Islands and is listed on the Oslo Stock Exchange. The Company's headquarter is located in Kristiansand, Norway and the Company is tax domiciled in Norway. All references to "Siem Offshore Inc.", "Consolidated" and "Company" shall mean Siem Offshore Inc. and its subsidiaries and associates unless the context indicates otherwise. All references to "Parent" or "Parent Company" shall mean Siem Offshore Inc. as a parent company only.

The principal accounting policies applied in preparation of these consolidated and parent company financial statements are set out below. These policies have been consistently applied for all the years presented, unless otherwise stated. The financial statements were authorized by the Board of Directors on 21 April 2022.

---

#### 1.2 Basis of preparation

The consolidated and parent company financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union. The financial statements also include any additional applicable disclosures as required by Norwegian law and Oslo Stock Exchange regulations. The financial statements have been prepared under the historical cost convention, as modified by specific financial assets and financial liabilities (including derivative instruments) measured at fair value and assets held for sale measured at fair value less costs to sell.

The financial statements have been prepared under the assumption of going concern.

All amounts are in USD thousands, unless otherwise stated.

Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities. In addition, the preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3 Critical Accounting Estimates and Judgments.

#### (a) New and amended standards that have been adopted

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2021:

- Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform
- Amendments to IAS 1 and IAS 8 Definition of Material
- Revised Conceptual Framework for Financial Reporting
- Amendment to IFRS 16 Covid-19 Related Rent Concessions

#### (b) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current reporting period.

- Amendment to IAS 1: Classification of Liabilities as Current or Non-current



- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
- IFRS 9 Financial Instruments – Fees in the “10 per cent” test for derecognition of financial liabilities

## 1.3 Consolidation

### (a) Subsidiaries

Subsidiaries are entities over which the Parent has control. The Parent controls an entity when the Parent is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances, and unrealized gains on transactions between companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to ensure consistency with the policies adopted by the Company.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statements, statement of financial position and statement of changes in equity respectively.

### (b) Business combinations

The Company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred and the liabilities assumed to the former owners of the acquirer and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Company recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquired entity's identifiable net assets. Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, fair value of the acquirer's previously held equity interest in the acquired entity is re-measured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the Company is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration of an asset or liability are recognized in profit or loss. Contingent consideration that is classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

### (c) Associated companies

Associates are entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The Company's investment in associates includes goodwill identified on acquisition. The share of profit or loss recorded in the consolidated financial statements is based on the after-tax earnings of the associate.

The Company's share of post-acquisition profit or loss is recognized in the income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Company.

## 1.4 Classification of items in the financial statements

Assets designated for long-term ownership or use and receivables due later than one year after drawdown are classified as non-current assets. Other assets are classified as current assets. Liabilities due later than one year after the end of the reporting period are classified as non-current liabilities. Other liabilities are classified as current liabilities. All derivative financial instruments are classified as current assets or current liabilities.

## 1.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as



---

## Notes to the accounts

the executive management team consisting of the CEO, CFO and COO.

liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in OCI.

---

### 1.6 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in USD, which is the Company's presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement line item Net currency gain/loss.

#### (c) Subsidiary companies

The results and financial position of all the subsidiaries of the Company (none of which have the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognized in other comprehensive income.

As part of the consolidation process, exchange differences arising from the translation of the net investment in foreign operations is recognized directly in Other Comprehensive Income (OCI). When a foreign operation is sold, exchange differences previously recognized in OCI are reclassified to profit or loss and included in the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and

---

### 1.7 Non-current tangible assets and maintenance costs

Land and Buildings and Vessels are stated at their historical cost less accumulated depreciation and net of any impairment losses. All non-current tangible assets (excluding Land and Vessels under construction) are depreciated on a straightline basis over the estimated remaining useful economic life of the asset. The vessel residual value is the estimated future sales price for steel less the estimated costs associated with scrapping a vessel. The residual value and expected useful life for all non-current tangible assets is reviewed annually and, where they differ significantly from previous estimates, the rate of depreciation charges is changed accordingly. The vessels presently owned by the Company have an estimated economic life of 30 years. Some components of the vessels have a shorter economic life than 30 years. Such components are depreciated over their individual useful lives. Each part of a vessel that is significant to the total cost of the vessel is separately identified and depreciated over that component's useful life. Components with similar useful lives are included in one component. The Company has identified nine significant components relating to its different types of vessels. See note 5 for additional information.

In accordance with IAS 16 and the cost model, drydocking costs is a separate component of the vessel's cost at purchase with a different pattern of benefits and are therefore initially recognized as a separate depreciable asset. Subsequently, the cost of major renovations and periodic maintenance costs are capitalized as a dry-docking asset and depreciated over the useful life of the parts replaced. The useful life of the dry-docking costs will be the period until the next docking, normally five years. Day-to-day maintenance costs are immediately expensed during the reporting period in which they are incurred.

**Capitalized project cost** - Certain vessel contracts require an investment prior to commencing the contract to fulfil requirements set by the charterer. These investments are capitalized and amortized over the term of the specific charter contract.

Gains and losses on the sale of assets and disposals are determined by comparing the sales or disposal proceeds with the net carrying amount and are included in operating profit.



## 1.8 Newbuild contracts and borrowing costs

Instalments on newbuild contracts are classified as non-current tangible assets. Direct costs related to the on-site supervision and other pre-delivery construction costs are capitalized per vessel.

General and specific borrowing costs directly related to the acquisition, construction or production of qualifying vessels are added to the cost of those vessels, until such time as the vessels are substantially ready for their intended use or sale. All other borrowing costs are recognized in the profit or loss in the period in which they are incurred.

## 1.9 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortization and are tested annually for impairment.

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. The recoverable amount is established individually for all assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time and the risk specific to the asset that is considered impaired.

Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date. A previously recognized impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Reversal of a previously recognized impairment is limited to an amount that would make the carrying value of the asset equal to what it would have been had the initial impairment charge not occurred.

## 1.10 Intangible assets

Intangible assets that are acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is recognized at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally-generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is charged against profits in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as a change in accounting estimate. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite life is

The relevant exchange rates vs. USD are:

	Average 2021	31.12.2021	Average 2020	31.12.2020
NOK (Norwegian kroner)	0.1163	0.1134	0.1067	0.1172
EUR (Euros)	1.1851	1.1326	1.1452	1.2271
GBP (Pound Sterling)	1.3755	1.3479	1.2921	1.3649
BRL (Brazilian Reals)	0.1855	0.1792	0.1942	0.1924

Notes to the accounts



Picture by Andreas Bjørkholm Vollen

reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognized directly in the income statement. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed. Trademarks and licenses – Separately

acquired trademarks and licenses are shown at cost. Trademarks and licenses acquired in a business combination are recognized at fair value at the acquisition date. Trademarks and licenses have a finite useful life and are measured at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives of three to seven years. Research and development - Research and Development (R&D) relates to the development of a production method for drilling process; this R&D is part of the Other Segment.

**1.11 Financial assets**

**1.11.1 Classification**  
The Company classifies its financial assets in the following two categories: Financial assets at fair value through profit or loss and Financial assets at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets at fair value through profit or loss Assets at fair value through profit or loss are derivative contracts and contingent consideration. Derivatives in this category are classified as current assets.



## (b) Financial assets at amortized cost

A financial asset is classified as at amortized cost if it is held within a business model whose objective is to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payment of principal and interest. These assets were classified as loans and receivables under IAS 39. They are included in current assets, except for assets with maturities greater than 12 months after the reporting date. These are classified as non-current financial assets. The Company's financial assets at amortized cost include accounts receivable, current and non-current loans to management, related parties and other, and the CIRR loan deposit.

### 1.11.2 Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within Operating profit as gain/(loss) on currency derivative contracts if the gain or loss is arising from currency contracts entered into in order to hedge primarily operating expenses in foreign currencies. Other gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit and loss' category are presented within Net financial items. See for note 20 for additional information.

## 1.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty. The Company has evaluated all of their derivative contract positions and does not currently have the

right to offset the contracts, and therefore reports all derivative positions at gross amounts.

## 1.13 Inventories

Lubricating oil and bunkers inventories are valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Bunkers and lubricating oil inventories are an integral part of the vessel, and not sold separately. Net realizable value is measured based on the assumed use of the inventory.

## 1.14 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand and bank deposits.

## 1.15 Accounts receivable

Accounts receivable are recognized initially at fair value and subsequently measured at amortized cost, less provision for impairment. The interest factor for accounts receivable is considered to be insignificant and therefore not included in the measurement of amortized cost. In the case of an objective evidence of impairment, the difference between reported value and the present value of the

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for accounts receivable. Lifetime expected loss is based on Management's experience of historical loss levels and taking into account current and forward-looking information on macroeconomic factors as well as objective indicators that individual receivables may be impaired. Such objective indicators include significant financial problems facing the customer, bankruptcy proceedings or the customer undergoing financial restructuring, postponement and non-payment. expected net future cash flows is reported as a loss.

## 1.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. When any Company entity purchases its own shares, the



---

## Notes to the accounts

consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted as appropriate from share capital and share premium reserve and the shares are cancelled.

---

### 1.17 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as Financial income.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

---

### 1.18 Commercial Interest Reference Rate (CIRR) loan

The Company has obtained two Commercial Interest Reference Rate (CIRR) loans from the Norwegian Export Credit Agency. The duration of the loans is 12 years and the cash proceeds from the loans have been deposited in a fixed interest deposit account with a Norwegian bank at the same interest rate as the loans (being off-market). The agreed periods of the deposits are identical with the periods of the loans. The loan and the deposit are presented gross as there are different counterparties.

---

### 1.19 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Tax expense/benefit includes current taxes and the change in deferred taxes.

For companies under the Norwegian tax regime, the Company applies a tax rate of 22%. The tax expense consists of taxes payable and changes in deferred tax assets/liabilities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Company is unable to control the reversal of the temporary difference for associates.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.



## 1.20 Pension costs and obligations

The Company has a defined benefit plan for employees in Norway. The pension scheme is financed through contributions to insurance companies or pension funds. A defined benefit plan defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the statement of financial position relating to defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the pension fund assets. The defined benefit obligation is calculated annually by an independent actuary on the basis of a linear model. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows based on the interest rate for covered bonds. Since Covered bonds are not issued for terms exceeding 10 years, a supplement to this bond rate is calculated by means of estimation techniques to establish a discount rate that is approximately the same as the term of the pension obligation.

Past service costs are recognized immediately in income. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available. Interest expenses are presented in the income statement under operating expenses.

## 1.21 Derivatives and hedging activities

The Company enters into derivative instruments for economic hedging purposes and not as speculative investments. Derivative instruments are primarily foreign currency contracts and interest rate swaps, to hedge foreign currency exposures, for example related to operating expenses and vessel purchase commitments, and interest rate exposures primarily related to long-term borrowings. Where derivatives do not meet hedge accounting criteria, they are accounted for at fair value through profit or loss.

For cash flow hedges that qualify for hedge accounting, the effective portion of changes in the fair value of the hedging instrument that is designated and qualifies as a cash flow hedge is recognized in equity. These are cash flow hedges relating to highly probable forecast transactions. The effective portion of changes in the fair value of the hedging instrument is recognized in Other Comprehensive Income. Amounts accumulated in equity are reclassified in the period when the hedged item affects profit or loss. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Derivatives are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

## 1.22 Revenue recognition

The Company's activity is to employ different types of offshore support vessels, including PSVs, OSCVs, AHTS vessels, WIVs, OSRVs, standby- and crew-vessels and one scientific core-drilling vessel. In addition, the Company holds interest in one limited liability partnership with ownership in one well-stimulation vessel. Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, withholding tax, returns, rebates and discounts and after elimination of sales within the Company. Revenue is recognized as follows:

### Charter rate contracts

Time charter contracts contain a lease element and a performance obligation for the provision of time charter services. The lease of the vessel, representing the use of the vessel without any associated performance obligations or warranties, is accounted for in accordance with the provisions of IFRS 16 Leases. Typically, lease revenues are recognized on a straight line basis over the lease term. Revenues for time charter services are recognized over time as the service is rendered in accordance with IFRS 15.

Certain contracts include mobilization fees payable at the start of the contract. Mobilization fees are recognized on a straight line basis over the lease term. Expenses that the mobilization fee is meant to cover, is recognized as an asset and expensed over the lease term.



---

## Notes to the accounts

### Interest income

Interest income is recognized using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, which is determined as the estimated future cash flow discounted at original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognized using the original effective interest rate.

### Dividend income

Dividend income is recognized when the right to receive payment is established.

### Rendering of services

Service revenue is generally recognized when a signed contract or other persuasive evidence of an arrangement exists, the service has been provided, the fee is fixed or determinable and collection of resulting receivables is reasonably assured.

---

### 1.23 Accounts payable

Accounts payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Accounts payable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

---

### 1.24 Earnings per share

Earnings per share is calculated by dividing the net profit/ loss for shareholders of the Company by the weighted average number of outstanding shares over the reporting period. Diluted earnings per share include the effect of the assumed conversion of potentially dilutive instruments such as employee stock options and a convertible bond loan. The impact of share equivalents is computed using the treasury stock method for stock options.

---

### 1.25 Statement of Cash Flows

The Statements of cash flows are prepared in accordance with the indirect method.

---

### 1.26 Related party transactions

All transactions, agreements and business activities with related parties are determined on an arm's length basis in a manner similar to transactions with third parties.

---

### 1.27 Government grants

Grants related to net wages arrangement in Norway are recognized as a reduction of wage cost.

---

### 1.28 Leases

The Company leases various office premises, office machines and communication satellite equipment. Rental contracts are typically made for fixed periods of 1 to 6 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate as at the commencement date
- amounts expected to be payable by the lessee under residual value guarantees



Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the group's incremental borrowing rate.

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

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

Payments associated with short-term leases (less than 12 months) and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Low-value assets comprise IT-equipment and small items of office furniture. The Company does not have lease agreements with variable lease payments of any significance.

Extension and termination options are included in some of the property leases across the Company. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

## 1.29 Share-based payments

The Company has a share-based compensation plan in place for executive management. The plan is equity-settled, under which the entity receives services from three top management employees as consideration for equity instruments (share-options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognized as an Operating Expense. For additional information see note 29 Share-based payments. The total amount to be expensed is determined by reference to the fair value of the options granted at grant date, as determined using a Black-Scholes model. Exercise price is the stock price at date of the grant. The total expense is recognized over the vesting period, which is the period over which all of the

specified vesting conditions are to be satisfied. The only condition for vesting is employment with the Company; options vest over a five-year period after grant date. At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity. Each option gives the holder the right, but not the obligation, to acquire one share at the exercise price on the terms and subject to the conditions set out in the Stock Option Plan.

When the options are exercised, the Parent issues new shares or re-issues treasury shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Company is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognized over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

## 1.30 Other claims and obligations

Provisions for legal claims, service warranties and make-good obligations are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.



Notes to the accounts

**Note 2**  
**Financial Risk Management**

**2.1 Financial risk factors**

The Company is exposed to a variety of financial risks through its ordinary operations and debt financing. Such risks include foreign exchange risk, interest rate risk, credit risk and liquidity risk. To manage these risks, management reviews and assesses its primary financial and market risks. Once risks are identified, appropriate action is taken to mitigate the identified risk. The Company's risk management is exercised in line with guidelines approved by the Board.

**2.2 Foreign exchange risks**

USD is the reporting currency for the Company. Functional currency for the Parent is USD, and for the vessel-operating subsidiaries USD, NOK, BRL, AUD and CAD are the functional currencies. Remaining subsidiaries use NOK or EUR as functional currency. The Company operates internationally

and is exposed to foreign exchange risks arising from various currency exposures primary with respect to NOK, GBP, EUR, BRL, CAD and AUD. Foreign exchange risks can be divided into transaction risk from paying and receiving foreign currency and translation risk due to recognizing assets and liabilities in USD. The Company had in 2021 mainly USD, NOK, EUR, GBP, BRL, CAD and AUD revenues and expenses, compared to mainly USD, NOK, EUR, GBP, BRL, CAD and AUD during 2020.

The Company is exposed to foreign exchange risk of its subsidiaries, including the development of the Brazilian Real.

The following sensitivity table demonstrates the impact on the Company's profit and equity before tax from potential changes to the exchange rates, all other variables held constant.

CONSOLIDATED <i>(Amounts in USD 1,000)</i>	Foreign exchange risk rate 10%				
		+10% movements		-10% movements	
31 December 2021	Carrying amount	Profit/(loss)	Equity	Profit/(loss)	Equity
<b>Financial assets</b>					
Cash and cash equivalent	91,839	3,531	3,531	-3,531	-3,531
Accounts receivable	34,097	1,406	1,406	-1,406	-1,406
<b>Impact on financial assets before tax</b>		<b>4,937</b>	<b>4,937</b>	<b>-4,937</b>	<b>-4,937</b>
<b>Financial liabilities</b>					
Accounts payable	13,542	-689	-689	689	689
Borrowings	624,246	-5,700	-5,700	5,700	5,700
<b>Impact on financial liabilities before tax</b>		<b>-6,389</b>	<b>-6,389</b>	<b>6,389</b>	<b>6,389</b>
<b>Income statement</b>					
Operating revenue	254,493	12,645	12,645	-12,645	-12,645
Operating expenses	153,909	-8,763	-8,763	8,763	8,763
<b>Impact on operating result before tax</b>		<b>3,882</b>	<b>3,882</b>	<b>-3,882</b>	<b>-3,882</b>
<b>Total increase/decrease before tax</b>		<b>2,431</b>	<b>2,431</b>	<b>-2,431</b>	<b>-2,431</b>
<b>Allocation per currency</b>					
NOK		-3,705	-3,705	3,705	3,705
EUR		-275	-275	275	275
GBP		804	804	-804	-804
BRL		2,145	2,145	-2,145	-2,145
CAD		193	193	-193	-193
AUD		3,270	3,270	-3,270	-3,270
<b>Total increase/decrease before tax</b>		<b>2,431</b>	<b>2,431</b>	<b>-2,431</b>	<b>-2,431</b>



## Financial Risk Management Note 2

Financial assets in 2020 include derivatives related to hedging of foreign exchange risks. The derivatives in the sensitivity table include path-dependent options in which the value of the derivatives is influenced when the underlying reaches or fluctuates within, below or above specific barrier levels. The change in value of the 2020 derivatives impacted the profit of the Company.

CONSOLIDATED <i>(Amounts in USD 1,000)</i>	Foreign exchange risk rate 10%				
		+10% movements	-10% movements		
31 December 2020	Carrying amount	Profit/(loss)	Equity	Profit/(loss)	Equity
<b>Financial assets</b>					
Cash and cash equivalent	103,225	3,374	3,374	-3,374	-3,374
Accounts receivable	29,843	1,686	1,686	-1,686	-1,686
<b>Impact on financial assets before tax</b>		<b>5,060</b>	<b>5,060</b>	<b>-5,060</b>	<b>-5,060</b>
<b>Financial liabilities</b>					
Accounts payable	13,654	-953	-953	953	953
Derivatives	20,662	3,466	3,466	-3,466	-3,466
Borrowings	1,030,787	-32,654	-32,654	32,654	32,654
<b>Impact on financial liabilities before tax</b>		<b>-30,141</b>	<b>-30,141</b>	<b>30,141</b>	<b>30,141</b>
<b>Income statement</b>					
Operating revenue	244,843	14,020	14,020	-14,020	-14,020
Operating expenses	162,584	-10,753	-10,753	10,753	10,753
<b>Impact on operating result before tax</b>		<b>3,267</b>	<b>3,267</b>	<b>-3,267</b>	<b>-3,267</b>
<b>Total increase/decrease before tax</b>		<b>-21,814</b>	<b>-21,814</b>	<b>21,814</b>	<b>21,814</b>
<b>Allocation per currency</b>					
NOK		-17,102	-17,102	17,102	17,102
EUR		484	484	-484	-484
GBP		2,402	2,402	-2,402	-2,402
BRL		414	414	-414	-414
CAD		1,116	1,116	-1,116	-1,116
AUD		-9,129	-9,129	9,129	9,129
<b>Total increase/decrease before tax</b>		<b>-21,814</b>	<b>-21,814</b>	<b>21,814</b>	<b>21,814</b>



Notes to the accounts

PARENT COMPANY (Amounts in USD 1,000)	Foreign exchange risk rate 10%				
		+10% movements	-10% movements		
<b>31 December 2021</b>	<b>Carrying amount</b>	<b>Profit/(loss)</b>	<b>Equity</b>	<b>Profit/(loss)</b>	<b>Equity</b>
<b>Financial assets</b>					
Cash and cash equivalent	33,362	-1,297	-1,297	1,297	1,297
<b>Impact on financial assets before tax</b>		<b>-1,297</b>	<b>-1,297</b>	<b>1,297</b>	<b>1,297</b>
<b>Financial liabilities</b>					
Accounts payable	36	-4	-4	4	4
<b>Impact on financial liabilities before tax</b>		<b>-4</b>	<b>-4</b>	<b>4</b>	<b>4</b>
<b>Income statement</b>					
Operating revenue	1,299	-	-	-	-
Operating expenses	-5,271	-574	-574	574	574
<b>Impact on operating result before tax</b>		<b>-574</b>	<b>-574</b>	<b>574</b>	<b>574</b>
<b>Total increase/decrease before tax</b>		<b>-1,875</b>	<b>-1,875</b>	<b>1,875</b>	<b>1,875</b>
<b>Allocation per currency</b>					
NOK		-1,874	-1,874	1,874	1,874
EUR		-2	-2	2	2
<b>Total increase/decrease before tax</b>		<b>-1,875</b>	<b>-1,875</b>	<b>1,875</b>	<b>1,875</b>

PARENT COMPANY (Amounts in USD 1,000)	Foreign exchange risk rate 10%				
		+10% movements	-10% movements		
<b>31 December 2020</b>	<b>Carrying amount</b>	<b>Profit/(loss)</b>	<b>Equity</b>	<b>Profit/(loss)</b>	<b>Equity</b>
<b>Financial assets</b>					
Cash and cash equivalent	51,777	-129	-129	129	129
<b>Impact on financial assets before tax</b>		<b>-129</b>	<b>-129</b>	<b>129</b>	<b>129</b>
<b>Financial liabilities</b>					
Accounts payable	147	-5	-5	5	5
Derivatives	1,833	-183	-183	183	183
Borrowings	130,089	-13,481	-13,481	13,481	13,481
<b>Impact on financial liabilities before tax</b>		<b>-13,669</b>	<b>-13,669</b>	<b>13,669</b>	<b>13,669</b>
<b>Income statement</b>					
Operating revenue	1,336	-	-	-	-
Operating expenses	-3,114	-269	-269	269	269
<b>Impact on operating result before tax</b>		<b>-269</b>	<b>-269</b>	<b>269</b>	<b>269</b>
<b>Total increase/decrease before tax</b>		<b>-14,067</b>	<b>-14,067</b>	<b>14,067</b>	<b>14,067</b>
<b>Allocation per currency</b>					
NOK		-14,059	-14,059	14,059	14,059
EUR		-9	-9	9	9
GBP		1	1	-1	-1
<b>Total increase/decrease before tax</b>		<b>-14,067</b>	<b>-14,067</b>	<b>14,067</b>	<b>14,067</b>



## Financial Risk Management Note 2

### 2.3 Credit risks

#### Concentration risks

The Company's credit risk is primarily attributable to its trade and other short-term receivables and asset derivative positions. The derivative counterparties, related to 2020 only, are major established financial institutions, and the counterparty risk for the asset derivative positions was regarded as limited.

The exposure to credit risk for trade and other short-term receivables is measured on an ongoing basis and credit evaluations are performed for customers identified to be risky.

The Company's debtors are mainly major oil companies and offshore service companies, which are considered to be creditworthy third parties. Historically, the loss percentage has been low but due to the market development caused by the low oil price, the counterparty risk has increased significantly during the year. Ongoing provisions are made and, on 31 December 2021, the provision for certain accounts receivables which may not be paid in full was USD 4.2 million for the Company (2020: USD 5.9 million and nil for the Parent (2020: nil)).

The table below presents the concentration risk for 2021 and 2020:

<i>(Amounts in USD 1,000)</i>	PARENT COMPANY		CONSOLIDATED	
	USD	% of total	USD	% of total
Receivables on 31 December 2021				
1 to 5 largest	-	-	28,023	73%
6 to 10 largest	-	-	3,919	10%
Others	-	-	6,305	16%
Provision for bad debt	-	-	-4,151	
<b>Total accounts receivable</b>	-	-	<b>34,097</b>	<b>100%</b>

<i>(Amounts in USD 1,000)</i>				
Receivables on 31 December 2020				
1 to 5 largest	-	-	18,869	53%
6 to 10 largest	-	-	5,570	16%
Others	-	-	11,285	32%
Provision for bad debt	-	-	-5,881	-
<b>Total accounts receivable</b>	-	-	<b>29,843</b>	<b>100%</b>

Changes in the provision for bad debt can be summarized as follow:

<i>(Amounts in USD 1,000)</i>	PARENT COMPANY		CONSOLIDATED	
	2021	2020	2021	2020
<b>Provision bad debt</b>				
Opening balance January 1	-	-	5,881	1,825
Reversal provision previous year	-	-	-1,735	-
Provision current year	-	-	6	4,095
Currency translation differences	-	-	-1	-40
<b>Closing balance 31 December</b>	-	-	<b>4,151</b>	<b>5,881</b>



## Notes to the accounts

### Trade and receivables

The table below presents an aging analysis of the outstanding receivables at year-end 2021 and 2020. Overdue receivables are monitored continually by Management. The Management considers the net outstanding amounts to be recoverable.

<i>(Amounts in USD 1,000)</i>	PARENT COMPANY		CONSOLIDATED	
	USD	% of total	USD	% of total
<b>Aging on 31 December 2021</b>				
Not due	-	-	26,862	79%
Due up to 1 month	-	-	1,526	4%
Due 1-4 months	-	-	1,128	3%
Due more than 4 months	-	-	4,582	13%
<b>Total accounts receivable</b>	-	-	<b>34,097</b>	<b>100%</b>
<i>(Amounts in USD 1,000)</i>				
<b>Aging on 31 December 2020</b>				
Not due	-	-	25,255	85%
Due up to 1 month	-	-	2,597	9%
Due 1-4 months	-	-	818	3%
Due more than 4 months	-	-	1,173	4%
<b>Total accounts receivable</b>	-	-	<b>29,843</b>	<b>100%</b>

The carrying amounts of the Company's and Parent's accounts receivable are denominated in the following currencies:

<i>(Amounts in USD 1,000)</i>	PARENT COMPANY		CONSOLIDATED	
	2021	2020	2021	2020
<b>Currency</b>				
USD	-	-	20,033	12,982
NOK	-	-	2,926	2,774
EUR	-	-	2,289	5,328
GBP	-	-	748	1,256
CAD	-	-	3,045	1,888
AUD	-	-	3,812	2,707
BRL	-	-	1,245	2,908
<b>Total accounts receivable</b>	-	-	<b>34,097</b>	<b>29,843</b>

The maximum exposure to credit risk at the reporting date is the carrying value of each class of accounts receivable mentioned above.



## Financial Risk Management Note 2

### 2.4 Cash flow, interest risk and fair value

The Company is financed by debt and equity. If the Company fails to repay or refinance its loan facilities, additional equity financing may be required. There can be no assurance that the Company will be able to repay its debts or extend re-payment schedules through re-financing of its loan agreements or avoid net cash flow shortfalls exceeding the Company's available funding sources or comply with minimum cash requirements. Further, there can be no assurance that the Company will be able to raise new equity, or arrange new borrowing facilities, on favourable terms and at amounts necessary to conduct its ongoing and future operations, should this be required.

In the event of insolvency, liquidation or similar event relating to a subsidiary of the Company, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before the Company, as a shareholder, would be entitled to any payments. Defaults by, or the insolvency of, a subsidiary of the Company could result in the obligation of the Company to make payments under parent company guarantees issued in favour of such subsidiary.

The Company is moreover exposed to changes in interest rates, which may affect the Company's financial results.

These risks are mainly related to the Company's long term borrowings with floating interest rates.

Further details of the Company's borrowings are set out in Note 12.

The Company has no significant interest-bearing assets other than cash and cash-equivalents and therefore the Company's income and operating cash flows are substantially independent of changes in market interest rates. Cash and cash-equivalents are invested for short maturity periods, generally from one day to three months, which mitigates some of the potential interest rate risk.

Following the restructuring the Company and the Parent Company is exposed to currency and interest risk. The Company holds fixed interest for 39% of its interest bearing debt.

The following sensitivity tables demonstrate the impact on the Company's profit before tax and equity from a potential shift in interest rates, all other variables held constant.

CONSOLIDATED		Interest rate risk (IR)			
<i>(Amounts in USD 1,000)</i>		-1% movements		+1% movements	
31 December 2021	Carrying amount	Profit/(loss)	Equity	Profit/(loss)	Equity
<b>Financial assets</b>					
Cash and cash equivalents	91,839	-918	-918	918	918
<b>Impact on financial assets before tax</b>		<b>-918</b>	<b>-918</b>	<b>918</b>	<b>918</b>
<b>Financial liabilities</b>					
Borrowings fixed rate	244,383	-	-	-	-
Borrowings floating rate	385,390	3,854	3,854	-3,854	-3,854
<b>Impact on financial liabilities before tax</b>		<b>3,854</b>	<b>3,854</b>	<b>-3,854</b>	<b>-3,854</b>
<b>Total increase/decrease before tax</b>		<b>2,936</b>	<b>2,936</b>	<b>-2,936</b>	<b>-2,936</b>

CONSOLIDATED		Interest rate risk (IR)			
<i>(Amounts in USD 1,000)</i>		-1% movements		+1% movements	
31 December 2020	Carrying amount	Profit/(loss)	Equity	Profit/(loss)	Equity
<b>Financial assets</b>					
Cash and cash equivalents	103,225	-1,032	-1,032	1,032	1,032
<b>Impact on financial assets before tax</b>		<b>-1,032</b>	<b>-1,032</b>	<b>1,032</b>	<b>1,032</b>
<b>Financial liabilities</b>					
Borrowings fixed rate	559,511	-	-	-	-
Borrowings floating rate	471,276	4,713	4,713	-4,713	-4,713
<b>Impact on financial liabilities before tax</b>		<b>4,713</b>	<b>4,713</b>	<b>-4,713</b>	<b>-4,713</b>
<b>Total increase/decrease before tax</b>		<b>3,681</b>	<b>3,681</b>	<b>-3,681</b>	<b>-3,681</b>



## Notes to the accounts

Above movements for 2020 also include the effect of interest rate swaps entered into in order to hedge the floating interest risk. Mark-to-market effects in relation to the interest rate swaps impacts the profit and loss following a change of +/- 1% in the interest rate. For more details, see Note 12.

PARENT COMPANY <i>(Amounts in USD 1,000)</i>	Interest rate risk (IR)				
		-1% movements		+1% movements	
31 December 2021	Carrying amount	Profit/(loss)	Equity	Profit/(loss)	Equity
<b>Financial assets</b>					
Cash and cash equivalents	33,362	-334	-334	334	334
<b>Impact on financial assets before tax</b>		<b>-334</b>	<b>-334</b>	<b>334</b>	<b>334</b>
<b>Financial liabilities</b>					
Borrowings	-	-	-	-	-
<b>Impact on financial liabilities before tax</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total increase/decrease before tax</b>		<b>-334</b>	<b>-334</b>	<b>334</b>	<b>334</b>

PARENT COMPANY <i>(Amounts in USD 1,000)</i>	Interest rate risk (IR)				
		-1% movements		+1% movements	
31 December 2020	Carrying amount	Profit/(loss)	Equity	Profit/(loss)	Equity
<b>Financial assets</b>					
Cash and cash equivalents	51,777	-518	-518	518	518
<b>Impact on financial assets before tax</b>		<b>-518</b>	<b>-518</b>	<b>518</b>	<b>518</b>
<b>Financial liabilities</b>					
Borrowings	43,664	437	437	-437	-437
<b>Impact on financial liabilities before tax</b>		<b>437</b>	<b>437</b>	<b>-437</b>	<b>-437</b>
<b>Total increase/decrease before tax</b>		<b>-81</b>	<b>-81</b>	<b>81</b>	<b>81</b>



## Financial Risk Management Note 2

The Company's financial assets are classified into the categories: assets at fair value through the profit and loss, loans and receivables, and available for sale. Financial liabilities are classified as liabilities at fair value through the profit and loss, and other financial liabilities. For further information about comparison by category, see Note 27.

The value of forward exchange contracts, valid for 2020 only, was set by comparing forward exchange rate and the rate on the reporting date. The Company's following financial instruments are not evaluated at fair value: accounts receivable, cash and cash equivalents, other short-term receivables, accounts payable and long-term liabilities with floating interest.

Because of the short term to maturity, the value of cash and cash equivalents entered into the Statements of Financial Position is almost the same as the fair value of these.

Accordingly, the values of accounts receivables and accounts payables are almost the same as their fair values since they are entered on "normal" conditions.

The fair value of the Company's non-current liabilities subjected to fixed interest rates is calculated by comparing the Company's terms and market terms for liabilities with the same terms to maturity and credit risk.

The following tables display the book value and the fair value of financial assets and obligations.

CONSOLIDATED				
<i>(Amounts in USD 1,000)</i>	12/31/2021		12/31/2020	
Financial assets	Book value	Fair value	Book value	Fair value
CIRR loan deposit	36,763	37,762	45,946	52,667
Long-term receivables	30,749	30,749	34,125	34,125
Accounts receivable	34,097	34,097	29,843	29,843
Other short-term receivables	17,001	17,001	17,869	17,869
Cash and cash equivalents	91,839	91,839	103,225	103,225
<b>Total</b>	<b>210,449</b>	<b>211,448</b>	<b>231,007</b>	<b>237,728</b>
<b>Financial liabilities</b>				
Borrowings	624,246	626,752	1,030,787	1,047,076
CIRR loan	36,763	37,762	45,946	52,667
Other non-current liabilities	12,776	12,776	15,381	15,381
Accounts payable	13,542	13,542	13,654	13,654
Derivative financial instruments	-	-	20,662	20,662
Other current liabilities	26,770	26,770	43,657	43,657
<b>Total</b>	<b>714,098</b>	<b>717,603</b>	<b>1,170,086</b>	<b>1,193,096</b>

PARENT COMPANY				
<i>(Amounts in USD 1,000)</i>	12/31/2021		12/31/2020	
Financial assets	Book value	Fair value	Book value	Fair value
Long-term loan	3	3	59	59
Other short-term receivables	1,014	1,014	2,454	2,454
Cash and cash equivalents	33,362	33,362	51,777	51,777
<b>Total</b>	<b>34,379</b>	<b>34,379</b>	<b>54,290</b>	<b>54,290</b>
<b>Financial liabilities</b>				
Borrowings	-	-	130,089	130,089
Derivative financial instruments	-	-	1,833	1,833
Accounts payable	36	36	147	147
Other current liabilities	1,965	1,965	311	311
<b>Total</b>	<b>2,001</b>	<b>2,001</b>	<b>132,380</b>	<b>132,380</b>

### 2.5 Liquidity risk

The Company monitors its cash flow from operations closely and optimizes the working capital level of the individual

## Notes to the accounts

companies and the Company as a whole. The Company funds are used for investment opportunities in the business, scheduled repayments and repayments of debt and to general working capital purposes.

The Company seeks to fix the majority of its fleet on long-term contracts. Vessels not fixed on long-term contracts are typically exposed to the volatility in the short- to medium term-market.

The Company will from time to time require additional capital to take advantage of business opportunities. Historically the Company has managed to obtain necessary financing in a timely manner at acceptable terms when needed. The Company's secured debt was restructured in 2021, with amended repayment terms and cash sweep mechanisms. See note 20 for further details.

The tables below summarize the maturity profile of the Company's financial liabilities including interest. Siem Offshore has agreed restructured terms with the equitized lenders. The restructured terms shall remain in force till 31 December 2024, corresponding to extended maturity of the restructured facilities. Financial covenants include minimum available cash at USD 25 million and a minimum book equity ratio of Siem Offshore at 10%. Other terms relate to vessel buy-out options, no-dividend clause, restrictions on investments in assets, restrictions to acquisitions of shares and business undertakings, negative pledge, restrictions to selling or otherwise disposal of assets, no equitization of the Brazilian facilities, financial indebtedness, change of control clause, PIK-interest arrangements and three cash sweep mechanisms; one facility cash sweep, one SAP (Siem ATHS Pool AS) cash sweep and one company cash sweep.

CONSOLIDATED						
<i>(Amounts in USD 1,000)</i>	Less than 3 months	3 to 12 months	1 to 2 years	2 to 5 years	Thereafter	Total
<b>31 December 2021</b>						
Interest-bearing loans and borrowings	5,639	42,151	310,950	209,642	125,639	694,022
Trade and other payables	14,513	-	-	-	-	14,513
<b>Total</b>	<b>20,152</b>	<b>42,151</b>	<b>310,950</b>	<b>209,642</b>	<b>125,639</b>	<b>708,535</b>
<b>31 December 2020</b>						
Interest-bearing loans and borrowings	-	238,890	306,219	295,268	190,411	1,030,787
Trade and other payables	14,618	-	-	-	-	14,618
<b>Total</b>	<b>14,618</b>	<b>238,890</b>	<b>306,219</b>	<b>295,268</b>	<b>190,411</b>	<b>1,045,405</b>

PARENT COMPANY						
<i>(Amounts in USD 1,000)</i>	Less than 3 months	3 to 12 months	1 to 2 years	2 to 5 years	Thereafter	Total
<b>31 December 2021</b>						
Interest-bearing loans and borrowings	-	-	-	-	-	-
Trade and other payables	36	1,965	-	-	-	2,001
<b>Total</b>	<b>36</b>	<b>1,965</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,001</b>
<b>31 December 2020</b>						
Interest-bearing loans and borrowings	-	43,664	86,425	-	-	130,089
Trade and other payables	147	-	-	-	-	147
<b>Total</b>	<b>147</b>	<b>43,664</b>	<b>86,425</b>	<b>-</b>	<b>-</b>	<b>130,236</b>

### 2.6 Capital management

The Company seeks to obtain long-term financing supported by long-term contracts, in order to reduce the frequency and risk associated with the refinancing of loans. Long-term charter parties at acceptable charter rates will also enable the Company to apply for a higher degree of debt-financing and at favorable terms. The Company seeks for debt financing

exceeding 70%. See note 20 for comments related to restrictions agreed under the current financing.

The volatile oil price and the excess capacity of offshore service vessels have increased the competition amongst owners which further put pressure on fixture rates. As a consequence owners have placed vessels into lay-up. End of year the Company had four vessels in lay-up.



---

## Financial Risk Management Note 2

---

### Note 3 Critical Accounting Estimates and Judgements

---

IFRS requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, as well as revenues and expenses in the financial statements. The final reported outcomes may deviate from the original estimates.

Certain amounts included in, or that have an effect on, the accounts and the associated notes require estimation, which in turn entails that the Company must make assessments related to values and circumstances that are not known at the point in time when the accounts are being prepared.

A significant accounting estimate is an estimate that is important to provide a complete picture of the Company's financial position, which at the same time is the result of difficult, subjective and complex assessments performed by the management. Such estimates are often uncertain by nature.

Management evaluates such estimates continuously based on historical data and experience, consultation with external experts, trend analysis and other factors that are relevant for the individual estimate, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as well as judgments made by management, in the process of applying the Company's accounting policies, that have the most significant effect on the amounts recognized in the financial statements, are discussed below.

---

#### Going Concern

On the reporting date, the Company has assessed the ability to continue as a going concern. These financial statements have been prepared under the assumptions of going concern.

---

#### Vessel

##### Impairment of vessels

On the reporting date, the Company has assessed whether there are any indicators of impairment related to its vessels. Impairment indicators include some vessels still being in lay-up, volatile charter rates and utilization, and that the quoted market value of the Company is below book value of equity. If such indicators exist and the book value exceeds the recoverable amount, the fixed asset's residual value is the higher of net selling price and value in use. As the approach to net selling price normally obtained valuations from independent shipbrokers. Brokers' estimates assume the vessels are without charter contracts, immediately available for sale in the market and that a willing seller and a willing buyer exist. The value in use is calculated by discounting future cash flows to present value at the balance sheet date.

In the value in use calculation, the first five years are based on the Company's market view. A terminal value is calculated by assuming that the applicable market view for the fifth year applies to the remaining years of the vessel's lifetime.

The market for offshore service vessels is expected to remain volatile for several years, despite some improvements have been observed. For vessels fixed on firm contracts with a duration in the period from 2022 through 2027, the assumption is that the firm contract remains unchanged during the remaining contract period, and that the rate levels will remain low, but will increase gradually towards 2027. Options for extended charter periods are not considered in the value-in-use calculations. However, if charter hire rates for optional periods is expected to be lower than market rates for the applicable period, this is considered in the value-in-use calculation.

In order to assess impairment, estimates and assumptions regarding expected cash flows are made which require considerable judgement. These assumptions are among other based upon existing contracts, commercial management judgment about future charter revenue rates, historical performance, discount rates, financial forecasts and industry trends and conditions. The key assumptions used to determine the recoverable amount, including a sensitivity analysis, are disclosed and further explained in Note 5.



---

Notes to the accounts

---

## Note 4 Segment Reporting

The Company identifies its reportable segments and disclose segment information under IFRS8 Operating Segments which requires Siem Offshore Inc to identify its segments according to the organization and reporting structure used by management. Operating Segments are components of a business that are evaluated regularly by the chief operating decision maker for the purpose of assessing performance and allocating resources.

The Company's chief operating decision maker is the management board, comprised of the CEO, CFO, CCO and COO. Generally, financial information is required to be disclosed on the same basis that is used by the chief operating decision maker. The Company's operating segments represent separately managed business areas with unique products serving different markets. The reportable segments are PSV, OSCV and WIV, AHTS Vessels, Canadian fleet, Scientific Core-Drilling and Brazilian Fleet.

The PSV segment includes six Platform Supply Vessels. The OSCV and WIV segment includes four Offshore Subsea Construction Vessels and two Well Intervention Vessels. The AHTS segment includes eight Anchor Handling and Tug Supply Vessels per year-end 2021 as two vessels were sold in June 2021. The Canadian fleet Segment at year-end 2021 and 2020 consists of one offshore support vessel operating

offshore Canada, as two vessels were sold in the beginning of 2020 and one vessel was sold in December 2020. The Segment of Brazilian Fleet consists of two Oilspill Recovery Vessels and three smaller fast supply vessels and crew vessels. In addition, the Company holds ownership at 41% of one vessel that is reflected under the line "Result from associated companies", and hence not included below. Scientific Core-Drilling is comprised of the activity of one scientific drillship which performs core-drilling.

Siem Offshore Inc uses two measures of segment results, Operating Revenue and Operating Margin.

Intersegment sales and transfers reflect arm's length prices as if sold or transferred to third parties at the time of inception of the internal contract, which may cover several years. Transfers of business or fixed assets within or between the segments are reported without recognizing gains or losses. Results of activities not considered part of Siem Offshore Inc.'s main operations as well as unallocated revenues, expenses, liabilities and assets are reported together with Other under the caption "Other and eliminations".

The following tables include information about the Company's operating segments.



## Segment reporting Note 4

<i>(Amounts in USD 1,000)</i>	CONSOLIDATED	
	2021	2020
<b>Operating revenue by segments</b>		
PSV	39,869	37,267
OSCV and WIV	111,718	105,367
AHTS Vessels	43,067	37,243
Brazilian Fleet	15,698	15,613
Canadian fleet	12,670	17,659
Scientific Core-Drilling	29,984	28,570
Other/Intercompany elimination	1,489	3,125
<b>Total operating revenue</b>	<b>254,493</b>	<b>244,843</b>
<b>Operating margin by segments</b>		
PSV	14,812	13,763
OSCV and WIV	64,387	64,502
AHTS Vessels	3,780	-5,879
Brazilian Fleet	8,922	7,694
Canadian fleet	9,140	8,647
Scientific Core-Drilling	16,445	13,635
Other/Intercompany elimination	2,892	-503
Administrative expenses	-19,793	-19,600
<b>Total operating margin from segments</b>	<b>100,585</b>	<b>82,259</b>
<b>Depreciation and amortization by segments</b>		
PSV	9,755	10,056
OSCV and WIV	26,042	27,021
AHTS Vessels	15,554	25,892
Brazilian Fleet	3,334	3,258
Canadian fleet	2,244	2,504
Scientific Core-Drilling	4,417	3,879
Other/Intercompany elimination	2,193	2,334
<b>Total depreciation by segments</b>	<b>63,539</b>	<b>74,944</b>
<b>Vessel impairment by segments</b>		
PSV	-	25,963
OSCV and WIV	-	44,636
AHTS Vessels	-	187,074
Canadian fleet	-	19,184
<b>Total vessel impairment by segments</b>	<b>-</b>	<b>276,857</b>



## Notes to the accounts

<i>(Amounts in USD 1,000)</i>	CONSOLIDATED	
	2021	2020
<b>Capital expenditures by business area for tangible assets</b>		
PSV	7,199	4,134
OSCV and WIV	13,261	1,093
AHTS Vessels	5,739	15,776
Brazilian Fleet	1,369	907
Canadian fleet	168	373
Scientific Core-Drilling	-	2,866
Other/Intercompany elimination	-	59
<b>Total capital expenditures</b>	<b>27,736</b>	<b>25,207</b>
<b>Book value by business area for tangible assets, including vessel held for sale</b>		
PSV	131,873	142,584
OSCV and WIV	478,884	491,397
AHTS Vessels	179,146	237,502
Brazilian Fleet	8,549	11,684
Canadian fleet	37,489	39,668
Scientific Core-Drilling	7,806	12,222
Other/Intercompany elimination	3,340	5,031
<b>Total book value</b>	<b>847,085</b>	<b>940,088</b>



## Note 5

### Vessels, Equipment and Capitalized Project Cost

Tangible assets	CONSOLIDATED			
<i>(Amounts in USD 1,000)</i>	Land and buildings	Vessels and equipment	Drydocking	Capitalised project cost
Purchase cost on 1 January 2020	4,038	2,320,309	53,553	11,346
Capital expenditure	-	11,949	13,259	-
Movement between groups	-	-	304	-
The year's disposal at cost	-271	-17,937	-26,023	-
Effect of exchange rate differences	-265	-30,335	-597	84
<b>Purchase cost on 31 December 2020</b>	<b>3,501</b>	<b>2,283,986</b>	<b>40,496</b>	<b>11,431</b>
Accumulated depreciation on 1 January 2020	-933	-694,294	-34,857	-7,653
Accumulated impairment on 1 January 2020	-	-359,370	-	-
Movement between groups	-	-186	-117	-
The year's depreciation	-822	-66,431	-7,094	-597
Impairment of vessel	-	-276,857	-	-
The year's disposal of accumulated depreciation	43	9,623	26,023	-
The year's disposal of accumulated impairment	-	8,242	-	-
Effect of exchange rate differences	60	5,829	149	-82
<b>Accumulated depreciation on 31 December 2020</b>	<b>-1,652</b>	<b>-1,373,446</b>	<b>-15,895</b>	<b>-8,332</b>
<b>Net book value on 31 December 2020</b>	<b>1,849</b>	<b>910,540</b>	<b>24,601</b>	<b>3,098</b>
Purchase cost on 1 January 2021	3,501	2,283,986	40,496	11,431
Capital expenditure	-	19,100	8,636	-
Additions related to IFRS 16	139	-	-	-
The year's disposal at cost	-65	-165,435	-4,515	-2,827
Effect of exchange rate differences	-69	-9,942	-359	-92
<b>Purchase cost on 31 December 2021</b>	<b>3,506</b>	<b>2,127,709</b>	<b>44,258</b>	<b>8,512</b>
Accumulated depreciation on 1 January 2021	-1,652	-743,946	-15,895	-8,332
Accumulated impairment on 1 January 2021	-	-629,500	-	-
The year's depreciation	-639	-54,884	-7,375	-640
The year's disposal of accumulated depreciation	-	37,639	1,972	2,827
The year's disposal of accumulated impairment	-	79,274	-	-
Effect of exchange rate differences	35	3,918	232	67
<b>Accumulated depreciation on 31 December 2021</b>	<b>-2,257</b>	<b>-1,307,499</b>	<b>-21,065</b>	<b>-6,079</b>
<b>Net book value on 31 December 2021</b>	<b>1,249</b>	<b>820,211</b>	<b>23,193</b>	<b>2,433</b>

The balance of capitalized project costs relates to specific contracts.



## Notes to the accounts

The costs are amortized over the term of the specific charter contracts.

The vessels are divided into the following components and economical lives:

Component	Percentage of total	Economic life
Hull	27%	30 years
Cargo equipment	17%	30 years
Marine equipment	10%	15 years
Crew equipment	9%	15 years
Engine	18%	30 years
Engine system	6%	30 years
Combined sewerage system	13%	30 years
Docking and class renewals		5 years
Equipment		3 years

### Impairment vessels

The Book value of tangible and intangible assets with finite lives is tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If such indicators exist and the book value exceeds the recoverable amount, the fixed asset's residual value is the higher of net selling price and value in use. As the approach to net selling price normally obtained valuations from independent shipbrokers. Brokers' estimates assume the vessels are without charter contracts, immediately available for sale in the market and that a willing seller and a willing buyer exist. The value in use is calculated by discounting future cash flows to present value at the balance sheet date. Due to reduced liquidity in the market for vessels, there is an increased uncertainty about the estimated ship values in today's market. Per 31 December 2021 calculation of value in use is used in the impairment testing for all vessels. In addition to value in use calculations, management has obtained brokers' estimates for all the group's vessels from two independent and reputable shipbrokers per 31 December 2021. The obtained broker estimates were primarily used to compare and test the reasonableness of management's value in use calculations.

As of 31 December 2021 impairment indicators were identified. Impairment indicators include some vessels still being in lay-up, volatile charter rates and utilization, and that the quoted market value of the Company is below book value of equity. Based on such indicators, impairment tests were performed for all OSV vessels. No impairment charges were recognized, and no impairment was recorded in 2021 (2020: USD 276.9 million related to 19 vessels). The market outlook has slightly improved, and if this trend continues it could trigger reversal of impairment in the future.

The book value of the vessels does not reflect possible impairment charges if a sale of assets is forced in today's market.

### Value-in-use (VIU)

VIU is based on the present value of discounted cash flows for each separate Cash Generating Unit (CGU). Remaining firm charter hire periods are considered. The first five years are based on the Company's market view. A terminal value is calculated by assuming that the applicable market view for the fifth year applies to the remaining years of the vessel's lifetime. Three scenarios have been considered, and a weighted average of the scenarios has been calculated.

### Discount rate

The discount rate used in the value-in-use calculation is a weighted average cost of capital (WACC) after tax ranging from 7.43%-9.24% (2020: 8.39%-10.75%).

### Operating expenses

Operational expenses that are directly attributable to the CGU are based on budget and forecasts with an annual escalation as applicable. Dry-docking cost related to class renewals and periodic maintenance costs are included at estimated cost.



---

### **Fair value less cost of disposal**

FVLCO (level 3) is the amount that would be obtained from a sale of the asset in a regular market, less cost of sales, based on the average of third-party valuation reports from two independent ship brokers. The Company understands that shipbrokers apply newbuilding price parity as basis for their appraisals. Newbuilding prices have been adjusted for building supervision costs and other additional costs, which results in an estimated delivered cost of a newbuilding with prompt delivery adjusted for age of each vessel.

---

### **Climate risk**

Management has considered the potential impacts of climate risk and whether this will have an adverse impact on the future use of the Company's vessels. The Company operates within the offshore oil and gas sector and the offshore renewable sector. It's expected that demand for the Group's services could increase due to climate related opportunities. Management does not consider there is a significant risk that the Company's vessels will become obsolete due to climate considerations as they form a key part in the transition to the provision of sustainable energy.

---

### **Sensitivities**

The VIU calculation is mainly affected by changes in the WACC and freight rate assumptions. The WACC used for vessels financed in USD was 7.43% (2020: 8.39%) and for the vessels financed in NOK the WACC was 7.82% (2020: 8.77 %). The WACC used for vessels financed in USD in Brazil was 9.24% (2020: 10.75%).

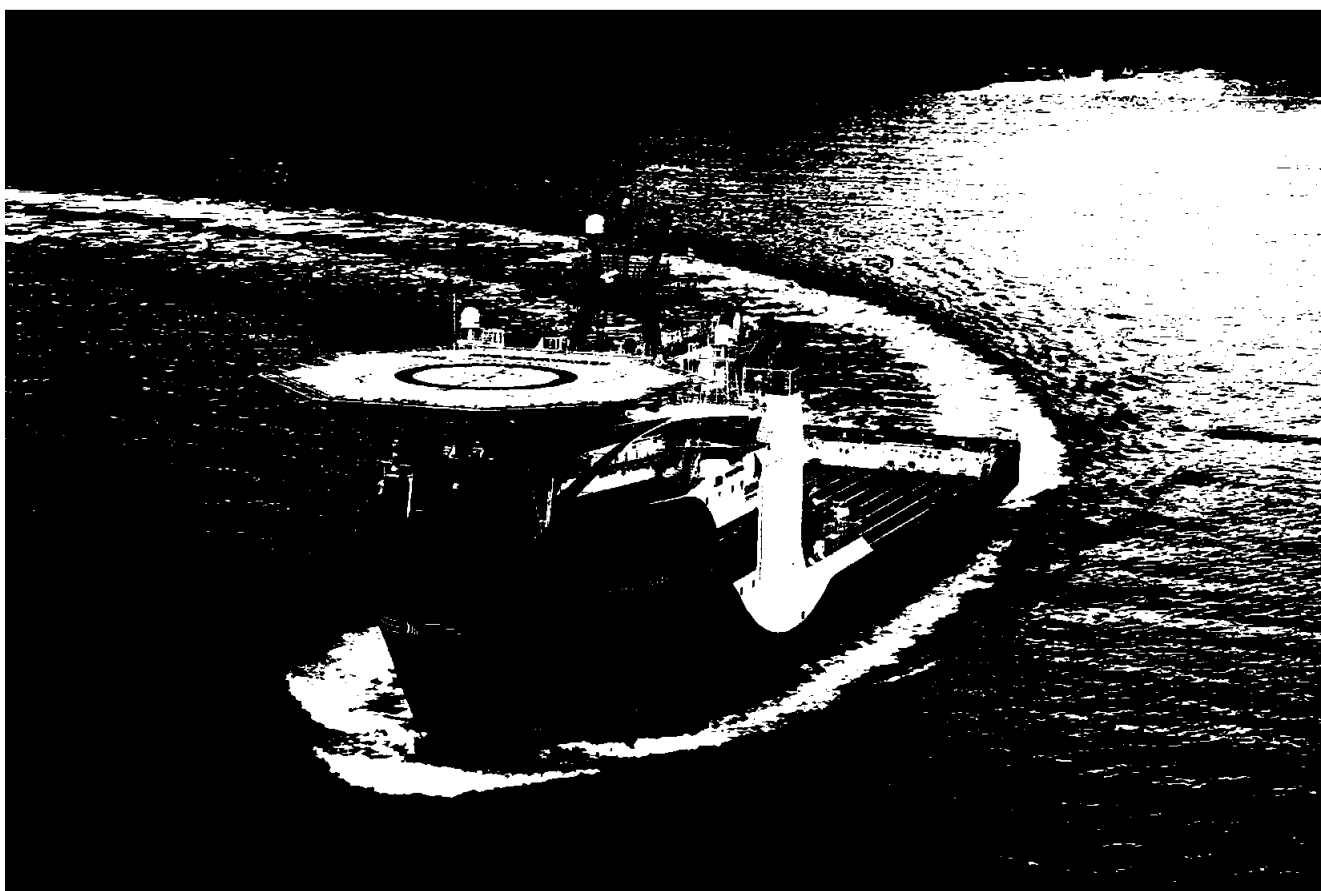
A reduction of freight rate assumption of USD 1,000 per day for each vessel would reduce the value of the fleet by approximately USD 73 million. An increase in freight rate assumption of USD 1,000 per day would increase the value of the fleet by approximately USD 73 million.

An increase in WACC of 0.5% would reduce the total value of the fleet by approximately USD 35 million. A decrease in WACC of 0.5% would increase the total value of the fleet by approximately USD 35 million.



---

Notes to the accounts





## Note 6 Investment in Subsidiaries

Company <i>(Amounts in USD 1,000)</i>	Registered office	Ownership and voting share	Revenue	Net profit
Siem Offshore AS	Kristiansand, Norway	100%	12,313	2,163
Siem Offshore Invest AS	Kristiansand, Norway	100%	1,872	1,033
Siem Offshore Rederi AS	Kristiansand, Norway	100%	121,488	20,955
Siem Offshore do Brasil SA	Rio de Janeiro, Brazil	100%	25,277	-3,867
Siem AHTS Pool AS	Kristiansand, Norway	78%	13,557	-26,304
DSND Subsea Ltd	London, England	100%	-	-
Siem Offshore Management (US) Inc.	Texas, USA	100%	172	436
Siem Offshore US Holding AS	Kristiansand, Norway	100%	-	-10
ODL AS	Kristiansand, Norway	100%	29,997	10,018
<b>Total value recorded in the statement of financial position of the Parent Company</b>				

The above companies are owned by the Parent. In addition, the subsidiaries own the following companies:

Company	Registered office	Share and voting rights
Consub Delaware LLC	Delaware, USA	100%
Aracaju Serviços Auxiliares Ltda	Rio de Janeiro, Brazil	100%
Siem Offshore Crewing AS	Kristiansand, Norway	100%
Siem Pilot DA	Kristiansand, Norway	100%
Siem Offshore Maritime Personnel AS	Kristiansand, Norway	100%
Overseas Drilling Ltd	Groningen, The Netherlands	100%
Siem Offshore Canada Inc	Halifax, Canada	100%
Siem Offshore Australia Pty Ltd	Perth, Australia	100%
Siem Real Estate GmbH	Leer, Germany	100%
Siem Offshore LLC	Delaware, USA	100%
Secunda Holdings SLH	Halifax, Canada	100%
Siem AHTS Pool Australia PTY LTD	Perth, Australia	100%
Siem Offshore Crewing Australia PTY Ltd	Perth, Australia	100%
Siem Offshore Servicios Maritimos Ltda	Rio de Janeiro, Brazil	100%

Siem Offshore Servicios Maritimos Ltda was incorporated in 2021.



---

## Notes to the accounts

<b>Share capital</b>	<b>Book equity</b>	<b>Cost price</b>	<b>Book value</b>	<b>Minority share of net profit/(loss)</b>	<b>Minority share of net equity</b>	<b>Impairments made in 2021</b>
35	9,796	16,194	11,494	-	-	-
898	149,422	98,369	98,369	-	-	-20,000
6,175	107,101	378,457	107,064	-	-	-22,831
83,838	-68,214	135,978	-	-	-	-
163	-4,175	451,728	-	-4,947	-538	175,902
-	-203	18,352	-	-	-	-
1	921	1	1	-	-	-
5	170	961	187	-	-	-
4	14,335	7,002	7,002	-	-	-
	<b>209,155</b>	<b>1,107,043</b>	<b>224,117</b>	<b>-4,947</b>	<b>-538</b>	<b>133,072</b>



## Note 7 Investment in Associated Companies

Figures for associated companies included in the consolidated accounts based on the equity method of accounting.

31 December 2021	CONSOLIDATED		
COMPANY NAME	PR Tracer Offshore ANS	KS Big Orange XVIII	Total
<i>(Amounts in USD 1,000)</i>			
<b>Income Statement</b>			
Operating revenues	5,211	424	5,635
Operating expenses	-5,523	-23	-5,546
<b>Operating profit</b>	<b>-312</b>	<b>401</b>	<b>89</b>
Net financial items	11	2	13
<b>Net profit</b>	<b>-301</b>	<b>403</b>	<b>102</b>
<b>Result from associated companies</b>	<b>-124</b>	<b>166</b>	<b>42</b>
<b>Statement of financial position</b>			
Current assets	75	-	75
Cash	4,050	1,272	5,322
<b>Total assets</b>	<b>4,125</b>	<b>1,272</b>	<b>5,396</b>
Equity	4,022	1,255	5,277
Current liabilities	103	16	119
<b>Total equity and liabilities</b>	<b>4,125</b>	<b>1,272</b>	<b>5,396</b>
<b>Siem Offshore's share of booked equity</b>	<b>1,662</b>	<b>519</b>	<b>2,181</b>
<b>Added/reduced in the period</b>			
Adjustments IFRS and fair value in excess of book value for vessel and goodwill as of 31 December	-	314	314
<b>Book value as of 31 December</b>	<b>1,662</b>	<b>833</b>	<b>2,495</b>



## Notes to the accounts

31 December 2021

CONSOLIDATED

### COMPANY NAME

(Amounts in USD 1,000)

	KS Big Orange XVIII	KS Big Orange XVIII	Total
<b>Specification of changes net book value in Siem Offshore's accounts</b>			
Net book value as of 1 January	1,830	692	2,522
This year's share of net profit/(loss)	-124	166	42
This year's share of other comprehensive income	-	-	-
Adjustments consolidated accounts	-	-	-
Effect of exchange rate differences	-52	-17	-69
<b>Net book value as of 31 December</b>	<b>1,654</b>	<b>841</b>	<b>2,495</b>

### Of which:

Amortisation of fair value in excess of book value for vessels and goodwill

Amortisation of fair value in excess of book value for vessels and goodwill	-	-	-
Effect of exchange rate differences	-	-24	-24
<b>Fair value in excess of book value for vessels and goodwill as of 31 December 2021</b>	<b>-</b>	<b>314</b>	<b>314</b>

COMPANY NAME	Registered office	Consolidation	Owner interest	Voting rights	Paid in capital	Issues, not paid in capital
PR Tracer Offshore ANS	Kristiansand, Norway	Equity accounting	41.33%	41.33%	1,633	-
KS Big Orange XVIII	Kristiansand, Norway	Equity accounting	41.33%	41.33%	8	5
<b>Total</b>					<b>1,640</b>	<b>5</b>

Siem Offshore Ghana Ltd remained dormant in 2021 and has been excluded from the table. Assets and liabilities are considered immaterial to the Company's consolidated accounts.



31 December 2020					CONSOLIDATED
COMPANY NAME	PR Tracer Offshore ANS	KS Big Orange XVIII	Siem Offshore Ghana Ltd	Total	
<i>(Amounts in USD 1,000)</i>					
<b>Income Statement</b>					
Operating revenue	5,821	391	-	6,211	
Operating expenses	-4,105	-19	-23	-4,147	
Depreciation and Amortisation	-	-	-1	-1	
<b>Operating profit</b>	<b>1,716</b>	<b>372</b>	<b>-24</b>	<b>2,063</b>	
Net financial items	-28	2	-	-26	
<b>Net profit</b>	<b>1,688</b>	<b>374</b>	<b>-24</b>	<b>2,038</b>	
<b>Result from associated companies</b>	<b>698</b>	<b>155</b>	<b>-12</b>	<b>840</b>	
<b>Statement of financial position</b>					
Non-current assets	-	-	3	3	
Current assets	927	-	10	937	
Cash	3,584	909	1	4,493	
<b>Total assets</b>	<b>4,511</b>	<b>909</b>	<b>13</b>	<b>5,432</b>	
Equity	4,427	892	-146	5,172	
Current liabilities	84	17	159	260	
<b>Total equity and liabilities</b>	<b>4,511</b>	<b>909</b>	<b>13</b>	<b>5,432</b>	
<b>Siem Offshore's share of booked equity</b>	<b>1,830</b>	<b>368</b>	<b>-72</b>	<b>2,127</b>	
<b>Added/reduced in the period</b>					
Adjustments IFRS and fair value in excess of book value for vessel and goodwill as of 31 December	-	324	72	396	
<b>Net book value in Siem Offshore as of 31 December</b>	<b>1,830</b>	<b>692</b>	<b>-</b>	<b>2,522</b>	



## Notes to the accounts

31 December 2020 CONSOLIDATED

COMPANY NAME	PR Tracer Offshore ANS	KS Big Orange XVIII	Siem Offshore Ghana Ltd	Total
--------------	---------------------------	------------------------	----------------------------	-------

*(Amounts in USD 1,000)*

### Specification of changes net book value in Siem Offshore's accounts

Net book value as of 1 January	1,033	193	-	1,226
This year's share of net profit/(loss)	698	155	-12	840
This year's share of other comprehensive income	-	-	-	-
Effect of exchange rate differences	99	11	-	109
<b>Net book value as of 31 December</b>	<b>1,830</b>	<b>692</b>	<b>-</b>	<b>2,522</b>

### Of which:

Amortisation of fair value in excess of book value for vessels and goodwill	-	-	-	-
Effect of exchange rate differences	-	-5	-	-5
<b>Fair value in excess of book value for vessels and goodwill as of 31 December 2021</b>	<b>-</b>	<b>325</b>	<b>-</b>	<b>325</b>

COMPANY NAME	Registered office	Consolidation	Owner interest	Voting rights	Paid in capital	Issues, not paid in capital
PR Tracer Offshore ANS	Kristiansand, Norway	Equity accounting	41.33%	41.33%	1,633	-
KS Big Orange XVIII	Kristiansand, Norway	Equity accounting	41.33%	41.33%	8	5
Siem Offshore Ghana Ltd	Accra, Ghana	Equity accounting	49.00%	49.00%	200	-
<b>Total</b>					<b>1,840</b>	<b>5</b>



## Note 8 Pension Costs and Obligations

<i>(Amounts in USD 1,000)</i>	CONSOLIDATED	
	2021	2020
<b>Pension cost recognized in the income statement</b>		
Present value of current years benefit earned	1,236	1,144
Interest expense	140	138
Expected return on plan assets	-115	-130
Administration cost	17	-
Social contribution	151	38
Pension scheme defined contribution	-	1,821
Impact of curtailment/settlement	-209	-882
<b>Net periodic pension cost (see Note 18)</b>	<b>1,221</b>	<b>2,128</b>
<b>The development in the defined benefit obligation</b>		
At 1 January	8,231	6,536
Present value of current years benefit earned	1,236	1,144
Interest expense	140	138
Payroll tax of employer contribution, assets	-188	-155
Benefits paid	-37	-37
Remeasurements loss/(gain)	-736	373
Exchange differences	-281	232
<b>At 31 December</b>	<b>8,364</b>	<b>8,231</b>
<b>The development in the fair value of plan assets</b>		
At 1 January	7,130	6,059
Expected return on plan assets	115	130
Employer's contribution	1,523	1,258
Payroll tax of employer contribution, assets	-188	-155
Benefits paid	-37	-37
Remeasurements loss/(gain)	-946	-328
Exchange differences	-246	202
<b>At 31 December</b>	<b>7,350</b>	<b>7,130</b>



### Notes to the accounts

<b>Pension liability</b> <i>(Amounts in USD 1,000)</i>	<b>CONSOLIDATED</b>	
	<b>2021</b>	<b>2020</b>
Present value of funded obligations	8,364	8,231
Fair value of plan assets	-7,350	-7,130
<b>Present value of funded obligations</b>	<b>1,014</b>	<b>1,101</b>
Present value of unfunded obligations	-	-1
<b>Liability in the statement of financial position</b>	<b>1,014</b>	<b>1,100</b>

<b>Financial assumptions</b>		
Discount rate	1.90%	1.70%
Expected return on funds	1.90%	1.70%
Expected wage adjustment	2.75%	2.25%
Adjustment of the basic National Insurance amount	2.50%	2.00%
Expected pension increase	- %	- %
Number of employees in defined benefit scheme	57	58



## Note 9 Receivables

PARENT COMPANY			CONSOLIDATED	
12/31/2021	12/31/2020	(Amounts in USD 1,000)	12/31/2021	12/31/2020
<b>Long-term receivables</b>				
-	-	Deposit related to legal dispute in Brazil	2,857	-
-	-	Receivable related to sale of Siem Marlin	16,378	21,356
-	-	Prepaid guarantee commission (1)	11,357	11,881
3	59	Other long-term receivables	158	888
<b>3</b>	<b>59</b>	<b>Total long-term receivables</b>	<b>30,749</b>	<b>34,125</b>
<b>Other short-term receivables</b>				
-	14	Prepaid expenses	6,149	5,817
-	-	Unbilled revenue	6,049	5,597
-	-	Outstanding insurance claims (2)	1,106	2,310
-	-	Prepaid income taxes and other taxes	1,052	1,328
-	-	VAT	-177	44
1,014	2,440	Intercompany receivables	-	-
-	-	Other short-term receivables	2,822	2,772
<b>1,014</b>	<b>2,454</b>	<b>Total other short-term receivables</b>	<b>17,001</b>	<b>17,869</b>

(1) Prepaid guarantee commission relates to Siem Helix vessels facilities.

(2) Outstanding insurance claims refer to vessel breakdown expenses qualifying for insurance reclaim.  
The amount is net of own deductibles.



Notes to the accounts

**Note 10**  
Restricted Cash

USD 12.0 million of the Company's cash balance at year-end were restricted funds of which USD 1.2 million was for tax withholdings and USD 10.8 million represented deposits for bank guarantees and secured loans.

**Note 11**  
Taxes

		CONSOLIDATED	
<i>(Amounts in USD 1,000)</i>		2021	2020
<b>Temporary differences</b>			
<b>Deferred tax</b>	<b>Time frame</b>		
Participation in limited liability companies	Long	-1,868	-2,522
Operating assets	Long	-5,555	-5,607
Pension funds/obligations	Long	-1,064	-1,100
<b>Other short-term differences</b>		<b>-8,487</b>	<b>-9,229</b>
Tax loss carried forward		-32,172	-24,544
<b>Basis for deferred tax (tax asset)</b>		<b>-40,659</b>	<b>-33,773</b>
Deferred tax (tax asset) Norway		-8,945	-6,726
Deferred tax (tax asset) Holland		-	-800
<b>Deferred tax (tax asset)</b>		<b>-8,945</b>	<b>-7,526</b>
<b>Deferred tax (asset) recognized in statement of financial position as of 31 December</b>		<b>-8,945</b>	<b>-7,526</b>

Deferred tax asset in Norway includes USD 766 in the Parent.

Deferred tax assets are recognized as non-current assets as it is probable through prospective earnings that it can be utilized.

The Company is subject to taxes in several jurisdictions, where significant judgment is required in calculating the tax provision for the Company. There are several transactions for which the ultimate tax cost is uncertain and for which the Company makes provisions based on an assessment of internal estimates, tax treaties and tax regulations in countries of operation and appropriate external advice. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the tax charge in the period in which the outcome is determined.

The Company seeks to optimize its tax structure to minimize withholding taxes when operating vessels abroad, avoiding double taxation, and minimizing corporate tax paid by making optimal use of the shipping taxation rules that apply. It is, however, a challenging task to optimize taxation, and there is always a risk that the Company may end up paying more taxes than the theoretical minimum, which may in turn affect the financial results negatively.



<b>Total tax liabilities</b>	<b>CONSOLIDATED</b>	
<i>(Amounts in USD 1,000)</i>	<b>12/31/2021</b>	<b>12/31/2020</b>
Long-term tax liabilities falling due after 1 year	421	1,255
Payable taxes falling due within 1 year	971	964
<b>Tax liabilities</b>	<b>1,391</b>	<b>2,220</b>

<b>Tax expense</b>	<b>CONSOLIDATED</b>	
<i>(Amounts in USD 1,000)</i>	<b>12/31/2021</b>	<b>12/31/2020</b>
Taxes payable	1,069	89
Change in deferred tax asset /liability	-2,069	2,584
<b>Total</b>	<b>-1,000</b>	<b>2,673</b>

There is no tax amount related to the items under Other Comprehensive Income.

	<b>PARENT COMPANY</b>	
<b>Tax expense</b>	<b>2021</b>	<b>2020</b>
Change in deferred tax asset/liabilities	1,292	684
Taxes payable	16	8
<b>Total</b>	<b>1,308</b>	<b>693</b>



## Notes to the accounts

### Note 12 Borrowings

**Carrying amount - excluding CIRR** **CONSOLIDATED**  
(Amounts in USD 1,000) **12/31/2021** **12/31/2020**

<b>Secured</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
Fixed rates bank loans	18,989	225,393	244,383	107,051	365,782	472,834
Floating rates bank Loans	29,767	353,318	383,085	89,250	304,958	394,208
<b>Total secured borrowings</b>	<b>48,756</b>	<b>578,711</b>	<b>627,467</b>	<b>196,301</b>	<b>670,741</b>	<b>867,042</b>
<b>Unsecured</b>			<b>Total</b>	<b>Current</b>		
Fixed rate notes / Bonds	-	-	-	-	86,425	86,425
Floating rate notes / Bonds	-	-	-	43,664	-	43,664
Loans from related parties (1)	-	2,305	2,305	-	38,533	38,533
<b>Total unsecured borrowings</b>	<b>-</b>	<b>2,305</b>	<b>2,305</b>	<b>43,664</b>	<b>124,958</b>	<b>168,622</b>
<b>Total borrowings</b>	<b>48,756</b>	<b>581,017</b>	<b>629,772</b>	<b>239,965</b>	<b>795,699</b>	<b>1,035,664</b>
Fees and expenses	-1,106	-4,420	-5,526	-1,075	-3,802	-4,877
<b>Total borrowings incl. fees</b>	<b>47,650</b>	<b>576,596</b>	<b>624,246</b>	<b>238,890</b>	<b>791,897</b>	<b>1,030,787</b>

**Fair value - excluding CIRR** **CONSOLIDATED**  
(Amounts in USD 1,000) **12/31/2021** **12/31/2020**

<b>Secured</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
Fixed rates bank loans	18,989	227,899	246,888	107,051	382,072	489,123
Floating rates bank Loans	29,767	353,318	383,085	89,250	304,958	394,208
<b>Total secured borrowings</b>	<b>48,756</b>	<b>581,217</b>	<b>629,973</b>	<b>196,301</b>	<b>687,030</b>	<b>883,331</b>
<b>Unsecured</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
Fixed rate notes / Bonds	-	-	-	-	86,425	86,425
Floating rate notes / Bonds	-	-	-	43,664	-	43,664
Loans from related parties (1)	-	2,305	2,305	-	38,533	38,533
<b>Total unsecured borrowings</b>	<b>-</b>	<b>2,305</b>	<b>2,305</b>	<b>43,664</b>	<b>124,958</b>	<b>168,622</b>
<b>Total borrowings</b>	<b>48,756</b>	<b>583,522</b>	<b>632,278</b>	<b>239,965</b>	<b>811,988</b>	<b>1,051,953</b>
Fees and expenses	-1,106	-4,420	-5,526	-1,075	-3,802	-4,877
<b>Total</b>	<b>47,650</b>	<b>579,102</b>	<b>626,752</b>	<b>238,890</b>	<b>808,186</b>	<b>1,047,076</b>



Carrying amount - excluding CIRR				PARENT COMPANY					
<i>(Amounts in USD 1,000)</i>				<i>12/31/2021</i>			<i>12/31/2020</i>		
Unsecured	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Fixed rate notes / Bonds	-	-	-	-	86,425	86,425	-	-	-
Floating rate notes / Bonds	-	-	-	43,664	-	43,664	-	-	-
<b>Total unsecured borrowings</b>	-	-	-	<b>43,664</b>	<b>86,425</b>	<b>130,089</b>	-	-	-
<b>Total borrowings</b>	-	-	-	<b>43,664</b>	<b>86,425</b>	<b>130,089</b>	-	-	-
Fees and expenses	-	-	-	-	-	-	-	-	-
<b>Total borrowings incl. Fees</b>	-	-	-	<b>43,664</b>	<b>86,425</b>	<b>130,089</b>	-	-	-

Fair value - excluding CIRR				PARENT COMPANY					
<i>(Amounts in USD 1,000)</i>				<i>12/31/2021</i>			<i>12/31/2020</i>		
Unsecured	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Fixed rate notes / Bonds	-	-	-	-	86,425	86,425	-	-	-
Floating rate notes / Bonds	-	-	-	43,664	-	43,664	-	-	-
<b>Total unsecured borrowings</b>	-	-	-	<b>43,664</b>	<b>86,425</b>	<b>130,089</b>	-	-	-
<b>Total borrowings</b>	-	-	-	<b>43,664</b>	<b>86,425</b>	<b>130,089</b>	-	-	-
Fees and expenses	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	<b>43,664</b>	<b>86,425</b>	<b>130,089</b>	-	-	-

Siem Offshore has agreed restructured terms with the equitized lenders. The restructured terms shall remain in force till 31 December 2024, corresponding to extended maturity of the restructured facilities. Financial covenants include minimum available cash at USD 25 million and a minimum book equity ratio of Siem Offshore at 10%. Other terms relate to vessel buy-out options, no-dividend clause, restrictions on investments in assets, restrictions to acquisitions of shares and business undertakings, negative pledge, restrictions to selling or otherwise disposal of assets, no equitization of the Brazilian facilities, financial indebtedness, change of control clause, Payment in kind ("PIK") - interest arrangements and three cash sweep mechanisms; one facility cash sweep, one SAP (Siem ATHS Pool AS) cash sweep and one company cash sweep. PIK supports the Company's cash flow as due interest is added to the principal loan.

The Company has a portfolio of bank loans secured with mortgage in vessels. The creditors and guarantors are in general first-class commercial banks and state-owned financial institutions with ratings on or above BBB- and AAA. As of year-end, the Company had restructured the unsecured bonds, partly by a debt conversion and partly by cash repayment.

(1) At year-end 2021 the Company held a secured revolving credit facility with Siem Industries S.A. at USD10 million. The credit will be reduced by USD 2 million annually and will expire on 31.12.2026. The credit facility remained undrawn at year-end 2021. The non-controlling interest in Siem AHTS Pool AS has paid-in a subordinated shareholder's loan at USD2.3 million. Interests are accrued on a quarterly basis and added to the principal debt. Installments and interests will become payable from 2025 contingent upon approval from mortgage debt lenders.



## Notes to the accounts

Instalments falling due over the next 5 years - excluding CIRR		CONSOLIDATED		
<i>(Amounts in USD 1,000)</i>		Mortgage debt	Other interest bearing debt	Total
2022		48,756	-	48,756
2023		30,133	-	30,133
2024		293,062	-	293,062
2025		40,253	231	40,483
2026		57,143	231	57,373
Thereafter		158,120	1,844	159,964
<b>Total</b>		<b>627,467</b>	<b>2,305</b>	<b>629,772</b>

Instalments falling due over the next 5 years - excluding CIRR		PARENT COMPANY		
<i>(Amounts in USD 1,000)</i>		Mortgage debt	Other interest bearing debt	Total
2022		-	-	-
2023		-	-	-
2024		-	-	-
2025		-	-	-
2026		-	-	-
Thereafter		-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>

Following the financial restructuring, fixed instalments of secured debt were significantly reduced. Prior to the restructuring, fixed installments were USD 71 million in 2023 and were USD 63 million in 2024. In addition to fixed installments, contingent instalments from cash sweep mechanisms apply. There are fixed instalments for certain facilities, mainly related to the Siem Helix 1 and 2 and the Siem Symphony facilities.

The book value of mortgaged assets consists of non-current tangible assets and a portion of the accounts receivables that amounts to USD 873 million at year end.

The Company and the Parent Company are in compliance with their financial covenants on 31 December 2021.

PARENT COMPANY		CIRR arrangements		CONSOLIDATED	
12/31/2021	12/31/2020	<i>(Amounts in USD 1,000)</i>		12/31/2021	12/31/2020
-	-	Total CIRR deposit		36,763	45,946
-	-	CIRR loan drawn		36,763	45,946
-	-	<b>Net Commitment</b>		<b>-</b>	<b>-</b>

Prior to ordering vessels from Norwegian yards, the Company applied for fixed 12-year interest rate options related to the long-term financing of such vessels. The Company was granted such options for each of the relevant vessel by the Norwegian Export Credit Agency. Long-term loans drawn from the Norwegian Export Credit Agency are placed as corresponding deposits in the Bank as financial security for the loans drawn. In relation to sale of a vessel in 2015, which had a fixed 12-year USD interest rate associated with its mortgage debt financing, the receipt from the sale equivalent to the amount and remaining term of the outstanding long-term loan from the Norwegian Export Credit Agency was placed on deposits in the Bank as financial security for the drawn loan at the date when the sale was concluded.



<b>Net debt</b>	<b>CONSOLIDATED</b>	
<i>(Amounts in USD 1,000)</i>	<b>12/31/2021</b>	<b>12/31/2020</b>
Cash and cash equivalents	91,839	103,225
Borrowings, repayable within one year	-47,650	-238,890
Borrowings, repayable after one year	-576,596	-791,897
<b>Net debt</b>	<b>-532,408</b>	<b>-927,562</b>
Cash and cash equivalents	91,839	103,225
Gross debt - fixed interest rates	-244,383	-559,511
Gross debt - floating interest rates	-385,390	-471,276
<b>Net debt</b>	<b>-537,934</b>	<b>-927,562</b>

<b>Net debt</b>	<b>PARENT COMPANY</b>	
<i>(Amounts in USD 1,000)</i>	<b>12/31/2021</b>	<b>12/31/2020</b>
Cash and cash equivalents	33,362	51,777
Borrowings, repayable within one year	-	-43,664
Borrowings, repayable after one year	-	-86,425
<b>Net debt</b>	<b>33,362</b>	<b>-78,311</b>
Cash and cash equivalents	33,362	51,777
Gross debt - fixed interest rates	-	-43,664
Gross debt - floating interest rates	-	-86,425
<b>Net debt</b>	<b>33,362</b>	<b>-78,311</b>



## Notes to the accounts

<b>Borrowings</b>	<b>CONSOLIDATED</b>
<i>(Amounts in USD 1,000)</i>	
Borrowings as at 1 January 2020	1,012,966
Lease liability 1 January 2020	7,004
Lease payments	-2,112
Repayment of borrowings	-20,652
Drawn amount PIK interest and fees	19,158
New loans related parties	2,184
Accrued interest	1,454
Accrued interest related parties	9,463
Foreign exchange adjustments	5,649
Other	761
<b>Borrowings and lease liability at 31 December 2020</b>	<b>1,035,875</b>

Lease payments	-1,565
Repayment of borrowings	-124,270
Drawn amount PIK interest and fees	17,085
Converted into equity	-278,906
New loans related parties	2,305
Related party converted into equity	-39,036
Accrued interest	-11,775
Foreign exchange adjustments	34,699
Other	-1,117
<b>Borrowings and lease liability at 31 December 2021</b>	<b>633,295</b>

<b>Borrowings and lease liability</b>	<b>CONSOLIDATED</b>	
<i>(Amounts in USD 1,000)</i>	<b>12/31/2021</b>	<b>12/31/2020</b>
Borrowings repayable within one year	48,756	238,890
Borrowings repayable after one year	581,017	791,897
Lease liability repayable within one year	1,969	1,978
Lease liability repayable after one year	1,554	3,110
<b>Total</b>	<b>633,295</b>	<b>1,035,875</b>



<b>Borrowings</b>	<b>PARENT COMPANY</b>
<i>(Amounts in USD 1,000)</i>	<b>12/31/2021</b>
Borrowings as at 1 January 2020	122,224
Cash flows	3,891
Foreign exchange adjustments	3,974
<b>Borrowings at 31 December 2020</b>	<b>130,089</b>
Net change in cash during the period	
Cash flows	-6,216
Accrued interest	3,120
Revaluation derivative	-312
Converted to equity	-155,081
Foreign exchange adjustments	28,401
<b>Borrowings at 31 December 2021</b>	<b>-</b>

<b>Borrowings</b>	<b>PARENT COMPANY</b>	
<i>(Amounts in USD 1,000)</i>	<b>12/31/2021</b>	<b>12/31/2020</b>
Borrowings repayable within one year	-	43,664
Borrowings repayable after one year	-	86,425
<b>Total</b>	<b>-</b>	<b>130,089</b>



Notes to the accounts

**Note 13**  
Other Current Liabilities and Other Current Provision

PARENT COMPANY			CONSOLIDATED	
12/31/2021	12/31/2020	(Amounts in USD 1,000)	12/31/2021	12/31/2020
-	-	Social security tax, etc.	2,374	2,749
-	-	Unearned income	3,581	3,394
-	-	Other accrued cost, mainly regarding operating expenses vessels	13,575	13,493
-	-	Current lease liability	1,969	1,978
1,172	-	Intercompany liabilities	-	-
793	311	Accrued salaries, holiday pay, payroll tax and other	5,272	6,726
<b>1,965</b>	<b>311</b>	<b>Total other current liabilities</b>	<b>26,770</b>	<b>28,340</b>

Other accrued cost includes accrued commission and accruals for purchase orders.

PARENT COMPANY			CONSOLIDATED	
12/31/2021	12/31/2020	(Amounts in USD 1,000)	12/31/2021	12/31/2020
-	-	Accrual for possible legal claims in Brazil	16,696	15,317
-	-	<b>Total other current provision</b>	<b>16,696</b>	<b>15,317</b>

An accrual at USD 17 million has been recorded for possible legal claims related to charter contracts and labour cases in Brazil.



## Note 14 Related Party Transactions

The Company's largest shareholder Siem Sustainable Energy S.à r.l., with a holding of 34 %, and its parent company, Siem Industries S.A., are defined as related parties. The Company is charged by Siem Industries S.A. for an annual fee of USD 250 K for 2021 (2020: USD 250 K). The fee is the remuneration for the services provided by the Chairman of the Board and cost related to office and administration in the Cayman Islands.

Details related to transactions, loans and remuneration to the Executive Management and the Board of Directors are set out in Note 18. The Chairman Kristian Siem is also the Chairman of Siem Industries SA. Director Barry Ridings is also a Director of Siem Industries SA. Director Kenneth Ross is employed by a subsidiary of Siem Industries SA. For the Parent, all subsidiaries listed in Note 6 are also defined as related parties.

For other related parties, the following transactions were carried out:

<b>Sale of services</b> <i>(Amounts in USD 1,000)</i>	<b>CONSOLIDATED</b>	
	<b>2021</b>	<b>2020</b>
Service to entity where director has ownership	26,738	16,626
<b>Total</b>	<b>26,738</b>	<b>16,626</b>

The service is provided to companies in which the Chairman has an interest. Kristian Siem is the Chairman of and controls Siem Industries S.A. Siem Industries holds an interest in Subsea 7 and Seaway7. Siem Offshore Rederi AS, 100% owned by the Company, Siem Offshore LLC, 100% owned by the Company and Siem AHTS Pool AS, 78% owned by the Company, have chartered vessels to Subsea 7 and Seaway 7 companies during 2021 and 2020.

The amounts for 2021 and 2020 also include management services and crew service to subsidiaries of Siem Europe S.à r.l. and to Subsea 7 and Seaway 7 companies.

<b>Purchase of service</b> <i>(Amounts in USD 1,000)</i>	<b>CONSOLIDATED</b>	
	<b>2021</b>	<b>2020</b>
Service from entity where director has ownership	602	1,398
<b>Total</b>	<b>602</b>	<b>1,398</b>

Services purchased from related parties for 2021 were mainly cost for corporate management services and Board fees. Service from entity where director has ownership consist of Board fees from Siem Industries S.A., management fees from Siem Capital UK Ltd and Siem Kapital AS, all three 100% owned by Siem Europe S.à r.l. For 2020 the cost also related to service from the yard Flensburger Schiffbau GmbH and bare boat expenses charged from Siem Oil Service Invest Norway AS (20% owned by a subsidiary of Siem Industries S.A.)

These transactions were at arm's length.

<b>Balance sheet items following purchase and sale of service</b> <i>(Amounts in USD 1,000)</i>	<b>CONSOLIDATED</b>	
	<b>2021</b>	<b>2020</b>
Accounts receivable	5,466	598
Accounts payable	537	822



## Notes to the accounts

<b>Current loan to related parties</b>	<b>CONSOLIDATED</b>	
<i>(Amounts in USD 1,000)</i>	<b>2021</b>	<b>2020</b>
At January 1	-	710
Instalments	-	-710
Interest expenses	-	2
Interest paid	-	-2
<b>At December 31</b>	<b>-</b>	<b>-</b>

Day OCV Pte Ltd, 100% owned by Siem Europe S.a.r.l. was provided with a loan of USD 4.1 million in 2018. The loan was partly repaid in 2019 and was fully repaid in 2020. The loan was at market terms of interest.

<b>Non-current liability to related parties</b>	<b>CONSOLIDATED</b>	
<i>(Amounts in USD 1,000)</i>	<b>2021</b>	<b>2020</b>
At January 1	38,533	34,895
Drawings	2,288	2,184
Converted to shares	-39,036	-
Interest expenses	521	1,454
<b>At December 31</b>	<b>2,305</b>	<b>38,533</b>

### **Non-current liability**

The Company holds a long-term credit facility in Siem AHTS Pool AS who has drawn a shareholder's loan from its 22% shareholder Singa Star PTE LTD. Interest charged has been added to the principal loan. Per agreement, no instalments or interest payments will fall due till 2025. The loan is unsecured and subordinated to bank debt. The liability is at markets term of interest.



<b>Sale of service</b> <i>(Amounts in USD 1,000)</i>	<b>PARENT COMPANY</b>	
	<b>2021</b>	<b>2020</b>
Service to subsidiaries	1,299	1,336
<b>Total</b>	<b>1,299</b>	<b>1,336</b>

<b>Purchase of service</b> <i>(Amounts in USD 1,000)</i>	<b>PARENT COMPANY</b>	
	<b>2021</b>	<b>2020</b>
Service from subsidiaries	4,482	2,528
Service from associates	250	250
<b>Total</b>	<b>4,732</b>	<b>2,778</b>

Sales to subsidiaries and associates consists of guarantee commissions to Siem Offshore Rederi AS and Secunda Holdings Canada LP.

Service purchased from subsidiaries consists of administrative and corporate services provided by Siem Offshore AS. Service purchased from associates consists of payment for annual fee for remuneration for the services of the Chairman of the Board and cost related to office and administration in the Cayman Islands.

All terms used for above transactions are at arm's length.

<b>Year-end balance sheet items arising from sales and purchases</b> <i>(Amounts in USD 1,000)</i>	<b>PARENT COMPANY</b>	
	<b>12/31/2021</b>	<b>12/31/2020</b>
Receivables from related parties		
Subsidiaries	1,014	2,440
<b>Total</b>	<b>1,014</b>	<b>2,440</b>

<b>Payables to related parties</b>		
Subsidiaries	1,172	-
Associates	-	311
<b>Total</b>	<b>1,172</b>	<b>311</b>

<b>Non-current loan to subsidiaries</b> <i>(Amounts in USD 1,000)</i>	<b>PARENT COMPANY</b>	
	<b>12/31/2021</b>	<b>12/31/2020</b>
At 1 January	-	124,758
Drawings	109,834	8,657
Converted to shares	-175,902	-
Interest charged	3,614	5,351
Provision for bad debt	62,423	-138,795
Exchange rate variations	32	29
<b>At 31 December</b>	<b>-</b>	<b>-</b>

The long-term loan to subsidiaries on 31 December 2021, is with Siem Offshore do Brasil SA and Siem AHTS Pool AS. Provision for 100% of outstanding amount for the long-term loan to Siem Offshore do Brasil SA (USD 24,233) and to Siem AHTS Pool AS (USD 75,412) has been made and is reflected above. In relation with conversion of shares in Siem AHTS Pool AS made in May 2021, the provided amounts was reversed (USD 138,319) and at year-end 2021, a new provision was made.



---

## Notes to the accounts

All loans are at market terms of interest.

<b>Current loan to related parties</b> <i>(Amounts in USD 1,000)</i>	<b>PARENT COMPANY</b>	
	<b>12/31/2021</b>	<b>12/31/2020</b>
At January 1	-	710
Instalments	-	-710
Interest charged	-	2
Interest received	-	-2
<b>At December 31</b>	<b>-</b>	<b>-</b>

Day OCV Pte Ltd, 100% owned by Siem Europe S.a.r.l., was provided with a loan of USD 4.1 million in 2018. The loan was partly repaid in 2019 and was fully repaid in 2020. The loan was at market terms of interest.

<b>Non-current liability to related parties</b> <i>(Amounts in USD 1,000)</i>	<b>PARENT COMPANY</b>	
	<b>12/31/2021</b>	<b>12/31/2020</b>
At January 1	417	-
Interest charged	50	417
<b>At December 31</b>	<b>467</b>	<b>417</b>

The revolving credit facility provided by Siem Industries S.A. was fully repaid in 2019. The credit facility had a limit of USD 12 million and was terminated in April 2021. A new credit facility of USD 12 million was signed in April 2021. The new facility will be reduced by USD 2 million at the last business date of each year commencing 31 December 2021. As such, the facility is USD 10 million at year-end 2021 and is undrawn. The liability above reflects the accrued cost under the previous facility.

The credit facility is at market terms of interest.



---

## Note 15

### Derivative Financial Instruments

### Assets (Liabilities)

PARENT COMPANY				CONSOLIDATED			
12/31/2021		12/31/2020		12/31/2021		12/31/2020	
		<i>(Amounts in USD 1,000)</i>					
Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
-	-	-	1,833	-	-	-	1,833
-	-	-	-	-	-	-	18,829
-	-	-	<b>1,833</b>	-	-	-	<b>20,662</b>

#### Derivatives related to the Senior Unsecured Convertible Bond, interest and cross currency swaps

The Company and the Parent Company completed a financial restructuring in Q2 2021. As part of the agreement with the lending banks and convertible bond holders all of the Company's and Parent's derivatives related to the convertible bond, the forward currency contracts, interest rate swaps and cross currency swaps were settled and terminated.



---

Notes to the accounts

---

**Note 16**  
Guarantees

PARENT COMPANY			CONSOLIDATED	
12/31/2021	12/31/2020	(Amounts in USD 1,000)	12/31/2021	12/31/2020
-	-	Guarantees related to tax-disputes, Brazil	686	686
606,880	815,504	Guarantees for debt in subsidiaries	-	-
<b>606,880</b>	<b>815,504</b>	<b>Total guarantees</b>	<b>686</b>	<b>686</b>

Guarantees related to disputes and ongoing tax-cases have been raised per request from Brazilian tax-authorities.

---

**Note 17**  
Operating Expenses

PARENT COMPANY			CONSOLIDATED	
2021	2020	(Amounts in USD 1,000)	2021	2020
-	-	Vessel crew expenses	90,992	90,923
-	-	Other vessel operating expenses	43,123	52,061
5,271	3,114	General and administration	19,793	19,600
<b>5,271</b>	<b>3,114</b>	<b>Total operating expenses</b>	<b>153,909</b>	<b>162,584</b>



## Note 18

### Salaries and Wages, Number of Employees

Personnel expenses (1) (Amounts in USD 1,000)	CONSOLIDATED	
	2021	2020
Salaries and wages	74,980	77,983
Government grants - net wages arrangement in Norway	-4,756	-4,012
Payroll tax	7,372	6,217
Pension costs, see Note 8	1,221	2,128
Other benefit	6,570	6,242
<b>Total personnel expenses</b>	<b>85,386</b>	<b>88,558</b>

(1) Personnel expenses include vessel crew expenses and part of general and administrative expenses, see Note 17.

Government grants is a special Norwegian seamen payroll and tax refund scheme given to Norwegian shipping companies.

The average number of employees in the Company was 1,032 for 2021 (2020: 1,072), including onshore and offshore employees. There are no employees in the Parent.

Payroll registered to the executive management: (Amounts in USD 1,000)	2021	2020
Salary and other short term compensation	1,864	1,583
<b>Total</b>	<b>1,864</b>	<b>1,583</b>

Employees included in the above payroll in 2021 were six (2020: five).



## Notes to the accounts

### Corporate management salaries and other benefits

(Amounts in USD 1,000)

2021	Salary paid	Pension premium	Other benefits	Share options held
CEO Bernt Omdal	371	49	2	24,000
CFO Dagfinn B. Lie	237	41	2	-
CFO Vidar Jerstad	221	32	2	-
COO Tore Lillestø	253	37	2	-
CHRO Tore B. Johannessen	287	32	1	-
CCO Andreas Hageli	259	31	2	-
<b>Total</b>	<b>1,629</b>	<b>222</b>	<b>13</b>	<b>24,000</b>

With effect from 1 August 2021, Vidar Jerstad replaced Dagfinn B. Lie as CFO.

Members of corporate management hold nil shares in the Company (2020: 100, adjusted for the 100:1 reverse split).

(Amounts in USD 1,000)

2020	Salary paid	Pension premium	Other benefits	Share options held
CEO Bernt Omdal	383	32	2	24,000
CFO Dagfinn B. Lie	283	26	2	24,000
COO Tore Lillestø	252	24	2	-
CHRO Tore B. Johannessen	258	33	3	24,000
CCO Andreas Hageli	256	26	2	-
<b>Total</b>	<b>1,432</b>	<b>140</b>	<b>12</b>	<b>72,000</b>

The Board of Directors of Siem Offshore Inc. has authorized the award of two programs of Share Options to key employees of the Company. Options outstanding for 2020 have been adjusted for the 100:1 reverse split in order to present comparable figures.

The total cost for the two programs is zero for 2021 and 2020.

See Note 29 for more information.

### Remuneration to the Board of Directors

The Remuneration paid to the Board of Directors in 2021 was USD 387K (2020: USD 262K). The Chairman is compensated by an annual fee at USD 250K to Siem Industries S.A. The fee includes the remuneration for the services of the Chairman and other cost related to office and administration in Cayman Islands. Each of the other Directors are paid USD40K annually, or pro rata in relation to service part of the year.

### Extraordinary bonus to Directors:

The Board proposes to the AGM to be held on 20 May 2022 that an extraordinary bonus remuneration to be paid to the Directors who served as Directors through the period of financial restructuring. Three of the Directors, for several years, took exceptional risk, exposure and working efforts, leading up to the successful restructuring of the Company in May 2021. The extraordinary remuneration proposal will be at a total cost of USD 102.5K.

### Auditor's remuneration

PARENT COMPANY			CONSOLIDATED	
2021	2020	(Amounts in USD 1,000)	2021	2020
111	29	Audit Fee	423	221
9	22	Audit Fee, Other	38	58
-	11	Tax and legal assistance	17	32
-	-	Other consultants, fees	45	35
<b>120</b>	<b>61</b>	<b>Total auditor's remuneration</b>	<b>523</b>	<b>345</b>



## Note 19 Leases

Siem Offshore has entered into various operating leases for office premises, office machines and communication satellite equipment for the vessels. The lease period for the lease agreements varies and most of the leases contain an option for extension. The interest rates in the calculation of net present values are in the range of 3%-13% depending on the base currency, the nature of the lease and the length of the leasing agreement.

Low value leases and leases with maturity of up to one year from inception are considered insignificant to the financial statements.

There are no leases for the Parent Company.

### Consolidated Statements of Financial Position:

<i>(Amounts in USD 1,000)</i>	CONSOLIDATED
<b>Right of use assets at 01.01.2021</b>	<b>4,771</b>
Additions in 2021	139
Disposal in 2021	-65
The year's depreciation	-1,619
Effect of exchange rate differences	-35
<b>Right of use assets at 31.12.2021</b>	<b>3,192</b>

The balance sheet includes the following amounts relating to leases:

<i>(Amounts in USD 1,000)</i>	12/31/2021	12/31/2020
<b>Right of use assets*</b>		
Land and buildings	1,238	1,841
Vessels and equipment	1,954	2,930
<b>Total Right of use assets</b>	<b>3,192</b>	<b>4,771</b>

\*included in the line item "Vessels and equipment" in the balance sheet.

<i>(Amounts in USD 1,000)</i>	CONSOLIDATED
<b>Lease liability at 01.01.2021</b>	<b>5,088</b>
Additions in 2021	139
Disposal in 2021	-65
Lease payments	-1,927
Interest cost	326
Effect of exchange rate differences	-43
<b>Lease liability at 31.12.2021</b>	<b>3,518</b>

<i>(Amounts in USD 1,000)</i>	12/31/2021	12/31/2020
<b>Lease liabilities**</b>		
Current	1,968	1,978
Non-Current	1,551	3,110
<b>Total Lease liabilities</b>	<b>3,518</b>	<b>5,088</b>



\_\_\_\_\_

## Notes to the accounts

\*\*included in the line item "other liabilities" in the balance sheet.



### Operating Leases as Lessor of vessels:

The total contract backlog as per 31 December 2021 amounts at USD298 million (2020: USD483 million). The amount for 2021 relates to in total 22 Time Charter contracts and 1 Bare Boat Contract. The contract backlog includes firm contracts only, any optional periods have been excluded. For the Time Charter contracts, the service element related to operations of the vessels (crewing, maintenance etc.) is also included in the amounts presented below.

There is no Contract Backlog for the Parent Company.

The contract backlog relates to fiscal years and per vessel segments:

12/31/2021	CONSOLIDATED			
<i>(Amounts in USD 1,000)</i>	2022	2023	2024 onwards	Total
<b>Vessel Segment</b>				
Platform Supply Vessels	14	7	14	35
Offshore Subsea Construction Vessels and WIV	91	51	4	146
Anchor Handling Tug Supply Vessels	5	-	-	5
Brazilian Fleet	14	7	2	23
Canadian Fleet	5	-	-	5
Scientific Core-Drilling Vessel	32	30	22	84
<b>Total</b>	<b>161</b>	<b>95</b>	<b>42</b>	<b>298</b>

12/31/2020	CONSOLIDATED			
<i>(Amounts in USD 1,000)</i>	2021	2022	2023 onwards	Total
<b>Vessel Segment</b>				
Platform Supply Vessels	41	15	22	78
Offshore Subsea Construction Vessels and WIV	77	77	60	214
Anchor Handling Tug Supply Vessels	27	2	-	29
Brazilian Fleet	15	15	9	39
Canadian Fleet	11	4	-	15
Scientific Core-Drilling Vessel	31	28	49	108
<b>Total</b>	<b>202</b>	<b>141</b>	<b>140</b>	<b>483</b>



Notes to the accounts

**Note 20**  
**Financial Items**

PARENT COMPANY			CONSOLIDATED	
2021	2020	(Amounts in USD 1,000)	2021	2020
<b>Financial income</b>				
5,332	7,585	Interest income	3,240	3,855
91,553	-	Restructuring effects 1)	91,553	-
-	-	Dividend	1,546	-
12,511	9,465	Other financial income	388	3,306
<b>109,396</b>	<b>17,050</b>	<b>Total financial income</b>	<b>96,727</b>	<b>7,161</b>
<b>Financial expenses</b>				
-2,408	-5,956	Interest expenses	-24,187	-50,297
-70,910	-294,664	Impairment of shares and receivables from subsidiaries	-	-
-1,562	-647	Other financial expenses	-4,386	-5,218
<b>-74,880</b>	<b>-301,267</b>	<b>Total financial expenses</b>	<b>-28,573</b>	<b>-55,514</b>
<b>Other financial items</b>				
-862	-3,739	Net currency gain/(loss)	-4,531	-29,434
<b>-862</b>	<b>-3,739</b>	<b>Total currency gain/(loss)</b>	<b>-4,531</b>	<b>-29,434</b>
<b>33,654</b>	<b>-287,956</b>	<b>Net Financial Items</b>	<b>63,623</b>	<b>-77,787</b>

1) Gain related to debt converted to equity represents the difference between book value of loans and obligations at 26 May 2021 that were converted to equity, and the fair value of shares issued used to settle these liabilities.

The weighted average cost of debt for the Company was approximately 3.3% (2020: 3.4%) at 31 December, including the effect of any fixed interest rate swap agreements.

**Derecognition of financial liabilities**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different in which case a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

**Restructured debt terms**

The Company's debt was restructured 26 May 2021, replacing a financial debt standstill agreement of April 2020. Financial debt, including bond loans, borrowings and financial derivatives at a total of USD 269 million was converted into 22,950,466,494 New Shares at a conversion rate of NOK 0.10 per share. Following the debt-to-equity conversion the New Shares represented around 96% of the Company's shares.

In order to calculate the restructuring gain, the fair value of the shares issued had to be estimated. As a consequence of anomalies in the market price of the shares leading up to the conversion, the Company concluded to adopt the Oslo Stock Exchange weighted average rate on 27 May 2021, being the first day of trading following the share issue, as the basis for a fair value estimate. The average weighted price was NOK 0.065962 per share, compared to the conversion rate of NOK 0.10, representing 65.962%. Of the total debt of USD 269 million, USD 177.4 million (representing 65.962%) was reclassified into the Company's equity accounts, and USD 91.6 million was recognized as financial income.



Consideration was made whether the amended terms of the continuing loan facilities, were materially changed and that, in fact, these for accounting purposes were deemed to have been fully repaid and replaced by new loans. The Company concluded that the effects on the NPV of the loans following the new terms were less than 10%, due to no change in interest or margins. The Company will continue to account for these using the original effective interest rate.

The Company has agreed restructured terms with the equitized lenders. The restructured terms shall remain in force till 31 December 2024, corresponding to extended maturity of the restructured facilities. Financial covenants include minimum available cash at USD 25 million and a minimum Book Equity Ratio of the Company at 10%. Other terms relate to vessel buy-out options, no-dividend clause, restrictions on investments in assets, restrictions to acquisitions of shares and business undertakings, negative pledge, restrictions to selling or otherwise disposal of assets, no equitization of the Brazilian facilities, financial indebtedness, change of control clause, PIK-interest arrangements and three Cash Sweep Mechanisms. One Facility Cash Sweep, one SAP (Siem ATHS Pool AS) Cash Sweep and one Company Cash Sweep.

In the Facility Cash Sweep, each of the Facilities Agreements (other than the SAP Facilities Agreements) were amended to include a cash sweep mechanism where 100 % of the excess cash in respect of the vessel(s) financed by the relevant Facilities Agreement shall be applied towards payments under the relevant facilities. In the SAP Cash Sweep Cash each of the SAP Facilities Agreements were amended to include a cash sweep mechanism, where 100 % of the aggregate excess cash in respect of all the SAP vessels shall be applied towards payments under the relevant SAP facilities. In the Company Cash Sweep, each of the Facilities were amended to include a cash sweep mechanism where 100 % of the Company excess cash shall be distributed towards payments of standstill deferred amounts, thereafter on a pro rata basis between the relevant Facilities Agreements. There are mandatory prepayment clauses related to sale or loss of vessels. The Cash Sweeps shall not take the Company's cash position below USD 60 million (compensated for budgeted vessel operational cost). The cash sweep mechanism applies bi-annually. Upon the first cash sweep in Q3 2021, the Company paid USD 29 million to the lenders as settlement related to deferred interest and principal installments.



Notes to the accounts

**Note 21**  
Earnings/(loss) per Share

<i>(Amounts in USD 1,000)</i>	CONSOLIDATED	
	2021	2020
Weighted average number of shares outstanding (1,000)	147,050	9,347
Weighted average number of shares diluted (1,000)	147,050	9,347
Result attributable to shareholders	107,858	-298,866
<b>Earnings/(loss) per share attributable to equity shareholders</b>	<b>0.73</b>	<b>-31.97</b>
<b>Earnings/(loss) per share diluted attributable to equity shareholders</b>	<b>0.73</b>	<b>-31.97</b>

Note: Weighted average number of shares for 2020 has been adjusted for the 100:1 reverse split in order to present comparable figures.

**Note 22**  
Assets Held for Sale

<i>(Amounts in USD 1,000)</i>	CONSOLIDATED	
	2021	2020
Net book value per 1 January	-	715
The year's disposal at cost	-	-715
<b>Net book value per 31 December</b>	<b>-</b>	<b>-</b>

**2021**

No assets held for sale per 31.12.2021.

**2020**

"Burin Sea" and "Trinity Sea", two of the Canadian vessels were sold in December 2019, with delivery in 2020, and the disposal is the capitalized sales cost for these two vessels.



---

## Note 23

### Other Gain/(Loss) on Sale of Assets

PARENT COMPANY			CONSOLIDATED	
2021	2020	<i>(Amounts in USD 1,000)</i>	2021	2020
-	-	Gain/(loss) on sale of assets, net	997	655
-	-	<b>Total</b>	<b>997</b>	<b>655</b>

#### 2021

The net gain for the Company on sale of assets of USD 0.997 million is from the sale of the AHTS vessels "Siem Diamond" and "Siem Garnet", and from the sale of the PSV "Siem Hanne".

#### 2020

The net gain for the Company on sale of assets of USD 0.655 million is from the sale of the Canadian vessels "Trinity Sea", "Burin Sea" and "Venture Sea", and from the sale of two A-frames.



## Notes to the accounts

### Note 24

#### Listing of the 20 Largest Shareholders as of 31 December 2021

Shareholder	Number of shares	Owner interest
Siem Sustainable Energy S.à r.l.	80,260,604	33.60%
Støperigata Holding AS	77,743,160	32.55%
BNP Paribas Securities Services	13,776,384	5.77%
Citibank Europe PLC	10,892,058	4.56%
Caceis Bank	7,223,101	3.02%
MP Pensjon PK	6,178,623	2.59%
Banque Pictet & Cie SA	2,249,390	0.94%
Euroclear Bank S.A./N.V.	2,227,912	0.93%
Verdipapirfondet SR-Bank Kreditt	2,165,862	0.91%
Steinar Grønland	2,097,130	0.88%
Nordnet Livsforsikring AS	1,377,821	0.58%
Siem Foundation	1,065,475	0.45%
Stratos Investments LTD.	981,658	0.41%
Ace Crown International Limited	955,654	0.40%
Einar Kristian Tveitå	891,326	0.37%
Dag Kristian Vollstad	886,200	0.37%
State Street Bank and Trust Comp	795,764	0.33%
Tejø Invest AS	742,000	0.31%
Drøbak Invest AS	714,664	0.30%
Thorbjørn Hasselgård	612,833	0.26%
<b>Total 20 largest shareholders</b>	<b>213,837,619</b>	<b>89.53%</b>
Other shareholders	25,014,433	10.47%
<b>Total number of outstanding shares</b>	<b>238,852,052</b>	<b>100.00%</b>

Siem Sustainable Energy S.à r.l. is the main shareholder of Siem Offshore Inc and is controlled by Mr Kristian Siem, who is the Chairman of the Company and is also the Chairman of Siem Industries S.A., the ultimate parent company of Siem Sustainable Energy S.à r.l.



## Note 25 Subsequent Events

### February 2022:

- Awarded a 6-month extension for the Canadian vessel "Avalon Sea", securing continued operations well into Q4 2022.

### March 2022:

- Announced a plan for a re-domiciliation of the company whereby a new Norwegian holding company will be established for the SIOFF group.
- Awarded a 3-year agreement plus options for the Well Intervention Vessels "Siem Helix 1" and a 5-year agreement plus options for "Siem Helix 2", securing continued operations well into Q1 2025 and into Q1 2027 respectively.
- Siem Offshore do Brasil has been notified of the final unfavorable decision of a Brazilian court in a lawsuit filed against Petrobras. The case is related to late delivery of the vessel Siem Maragogi from yard back in 2015. A late delivery penalty charge was imposed by Petrobras on

Siem Offshore do Brasil. The penalty charge has been accrued for in previous years' accounts and will not have any impact on the Profit and Loss account for 2022. The unfavorable decision of the court will have a negative cash effect equivalent to USD 4.8 million.

- Awarded a contract for the OSCV "Siem Spearfish", securing continued utilization well into the second quarter of 2022.
- Awarded a contract for the AHTS "Siem Sapphire" for contract in Taiwan, securing firm utilization well into the third quarter of 2022, plus options.
- The war in Ukraine have so far not had any material effect on the operations of the Company. The Company observes indications of shortages of experienced crew and escalation of crew costs due to shortages of Ukrainian and Russian crew. Drilling campaigns in Russia will probably go ahead without European tonnage thus more vessel availability during the summer season.

## Note 26 Gain/(Loss) on Currency Derivative Contracts

PARENT COMPANY			CONSOLIDATED	
2021	2020	(Amounts in USD 1,000)	2021	2020
-	-	Unrealized gain/(loss)	-	12,039
-	14	Realized gain/(loss)	204	-14,009
-	14	<b>Total</b>	<b>204</b>	<b>-1,970</b>

Further details related to the currency derivative contracts are set out in Note 15.



## Notes to the accounts

### Note 27 Financial Instruments by Category

Below is a comparison by category for carrying amounts and fair values of all of the Company's financial instruments.

31 Dec 2021		
<i>(Amounts in USD 1,000)</i>	Financial assets at amortized cost	Total
<b>Assets as per statement of financial position</b>		
Accounts receivable	34,097	34,097
Other short term receivables	3,751	3,751
CIRR Loan deposits	36,763	36,763
Long term receivables	19,393	19,393
Cash and cash equivalents	91,839	91,839
<b>Total</b>	<b>185,842</b>	<b>185,842</b>

Prepayments do not qualify as a financial instrument and are not included in above amount. Excluded prepayments amount to USD 24.6 million. Also see Note 9.

31 Dec 2021		
<i>(Amounts in USD 1,000)</i>	Other financial liabilities	Total
<b>Liabilities as per statement of financial position</b>		
Accounts payable	13,542	13,542
Borrowings	624,246	624,246
CIRR Loans	36,763	36,763
Other non-current liabilities	12,776	12,776
Other current liabilities	26,770	26,770
Other current provision	16,696	16,696
Adjustments for liabilities that do not qualify as a financial instrument (1)	-12,719	-12,719
<b>Total</b>	<b>718,075</b>	<b>718,075</b>

(1) Non-financial liabilities do not qualify as a financial instrument and are not included in above amount. Excluded liabilities amount to USD 12,719 consisting of USD 421 in Tax liability, USD 1,014 in Pension Liability, USD 2,374 in Social Security Payable, USD 971 in Tax payable, USD 3,581 in Unearned Income and USD 4,360 in Accrued Interest. See Note 13 for information about Social Security Payable and Unearned Income.



31 Dec 2020	CONSOLIDATED	
<i>(Amounts in USD 1,000)</i>	Financial assets at amortized cost	Total
<b>Assets as per statement of financial position</b>		
Accounts receivable	29,843	29,843
Other short term receivables	5,127	5,127
CIRR Loan deposits	45,946	45,946
Long term receivables	22,244	22,244
Cash and cash equivalents	103,225	103,225
<b>Total</b>	<b>206,384</b>	<b>206,384</b>

Prepayments do not qualify as a financial instrument and are not included in above amount. Excluded prepayments amount to USD 24,575, see Note 9.

31 Dec 2020	CONSOLIDATED		
<i>(Amounts in USD 1,000)</i>	Liabilities at fair value through the profit or loss	Other financial liabilities	Total
<b>Liabilities as per statement of financial position</b>			
Accounts payable	-	13,654	13,654
Borrowings	-	1,030,787	1,030,787
CIRR Loans	-	45,946	45,946
Other non-current liabilities	-	15,381	15,381
Other current provision	-	15,317	15,317
Other current liabilities	-	28,340	28,340
Adjustments for liabilities that do not qualify as a financial instrument (1)	-	-25,597	-25,597
Derivative financial instruments	20,662	-	20,662
<b>Total</b>	<b>20,662</b>	<b>1,123,827</b>	<b>1,144,489</b>

(1) Non-financial liabilities do not qualify as a financial instrument and are not included in above amount. Excluded liabilities amount to USD 25,597 consisting of USD 965 in Taxes Payable, USD 1,100 in Pension Liability, USD 2,749 in Social Security Payable, USD 1,255 in Tax Liability, USD 3,394 in Unearned Income and USD 16,134 in Accrued Interest. See Note 13 for information about Social Security Payable and Unearned Income.



## Notes to the accounts

31 Dec 2021	PARENT COMPANY	
	Financial assets at amortized cost	Total
<i>(Amounts in USD 1,000)</i>		
<b>Assets as per statement of financial position</b>		
Trade and other instruments (1)	3	3
Cash and cash equivalents	33,362	33,362
<b>Total</b>	<b>33,365</b>	<b>33,365</b>

(1) Prepayments do not qualify as a financial instrument and are not included in above amount. Excluded prepayments amount to USD zero. See Note 9.

31 Dec 2021	PARENT COMPANY	
	Other financial liabilities	Total
<i>(Amounts in USD 1,000)</i>		
<b>Liabilities as per statement of financial position</b>		
Accounts payable	36	36
Adjustments for liabilities that do not qualify as a financial instrument (1)	-727	-727
Other current liabilities	1,965	1,965
<b>Total</b>	<b>1,274</b>	<b>1,274</b>

(1) Non-financial liabilities do not qualify as a financial instrument and are not included in above amount. Excluded liabilities amount to USD 727 consisting of USD466 in Accrued Interest and USD260 in provision.

31 Dec 2020	PARENT COMPANY	
	Financial assets at amortized cost	Total
<i>(Amounts in USD 1,000)</i>		
<b>Assets as per statement of financial position</b>		
Trade and other instruments (1)	1,613	1,613
Cash and cash equivalents	51,777	51,777
<b>Total</b>	<b>53,390</b>	<b>53,390</b>

(1) Prepayments do not qualify as a financial instrument and are not included in above amount. Excluded prepayments amount to 14. See Note 9.

31 Dec 2020	PARENT COMPANY		
	Liabilities at fair value through the profit or loss	Other financial liabilities	Total
<i>(Amounts in USD 1,000)</i>			
<b>Liabilities as per statement of financial position</b>			
Borrowings falling due after 1 year	-	86,425	86,425
Borrowings falling due within 12 months	-	43,664	43,664
Accounts payable	-	147	147
Derivatives	1,833	-	1,833
Other current liabilities	-	311	311
<b>Total</b>	<b>1,833</b>	<b>130,547</b>	<b>132,380</b>



---

## Note 28 Inventories

PARENT COMPANY			CONSOLIDATED	
12/31/2021	12/31/2020	(Amounts in USD 1,000)	12/31/2021	12/31/2020
-	-	Fuel	2,041	1,854
-	-	Spareparts	2,483	2,830
-	-	<b>Total inventories</b>	<b>4,524</b>	<b>4,684</b>

---

## Note 29 Share-based Payments

The Company has entered into two Share option agreements with selected key employees, at 13 January 2013 and 2 April 2014. The exercise period shall in no event be later than the date falling 10 years after the award dates.

In 2020 and 2021, no cost was recognized under Retained earnings related to value of employee services, as the vesting period for these option programs ended in 2018 and 2019. In 2021 a reversal of employers contribution expenses of USD 22k was recognized in the income statement for share options granted to certain employees.

No options have been exercised since the start of the Option Agreement. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

Since the share option programs were awarded, seven members of the option programs have left the Company. As per 31 December 2021, 24,000 share options are outstanding at an average exercise price of NOK 855. Options outstanding and exercise price have been adjusted for the 100:1 reverse split in order to present comparable figures.



---

## Environmental, Social and Governance (ESG)

---

---

### Introduction

Siem Offshore's vision is "To be the leading provider and the most attractive employer within our business".

To live up to our vision, we constantly strive to fulfil our stakeholders' expectations through actively promoting a safety conscious working environment amongst our employees. We shall care about our environmental footprint, being committed to seeking solutions for how we can contribute to its reduction. Lastly, we shall support personal development regardless of gender and background. These principles are at the core of our daily operations. Throughout this report, we present the most important environmental, social and governance performance parameters relevant for our stakeholders.

The complete ESG report is available on [www.siemoffshore.com](http://www.siemoffshore.com)

Siem Offshore has worked actively with ESG initiatives for several years. To better cooperate and coordinate the work throughout the whole organization, an ESG Group was established in October 2021. The Group consists of our Finance Director, HR Director, Operations Manager, Business Development Manager and HSEQ & Compliance Advisor. In addition, in order to strengthen the team's focus and priority, a dedicated ESG Director is part of the organization from 1 March 2022. An important part of the group's work is to raise the awareness regarding sustainability to further promote this matter throughout our daily operations.

Our Corporate Code of Business Conduct "The Siem Way" was updated in 2021. It gives guidance on how to behave when conducting our daily business activities related to human rights, whistleblowing, fair and equal treatment, conflict of interest, anti-bribery, anti-corruption, antitrust and competition, trade restrictions, export controls, boycott regulations and insider trading.

---

### ENVIRONMENTAL

#### Emissions and Energy Reduction

Through our Health, Safety, Environment & Quality Policy, we confirm that we strive to minimize the impact of our operations to the environment and strive for zero spills. We report our emissions to IMO DCS and are in compliance with MARPOL Annex VI, reg. 14 and IMO Global Sulphur Cap 2020 by using low Sulphur marine gas oil only.

In 2021 Siem Offshore set the following long-term environmental goals:

- To cut our greenhouse gas emissions by 50 percent per unit by 2030 compared to 2008
- Only order vessels with zero emission technology from 2030
- Climate neutral fleet from 2050

The company keep searching for solutions to reduce our greenhouse gas emissions and carbon footprint. We need a combination of solutions to reach our goals, and presently we do not have the all the answers. Through internal KPIs, Improvement plans and Ship Energy Efficiency plans, we constantly monitor and find areas for improvement. We actively search for ways to optimize the energy efficiency and reduce our carbon footprint.

#### Shore power in port

Presently seven vessels have shore power system installed. The initiative leads to zero greenhouse gas emissions/local particle emissions. In addition, noise is considerably reduced for the benefit of crew and the local community.

#### Hybrid battery power system

In July 2021, as the first vessel in our fleet, the PSV "Siem Symphony" had hybrid battery power system installed. More vessels will follow in 2022.

#### Regular hull cleaning

We will conduct regular vessel hull inspections and subsequent cleaning if deemed necessary. An efficient tool to control the biofouling risk and to optimize our vessels' fuel performance. This is another step in the right direction towards



reducing our environmental footprint. Intervals will be defined in the vessel's maintenance programs.

#### **Use biogas (LBG) on PSV LNG**

We have done the first tests of climate neutral bio-gas as fuel on "Siem Symphony", with excellent results. In cooperation with a client, preparations have been done for the use of LBG on "Siem Pride".

#### **Yearly fuel oil (FO) campaign**

Through our monitoring system we run yearly fuel oil campaigns. Reduced emissions are positive both for the environment and our clients, and it seems to strengthen the team spirit on board. This year's campaign took place 1 June – 15 July, with the positive results.

#### **Biodiversity and Marine Pollution**

With vessels operating world-wide, biofouling management is important. We comply with the IMO International Convention for the Control and Management of Ship's Ballast Water and Sediments, and all our vessels are equipped with an International Ballast Water Management Certificate. We conduct regular hull inspections on board our vessels and perform hull cleaning when necessary. By having regular inspections and monitoring, we control the biofouling risk and can optimize our fuel performance, which benefits both our clients and the environment.

#### **Ship recycling**

When vessels are recycled, we ensure to comply with all regulations in the Hong Kong International Convention, the Basel Convention, EU Ship Recycling Regulations and EU Waste Shipment Regulations.

The inventory of hazardous materials on Siem Offshore's fleet are compiled and maintained by support from external partners. This assists Siem Offshore to show continuous improvement for a long-term sustainability regarding health, safety, and environmental objectives throughout the value chain and life cycle of vessel.

No vessels were recycled in 2021. Two were recycled in 2020.

#### **Waste generated across the fleet**

The company has worked actively to reduce the amount of waste on board the vessels. Several initiatives have been implemented. Our suppliers are also encouraged to seek environmentally friendly solutions. Waste handling is strictly regulated on board and handled according to MARPOL regulations. We register high attention among crew members and that the subject is often discussed on the vessels' safety meetings.

## **SOCIAL**

#### **Accidents, Safety and Labour Rights**

Through our "Health, Safety, Environment and Quality Policy" and "Personnel and Crew Management Policy", we clearly state our commitment to provide a safe workplace for all employees. Health and safety for our employees are the top priorities.

Safety work is a continuous job and affects all employees, both on- and offshore. As described in our HSEQ policy: "Everyone has the obligation to stop or delay activities that may place him/her or others at risk of being injured, or which could lead to harm to the environment or damage to the equipment."

Through regular safety meetings on board, all employees play an active and important role to create a safe working-place. Lessons learned circulars, sharing of experience and safety campaigns are important tools in the safety work and are distributed regularly throughout the fleet. We have procedures in place for management of contractors and prequalification of yards, to ensure that health and safety issues are in compliance with our standard for employees outside our organization.

To have well qualified and competent employees are important factors to maintain a high standard and safe operations on- and offshore. All vessels have their specific training matrices to ensure that all requirements (regulatory, client requested and internal) are met. A training matrix is also developed for onshore personnel, and the company emphasizes personal development and encourages employees to strengthen their competence. Furthermore, the management team started a one-year leader development program in 2021. The goal is to strengthen the management team and develop their leadership abilities to the benefit of the company and the employees.

We ensure that all our seafarers have good working conditions according to international regulations, conventions and industry standards. The various regulations cover conditions of employment, medical care, social security protection as well as standards for accommodation, recreational facilities, food and catering on board. All vessels operating in international waters comply with the Maritime Labour Convention (MLC).

Some of our seafarers are directly employed. In addition, the company cooperates with several crewing agencies, which allow us to have competent personnel on all our vessels worldwide. This includes local content, where required. To ensure good quality and proper conditions for the seafarers, all crewing agencies we cooperate with are certified in accordance with the Maritime Labour Convention. Evaluations and follow-up meetings with the crewing agencies



are conducted regularly to keep a continuous focus and maintain a good cooperation. As part of the company's external audit program, the crewing agencies are also audited on a regularly basis.

Siem Offshore supports freedom of association and the right of collective bargaining. Some of our regions have regular meetings, where representatives from the various trade unions and representatives from the management team attend. Main topics are safety issues and a general brief from the various departments and unions. The climate between the unions and the company has always been fruitful and is based on mutual respect.

In terms of security, Siem Offshore has a stand-alone security policy, stating the commitment to provide a secure working environment for all personnel. The company is organized and certified in accordance with the International Ship and Port Facility Security Code (ISPS). All our ships are issued with flag state approved security plans. When transiting conditional- and high-risk areas, the vessels are prepared and hardened in accordance with 'Best Management Practice 5' (BMP5) and 'Best Management Practice West Africa' (BMP WA), in addition to measures recommended by insurance companies and other stakeholders. Security measures related to crew travels are laid down in the 'Travel Journey Management Plan'. All measures are based on up-to-date information and assessments from reliable sources.

The covid-19 pandemic is still affecting the company, and most of all, our seafarers. During 2021, the company's covid-19 task force continued their regular meetings. The Covid Management Plan, first published 19 March 2020, is updated regularly, as new aspects are discovered and dealt with. The attention is still high, to mitigate the risk for our seafarers and maintain business operations.

Due to the pandemic, the planned Officer Conference was cancelled in 2021. We hope to be able to arrange the conference in 2022, as it is an important arena to strengthen the cooperation between sea and shore. One of the planned topics for next conference is mental health. Due to the pandemic, the last two years have been challenging for our personnel, and we need to pay attention to the longer-term effects of this.

In line with our "Personnel and Crew Management Policy" we continue our effort to give young people an opportunity and recruit young seafarers to our fleet. Young apprentices serve their sea time on board (mainly two years), in order to receive their Certificate of Proficiency. Since 2010, the company has given 79 young people a possibility to stay on board as apprentices. In 2021, 9 apprentices served their sea time on board our vessels.

#### Diversity

Gender equality is a focus area for the company. In 2021 we completed a mapping of our employees, based on gender,

age, part time employment, salary and defined levels, both on- and offshore. The data will be valuable input in the process to define a strategy for gender equality and set short- and long-term goals for work related to this.

## GOVERNANCE

#### Business Ethics and ESG Governance

It is the policy of Siem Offshore to maintain the highest level of ethical standard in the way we conduct our business. We fully support the UN Global Compact Guiding Principles related to human rights, labour, environment and anti-corruption. The company has taken several actions to work towards a transparent, ethical and corruption free business.

Our Corporate Code of Business Conduct "The Siem Way" was updated in 2021. It gives guidance on how to behave when conducting our daily business activities related to human rights, whistleblowing, fair and equal treatment, conflict of interest, anti-bribery, anti-corruption, anti-trust and competition, trade restrictions, export controls, boycott regulations and insider trading.

Introduction to the Code of Business Conduct and other relevant policies is part of the corporate Introduction Program for new employees and is also applicable to partners and suppliers. "The Siem Way" is available on our website: [www.siemoffshore.com](http://www.siemoffshore.com)

To highlight the importance of the subjects, Siem Offshore has stand-alone policies related to HSEQ, security, information & communication technology, anti-bribery, modern anti-slavery, anti-money laundering, conflicts of interest, competition compliance, dealing and sanctions. A separate whistleblowing policy is in place, which aim is to provide an internal mechanism for reporting, investigating and remedying any wrongdoing in Siem Offshore. In 2021, 0 reports were received.

Several procedures ensure that our suppliers and major contractors fulfil our requirements described in our Code of Business Conduct. To strengthen our supply chain management, the company entered into an agreement with the procurement organization Incentra in 2021. Incentra is owned by Norwegian shipowners and ship managers. The goal is to establish and manage long term framework agreements with quality suppliers. Incentra performs prequalification and audits of all suppliers, to secure that the quality standards are met.

The company keeps high attention towards third parties. To ensure that our business partners meet all our expectations and operate within the law, a dedicated compliance advisor conduct risk based due diligence before new contracts are agreed. The online system Dun & Bradstreet is used to access information about a company's credit risk, as



well as the corporate hierarchy. Refinitiv World Check One is used for due diligence in order to screen counterparts regarding sanctions and other penalties.

Siem Offshore has a zero tolerance for bribery and corruption. To maintain a continuous focus, yearly mandatory anti-bribery training is implemented for all seafarers. All onshore staff complete mandatory bribery prevention and economic sanctions courses yearly.

Cyber security is without doubt an area which needs high attention. In 2021, a Cyber Security Plan was established and awareness training for on- and offshore shore staff was rolled out. During the year we have had several cyber-attack attempts, but through good routines, plans and procedures, we have managed to stop them all. Through "Lesson Learned" circulars, the organization are made aware of the challenges and given tools to mitigate the risk for future attempts.

---

## OUTLOOK

Most importantly, we will continue to maintain and promote our strong safety culture, as the safety of our personnel is of utmost importance.

In 2022 we will install hybrid battery power packages on the platform supply vessels "Siem Pride", "Siem Thiima" and on our offshore construction vessel "Siem Stingray".

Further, we will consider to install same on the platform supply vessel "Siem Giant".

We will continue to evaluate future alternative energy sources for our vessels, such as hydrogen-based fuels, and the applicability of the various alternatives from technical and environmental perspectives.

Through digitalized solutions, we will continue to improve vessel monitoring and environmental performance, allowing for increased efficiency and reduced emissions.

We will continue to conduct annual anti-bribery training for all seafarers and shore personnel, to keep the focus and awareness on alert. In addition, we will arrange a tailor-made online training for all employees, sea and shore, on our updated Code of Business Conduct, "The Siem Way".

We are committed to support diversity and gender equality in line with our principles.

In 2022 the ESG work will mature, and a long-term strategy will be defined. Siem Offshore will maintain its focus on continuous development.



To the General Meeting of Siem Offshore Inc.

## *Independent Auditor's Report*

### *Report on the Audit of the Financial Statements*

#### *Opinion*

We have audited the financial statements of Siem Offshore Inc., which comprise:

- The financial statements of the parent company Siem Offshore Inc. (the Company), which comprise the statements of financial position as at 31 December 2021, the income statement, statement of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Siem Offshore Inc. and its subsidiaries (the Group), which comprise the statements of financial position as at 31 December 2021, the income statement, statement of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

#### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo  
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no  
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Independent Auditor's Report - Siem Offshore Inc.



accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 18 years from the election by the general meeting of the shareholders on 1 July 2005 for the accounting year 2005.

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The Company's and the Group's business activities have remained largely unchanged during 2021. We have not identified regulatory changes that qualify as new Key Audit Matters for 2021. *Impairment assessment of vessels* has approximately the same characteristics as last year and continues to be in our focus. In addition, the Company has converted debt to equity in a financial restructuring. Consequently, *Debt conversion due to Financial Restructuring* has also been a key focus area during 2021.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Impairment assessment of vessels</i></p> <p>Refer to note 3 (Critical Accounting Estimates and Judgements) and note 5 (Vessels, Equipment and Capitalized Project Cost), where management give further detail and explain their impairment testing.</p> <p>As of 31 December 2021, the Group owns or operates Offshore Support Vessels ("OSV") with a combined carrying amount of USD 844,652 thousands, which represents approximately 79% of total asset values.</p> <p>As of 31 December 2021, impairment indicators were identified. Impairment indicators include some vessels still being in lay-up, volatile charter rates and utilization, and that the quoted market value of the Company is below book value of equity. Based on such indicators, impairment tests were performed for all OSV vessels. No impairment charges were</p>	<p>We evaluated and challenged management's impairment assessment and the process by which this was performed. We assessed management's accounting policy against IFRSs and obtained explanations from management as to how the specific requirements of the standards, in particular IAS 36 – Impairment of assets, were met. We also satisfied ourselves regarding the consistency year on year of the application of the accounting policy.</p> <p>In order to assess each of the significant assumptions in management's value in use forecast, we interviewed management and challenged their assessments. For certain key assumptions we specifically used:</p> <ul style="list-style-type: none"><li>External market data to assess the assumptions used to build the discount rate. We considered that the discount rate used was within an appropriate range. We checked the consistency of the use of the discount rate against all vessels and tested the mathematical accuracy of its application in the value in use calculations.</li><li>Current and historical external market data, where available, to corroborate the charter rates used by</li></ul>

(2)



Independent Auditor's Report - Siem Offshore Inc.



recognized, and no impairment was recorded in 2021.

We focused on this area due to the significant carrying amount of the vessels and the judgement inherent in the impairment review. Management made judgements on the discounted future cash flow forecasts in the value in use model and certain key inputs including discount rate, future freight rates and terminal values of the vessels.

In addition to value in use calculations, management has obtained broker estimates for all the group's vessels from two independent shipbrokers per 31 December 2021. The obtained broker estimates were primarily used as input to compare and test the reasonableness of management's value in use calculations.

*Refer to note 20 (Financial Items) where management gives further detail about the financial restructuring.*

Refer to note 20 (Financial Items) where management gives further detail about the financial restructuring.

The Company's debt was restructured 26 May 2021. The transaction resulted in existing owners reducing their ownership significantly, to approximately 4% of the outstanding shares after the restructuring. Further, the transaction resulted in a substantial increase in equity with approximately 66% of the restructured debt being reclassified into the Company's

management. We challenged management on their assessment of market rates, including expected timing and extent of future increase in charter rates. Further, we tested the charter rates used by management for reasonableness by comparing these rates with historical average rates. We also corroborated management's assessment with external market reports where possible. We considered that charter rates used by management were within an appropriate range.

Our procedures also included sensitivity analysis to key assumptions applied. We note that impairment assessment is sensitive to changes to the assumptions above.

A considerable part of the vessels has been written down to estimated value in use previous years, and the assessment will therefore be sensitive to changes in several of the assumptions used in the cash flow prognoses. The challenging market situation and continuous price pressure on the company's services contribute to considerable uncertainty in the assumptions used in the model.

Management compiled broker valuation certificates for the vessels. We satisfied ourselves that the external brokers had both the objectivity and the competence to provide the estimate. No matters of consequence arose from the procedures above.

We evaluated the appropriateness of the related disclosures and satisfied ourselves that the disclosures appropriately explained the valuation.

We evaluated management's assessment. We assessed management's accounting policy against IFRSs and obtained the company's evaluation of how specific requirements of the standards, in particular IFRS 9 – Financial Instruments, were met.

We assessed management's decision to use the average share price for the day after the conversion as a basis for the fair value assessment of the shares. We consider the fair value assessment to be within an appropriate range.

(3)



Independent Auditor's Report - Siem Offshore Inc.



equity accounts, and the remaining 34% was recognized as financial income.

We focused on the area due to the significance of the transaction to the financial statements, the accounting complexity of the restructuring including significant judgment used by the group to assess fair value of shares converted.

We recalculated the gain from the conversion being the difference between the carrying amount of the financial debt converted and the estimated fair value of shares issued. We also assessed whether the group's remaining debt being amended rather than being recognized as new debt. We consider management assessment to be appropriate.

We obtained and assessed new agreements based on the restructuring and the corresponding loan agreements.

We evaluated the appropriateness of the related disclosures and satisfied ourselves that the disclosures appropriately explained the financial restructuring and consequences for the group going forward.

*Other Information*

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance.

*Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

(4)



Independent Auditor's Report - Siem Offshore Inc.



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

*Auditor's Responsibilities for the Audit of the Financial Statements*

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

(5)



Independent Auditor's Report - Siem Offshore Inc.



We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### *Report on Other Legal and Regulatory Requirements*

#### *Report on compliance with Regulation on European Single Electronic Format (ESEF)*

##### *Opinion*

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name 549300NYGU1CE7UICM69-2021-12-31-EN.zip have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

##### *Management's Responsibilities*

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

##### *Auditor's Responsibilities*

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 21 April 2022  
**PricewaterhouseCoopers AS**

Bjørn Lund  
State Authorised Public Accountant

(6)



---

## Responsibility Statement

We confirm, to the best of our knowledge that the financial statements for the period 1 January to 31 December 2021 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the group taken as a whole. We also confirm that the Board of Directors' Report includes a true and fair review of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group.

21 April 2022

**Kristian Siem**  
Chairman  
(Sign.)

**Barry W. Ridings**  
Director  
(Sign.)

**Alexander Monnas**  
Director  
(Sign.)

**Kenneth Ross**  
Director  
(Sign.)

**Peter Ditlef Knudsen**  
Director  
(Sign.)

**Bernt Omdal**  
Chief Executive Officer  
(Sign.)



---

## Board of Directors

The Company has a Board of five Directors. Members of the Company's management are not members of the Board, but the Company's management does attend Board meetings.

---

---

### Kristian Siem (born 1949), Chairman

Mr. Siem brings an extensive knowledge of the offshore oil and gas service industry worldwide from previous senior executive and non-executive roles combined with long-standing experience as chairman of public companies listed in the USA, UK and Norway. Mr. Siem is the founder of the Siem Industries Group and has been Director and Chairman of Siem Industries since 1982. He is also Chairman of Subsea 7 S.A. Mr. Siem has held positions at Kvaerner ASA as CEO and director, Transocean Inc. as Chairman and director and Norwegian Cruise Line as Chairman. He holds a degree in Business Economics. Mr. Siem is a Norwegian citizen.

---

### Barry W. Ridings (born 1953), Board Member

Mr. Ridings is a Senior Advisor at Lazard Frères & Co. LLC. Previously, he was Vice Chairman of US Investment Banking and Co-Head of its Restructuring advisory practice. He is also a Board Member of Siem Industries S.A., iStar Financial (a US based REIT) and Republic Airlines (a region airline and code share partner of United, American and Delta). He was formerly a member of the Board of Directors of the American Stock Exchange and a member of the NASDAQ Listing and Hearing Review Council. Mr. Ridings has a M.B.A. in Finance from Cornell University and a B.A. in Religion from Colgate University. Mr. Ridings is a US citizen.

---

### Alexander Monnas (born 1951), Board Member

Mr. Monnas is a non-executive advisor to Daiwa Capital Markets Europe Ltd. Mr. Monnas is also an advisor on

investment and financial matters in Geneva, and on the board of a private trust company. Mr. Monnas has spent over 40 years in the commercial and investment banking industries, specializing in financial markets. He was CEO of Daiwa Securities' European operations from 1994 to 2001, and was a board member of Veripos Inc. from 2012 to 2014. He has a degree in Chemistry. Mr. Monnas is a British citizen.

---

### Kenneth Ross (born 1968), Board Member

Mr. Ross is the COO and Head of shipping in the Siem Group, holding the overall responsibility for ship owning and operational activity including commercial, technical and crew management, and development of solar renewables investmentsship. He is the CEO of Siem Shipowning Inc and Siem Car Carriers AS. Mr. Ross is the Chairman of BSR Group Holdings and of Seven Yield Pte Ltd. He has a BA from Strathclyde Business School, Glasgow. Mr. Ross has been a Director since 29 October 2021. Mr. Ross is a UK citizen.

---

### Peter Ditlef Knudsen (born 1957), Board Member

Mr. Knudsen is founding partner and CEO of NorthCape AS (2012). Mr. Knudsen previously worked as CEO of Oslo listed Camillo Eitzen & Co. ASA, prior to this, he was employed by Nordea Bank (Shipping Offshore and Oil Services) for 15 years, and his last position was as General Manager, Nordea Singapore Branch. Mr. Knudsen is presently a Board member of Oslo listed Paretobank ASA, American Shipping Co. ASA and deputy Chairman of AS Uglands Rederi. Until 2016 Mr. Knudsen was also the Chairman of OSV owner Rem Offshore ASA. He holds an MBA from Arizona State University. Mr. Knudsen has been a Director since 29 October 2021. Mr. Knudsen is a Norwegian citizen.



---

## Financial Calendar 2022

Siem Offshore Inc. will release financial figures on the following dates in 2022:

Q1 2022	Tuesday 31 May
Q2 2022	Thursday 25 August
Q3 2022	Friday 28 October

The Annual General Meeting of the Company will be held on Friday 20 May 2022.



## Alternative Performance Measurement (APM) and other definitions

The Company has identified APMs that are consistently applied for the reporting periods. The APMs are supplementary to the Financial Statements that are disclosed in compliance with IFRS. The APMs are disclosed to give a broader understanding of the operations and associated risk of the Company.

**Operating margin** – Operating margin is the net of operating revenue and operating expenses. For 2021 operating revenues USD254,493 less operating expenses at USD153,909 equals operating margin at USD100,585. The Company considers the operating margin to be a key number when analyzing the fleets operating performance and the margin that can be applied to the finance of capital expenditures, debt service and other cash disbursements.

**Operating margin percentage** – Operating Margin, % is the nominal operating margin calculated as a percentage of operating revenue. For 2021 the operating margin at USD100,585 equals 40% of the operating revenue at USD254,493. The operating margin percentage is used to compare, period by period, the development in relative margin from operations. The operating margin, % is also used for comparing segments' relative performance.

### OTHER DEFINITIONS:

**Contract backlog** – the total, nominal value of future revenues from firm contracts, excluding optional periods. The contract

backlog is categorized per year, and reflects coming years' operating revenues that are considered firm following contracts agreed with clients.

**Utilization** – vessels' effective time on hire relative to total time available in the reporting period, excluding vessels in lay-up. The relative utilization is reflecting the time that a vessel or the fleet has been on hire with clients. Zero utilization is reported when a vessel is off-hire caused by technical issues or when idle, awaiting employment.

**Capital expenditure** – gross capital expenditure related to tangible assets at acquisitions, upgrades, class renewals (Dry-docking) and major periodic maintenance.

**Earnings per share** – Result attributable to the shareholders divided by weighted average number of shares.

**Comprehensive income per share** – Comprehensive income for the period for the Group divided by weighted average number of shares at the end of the reporting period.

**Interest-bearing debt** – Current and long-term interest-bearing debt.

**Net interest-bearing debt** – Interest-bearing debt less cash and cash equivalents.



## SIEM Offshore

Siem Offshore Inc

c/o Siem Offshore AS  
Nodeviga 14  
4610 Kristiansand  
Norway

POSTAL ADDRESS  
P.O. Box 425  
N-4664 Kristiansand S, Norway

TELEPHONE  
+47 38 60 04 00

E-MAIL  
info@siemoffshore.com

www.siemoffshore.com



@siemoffshore

### Mandatory ESEF concepts:

Name of reporting entity: Siem Offshore Inc.

Domicile of entity: Cayman Islands

Legal form of entity: Inc.

Country of incorporation: Cayman Islands

Address of entity's registered office: P.O. Box 425, N-4664 Kristiansand S, Norway

Principal place of business: Norway

Description of nature of entity's operations and principal activities: Siem Offshore Inc is an industrial investment company within the marine sector of the oil service business.

Name of parent entity: Siem Offshore Inc.

Name of ultimate parent of group: Siem Offshore Inc.



Skattedirektoratet

Saksbehandler  
Torstein Kinden Helleland

Deres dato  
22.12.2007

Vår dato  
23.01.2007

Telefon  
22 07 81 39

Deres referanse  
Torstein S Robstad

Vår referanse  
2007/25904 /RR-RE/TKH  
/812.1

PriceWaterhouseCoopers AS  
Postboks 447  
4664 Kristiansand

Søknad om fritak fra konsernregnskapsplikten

Det vises til Deres brev av 22. desember 2006 oversendt fra Finansdepartementet 16. januar 2007, samt telefonsamtaler i sakens anledning. De søker å vegne av Deres klient om fritak fra plikten til å utarbeide konsernregnskap. Søknaden gjelder for:

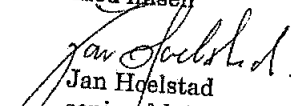
- Siem Offshore Rederi AS org. nr. 931 402 900
- Siem Offshore AS org. nr. 990 673 586
- Siem Offshore Invest AS org. nr. 990 673 608

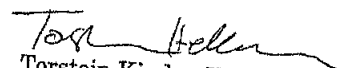
Siem Offshore Inc. er morselskap i konsernet som de ovennevnte selskaper inngår i og er hjemmehørende på Cayman Islands. Aksjene i morselskapet er notert på Oslo Børs. Konsernet avlegger regnskaper til Oslo Børs basert på de internasjonale regnskapsstandardene IFRS og på engelsk språk.

Skattedirektoratet finner med hjemmel i regnskapsloven av 17. juli 1998 nr. 56 § 3-7 fjerde ledd å kunne gi tillatelse til at det gjøres unntak for konsernregnskapsplikten for de ovennevnte underkonsern. Det forutsettes at det Siem Offshore Inc. utarbeider konsernregnskap som omfatter de regnskapspliktige med datterselskaper. Det legges til grunn at dette konsernregnskap er utarbeidet i samsvar med IFRS og på engelsk språk og at kravene i regnskapsloven § 3-7 for øvrig følges. Bestemmelsene i regnskapsloven kapittel 8 gjelder tilsvarende for dette konsernregnskapet.

Kopi av dette brev må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet mv. Det påligger den regnskapspliktige å dokumentere ved dette brevet at tillatelse er gitt.

Med hilsen

  
Jan Hjelstad  
seniorrådgiver  
Seksjon for revisjon

  
Torstein Kinden Helleland

Postadresse

Postboks 6300 Etterstad  
0603 Oslo

skattedirektoratet@skatteetaten.no

Kontoradresse

Fredrik Selmers vei 4  
Org. nr. 974 761 076

Sentralbord

22 07 70 00

Telefaks

22 07 71 08



DocuSign Envelope ID: 35AEC181-34A5-419A-95EE-182706F04C3F

**Årsregnskap  
for  
Siem Offshore AS  
2021**



DocuSign Envelope ID: 35AEC181-34A5-419A-95EE-182706F04C3F

## Årsberetning 2021

Siem Offshore AS  
Adresse: Nodeviga 14, 4610 Kristiansand S  
Org.nr: 990 673 586 MVA

### Virksomhetens art

Virksomhetsområdet til Siem Offshore AS er å yte management-, regnskaps-, finansierings-, og andre former for administrative tjenester til selskaper innen Siem Offshore Inc. konsernet, samt hva står i naturlig forbindelse med de nevnte aktivitetsområder, herunder deltakelse i andre selskaper gjennom eierskap, lån eller lignende engasjement. Selskapet har forretningslokale i Kristiansand.

### Rettvisende oversikt

Selskapets omsetning i 2021 var TNOK 106 280 mot TNOK 109 936 i fjor. Selskapets driftskostnader i 2021 var TNOK 105 396 mot TNOK 105 590 i fjor. Dette gav et driftsresultat i 2021 på TNOK 884 mot TNOK 4 346 i fjor. Selskapet fikk et årsresultat i 2021 på TNOK 24 934 mot TNOK 7 532 i fjor.

Reduksjon i omsetning skyldes at selskapet har hatt management for færre skip i år sammenlignet med i fjor, samt at kronen har styrket seg mot USD sammenlignet med 2020. Selskapets inntekter er hovedsaklig i USD. Årets resultatøkning sammenlignet med i fjor skyldes i stor grad mottatt utbytte på TNOK 13 811 som er inkludert i selskapets annen finansinntekt.

Selskapets egenkapital per 31.12.2021 utgjorde 63 % av balansesummen, mot 53 % i 2020.

Netto kontantstrøm fra operasjonelle aktiviteter var i 2021 positiv med TNOK 6 345, mot en negativ kontantstrøm for 2020 på TNOK 29 157.

Styret mener at årsregnskapet gir et rettvisende bilde av Siem Offshore AS sine eiendeler og gjeld, finansielle stilling og resultat.

### Redegjørelse for foretakets utsikter

Etter styrets oppfatning er selskapets fremtidsutsikter gode. Selskapet har inngått managementavtaler med øvrige konsernselskaper samt eksterne selskaper som bør gi selskapet stabile inntekter og resultater. Skipene som selskapet har management på er offshore service skip (OSV). OSV markedet har vært krevende de siste årene, og det forventes å være et volatilt marked i 2022 også. Med økt oljepris og større energietterspørsel registreres det nå større aktivitet i markedet og økt etterspørsel etter offshore skip, hvilket er positivt.

COVID-19 vil fortsatt påvirke driften av skip i 2022 med utfordringer rundt bemanning og logistikkutfordringer med å få reservedeler frem til skipene. Det er imidlertid innarbeidet gode rutiner og prosedyrer rundt disse forholdene med fokus på sikker og forsvarlig drift av skipene.

Krigshandlingene i Ukraina kan påvirke markedsbalanse for offshore skip i områder som selskapet har management av skip. Det er en risiko for priseskalering på reservedeler, logistikk og andre tjenester, i tillegg til risiko for mangel på erfarent mannskap med dertil eskalering av mannskapskostnader. Sanksjoner som er blitt pålagt nasjoner og organisasjoner i denne forbindelse kan påvirke markedet direkte og indirekte. Nevnte forhold vil hovedsakelig være mest gjeldende for selskapets kunder, men også hvordan selskapet må utføre sine tjenester.

### Finansiell risiko

Selskapets kunder er i hovedsak andre selskaper i Siem Offshore Inc. konsernet. Både for 2021 og 2020 har selskapets inntekter hovedsaklig vært i USD mens kostnadene har vært i norske kroner.



DocuSign Envelope ID: 35AEC181-34A5-419A-95EE-182706F04C3F

Selskapet er således eksponert mot endringer i USD kursen. COVID-19 pandemien og svingninger i oljeprisen har resultert i volatilitet i valutakursene. Selskapet har ikke inngått terminkontrakter eller andre avtaler for å redusere selskapets valutarisiko og derigjennom den driftstilknyttede markedsrisiko. Selskapet er ikke eksponert mot endringer i rentenivået, da selskapet ikke har langsiktig rentebærende gjeld.

Risikoen for at motpart ikke har økonomisk evne til å oppfylle sine forpliktelser anses som lav, da det historisk sett har vært lite tap på fordringer. Det er ikke inngått avtaler om motregning eller andre finansielle instrumenter som minimerer kredittrisikoen.

Selskapet vurderer likviditeten i selskapet som god, og det er ikke besluttet å innføre tiltak som endrer likviditetsrisiko. Forfallstider for kundefordringer opprettholdes. I tillegg inngår selskapet i cash pool for konsernet eiet av morselskapet. Netto utlån eller opptrekk under cash pool ordningen ved utgangen av året er i balansen presentert som en kortsiktig konsernfordring eller kortsiktig konserngjeld. Pr 31.12.2021 har selskapet netto utlån på TNOK 23 970.

#### **Forsknings- og utviklingsaktiviteter**

Selskapet driver ikke med forsknings- og utviklingsaktiviteter.

#### **Fortsatt drift**

I samsvar med regnskapsloven § 3-3 bekreftes det at forutsetningene for fortsatt drift er tilstede. Til grunn for antagelsen ligger inngåtte managementavtaler med andre selskaper som sikrer selskapets aktivitet og inntjening for fremtidige perioder.

Morselskapet og de skipseiende selskapene i Siem Offshore konsernet gjennomførte i andre kvartal 2021 en restrukturering av bank- og obligasjonsgjeld som forbedret egenkapitalen og soliditeten betydelig, samt sikret en sterk finansiell plattform for videre drift og utvikling.

#### **Resultatdisponering**

Styret foreslår at årets overskudd på TNOK 24 934 disponeres på følgende måte:

Overført til annen egenkapital: TNOK 13 594

Avsatt til konsernbidrag: TNOK 11 340

Selskapets egenkapital utgjør med det pr 31.12.2021 TNOK 81 823 mot TNOK 70 016 i fjor.

#### **Arbeidsmiljø**

Styret anser arbeidsmiljøet som tilfredsstillende, og har ikke iverksatt spesielle tiltak på dette området i 2021. Det har ikke vært skader eller ulykker i 2021. Samlet sykefravær utgjør 1,64 % i 2021. Sykefraværet i 2020 utgjorde 1,35 %.

#### **Likestilling**

Selskapet har i 2021 sysselsatt 57 årsverk, mot 58 ansatte årsverk 2020. Styret har hatt 3 medlemmer. Fordelingen blant de ansatte har vært 22 kvinner og 35 menn, mens alle styremedlemmene har vært menn.

Gjennomsnittslønnen for kvinner ligger likt med gjennomsnittslønnen for menn i sammenlignbare stillinger. Likestilling er etter vår mening godt ivarett i selskapet og det iverksettes derfor ikke ytterligere tiltak innen området.

#### **Diskriminering**

Selskapet har en rekrutterings- og personalpolicy som skal sikre like muligheter og rettigheter samt hindre diskriminering på grunn av etnisitet, nasjonal opprinnelse, avstamning, hudfarge, språk, religion og livssyn.



DocuSign Envelope ID: 35AEC181-34A5-419A-95EE-182706F04C3F

## Ytre miljø

Selskapets virksomhet forurensrer ikke det ytre miljø.

## Ansvarsforsikring for styremedlemmer og daglig leder

Ansvarsforsikringen er for regnskapsåret 2021 plassert hos Zurich Insurance Plc. Norway Branch. Forsikringen gir økonomisk beskyttelse for selskapets styremedlemmer og daglig leder i tilfelle de blir saksøkt i forbindelse med utførelsen av sine plikter i forhold til selskapet. Forsikringsdekningen inkluderer styremedlemmers og daglig leders personlige juridiske ansvar, inkludert forsvars- og saksomkostninger. Dekningen omfatter også ansatte i lederstillinger.

Kristiansand, 28.06.2022  
Styret i Siem Offshore AS

DocuSigned by:  
*Bernt Omdal*  
887FDE3474B4476...  
Bernt Magne Omdal  
styreleder

DocuSigned by:  
*Leif Erling Lauvås*  
1C5AB6AB5E2242E...  
Leif Erling Lauvås  
styremedlem

DocuSigned by:  
*Vidar Jerstad*  
BF7D77EBDD84EB...  
Vidar Jerstad  
styremedlem

DocuSigned by:  
*Tore Lillestø*  
7CDFC888F8A5467...  
Tore Lillestø  
daglig leder



DocuSign Envelope ID: 35AEC181-34A5-419A-95EE-182706F04C3F

## Resultatregnskap

Siem Offshore AS

Tall i hele tusen NOK

<b>Driftsinntekter og driftskostnader</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Salgsinntekt	1	<b>106 280</b>	109 936
<b>Sum driftsinntekter</b>		<b>106 280</b>	<b>109 936</b>
Lønnskostnad	2, 3	<b>84 732</b>	84 760
Avskrivning på driftsmidler	4	<b>357</b>	318
Annen driftskostnad	2, 5	<b>20 307</b>	20 511
<b>Sum driftskostnader</b>		<b>105 396</b>	<b>105 590</b>
<b>Driftsresultat</b>		<b>884</b>	<b>4 346</b>
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt	6	<b>40 665</b>	16 364
Annen finanskostnad	6	<b>13 266</b>	11 032
<b>Resultat av finansposter</b>		<b>27 398</b>	<b>5 332</b>
Ordinært resultat før skattekostnad		<b>28 283</b>	9 678
Skattekostnad på ordinært resultat	7	<b>3 349</b>	2 146
<b>Ordinært resultat</b>		<b>24 934</b>	<b>7 532</b>
<b>Arsresultat</b>		<b>24 934</b>	<b>7 532</b>
<b>Overføringer</b>			
Avsatt konsernbidrag	8	<b>11 340</b>	11 629
Avsatt til annen egenkapital	8	<b>13 594</b>	0
Overført fra annen egenkapital	8	<b>0</b>	4 097
<b>Sum overføringer</b>		<b>24 934</b>	<b>7 532</b>

Siem Offshore AS



DocuSign Envelope ID: 35AEC181-34A5-419A-95EE-182706F04C3F

## Balanse 31.12

Siem Offshore AS

Tall i hele tusen NOK

Eiendeler	Note	2021	2020
<b>Anleggsmidler</b>			
Utsatt skattefordel	7	7 873	8 023
<b>Sum immaterielle eiendeler</b>		<b>7 873</b>	<b>8 023</b>
<b>Varige driftsmidler</b>			
Driftsløsøre, inventar o.a. utstyr	4	680	397
<b>Sum varige driftsmidler</b>		<b>680</b>	<b>397</b>
<b>Finansielle anleggsmidler</b>			
Investeringer i datterselskap	9	28 446	28 446
<b>Sum finansielle anleggsmidler</b>		<b>28 446</b>	<b>28 446</b>
<b>Sum anleggsmidler</b>		<b>36 998</b>	<b>36 867</b>
<b>Omløpsmidler</b>			
<b>Fordringer</b>			
Kundefordringer	10	40 566	44 569
Andre kortsiktige fordringer		7 706	2 196
Fordringer innenfor samme konsern	10	34 097	41 647
<b>Sum fordringer</b>		<b>82 370</b>	<b>88 412</b>
Bankinnskudd, kontanter o.l.	11	9 806	6 976
<b>Sum omløpsmidler</b>		<b>92 176</b>	<b>95 388</b>
<b>Sum eiendeler</b>		<b>129 174</b>	<b>132 255</b>

Siem Offshore AS



DocuSign Envelope ID: 35AEC181-34A5-419A-95EE-182706F04C3F

## Balanse 31.12

Siem Offshore AS

Tall i hele tusen NOK

Egenkapital og gjeld	Note	2021	2020
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Aksjekapital	8, 12	208	208
Annen innskutt egenkapital	8	29 175	29 175
<b>Sum innskutt egenkapital</b>		<b>29 384</b>	<b>29 384</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital	8, 13	52 439	40 632
<b>Sum opptjent egenkapital</b>		<b>52 439</b>	<b>40 632</b>
<b>Sum egenkapital</b>		<b>81 823</b>	<b>70 016</b>
<b>Gjeld</b>			
<b>Avsetning for forpliktelser</b>			
Pensjonsforpliktelser	3	8 941	9 386
<b>Sum avsetning for forpliktelser</b>		<b>8 941</b>	<b>9 386</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	10	14 108	19 694
Skyldig offentlige avgifter		7 790	9 788
Annen kortsiktig gjeld		1 973	8 461
Kortsiktig gjeld til konsernselskap	10	14 538	14 909
<b>Sum kortsiktig gjeld</b>		<b>38 410</b>	<b>52 853</b>
<b>Sum gjeld</b>		<b>47 352</b>	<b>62 239</b>
<b>Sum egenkapital og gjeld</b>		<b>129 174</b>	<b>132 255</b>

Kristiansand, 28.06.2022  
Styret i Siem Offshore AS

DocuSigned by:  
  
8657DE347456276  
Bernt Magne Omdal  
styreleder

DocuSigned by:  
  
BF7D77E911D18458  
Vidar Jerstad  
styremedlem

DocuSigned by:  
  
7C5A1E04E2240E  
Leif Erling Lauvås  
styremedlem

DocuSigned by:  
  
7C0FC988B8A54671  
Tore Lillestø  
daglig leder

Siem Offshore AS



DocuSign Envelope ID: 35AEC181-34A5-419A-95EE-182706F04C3F

## Indirekte kontantstrøm

Siem Offshore AS

	Note	2021	2020
<b>Kontantstrømmer fra operasjonelle aktiviteter</b>			
Resultat før skattekostnad		28 283	9 678
Ordinære avskrivninger	4	357	318
Inntektsført konsernbidrag		-10 128	-12 034
Endring i kundefordringer		4 003	-1 139
Endring i leverandørgjeld		-5 586	-22 649
Forskj. kostnadsført pensjon og inn-/utbet. i pensjonsordn.		-2 232	-944
Endring i andre tidsavgrensingsposter		-8 353	-2 387
<b>Netto kontantstrøm fra operasjonelle aktiviteter</b>		<b>6 345</b>	<b>-29 157</b>
<b>Kontantstrømmer fra investeringsaktiviteter</b>			
Utbetalinger ved kjøp av varige driftsmidler		639	0
Fusjon med Siem Offshore Management AS		0	14 179
<b>Netto kontantstrøm fra investeringsaktiviteter</b>		<b>-639</b>	<b>14 179</b>
<b>Kontantstrømmer fra finansieringsaktiviteter</b>			
+ Innbetalinger av konsernbidrag		12 034	0
- Utbetalinger av konsernbidrag		14 909	0
<b>Netto kontantstrøm fra finansieringsaktiviteter</b>		<b>-2 875</b>	<b>0</b>
Netto endring i kontanter og kontantekvivalenter		2 831	-14 978
Beh. av kont. og kontantekvivalenter ved per. begynnelse		6 976	11 274
<b>Beh. av kont. og kontantekvivalenter ved per. slutt</b>		<b>9 806</b>	<b>-3 704</b>

Siem Offshore AS



DocuSign Envelope ID: 35AEC181-34A5-419A-95EE-182706F04C3F

## Noter

Siem Offshore AS

Alle beløp i hele tusen NOK

## Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapslovens bestemmelser og god regnskapsskikk etter regler for øvrige selskaper.

Selskapets funksjonelle valuta er norske kroner som også er selskapets presentasjonsvaluta.

Selskapet er etter søknad til Skattedirektoratet fritatt fra plikten til å utarbeide konsernregnskap. Selskapet er datterselskap av Siem Offshore Inc. som utarbeider konsernregnskap som omfatter den regnskapspliktige og dennes datterselskaper. Dette konsernregnskapet er utarbeidet og revidert i samsvar med lovgivningen, herunder IFRS og børsregler som knytter seg til morselskapets notering på Oslo Børs. Dette konsernregnskapet skal i utgangspunktet være på norsk, men Siem Offshore Inc. er fritatt fra kravet om å utarbeide konsernregnskapet på norsk. Konsernregnskapet for Siem Offshore Inc. kan fåes ved henvendelse til Siem Offshore AS, Nodeviga 14, 4610 Kristiansand.

### Datterselskap / tilknyttet selskap

Datterselskapet og tilknyttede selskaper vurderes etter kostmetoden i selskapsregnskapet. Investeringen er vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig. Det er foretatt nedskrivning til virkelig verdi når verdifall skyldes årsaker som ikke kan antas å være forbigående og det må anses nødvendig etter god regnskapsskikk. Nedskrivninger er reversert når grunnlaget for nedskrivning ikke lenger er til stede.

Utbytte og andre utdelinger er inntektsført samme år som det er avsatt i datterselskapet. Overstiger utbytte andel av tilbakeholdt resultat etter kjøpet, representerer den overskytende del tilbakebetaling av investert kapital, og utdelingene er fratrukket investeringens verdi i balansen.

### Salgsinntekter

Inntektsføring ved salg av varer skjer på leveringstidspunktet. Tjenester inntektsføres i takt med utførelsen. Andelen av salgsinntekter som knytter seg til fremtidige serviceytelser balanseføres som uoppjent inntekt ved salget, og inntektsføres deretter i takt med levering av ytelsene.

### Klassifisering og vurdering av balanseposter

Omløpsmidler og kortsiktig gjeld omfatter poster som forfaller til betaling innen ett år etter balansedagen, samt poster som knytter seg til varekretsløpet. Øvrige poster er klassifisert som anleggsmiddel/langsiktig gjeld.

Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.

Anleggsmidler vurderes til anskaffelseskost, men nedskrives til virkelig verdi ved verdifall som ikke forventes å være forbigående. Anleggsmidler med begrenset økonomisk levetid avskrives planmessig. Langsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.

### Fordringer

Kundefordringer og andre fordringer er oppført i balansen til pålydende etter fradrag for eventuell avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av individuelle vurderinger av de enkelte fordringene. I tillegg gjøres det for øvrige kundefordringer en uspesifisert avsetning for å dekke antatt tap.

### Valuta

Pengeposter i utenlandsk valuta er vurdert til og omregnet til norske kroner etter kursen ved regnskapsårets slutt.

### Varige driftsmidler

Varige driftsmidler balanseføres og avskrives over driftsmidlets forventede økonomiske levetid. Direkte vedlikehold av driftsmidler kostnadsføres løpende under driftskostnader, mens påkostninger eller forbedringer tillegges driftsmidlets kostpris og avskrives i takt med driftsmidlet. Dersom gjenvinnbart beløp av driftsmidlet er lavere enn balanseført verdi foretas nedskrivning til gjenvinnbart beløp. Gjenvinnbart beløp er det høyeste av netto salgsverdi og verdi i bruk. Verdi i bruk er nåverdien av de fremtidige kontantstrømmene som eiendelen vil generere.

### Leasing / leieavtaler

Selskapets leieavtaler av kontorlokaler, kontormaskiner og firmabiler behandles som operasjonell lease. Betalinger vedrørende operasjonell lease belastes resultatet lineært over leieperioden.

### Pensjoner

Ved regnskapsføring av ytelsesbasert pensjon er lineær opptjeningsprofil og forventet sluttlønn som opptjeningsgrunnlag lagt til grunn. Endringer i forpliktelsen som skyldes endringer i pensjonsplaner fordeles over antatt gjennomsnittlig gjenværende opptjeningsperiode. Den balanseførte forpliktelsen knyttet til ytelsesplaner er nåverdien av de definerte ytelsene på balansedatoen minus virkelig verdi av pensjonsmidlene, justert for ikke resultatførte estimatavvik og ikke resultatførte kostnader knyttet til tidligere perioders pensjonsopptjening. Pensjonsforpliktelsen beregnes årlig av en uavhengig aktuar ved bruk av en lineær opptjeningsmetode. Nåverdien av de definerte ytelsene bestemmes ved å diskontere estimerte fremtidige utbetalinger med renten på en obligasjon utstedt av et selskap med høy kredittverdighet (OMF rente)

Estimatavvik som skyldes ny informasjon eller endringer i de aktuærmessige forutsetningene blir ført mot egenkapitalen i den perioden de oppstår.

### Skatter

Skattekostnad består av betalbar skatt og endring i utsatt skatt. Utsatt skatt/skattefordel er beregnet på alle forskjeller mellom regnskapsmessig og skattemessig verdi på eiendeler og gjeld. Utsatt skatt/skattefordel er beregnet med 22 % pr 31.12.2021 og 22 % pr 31.12.2020 på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt skattemessig underskudd til fremføring ved utgangen av regnskapsåret. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli nyttiggjort.

Betalbar skatt og utsatt skatt er regnskapsført direkte mot egenkapitalen i den grad skattepostene relaterer seg til egenkapitaltransaksjoner.



DocuSign Envelope ID: 35AEC181-34A5-419A-95EE-182706F04C3F

## Noter

Siem Offshore AS

Alle beløp i hele tusen NOK

### Note 1, Fordeling av inntektene

Geografisk fordeling av salgsinntektene	2021	2020
Norge	98 340	92 319
USA	63	1 625
Canada	20	145
Polen	0	7
Nigeria	2 271	2 439
Nederland	28	51
Singapore	46	6 855
Caymanøyene	132	0
Luxemburg	4	0
Australia	5 377	6 494
<b>Total</b>	<b>106 280</b>	<b>109 936</b>

Av selskapets inntekter utgjør TNOK 96 432 inntekter for tjenester ytet til andre selskaper i samme konsern. Alle transaksjoner er på armlengdes avstand.

### Note 2, Lønnskostnad, antall ansatte, godtgjørelser, lån til ansatte mm.

Lønnskostnad	2021	2020
Lønn	60 790	64 111
Folketrygdavgift	10 093	10 068
Pensjonskostnader	10 768	10 110
Andre ytelser	3 082	470
<b>Sum</b>	<b>84 732</b>	<b>84 760</b>

Gjennomsnittlig antall årsverk 57,5 60,0

#### Ytelser til ledende personer

	Daglig leder
Lønn	2 158
Pensjonskostnader	313
Annen godtgjørelse	21
<b>Sum</b>	<b>2 493</b>

Bonus bestemmes hvert år av Siem Offshores kompensasjonskomité som godkjenner bonus til ledende ansatte.

Det er ikke utbetalt godtgjørelse til styret i 2021.

#### Obligatorisk tjenstepensjon

Selskapet er pliktig til å ha tjenstepensjonsordning etter lov om obligatorisk tjenstepensjon, og har pensjonsordning som tilfredsstiller kravene i denne loven. Se også note 3 for ytterligere informasjon.

#### Lån og sikkerhetsstillelse til ledende ansatte, tillitsvalgte og aksjeeiere m.v.

Selskapet har ikke gitt lån eller sikkerhetsstillelse til ledende ansatte.

Honorar til selskapets revisor	2021	2020
Lovpålagt revisjon	240	140
Andre tjenester utenfor revisjon	0	178
<b>Sum honorar til selskapets revisor</b>	<b>240</b>	<b>318</b>

Merverdiavgift er ikke inkludert i revisjonshonoraret.



DocuSign Envelope ID: 35AEC181-34A5-419A-95EE-182706F04C3F

## Noter

Siem Offshore AS

Alle beløp i hele tusen NOK

### Note 3, Pensjoner

Selskapet er pliktig til å ha tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon. Selskapets pensjonsordning tilfredsstiller kravene i denne lov.

Selskapet har pensjonsordninger som omfatter i alt 69 personer, hvorav 57 er yrkesaktive og 12 er pensjonister. Ordningen gir rett til definerte fremtidige ytelser. Disse er i hovedsak avhengig av antall oppjeningsår, lønnsnivå ved oppnådd pensjonsalder og størrelsen på ytelsene fra folketrygden. Forpliktelsene er dekket gjennom et forsikringsselskap. I tillegg har selskapet en usikret ordning som i alt omfatter en person og der pensjonsforpliktelsen dekkes gjennom utbetalinger over driften. Den usikrede ordningen er inkludert i oppstillingen under både for 2021 og 2020. Den usikrede ordningen ble avsluttet 01.06.2021.

Selskapet hadde i 2020 en vesentlig endring i antall ansatte i ordningen ettersom Siem Offshore Management AS ble innfusjonert i selskapet. Denne effekten fremkommer under som ekstraordinære endringer.

	2021	2020
Nåverdi av årets pensjonsopptjening	9 090	2 243
Rentekostnad av pensjonsforpliktelsen	199	69
Avkastning på pensjonsmidler	0	0
Arbeidsgiveravgift	1 331	1 249
Administrasjonsavgift	149	189
Ekstraordinære endringer	0	6 360
<b>Netto pensjonskostnader</b>	<b>10 768</b>	<b>10 110</b>

	2021	2020
Opptjent pensjonsforpliktelse	73 765	70 228
Beregnete pensjonsforpliktelser	73 765	70 228
Pensjonsmidler (til markedsverdi)	64 824	60 842
Ikke resultatført virkning av estimatavvik	0	0
Arbeidsgiveravgift	0	0
Nåverdi av usikret ordning	0	0
<b>Netto pensjonsmidler/ (forpliktelse)</b>	<b>-8 941</b>	<b>-9 386</b>

#### Økonomiske forutsetninger:

	2021	2020
Diskonteringsrente	0,00 %	0,00 %
Forventet lønsregulering	0,00 %	0,00 %
Forventet avkastning på fondsmidler	0,00 %	0,00 %
Forventet regulering av folketrygdens grunnbeløp	0,00 %	0,00 %
Forventet pensjonsøkning	0,00 %	0,00 %

De aktuærmessige forutsetningene er basert på vanlige benyttede forutsetninger innen forsikring når det gjelder demografiske faktorer.

Selskapets pensjonskostnad og pensjonsforpliktelse er basert på IAS 19r. Effekt av bortfall av korridor er ført mot annen egenkapital. Se note 8 for ytterligere informasjon.

### Note 4, Varige driftsmidler

	EDB-utstyr	Driftsløsøre, verktøy m. m.	Kunst	Sum varige driftsmidler
Anskaffelseskost 01.01.2021	15 266	5 385	0	20 651
Tilgang	509	0	130	639
Tilbakeført anskaffelseskost ved avgang	0	0	0	0
<b>Anskaffelseskost 31.12.2021</b>	<b>15 775</b>	<b>5 385</b>	<b>130</b>	<b>21 290</b>
Akkumulerte av- og nedskrivninger 01.01.2021	-14 869	-5 385	0	-20 254
Årets avskrivninger	-357	0	0	-357
Årets nedskrivninger	0	0	0	0
Tilbakeførte avskrivninger ved avgang	0	0	0	0
<b>Akkumulert av- og nedskrivninger 31.12.2021</b>	<b>-15 226</b>	<b>-5 385</b>	<b>0</b>	<b>-20 611</b>
<b>Bokført verdi per 31.12</b>	<b>550</b>	<b>0</b>	<b>130</b>	<b>680</b>
Økonomisk levetid	2-5 år	5 år		
Avskrivningsplan	Lineær	Lineær	Avskrivning	



DocuSign Envelope ID: 35AEC181-34A5-419A-95EE-182706F04C3F

## Noter

Siem Offshore AS

Alle beløp i hele tusen NOK

### Note 5, Leieavtaler

Selskapets leiekostnader fordeler seg følgende:	2021	2020
Leie av lokaler og parkeringsplasser	4 017	5 034
<b>Sum</b>	<b>4 017</b>	<b>5 034</b>

Leieavtalene for selskapets lokaler har forskjellige leieperioder. Avtalen for Nodeviga 14 går frem til oktober 2024. For de resterende husleier er det oppsigelsestid på 12 og 3 måneder.

### Note 6, Annen finansinntekt og annen finanskostnad

Annen finansinntekt	2021	2020
Mottatt konsernbidrag	10 128	12 034
Renteinntekter	19	153
Mottatt utbytte	13 811	0
Realisert og urealisert valutagevinst	16 707	4 177
<b>Sum annen finansinntekt</b>	<b>40 665</b>	<b>16 364</b>

Annen finanskostnad	2021	2020
Rentekostnader	470	191
Realisert og urealisert valutatap	12 710	10 742
Annen finanskostnad	86	99
<b>Sum annen finanskostnad</b>	<b>13 266</b>	<b>11 032</b>

### Note 7, Skattekostnad

Spesifikasjon av skattekostnad i resultatregnskapet	2021	2020
Skatt avgitt konsernbidrag	3 198	3 280
Betalbar skatt	0	0
Endring utsatt skatt/utsatt skattefordel	151	-1 133
<b>Skattekostnad ordinært resultat</b>	<b>3 349</b>	<b>2 146</b>

Beregning av årets skattegrunnlag		
Regnskapsmessig resultat før skatt	28 283	9 678
Endring i midlertidige forskjeller	-685	5 152
Ikke fradagsberettigede representasjonskostnader og gaver	-13 059	78
Underskudd til fremføring	0	0
Rentekostnader på utlignet skatt	0	0
Avgitt konsernbidrag	-14 538	-14 909
<b>Årets skattegrunnlag</b>	<b>0</b>	<b>0</b>
Betalbar skatt 22 % herav	0	0
Skatt av avgitt konsernbidrag	3 198	3 280
<b>Betalbar skatt</b>	<b>0</b>	<b>0</b>

Midlertidige forskjeller		
Anleggsmidler	-723	-879
Fordringer	-52	-136
Netto pensjonsforpliktelse	-8 941	-9 386
Akkumulert fremførbart underskudd	0	0
Opsjoner	-26 069	-26 069
Forskjeller som ikke inngår i beregning av utsatt skatt/skattefordel	0	0
<b>Netto midlertidige forskjeller</b>	<b>-35 785</b>	<b>-36 470</b>
Brutto utsatt skattefordel / forpliktelse	7 873	8 023
<b>Netto utsatt fordel / forpliktelse i balansen</b>	<b>7 873</b>	<b>8 023</b>



DocuSign Envelope ID: 35AEC181-34A5-419A-95EE-182706F04C3F

**Noter**

Siem Offshore AS

Alle beløp i hele tusen NOK

**Note 8, Egenkapital**

	Aksje- kapital	Annen innskutt egenkapital	Annen egenkapital	Sum egenkapital
<b>Egenkapital 31.12.2020</b>	<b>208</b>	<b>29 175</b>	<b>40 632</b>	<b>70 016</b>
<i>Årets endring i egenkapital:</i>				
Årets resultat			24 934	24 934
Avgitt konsernbidrag			-11 340	-11 340
Estimatavvik pensjon			-1 787	-1 787
<b>Egenkapital 31.12.2021</b>	<b>208</b>	<b>29 175</b>	<b>52 439</b>	<b>81 823</b>

Selskapets pensjonsforpliktelse og pensjonskostnad er for 2021 beregnet i henhold til IAS 19r.

**Note 9, Aksjer i datterselskaper**

Selskap	Registered office	Aksjekapital	Antall aksjer	Stemmerettighet	Eierandel	Bokført verdi
Siem Offshore Crewing AS	Kristiansand, Norge	100	1 000	100 %	100 %	28 446
<b>Selskap</b>					<b>Resultat 2021</b>	<b>Egenkap. 2021</b>
Siem Offshore Crewing AS					7 690	36 409

**Note 10, Mellomværende med selskap i samme konsern**

	Kundefordringer		Fordringer innenfor samme konsern	
	2021	2020	2021	2020
Siem Offshore Inc	10 376	0	23 970	29 613
Siem Offshore Invest AS	280	257	0	0
Siem Pilot DA	93	117	0	0
Siem Offshore US Holding AS	53	52	0	0
Overseas Drilling Ltd	28	51	0	0
Siem Offshore Australia Pty Ltd	1 788	516	0	0
Siem Offshore Rederi AS	4 431	6 126	0	0
Siem Offshore do Brasil SA	0	7	0	0
Siem Offshore LLC	63	263	0	0
Siem Offshore Crewing AS	20 773	31 130	10 128	12 034
Siem AHTS Pool AS	1 055	1 592	0	0
Siem Offshore Canada Inc	20	20	0	0
ODL AS	0	281	0	0
<b>Sum</b>	<b>38 959</b>	<b>40 413</b>	<b>34 097</b>	<b>41 647</b>

Selskapet inngår i morselskapets cashpool. Netto utlån til cashpool er presentert som fordring innen samme konsern.

	Leverandørgjeld		Kortsiktig gjeld til konsernselskap	
	2021	2020	2021	2020
Siem Offshore Inc	0	13 930	14 538	14 909
Siem Offshore Maritime Personnel AS	8 720	2 050	0	0
Siem Offshore do Brasil SA	390	0	0	0
ODL AS	36	0	0	0
<b>Sum</b>	<b>9 145</b>	<b>15 980</b>	<b>14 538</b>	<b>14 909</b>



DocuSign Envelope ID: 35AEC181-34A5-419A-95EE-182706F04C3F

## Noter

Siem Offshore AS

Alle beløp i hele tusen NOK

### Note 11, Bankinnskudd

Av selskapets bankinnskudd pr. 31.12.2021 utgjør 3 140 bundne skattetrekksmidler.

### Note 12, Aksjekapital og aksjonærinformasjon

#### Aksjekapital

Aksjekapitalen i Siem Offshore AS består av 208 148 aksjer pålydende én krone, samlet pålydende TNOK 208.

#### Eierstruktur

Aksjene eies i sin helhet pr. 31. desember 2021 av Siem Offshore Inc.

### Note 13, Hendelse etter balansedag

Hovedaktiviteten til selskapet er å levere tjenester til drift- og bemanning av OSV skip, regnskaps-, finansierings- og andre former for administrative tjenester til selskaper innen Siem Offshore Inc. konsernet, samt til enkelte eksterne selskaper.

OSV markedet har over lengre tid vært preget av overkapasitet som har gitt utslag i økt konkurranse mellom redene om å sikre seg kontrakter som gir utslag i pressede dagrater. Det forventes å være et volatil marked også fremover, men med økt oljepris og større energietterspørsel registreres det nå større aktivitet i markedet og økt etterspørsel etter offshore skip, hvilket er positivt.

Krigshandlingene i Ukraina kan påvirke markedsbalanse for offshore skip i områder som selskapet har management av skip. Det er en risiko for priseskalering på reservedeler, logistikk og andre tjenester, i tillegg til risiko for mangel på erfarent mannskap med der til eskalering av mannskapskostnader. Sanksjoner som er blitt pålagt nasjoner og organisasjoner i denne forbindelse kan påvirke markedet direkte og indirekte. Nevnte forhold vil hovedsakelig være mest gjeldende for selskapets kunder, men også hvordan selskapet må utføre sine tjenester.

Regnskapet er utarbeidet under forutsetning om fortsatt drift.



Til generalforsamlingen i Siem Offshore AS

## Uavhengig revisors beretning

### Konklusjon

Vi har revidert Siem Offshore AS' årsregnskap som består av balanse per 31. desember 2021, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening

- oppfyller årsregnskapet gjeldende lovkrav, og
- gir årsregnskapet et rettviseende bilde av selskapets finansielle stilling per 31. desember 2021, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapskikk i Norge.

### Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet slik det kreves i lov, forskrift og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av the International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

### Øvrig informasjon

Styret og daglig leder (ledelsen) er ansvarlige for informasjonen i årsberetningen. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker ikke informasjonen i årsberetningen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese årsberetningen. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom årsberetningen og årsregnskapet og den kunnskap vi har opparbeidet oss under revisjonen av årsregnskapet, eller hvorvidt informasjon i årsberetningen ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom årsberetningen fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo  
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no  
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Uavhengig revisors beretning - Siem Offshore AS



---

## *Ledelsens ansvar for årsregnskapet*

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avvirket.

---

## *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til:  
<https://revisorforeningen.no/revisjonsberetninger>

Oslo, 28. juni 2022  
**PricewaterhouseCoopers AS**

Bjørn Lund  
Statsautorisert revisor  
(elektronisk signert)

(2)



 Securely signed with Brevio

AS

**Signers:**

<b>Name</b>	<b>Method</b>	<b>Date</b>
Lund, Bjørn	BANKID_MOBILE	2022-06-28 08:33

**This document package contains:**

- Closing page (this page)  
- The original document(s)  
- The electronic signatures. These are not visible in the document, but are electronically integrated.



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity of the document.