Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	978 644 384
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	SIEM SHIPPING NORWAY AS
Forretningsadresse:	Gravane 20 4610 KRISTIANSAND S

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023

Konsern

Morselskap 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:	Glenn Pettersen
Dato for fastsettelse av årsregnskapet:	30.05.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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, 17.09.2025

Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad		60 000	107 000
Sum kostnader		**60 000**	**107 000**
Driftsresultat		**-60 000**	**-107 000**
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		26 132 000	10 823 000
Annen renteinntekt		86 000	25 000
Annen finansinntekt		2 478 000	9 437 000
Sum finansinntekter		**28 696 000**	**20 285 000**
Rentekostnad til foretak i samme konsern		11 327 000	3 449 000
Annen finanskostnad		-1 000	14 000
Sum finanskostnader		**11 326 000**	**3 463 000**
Netto finans		**17 370 000**	**16 822 000**
Ordinært resultat før skattekostnad		**17 310 000**	**16 715 000**
Skattekostnad på ordinært resultat		-36 484 000	0
Ordinært resultat etter skattekostnad		**53 794 000**	**16 715 000**
Årsresultat		**53 794 000**	**16 715 000**
Overføringer og disponeringer			
Konsernbidrag		-151 188 000	
Avgitt konsernbidrag		254 492 000	
Overføringer til/fra annen egenkapital		-103 304 000	16 716 000
Sum overføringer og disponeringer			**16 716 000**

Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel		74 398 000	80 556 000
Sum immaterielle eiendeler		**74 398 000**	**80 556 000**
Finansielle anleggsmidler			
Investering i datterselskap		388 617 000	388 617 000
Lån til foretak i samme konsern		155 532 000	143 863 000
Sum finansielle anleggsmidler		**544 149 000**	**532 480 000**
Sum anleggsmidler		**618 547 000**	**613 036 000**
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer			1 045 000
Konsernfordringer		105 000	0
Sum fordringer		**105 000**	**1 045 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		2 586 000	1 598 000
Sum bankinnskudd, kontanter og lignende		**2 586 000**	**1 598 000**
Sum omløpsmidler		**2 691 000**	**2 643 000**
SUM EIENDELER		**621 238 000**	**615 679 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		44 456 000	44 456 000
Overkurs		371 497 000	371 497 000

Balanse

Beløp i: NOK	Note	2023	2022
Annen innskutt egenkapital		657 000	657 000
Sum innskutt egenkapital		**416 610 000**	**416 610 000**
Opptjent egenkapital			
Annen egenkapital		101 122 000	150 634 000
Sum opptjent egenkapital		**101 122 000**	**150 634 000**
Sum egenkapital		**517 732 000**	**567 244 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld		42 811 000	48 418 000
Sum annen langsiktig gjeld		**42 811 000**	**48 418 000**
Sum langsiktig gjeld		**42 811 000**	**48 418 000**
Kortsiktig gjeld			
Leverandørgjeld		18 000	18 000
Kortsiktig konserngjeld		60 662 000	
Annen kortsiktig gjeld		13 000	
Sum kortsiktig gjeld		**60 693 000**	**18 000**
Sum gjeld		**103 504 000**	**48 436 000**
SUM EGENKAPITAL OG GJELD		**621 236 000**	**615 680 000**

Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer:	2024 654165

Enheten

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Brønnøysundregistrene, 14.08.2024

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673

Organisasjonsnr: 978 644 384
SIEM SHIPPING NORWAY AS

RESULTATREGNSKAP

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Organisasjonsnr: 978 644 384
SIEM SHIPPING NORWAY AS

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Organisasjonsnr: 978 644 384
SIEM SHIPPING NORWAY AS

NOTEOPPLYSNINGER - SELSKAP

- alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret
0.00

Sum	Beløp

Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

Fordringer

Samlet beløp - tilknyttet selskap	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets

Pantstillelse	Beløp

Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.

Note

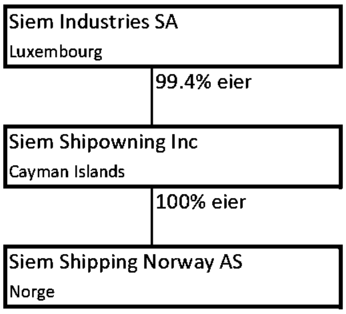
Lån og sikkerhetsstillelse til medlemmer
Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Opplysninger om: **Medlemmer av:**

Mer om lån og sikkerhetsstillelse

Siem Shipping Norway AS
Org nr 978 644 384

Eier Struktur :



Siem Shipping Norway ultimate eier er Siem Industries SA, basert i Luxembourg
Siem Shipping Norway AS er fritatt for konserregnskapsplikt, da det er inkludert i Siem Industries SA..

Regnskapspliktige som selv er datterselskap plikter ikke å utarbeide konsernregnskap dersom den regnskapspliktiges morselskap hører hjemme i en EØS-stat, jf. regnskapsloven § 3-7 første ledd.
Det er en forutsetning at det utarbeides konsernregnskap som omfatter den regnskapspliktige og dennes datterselskaper, og at dette konsernregnskapet er utarbeidet og revidert i samsvar med lovgivningen i denne staten.
Fritaket er gjelder også for underkonsern.

SIEM INDUSTRIES

2023

SIEM INDUSTRIES S.A.

ANNUAL REPORT

THE COMPANY

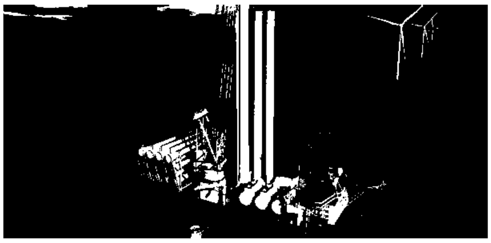
Siem Industries S.A. is a diversified industrial holding company that operates through autonomous affiliates. The core areas of operation are Offshore Energy Services for the oil and gas and renewable energy industries, Ocean Shipping and Financial Investments.

Group Values

SAFETY:	The Group promotes safety-consciousness to prevent harm to our employees and others who work with them and to protect operating assets.
RESPONSIBLE:	The Group practices responsible behaviour with respect to society and to the environment.
PREDICTABLE:	The Group strives to provide a predictable delivery of products and services as a business partner with its customers, employees, suppliers, shareholders and lenders.
QUALITY:	The Group strives to deliver quality products to its customers which meet the customers' and our standards and expectations.
PROFITABLE:	The Group shall be profitable in order to sustain a long-term delivery and give a competitive return on the capital employed.

Contents

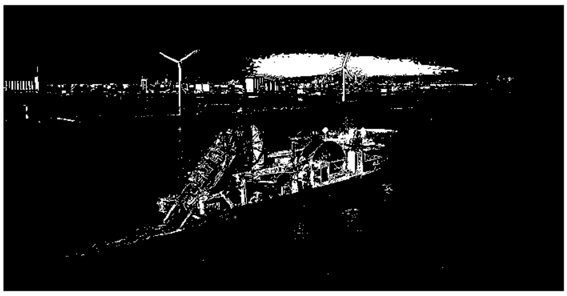
Seaway Alfa Lift owned by Subsea7 SA



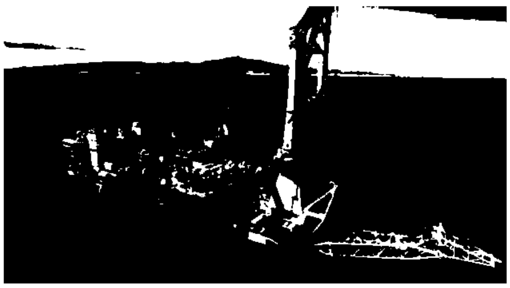
Seaway Ventus owned by Subsea7 SA

Seaway Phoenix owned by Subsea7 SA

Siem Moxie owned by Subsea7 SA



Seven Vega owned by Subsea7 SA



Seven Borealis owned by Subsea7 SA

THE MAN IN THE ARENA

It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat.

~ Theodore Roosevelt

SIEM INDUSTRIES

To our Shareholders 24 April 2024

2023 was another good year for the Company. Operations of the 90 vessels and project execution by the 16,000 employees in group companies were safe and predictable.

The net income was $108 mill compared to $101mill for 2022 or $7.07 pr share and $6.46 per share respectively.
2023 was a year of high activity offshore both in renewables and in the oil&gas sector, and the shipping markets were buoyant. The recovery from 7 down years in offshore construction is reflected in our operating results and high activity is expected to prevail for several years.

Our 3 main activities, Offshore Energy Services, Ocean Shipping and Financial Investments all performed well. The latter, the Financial Investment area, had a flying start in its first full year of operation. Overall return was 19% and return on marketable equities was 140%. Such results are gratifying but not sustainable. Most investments were made in industries we understand well and those activities had the benefit of a comeback from a lengthy downturn. The strategy is to build the Financial Investment area with professional management of our cash and liquid assets. The total assets in this area is $190mill and our objective is a 15% annual return in the long term.

The 70.8mill shares or 23.3% of Subsea7 was valued at $1bn at year end. Subsea7 has completed its newbuilding program and free cash flow is expected to grow in the coming years. The firm outlook is underlined by Subsea7s statement to distribute USD1bn to its shareholders the next 4 years through a combination of dividends and share buybacks. The One Subsea joint venture with SLB was established on October 2nd and is off to a good start. The Seagreen project for the client SSE/Total was completed during the year and a total of 1.1 GW have been installed offshore by the Subsea7 subsidiary Seaway7.

Earlier this month it was announced that we have agreed to exchange our 35% shareholding in Siem Offshore Inc. for 100% ownership in 9 high-end offshore support vessels. Siem Offshore Inc. was built over 30years to become a leader in the OSV sector with a quality fleet and excellent operating records. During the market downturn we had to provide financial and other support to Siem Offshore to the benefit of all stakeholders. We hand over a good company and we now become a tonnage provider instead of a shareholder in a listed company. The fleet of 9 vessels we acquire is exposed to market of rising rates driven by increase in demand and limited increase in the supply of new vessels. Operating expenses are also increasing, especially in personnel, spare parts and travel. Our competence and reputation within the sector shall serve us well as vessel owner in an anticipated improving market.

The wholly owned ocean shipping fleet is employed on profitable rates. The third-party debt financing is reduced to $150mill and more than covered by $500mill of contracted revenue. The Ropax Rusadir (ex Honfleur) was sold at the end of the year to a Spanish ferry operator at a price which covers most of our cost. Our subsidiary Seven Yield provided the financing over a maximum of 10 years secured by a first mortgage in the vessel. The sale marks the end of a difficult newbuilding project over the past 6 years where our organisation had to solve major problems of various disciplines such as technical, design, incompetence by the construction yards and their subcontractors, financial and legal nature. The outcome is tribute to our quality management.

SIEM INDUSTRIES

The organization functions well and people throughout the group pull together and deliver results. We possess the skills and experience to meet most challenges. Each member can be proud of their contribution to acceptable results. Risks in our operations are reduced. This gives me confidence in the future despite the unpredictable security issues in most parts of the world we operate in.

On behalf of the Board of directors, I thank the shareholders for their support.

Yours sincerely,

Kristian Siem
Chairman of the Board

MANAGEMENT REPORT–DESCRIPTION OF BUSINESS

Siem Industries S.A. operates as a diversified industrial holding company with its major holdings in the offshore energy service industry through its interests in Subsea7 S.A., Siem Offshore Inc. and Electromagnetic Geoservices ASA, in the ocean shipping industry through its holdings in Siem Shipowning Inc., Star Reefers Inc., Siem Car Carriers AS and Seven Yield Holding Pte. Ltd., and in financial investment areas through its holdings in Siem Investments S.à r.l., Deusa International GmbH, Momentum S.à r.l, and Grand Rue Finance S.à r.l. "Siem Industries", the "Company", or the "Group", as used herein, refers to Siem Industries S.A. and its subsidiaries and associates unless the context indicates otherwise.

Siem Industries S.A. central administration and effective place of management is the Grand Duchy of Luxembourg under the corporate form of a public company limited by shares (société anonyme).

DESCRIPTION OF MAJOR INDUSTRIAL HOLDINGS

1. OFFSHORE ENERGY SERVICES

SUBSEA7 S.A.

Subsea7 S.A. ("Subsea7"; OSE Symbol: SUBC) — Subsea7 is a global leader in the delivery of offshore projects and services to the energy industry.

At 31 December 2023, the Company beneficially-owned 70,829,916 shares of Subsea7, or approximately 23.3% of its issued and outstanding shares, compared to 23.6% as per 31 December 2022. The reduction in percentage of interest during 2023 is caused by issuance of shares in Subsea7 SA to non-controlling interests. The effective percentage of interest was 23.6%. The Company accounts for Subsea7 as an investment in associated company using the equity method.

Financial 2023 Discussion and Subsequent Events — Revenue was $6.0 billion, an increase of $838 million compared to 2022. Adjusted EBITDA and margin for the year ended 31 December 2023 were $714 million and 12% respectively, compared to $559 million and 11% in 2022.

Net operating income for the year ended 31 December 2023 was $105 million, compared to net operating income of $149 million in 2022. The main items contributing to the net operating income were:

- net operating income of $196 million in the Subsea and Conventional business unit, compared to $229 million in the prior year, which benefitted from a $54 million non-cash net impairment reversal;
  partly offset by:
- net operating loss of $74 million in the Renewables business unit, which included a non-cash impairment charge of $73 million mainly related to Seaway Alfa Lift's monopile installation equipment, compared to net operating loss of $85 million in 2022, with the prior year being impacted by costs incurred on certain projects, and
- Net operating loss of $18 million in the Corporate business unit compared to net operating income of $5 million in the prior year.

During the year ended 31 December 2023, no impairment charges or reversal of impairment were recognized on property, plant and equipment. In 2022, the company recorded a reversal of impairment of property, plant and equipment of $55.6 million. Net income was $10 million for the year ended 31 December 2023, compared to net income of $36 million in 2022. The movement was primarily due to;

- A decrease of $44 million in net operating income:
- Finance costs of $71 million in 2023 compared to $23 million in the prior year. The year-on-year increase was driven by expected higher borrowings and higher interest rates in 2023 compared to 2022;
  partly offset by:
- Finance income of $25 million compared to finance income of $9 million in the prior year driven by higher interest rates; and
- A net gain of $20 million driven by foreign exchange gains, compared to a net loss of $7 million in the prior year.

Taxation was $70 million, representing an effective tax rate of 88%, compared to $100 million in 2022, equivalent to an effective tax rate of 73%. Diluted earnings per share was $0.05 in 2023 compared to $0.19 in 2022, calculated using a weighted average number of shares of 299 million and 293 million, respectively.

The backlog of Subsea7 was $10.6 billion at year end 2023, compared to $9.0 billion at year end 2022, representing a 18% year-on-year increase. Subsea7 has preserved a strong financial and liquidity position through the cycles, and at 31 December 2023 it had cash and cash equivalents of $751 million (2022: $646 million), net cash of $(552) million (2022: $33 million) including $458 million (2022: $257 million) related to lease liabilities, and an undrawn revolving multi-currency credit facility of $700 million (2022: $1000 million). The total facility at 31 December 2023 was $1,710 million (2022: 1,360 million). During the year ended 31 December 2023, Subsea7 made payments of dividends to its shareholders of $112 million. In 2022, Subsea7 made payments to its shareholders of $80 million, through a combination of share repurchases of $46 million and a dividend of $34 million.

The priorities of Subsea7 is to invest in the business, make sound investments and cost control, coupled with maintaining its investment grade credit profile, have resulted in solid performance through the cycle and enabled the company to adapt as the needs and expectations of the stakeholders have evolved.

In June 2023 the Company acquired 500,000 shares of Subsea7 at a nominal share price of NOK110.89 per share. In September 2022, the Company acquired 880,539 shares of Subsea7 at an average price of NOK84.84 per share.

In March 2024, Subsea7 announced that its board of directors proposed a NOK6.00 per share dividend, equivalent to $170 million, to be recommended for shareholder approval at the AGM on 2 May 2024, payable in two equal installments in May and November 2024. In 2023, the Company received approx. $26.6 million in dividend from Subsea7 (2022: $7.3 million). In March 2023, Subsea7 announced that they completed an acquisition of 187,889,551 shares in Seaway7 ASA ("Seaway7") corresponding to 21.52% of Seaway7's issued and outstanding share capital. Following the completion of the acquisition, Subsea7 holds 93.94% of the issued and outstanding share capital of Seaway7.

On 13 March 2023 Subsea7 launched a voluntary offer for the remaining outstanding shares in Seaway7. Subsea7 increased its interest in Seaway7 to 97.56%, by issuing 1,435,806 new shares in Subsea7 SA in exchange for the shares in Seaway7 acquired in the voluntary offer. The effective percentage of interest for the Company in Subsea7 was reduced from 24.2% to 23.3% through Subsea7's acquisition of shares in Seaway7, from several shareholders, in exchange for new shares in Subsea7, issued to the sellers.

Part of the Company's shares in Subsea7 are pledged in relation to the Margin Loan. For further detail see Note 10, Long Term Debt.

The following financial highlights show results and amounts for Subsea7 for the years ended 31 December 2023 and 2022:

		As of and for the Financial Periods Ended 31 December			
Subsea7 Financial Highlights (in thousands):			*2023*		*2022*
Financial Performance:	Revenues	$	5,974,000	$	5,136,000
	Adjusted EBITDA	$	714,000	$	559,000
	Impairment of goodwill	$	-	$	-
	Tax expenses	$	(70,000)	$	(99,900)
	Net income (loss) attribute to shareholders	$	15,400	$	57,100
Financial Positions:	Assets	$	8,095,500	$	6,944,200
	Current and Non-Current Liabilities	$	3,738,400	$	2,493,500
Other notable:	Capital expenditures	$	581,200	$	355,000
	Backlog	$	10,587,100	$	9,000,000

For more information regarding Subsea 7, please visit its website at **www.subsea7.com**.

At 19 April 2024 the quoted share price for Subsea 7 S.A. was NOK 175.30 per share equal to $1,124 million for the shares owned by the Company.

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SIEM OFFSHORE INC.

Siem Offshore Inc. ("Siem Offshore"; OSE Symbol: SIOFF) — Siem Offshore owns and operates a fleet of high specification offshore support vessels.

At 31 December 2023, the Company owned a beneficial interest of 83,260,604 shares of Siem Offshore, or approximately 34.9% of its issued and outstanding shares. The Company accounts for Siem Offshore Inc. as an investment in an associated company using the equity method.

In June 2023 the Company acquired 3,000,000 shares of Siem Offshore Inc. at a nominal share price of NOK20.75 per share.

Financial 2023 Discussion and Subsequent Events — At the end of 2023, Siem Offshore had 26 vessels in operation, including partially-owned vessels, as compared to 28 vessels at the end of 2022. 2 vessels were in lay-up at the end of the year (2022: 3). The fleet includes 6 mid-size and large-size platform supply vessels ("PSVs"), 4 offshore subsea construction support vessels ("OSCVs") , 8 large-capacity anchor-handling, tug and supply ("AHTS") vessels, 2 well-intervention vessels ("WIVs"), 1 Canadian-flagged AHTS-vessel, 1 scientific core-drilling vessel, 4 smaller Brazilian-flagged vessels and 1 partially owned WIV.

The total backlog of firm contracts for the fleet was $320 million at the end of 2023 as compared to $442 million at the end of 2022. In February 2024 Siem Offshore announced that the company and Helix Energy Solutions had signed agreements for the Well Intervention Vessels "Siem Helix 1" and "Siem Helix 2". The new contracts will commence on the 1 January 2025 and 1 January 2026, and replace the existing contracts. The total contract backlog for the two vessels is $682 million after the new agreements were entered into.

Siem Offshore Inc. recorded a reversal of impairments for four vessels of $67 million in the fourth quarter of 2023 and capitalized $18.5 million as a deferred tax asset in the fourth quarter of 2023. There were no reversal of impairments in 2022.

The following financial highlights show results and amounts for Siem Offshore for the years ended 31 December 2023 and 2022:

Siem Offshore Financial Highlights (in thousands):		*As of and for the Fiscal Periods Ended 31 December* 2023	2022
Financial Performance:	Operating revenues	$ 336,026	$ 274,306
	Operating margin/EBITDA	$ 164,486	$ 103,776
	Reversal of impairment of vessels	$ 66,966	$ -
	Tax benefit (expense)	$ 19,027	$ 250
	Net income (loss) from discontinued ops	$ -	$ -
	Net income (loss) attribute to shareholders	$ 174,515	$ 30,897
Financial Positions:	Assets	$ 1,086,969	$ 1,019,891
	Current and Non-Current Liabilities	$ 557,793	$ 660,065
Other notable:	Capital expenditures	$ 33,492	$ 24,923

For more information regarding Siem Offshore, please visit its website at www.siemoffshore.com.

At 19 April 2024 the quoted share price for Siem Offshore Inc. was NOK 34.55 per share equal to $260 million for the shares owned by the Company.

At 19 April 2024, the Company beneficially owned 83,260,604 shares of Siem Offshore, or 34.9%.

ELECTROMAGNETIC GEOSERVICES ASA

Electromagnetic Geoservices ASA ("EMGS"; OSE Symbol: EMGS) – EMGS is the owner of proprietary electromagnetic technology which supports the offshore exploration for oil and gas.

EMGS provides services for survey design and data acquisition which are processed and interpreted. EMGS' services can also integrate the data with seismic and other geophysical and geological information to provide an in-depth understanding of the subsurface which reduces costs and associated risks of exploration.

The Company held a 23.9%-interest in EMGS through its wholly owned subsidiary Siem Investments S.à r.l. during 2023. On 27 December 2023 Siem Investments S.à r.l. acquired 12,000,000 EMGS shares. At 31 December 2023, Siem Investments S.à r.l. held 43,327,467 shares in EMGS and increased the percentage of interest in EMGS from 23.9% to 33.1%.

In addition, the Company owns $9.5 million nominal value of the $32.5 million convertible bond issued by EMGS with maturity in May 2025.

The Company accounts for Electromagnetic Geoservices ASA as an investment in an associated company using the equity method.

At 19 April 2024 the quoted share price for Electromagnetic Geoservices ASA was NOK 2.28 per share equal to $9 million for the shares owned by the Company.

SIEM OIL SERVICE INVEST HOLDINGS LTD.

The Company holds a 20%-interest in Siem Oil Service Invest Holdings Ltd., which owns one Anchor Handling Vessel and one Offshore Subsea Construction Vessel. The Company's portion of Net gain for 2023 is $0.4 million (2022: Net loss of $0.1 million).

2. OCEAN SHIPPING SEGMENT

The Ocean Shipping segment consists of Star Reefers Inc., Siem Shipowning Inc., Siem Car Carriers AS and Seven Yield Holding Pte. Ltd., where it operates in the specialized reefer industry, the car carrier segment, Roll-on/Roll-off Segment ("ro-ro segment") and as a leasing company offering lease financing solutions to the industrial shipping segments. The diverse nature of the fleet, across different shipping segments and counterparties enables the Company to achieve attractive cost of capital and returns. All companies in the Ocean Shipping Segment are consolidated in the financial statements. Information about each company are highlighted on page 21. As per 31 December 2023, the Company had a fleet of 5 Ro-Ro's where four are on bareboat contracts and one is on a time charter contract.

The Company started 2023 with a total of 13 reefer vessels (10 owned vessels and 3 chartered-in vessels). The Company redelivered all three charter-in vessels back to owners early 2023 as per schedule. At the end of 2023 the Company owned and operated a total of 10 refrigerated vessels. The aim is to fulfil the marine transportation requirements of its customers in the global perishable produce sector by providing a high-quality, flexible, and cost-effective service. The activity is focused on the banana transportation segment.

In 2023, the average spot market rate for reefer vessels was 58 cents per cubic foot per 30 days ("cents"), a decrease of 50% compared to 2022 (116 cents). During 2023, 100% of the Company's capacity operated under fixed time charters. For 2024 the Company has no exposure to the spot market as all reefer vessels are on long-term charter contracts.

The Company is the owner of two pure car-and-truck carriers ("PCTC") in the vehicle transportation industry and has chartered-in an additional three vessels on bareboat terms with purchase obligations at the end of the charter. All vessels were deployed on long-term contracts in 2023, which insulated the Company from market fluctuations. For 2024 the Company has limited exposure to the spot market as most of the PCTC-vessels are on long-term contracts.

On 5 September 2023 the Company terminated two Ro-Ro bareboat contracts chartered out following a breach of the terms in the charter parties. In December 2023, an arbitration tribunal decided that the Company had validly terminated the charters and was entitled to immediate redelivery of the two Ro-Ro vessels. The Charterers did not appeal against the award; however the vessels have not been redelivered. The Company has sought orders from the Commercial Court requiring redelivery of the two Ro-Ro vessels.

In December 2023 the company concluded the sale of a Dual Fueled LNG Ropax to a Spanish vessel owner and operator. The Company provided a long term financing to the buyer of the vessel. The effect of the transaction is included in the financial statements.

The Company also have 2 Kamsarmax bulk vessels and 1 car carrier on long term bareboat contracts under S&I Leasing, the joint venture company established with ITOCHU Corporation in late 2019 for the purpose of offering ship finance leasing to conventional shipping segments such as bulk, tanker, gas carriers and container vessels.

The ocean shipping segment contract backlog (excluding the joint venture) as at 31 December 2023 was $538.4 million (reefers $180.6; PCTC $136.8; Leasing $221.0).

			As of and for the Fiscal Periods Ended 31 December		
Ocean Shipping Segment Financial Highlights (in thousands):			*2023*		*2022*
Financial Performance:	Revenues	$	165,850	$	208,706
	EBITDA	$	62,694	$	100,243
	Tax expense	$	(882)	$	(1,128)
	Net income (loss) attributable to shareholders	$	21,601	$	44,910
Financial Positions:	Assets	$	605,716	$	724,049
	Current and Non-Current Liabilities	$	258,897	$	377,011
Other notable:	Capital expenditures	$	13,053	$	33,989

3. FINANCIAL INVESTMENT SEGMENT

SIEM INVESTMENTS S. À R.L.

Financial Investments in the Company is mainly carried out through Siem Investments S.à r.l., Momentum S.à r.l. and Grand Rue Finance S.à r.l. The following financial highlights show results and amounts for Financial Investments Segment for the years ended 31 December 2023 and 2022:

			As of and for the Fiscal Periods Ended 31 December		
Financial Investments Segment - Financial Highlights (in thousands):			*2023*		*2022*
Financial Performance:	Interest Income:	$	14,365	$	4,927
	Dividend Income:	$	746	$	115
	Gain from disposal of investments in bonds and shares:	$	6,109	$	173
	Gain from disposal of shares in subsidiaries:			$	21,364
	Net Income in DEUSA International:	$	3,433	$	3,927
	Fair market value adjstment of investments in shares and bonds:	$	18,947	$	2,712
	Net Income from Financial Investments Segment excluding allocation of corporate overhead:	$	43,600	$	33,219
Financial Positions:	Carrying amount of assets excluding DEUSA International GmbH) *)	$	84,882	$	82,628

*) Estimated fair market value of assets within the Financial Investments Segment as per 31 December 2023 is approximately $190 million, including the investment in DEUSA International GmbH.

DEUSA INTERNATIONAL GMBH

Deusa International GmbH ("Deusa") — Deusa is based in Bleicherode, Germany, and mines and markets salt-based products, as well as using abandoned caverns for waste deposits.

Deusa owns significant deposits of potash at its location in Germany and one of its two main operations consist of hot leaching extraction and processing of the potash and refining the raw materials into commercial fertilizer products. The other main business area is converting filter dust from power stations and industrial clients to harmless gypsum which is deposited in underground empty caverns. The Company owns a 60% interest in Deusa which is consolidated in the financial statements.

Shareholder Matters

Nature of Trading Market

Quotes for the Company's common shares, U.S. $0.25 par value per share ("Common Shares"), which is the Company's only issued and outstanding form of equity securities, are available from OTC Markets Group Inc., a centralized quotation service that collects and publishes market maker quotes for OTC securities, in the OTC Pink market under the symbol "SEMUF" at www.otcmarkets.com.

There are approximately 50 holders of record with an about 430 additional shareholders holding shares through nominee accounts. The 3-month average daily trading volume of Common Shares on the Pink Sheets is below a hundred shares. The low liquidity of the Company's Common Shares has made the trading susceptible to volatile pricing.

The Company will, from time-to-time, buy back Common Shares which have been offered for sale to the Company by its shareholders. The Company purchased nil Common Shares in 2023 and 2022. Treveri S.à r.l, a company wholly owned by the Chairman launched a tender offer in the 4th quarter of 2022 to purchase up to $10 million worth of shares in the Company. Following the tender offer, the Chairman and Treveri S.à r.l collectively own 12,130,434 shares equal to 80.9% of the Company's shares.

Dividend Policy

The Company's policy is to reinvest available funds into the business and, consequently, the Company does not pay dividends on a regular basis. The Board of Directors last declared and paid an extraordinary cash dividend in May 2015 of $0.20 per Common Share.

Control

The following table sets forth certain information, as of 24 April 2024 with respect to the only persons known to the Company who owned beneficially more than 10% of the Company's 14,994,196 issued and outstanding Common Shares and the number of Common Shares owned by the other Directors and Officers of the Company, as a group:

Name of Beneficial Owners or Identity of Group	*Shares Beneficially Owned*	*Percentage of Common Shares*
Kristian Siem	12,130,434	80.90%

Selected Financial Data

The following selected comparative financial data have been derived from the consolidated financial statements of the Company for the three years ended 31 December 2023. The financial years ended 31 December 2022 and 2021 should be read in conjunction with the consolidated financial statements of the Company (including the related notes) and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere herein.

	Years ended		
	2023	2022	2021
(in thousands, except per share amounts)	**31-Dec**	**31-Dec**	**31-Dec**
FINANCIAL PERFORMANCE:			
Total income	$ 235,823	$ 293,383	$ 334,403
Total expenses and other	$ (127,515)	$ (205,808)	$ (276,840)
Income (loss) before income tax expense	$ 108,308	$ 87,575	$ 57,563
Income tax (expense) benefit	$ (503)	$ (1,530)	$ (1,194)
Net income (loss) from continuing ops	$ 107,804	$ 86,045	$ 56,369
Gain/(loss) on discontinued operations attributable to Common Shares		$ 14,693	$ 9,169
Net income (loss)	$ 107,804	$ 100,739	$ 65,538
Net income (loss) attributable to:			
Holders of common Shares	$ 106,029	$ 97,086	$ 57,011
Non-controlling interest	$ 1,775	$ 3,653	$ 8,527
Earnings (loss) per Common Share:			
Basic and Diluted:			
Net income (loss) from continuing operations	$ 7.07	$ 5.48	$ 3.19
Net income (loss)	$ 7.07	$ 6.46	$ 3.80
FINANCIAL POSITION:			
Working capital (1)	$ (715)	$ (59,036)	$ (50,844)
Total assets	$ 2,129,358	$ 2,091,906	$ 2,094,809
Interest-bearing debt (1)	$ 367,693	$ 476,215	$ 658,106
Shareholders' equity	$ 1,667,505	$ 1,521,456	$ 1,317,398
Weighted avg. no. shares outstanding	14,994	14,994	14,994
Ending no. of shares outstanding	14,994	14,994	14,994

(1) Interest-bearing debt includes Finance lease liability

Management's Discussion and Analysis of Financial Condition and Results of Operations

Going-Concern

The Company's financial statements have been prepared under the assumption that the Company is a going-concern. This assumption is based on the level of cash and cash equivalents at the end of 2023, the availability of cash under revolving credit facilities, the liquidity and market value of the Company's investments and the forecast cash flows.

The Company believes that its cash position, the proceeds from the maturities of its existing notes receivable and its ability to raise additional credit facilities using its assets will generate the liquidity to address all short-term requirements.

Overview

Results of Operations

Fiscal Year ending 31 December 2023

Total revenues recorded during fiscal years 2023 and 2022 were $235,823,000 and $293,383,000, respectively. Operating expenses during fiscal years 2023 and 2022 were $133,744,000 and $184,250,000, respectively.

The share of profits (losses) of associates recorded during fiscal years 2023 and 2022 was $62,145,000 and $24,520,000, respectively.

Interest income recorded during fiscal years 2023 and 2022 was $14,365,000 and $4,927,000, respectively.

Net gains (losses) on investments for the fiscal years 2023 and 2022 were $9,183,000, and $20,203,000, respectively.

Re-valuation gains (loss) on financial derivative for 2023 and 2022 were $6,819,000 and $4,909,000 in 2023 and 2022, respectively.

Depreciation and amortization expenses were $35,951,000 and $41,490,000 for 2023 and 2022, respectively.

Net impairment of $14,188,000 and $ nil were recorded for 2023 and 2022, respectively.

Interest expenses were $25,062,000 and $25,292,000 for 2023 and 2022, respectively.

General and administrative expenses for fiscal years 2023 and 2022 were $15,612,000 and $17,777,000, respectively.

Currency exchange gains (losses) were $2,640,000 and $(59,000) for 2023 and 2022, respectively.

Income tax expense (benefit) for fiscal years 2023 and 2022 was $503,000 and $1,530,000, respectively. Subsea 7 is the largest taxpayer in the Siem Industries' group of companies; however, its significant tax expense is reflected within the net share of after-taxes results from associates and are therefore not specifically identified as tax expense in the Company's consolidated financial statements.

Financial Condition and Liquidity

The current ratio was 1.00 at 31 December 2023 as compared to 0.72 at the end of 2022. The interest-bearing debt-to-total assets ratios were 0.17 and 0.21 at 31 December 2023 and 2022, respectively. Further information about financial condition and liquidity is presented in Note 22, Risk Management and Capital Management.

Market Risks Disclosures

The Company's balance sheet includes a substantial amount of assets whose fair values are subject to market risks. Due to the Company's significant level of investments in equity securities, fluctuations in equity prices represent the largest market risk factor affecting the Company's financial position. The following sections address the significant market risks associated with the Company's business activities.

Investment Concentration Risk

The Company believes that it may have investment concentration risks with respect to its operational holdings including in the oil and gas services industry.

Forward-Looking Statements

Investors are cautioned that certain statements contained in this document, as well as some statements made by the Company in periodic press releases and some oral statements made by its management during presentations about the Company, are "forward-looking" statements. Forward-looking statements include statements which are predictive in nature, which depend upon or refer to future events or conditions, which include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", or similar expressions. In addition, any statements concerning future financial performance (including future revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future Company actions, which may be provided by management, are also forward-looking statements. Forward-looking statements are based on current expectations and projections about future events and are subject to risks, uncertainties, and assumptions about the

Company, economic and market factors and the industries in which the Company conducts business, among other things. These statements are not guarantees of future performance and the Company has no specific intention to update these statements.

Actual events and results may differ materially from those expressed or forecasted in forward-looking statements due to a number of factors. The principal important risk factors that could cause the Company's actual performance and future events and actions to differ materially from such forward-looking statements, include, but are not limited to, changes in market prices of the Company's significant equity investees, changes in income tax laws, and changes in general economic and market factors that affect the prices of securities or the industries in which the Company and its associates conduct business.

DIRECTORS AND OFFICERS

The following persons are currently Directors and Executive Officers of the Company:

DIRECTORS

Name	*Position*	*Director Since*	*Present Term Expires*
Kristian Siem	Director and Chairman	1982	2025
Karen Siem	Director	2019	2025
Louisa Siem	Director	2021	2025
Harald Kuznik	Director	2023	2025
Jørgen Westad	Director	2021	2025

Directors are normally elected for terms of two years at the Annual General Meeting of Shareholders. Executive officers are appointed by and serve at the pleasure of the Board. Officer appointments are normally confirmed at the Board meeting which promptly follows the Annual General Meeting of Shareholders.

Kristian Siem is chairman of Subsea 7 S.A., Siem Offshore Inc. and Frupor S.A. (Portugal).

Karen Siem is Member of the Board of the Weizmann Institute of Science. She is the spouse of Kristian Siem.

Louisa Siem is a non-executive director a Subsea 7 S.A. and is the daughter of Kristian Siem and Karen Siem.

Harald Kuznik is a consultant for shipping companies and retired head of shipping at HSH Nordbank AG.

Jørgen Westad, an officer of the Group since 2015, was appointed Director in 2021.

COMPENSATION OF DIRECTORS AND OFFICERS

The Directors did not receive a director fee in 2023 and 2022.

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Independent auditor's report

To the Shareholders of
Siem Industries S.A.
36-38 Grand Rue
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Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Siem Industries S.A. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023 and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended 31 December 2023in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the consolidated management report but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

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Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing 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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, 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 Group's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' 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 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 report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated 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 report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and 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.

We communicate with those charged with governance 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.

Report on other legal and regulatory requirements

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Alban Aubrée

Luxembourg, 26 April 2024

SIEM INDUSTRIES S.A. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS

(Dollars in thousands, except per share amounts)	Notes		2023 31 Dec		2022 31 Dec
OPERATING INCOME AND OPERATING EXPENSES:					
Operating and lease income	*12,14*	$	235,823	$	293,383
Operating expenses	*7,12,13*		(133,744)		(184,250)
Operating margin			102,079		109,134
OTHER INCOME					
Share of profits of associates	*5*		61,956		24,520
Interest income	*16,20*		14,365		4,927
Gains (losses) on investments and other assets, net	*4,15,16*		9,183		20,203
Gains (losses) on re-valuation of financial derivatives, net	*25*		6,819		4,909
Other income			2,078		5,132
Total other income			94,401		59,691
EXPENSES AND OTHER:					
Depreciation and amortization	*6,7,8*		(35,951)		(41,490)
Impairment and reversal of impairment of vessels and investments	*4,5*		(14,188)		-
Interest expense	*8,10,16,20*		(25,062)		(25,292)
General and administrative expenses	*9,13,17,19*		(15,612)		(17,777)
Currency exchange gains (losses), net			2,640		(59)
Other expenses			-		3,370
Total expenses and other			(88,172)		(81,249)
Income (loss) before income tax expense			108,308		87,575
Income tax (expense) benefit	11		(503)		(1,530)
Income (loss) from continuing operations			107,804		86,045
Income (loss) on discontinued operations	21		-		14,693
Net income (loss)		$	107,804	$	100,739
Net income (loss) attributable to:					
Holders of Common Shares		$	106,029		97,086
Non-controlling interests		$	1,775		3,653
Earnings (Loss) per Holders of Common Share:					
Net income (loss) from continuing operations		$	7.07		5.48
Net income (loss) from discontinuing operations		$	-		0.98
Net income (loss)		$	7.07		6.46
Weighted avg. no. of Common Shares outstanding for period			14,994,196		14,996,996

See accompanying Notes which are an integral part of these Consolidated Financial Statements.

SIEM INDUSTRIES S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Dollars in thousands)		*For Year Ended 31 December* 2023	2022
Net income (loss)	$	107,804	100,739
Items that may be reclassified to the income statement in subsequent periods:			
Currency exchange differences	$	1,845	(23,011)
Share of other comprehensive income of associates		(278)	(14,464)
Recycling of Currency Translation Adjustment from deconsolidation of subsidiary		-	310
Recycling of Cash Flow Hedge		-	-
Cash Flow Hedge		(234)	836
Pension re-measurement		868	1,317
Items that will not be reclassified to the income statement in subsequent periods:			
Other			
Total comprehensive income (loss)	$	110,005	65,727
Total comprehensive income (loss) attributable to:			
Holders of Common Shares from discontinuing operations	$	-	13,987
Holders of Common Shares from continuing operations	$	110,005	50,218
Non-controlling interest	$	-	1,522

See accompanying Notes which are an integral part of these Consolidated Financial Statements.

SIEM INDUSTRIES S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Dollars in thousands)	*Notes*		*31 December 2023*		*31 December 2022*
ASSETS:					
Current assets:					
Cash and cash equivalents	3,26,27,28	$	56,388	$	72,466
Accounts receivable	24,26,28		20,780		23,835
Accrued interest receivable	28		506		8,575
Trading securities	4,28,30		12,609		11,025
Inventories			9,166		8,456
Financial derivative	25,28		7,788		4,802
Notes, loans, finance lease and other receivables	4,14,28		17,076		11,507
Prepaid expenses and other current assets			20,943		19,346
Assets held-for-sale	21		0		0
Total current assets			145,255		164,392
Restricted cash	3,28		29,208		22,946
Notes, loans, finance lease and other receivables	4,14,28		323,493		147,947
Financial derivative	25,28		2,923		4,381
Investments in associates	5		1,192,204		1,108,648
Vessels, property and equipment, net	6,7,8		421,906		624,646
Deferred tax asset	11		14,369		12,950
Other assets and long-term receivables			(0)		10,377
Total non-current assets			1,984,103		1,927,514
Total Assets		$	2,129,358	$	2,091,906

SIEM INDUSTRIES S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(Dollars in thousands)	*Notes*		*31 December 2023*		*31 December 2022*
LIABILITIES AND EQUITY:					
Current liabilities:					
Accounts payable	22,28	$	15,361	$	17,698
Accrued interest payable	22,28		1,337		830
Due to related parties	23		77,848		78,480
Current maturities and short-term notes	10,22		20,039		58,703
Finance lease liability	6,8,10		15,868		50,796
Financial derivatives	25,28		2,435		3,979
Other accrued costs and short-term liabilities	22		13,082		12,944
Net liabilities directly related to assets held-for-sale	21		0		0
Total current liabilities			145,970		223,428
Non-Current liabilities					
Long-term debt and notes payable	10,22,26,27		155,778		176,331
Finance lease liability	6,8,10		98,160		111,906
Financial derivatives	25,28		0		0
Due to related parties			0		0
Other liabilities	9,28		47,399		46,641
Total Non-Current liabilities			301,337		334,878
Total Liabilities			447,307		558,306
Shareholders' equity:					
Common shares, $0.25 par value, 100,000,000 shares authorized, 14,994,196 shares issued and outstanding, respectively	30		3,749		3,749
Additional paid-in capital			107,459		107,459
Retained earnings			1,711,364		1,570,470
Currency translation reserves			(5,340)		(9,904)
Other reserves			(149,728)		(150,318)
Total shareholders' equity			1,667,505		1,521,456
Non-controlling interests	31		14,546		12,145
Total Equity			1,682,051		1,533,601
Total Liabilities and Equity		$	2,129,358		2,091,906

See accompanying Notes which are an integral part of these Consolidated Financial Statements.

SIEM INDUSTRIES S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to Common Shares							
		Common Shares		Additional Paid-in	Retained	Currency Translation	Other	Non-Controlling	
(in thousands, except number of shares)	*Note*	*Number*	*Share Capital*	*Capital*	*Earnings*	*Reserves*	*Reserves*	*Interests*	*Total*
Restated balances at 31 December 2021		14,996,996	$ 3,749	$ 107,459	$ 1,440,055	$ 11,955	$ (137,108)	$ 39,071	$ 1,465,181
Net income (loss)		0	0	0	97,086	0	0	3,653	100,739
Currency Translation Adjustment recycled to Income Statement		0	0	0	0	259	0	51	310
Currency translation differences		0	0	0	0	(20,829)	0	(2,182)	(23,011)
Pension remeasurement	19	0	0	0	0	1,317	0	0	1,317
Cash flow hedge		0	0	0	0	836	0	0	836
Share of other comprehensive income (loss) of associates		0	0	0	0	0	(14,464)	0	(14,464)
Total comprehensive income (loss)		0	0	0	97,086	(18,417)	(14,464)	1,522	65,727
Reclassification of Currency Translation Adjustment 01.01.2022		0	0	0	3,445	(2,067)	0	(1,378)	0
Disposal of subsidiary		0	0	0	0	0	0	(965)	(965)
Total amount of reclassification and deconsolidation of subsidiaries		0	0	0	3,445	(2,067)	0	(2,343)	(965)
Step acquisition of subsidiary		0	0	0	0	0	0	0	0
Increase in minority interests from acquisition of subsidiary		0	0	0	0	0	0	0	0
Buyback of shares in subsidiaries	32	0	0	0	26,950	0	0	(24,083)	2,867
Other		0	0	0	2,935	(1,374)	1,255	(2,022)	794
Purchase and retirement of Company shares		0	0	0	0	0	0	0	0
Total transactions with owners and others		0	0	0	33,330	(3,441)	1,255	(28,448)	2,696
Balances at 31 December 2022		14,996,996	$ 3,749	107,459	$ 1,570,470	(9,904)	(150,318)	12,145	1,533,601
Net income (loss)		0	0	0	106,029	0	0	1,775	107,804
Reclassification of Pension Remeasurement 01.01.2023		0	0	0	0	(1,317)	1,317	0	0
Currency translation differences		0	0	0	0	4,799	0	0	4,799
Pension remeasurement	19	0	0	0	0	0	868	0	868
Cash flow hedge		0	0	0	0	(234)	0	0	(234)
Share of other comprehensive income (loss) of associates		0	0	0	0		(278)	0	(278)
Total comprehensive income (loss)		0	0	0	106,029	3,248	1,907	1,775	112,959
Reclassification of retained earnings in associated company	5	0	0	0	35,432	0	0	0	35,432
Other		0	0	0	(568)	1,317	(1,317)	626	58
Purchase and retirement of Company shares		0	0	0	0	0	0	0	0
Total transactions with owners and others		0	0	0	34,864	1,317	(1,317)	626	35,490
Balances at 31 December 2023		14,994,196	$ 3,749	107,459	$ 1,711,364	(5,340)	(149,728)	14,546	1,682,051

SIEM INDUSTRIES S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)	*Notes*	*For Years Ended 31 December* 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)		$ 107,804	$ 100,739
Adjustments to reconcile net income (loss)			
to net cash provided by (used in) operating activities:			
Depreciation and amortization	6,7	35,951	41,490
Share of profits of associates	5	(61,956)	(24,520)
Currency translation adjustment and cash flow hedge recycled to income statement		0	(310)
Losses (Gains) on investments and other assets, net	4	(9,183)	(41,567)
Losses (Gains) on re-valuation of financial derivatives, Other		(6,819)	(4,909)
Losses (gain) from revaluation of finance lease agreement		0	1,407
Interest expenses on finance leases		7,122	8,879
Impairment of vessels and investments	4	14,525	0
Currency exchange losses (gains)		1,193	59
Changes in working capital:			
(Increase) Decrease in:			
Accounts receivable, other		3,055	6,257
Accrued interest receivable		8,069	(3,181)
Trading securities		7,213	(1,462)
Inventories		(710)	2,068
Prepaid expenses and other current assets		(6,127)	(3,521)
Increase (Decrease) in:			
Accounts payable		(2,337)	1,006
Accrued interest payable		507	289
Other accrued costs and short-term liabilities		138	(24,453)
Other		(299)	(8)
Net cash provided by (used in) operating activities		98,145	58,263
Net cash generated from discontinued operations:	21	0	2,395
Net cash inflow from operating activities		**98,145**	**60,658**

SIEM INDUSTRIES S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(Dollars in thousands)	*Notes*	*For Years Ended 31 December* 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to notes receivable and other investments	4	(1,778)	(30,986)
Proceeds from repayment of notes receivable and other investments	4	8,147	53,918
Net cash from investment/disposal in associates	5	(13,244)	(9,533)
Distributions from associates	5	26,619	7,304
Proceeds from sales of vessels, shipping-related assets and other	6	0	168,151
Capital expenditures for vessels, shipping-related assets and other	6	(20,901)	(73,995)
Net cash provided by (used in) investing activities		(1,156)	114,859
Net cash generated from investing activities - discontinued operations	21	0	32,477
Net cash outflow generated from investing activities		**(1,156)**	**147,335**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Buyback and retire Common Shares of subsidiary of Company	34	0	(5,575)
Proceeds from long-term debt and notes payable	10	88,348	73,809
Due to affiliates	23	(632)	10,940
Repayment of long-term debt and notes payable	10	(157,715)	(252,843)
Repayment of finance lease liability	8	(43,066)	(13,039)
Net cash provided by (used in) financing activities		(113,065)	(186,708)
Net cash generated from financing activities - discontinued operations	21	0	0
Net cash used in financing activities		**(113,065)**	**(186,708)**
Net increase (decrease) in cash and cash equivalents		(16,079)	21,284
Net increase (decrease) in cash and cash equivalents - restricted cash	3	6,262	(3,694)
Cash and cash equivalents, beginning of period		95,412	77,821
Total cash and cash equivalents, including restricted cash, end of period	3	85,596	95,412

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Cash paid during period for:	Interest	24,645	22,111
	Taxes	138	838

See accompanying Notes which are an integral part of these Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) GENERAL INFORMATION

Siem Industries S.A. (formerly Siem Industries Inc.) was incorporated in October 1980 under the laws of the Cayman Islands. In December 2020, the Company transferred its central administration and effective place of management to the Grand Duchy of Luxembourg under the corporate form of a public company limited by shares (société anonyme). As per 31 December 2020 the Company had a dual residence. In July 2021 the Company was removed from the Companies Register at the Cayman Islands.

"Siem Industries", or the "Company", as used herein, refers to Siem Industries S.A. and its subsidiaries and associates unless the context indicates otherwise.

The company is domiciled in Luxembourg, and the registered address of the company is 36-38 Grand Rue, L-1660 Luxembourg, Grand Duchy of Luxembourg.

Quotes for the Company's Common Shares are available from OTC Markets Company Inc., a centralized quotation service that collects and publishes market maker quotes for OTC securities, in the OTC Pink market under the symbol "SEMUF" at www.otcmarkets.com.

At 31 December 2023, the Company held beneficial ownerships in the following major holdings:

Subsea7 S.A. ("Subsea7"); OSE-ticker: SUBC, holding 70,829,916 shares, or 23.6% (2022:24.2%) of the issued shares and of the company. Subsea 7 is a publicly-traded Luxembourg company and one of the world's leading subsea engineering and construction contractors;

Siem Offshore Inc. ("Siem Offshore"); OSE-ticker SIOFF, holding 83,260,604 shares, or 34.9% (2022: 33.6%), of the issued shares and of the company. The company is accounted for under the equity method. Siem Offshore is a publicly-traded Cayman Islands company and a leading offshore support vessel provider, that at year-end had a fleet of 26 vessels (2022: 28 vessels);

Electromagnetic Geoservices ASA ("EMGS"); OSE Symbol: EMGS – holding 43,327,467 shares or 33.1% (2022: 23.9%) of the issued shares and of the company. EMGS is the owner of proprietary electromagnetic technology which supports the offshore exploration for oil and gas.

EMGS provides services for survey design and data acquisition which is processed and interpreted. EMGS' services can also integrate the data with seismic and other geophysical and geological information to provide an in-depth understanding of the subsurface which reduces costs and associated risks of exploration.

Star Reefers Inc., ("Star Reefers") holding 8,803,513 shares or 99.4% (2022: 99.4%) of the issued shares and of the company. Star Reefers is a Cayman Islands company that at the beginning of the year controlled a fleet of 3 reefer vessels (2022: 3 vessels at year-end) engaged in the refrigerated transportation of fruits and other perishable products. All 3 vessels were redelivered to the shipowner when the charter-in agreements expired in January 2023.

Siem Shipowning Inc., ("Siem Shipowning"); holding 8,804,513 shares, or 99.4% (2022: 99.4%) of the issued shares and of the company. Siem Shipowning is a Cayman Island company that is an owner and operator of vessels engaged in the international shipping in the reefer, car carrier and RoRo (roll-on/roll-off) segment.

Siem Car Carriers AS ("SCC"), holding 100% (2022: 100%) of the shares in a Norwegian company, that provides logistics services that involve car and RO-RO (roll-on/roll-off) transportation solutions and capabilities on a worldwide basis through partnerships with car manufacturers, shipping lines and logistics companies;

Seven Yield Holding Pte. Ltd. ("Seven Yield"), holding 100% (2022: 100%) of the shares in a Singapore based leasing company, which provides lease financing to the industrial shipping industry across a diversified portfolio of shipping assets and counterparts;

Momentum S.à r.l. ("Momentum"), holding 100% (2022: 100%) interest in a Luxembourg company whose wholly-owned subsidiaries, **Grand Rue Finance S.à r.l. ("Grand Rue")** has provided funding to a number of subsidiaries of the Company;

Deusa International GmbH ("Deusa"), holding 60.0% (2022: 60%) of the issued shares in a German company whose operations include the production of potash which is used for fertilizer production, bischofite for the construction industry, magnesium chloride for de-icing and other related products.;

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Siem Oil Service Invest Holdings Limited ("SOSI"), holding 20% (2022: 20%) of the issued shares in a U.K. company that is positioned to opportunistically acquire distressed oil-related assets.

Day OCV Pte. Ltd., holding 100% of a Singapore based financing company.

The group operates with an organizational structure comprising three operating segments defined as follows:

- Ocean Shipping Segment
- Offshore Energy Services
- Financial Investments Segment

The Ocean Shipping Segment includes the activities within Siem Shipowning, Star Reefers, Siem Car Carriers and Seven Yield Group. The Offshore Energy Services segment includes the activities within Subsea7, Siem Offshore, EMGS and SOSI, and finally, the Financial Investments Segment includes the remaining activities within the Company.

The accounting policies for the operating segments are the same as the Company's accounting policies, which are described in Note 2 Significant Accounting policies on page 28 and page 29.

The financial accounts for the Company for 2023 are based on the going concern assumption and were approved by the Board of Directors on the 24 April 2024.

The financial position and performance of the Company was particularly affected by the following significant events and transactions during the reporting period:

- Improved performance in the Ocean Shipping Segment
- Increased share of profit of associates from $24.5 million in 2022 to $62.1 million in 2023, where the carrying amount of the investments in associates are partly mitigated by negative Other Comprehensive Income

ULTIMATE OWNER
At 31 December 2023, Kristian Siem owned personally and through one of his companies 12,130,434 shares, or 80.89% of the issued and outstanding shares, of the Company's Common Stock (31 December 2022: 12,130,434 or 80.89%).

2) *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

BASIS OF PREPARATION

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as endorsed by the European Union under the assumption that the Company is a going concern and are presented in United States dollars. The consolidated financial statements are based on historical costs, as modified by some financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the financial year and the reported amounts, as described in further detail below on page 25.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NEW STANDARDS EFFECTIVE FOR FINANCIAL 2023

a) New and amended standards and interpretations adopted by the Group

- The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023.
- Definition of Accounting Estimates – Amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12.
- International Ta Reform—Pillar Two Model Rules—Amendments to IAS 12
- IFRS 18 Presentation and Disclosure in Financial Statements

These amendments had no impact on the consolidated financial statements.

b) Standards issued but not yet effective (which the Group has not yet early adopted)

Standards and interpretations that are issued up to the date of issuance of the consolidated financial statements, but not yet effective, are disclosed below. The Group's intention is to adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial accounts are issued.

- Amendments to IAS 1: Classifying liabilities as current or non-current
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements

The issued standards and interpretations are not expected to have a material impact on the Group.

FAIR VALUE MEASUREMENT

The Company measures financial derivatives at fair value at each balance sheet date, and discloses the fair values of those financial instruments that are not measured at fair value.

Fair value measurements are categorized into three different levels, based on the degree to which the inputs to fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety, described as follows:

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

Fair-value related disclosures for financial instruments that are measured at fair value or where fair value are disclosed, are summarized in the following Notes:

- Disclosure for valuation methods, significant estimates and assumptions – Note 2, Summary of Significant Accounting Policies
- Financial instruments (including those carried at amortized cost) – Note 4, Financial Assets, Note 25 Financial Instruments and Note 28 Fair value of financial assets and financial liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

ACCOUNTING ESTIMATES AND JUDGEMENTS

The presentation of financial statements under IFRS requires management to make estimates and assumptions relating to items within the financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from management's estimates. The Company's significant accounting policies are described in this Note 2.

Certain of the Company's accounting policies require critical accounting estimates that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates could change from period to period and may have a material impact on the Company's financial condition, changes in financial condition, or results of operations. Critical accounting estimates could also involve alternative estimates when competing methodologies exist for calculating estimates in an accounting period.

The Company has identified the following significant accounting policies that involve critical accounting estimates:

Impairment of Vessels.

Management needs to assess whether indications exist that may require an impairment of the value of a vessel. The Company has applied the same accounting principles for owned vessels and Right-of-Use vessels. Such indications may include adverse market conditions, significant changes in charter-hire contracts, day-rates, operating expenses or external broker estimates.

When such indications exist, an impairment test is performed in accordance with Company policy. Each vessel is deemed to be a cash generating unit and each vessel is therefore tested separately for possible impairment.

No impairment indicators existed as of 31 December 2023 and 31 December 2022.

Information about sensitivity analysis is presented in note 6 Vessel, Property and Equipment on page 48.

Value-in-Use Calculations of Vessels.

Estimated cash flows are based on next year's budget per vessel, and the forecast for the subsequent periods. For vessels fixed on firm long-term contracts, the assumption is that the contracts continue until expiry date. Options for contract extensions, held by the customers, are not included in the forecasted cash flows unless they are entered into on terms that are at or below current market rates, and highly probable that they will be exercised.

The Company 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, and the vessels owned by associated companies. It is expected that oil and gas will continue to contribute a significant, although declining, part in the transition to sustainable lower carbon energy until at least 2050. The Company continues to address the carbon emissions impact from vessel operations and invest in its fleet by assessing the viability of lower-carbon fuels and converting vessels to hybrid power where practical. The Company does not consider that there are 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.

The weighted average cost of capital ("WACC") is used as a discount rate when the value-in-use is estimated. The capital structure applied in the model reflects a normalized capital structure for the industry, representing the rate of return that the Company is expecting to pay to the lenders and equity providers of capital for cash flows that have similar risks. Cash flows are calculated after tax and discounted with an after-tax discount rate.

Options, included in charter hire agreements, to extend the charter party are not considered in the value-in-use calculations. However, if charter hire rates for optional periods are expected to be lower than market rates for the applicable period, this is considered in the value in use calculation.

The critical assumptions in the assessment of value-in-use are related to charter hire rates, and utilization of the vessels.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Impairment of other Non-Financial Assets.

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

ACCOUNTING PRINCIPLES APPLIED BY THE COMPANY

Initial Recognition and Measurement of Financial Assets

Financial assets are classified, at initial recognition, and measured at amortized cost, fair value through Other Comprehensive Income (FVOCI), or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them, and whether the contractual cash flows resulting from the equity instruments represent the SPPI-criterion as defined by IFRS ("Sole Payment of Principal and Interests").

The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not recorded at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Credit losses are provided for under the expected credit loss model.

The Company recognizes a financial asset in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument.

On initial recognition of an equity investment that is not held for trading, the Company irrevocably elects how subsequent changes in fair value should be reflected in the accounts, either as gain or losses in the Income Statement, or as changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. Equity investments made during 2023 are recognized at fair value through profit or loss (FVTPL) There is no equity investment in 2022.

Subsequent Measurement of Financial Assets

For the purpose of subsequent measurement, the Company has the following classes of financial assets:

- Financial assets at amortized cost (*debt instruments*)
- Financial assets at fair value through profit or loss (FVTPL)
- Financial Instruments used for hedging (FVOCI)

Financial Assets at Amortized Cost (Debt Instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment testing. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes "*Cash and Cash equivalents*", "*Accounts receivable*", "*Notes, loans and other receivables*", and "*Other assets and long term receivables*".

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the income statement. Dividends on equity investments are recognized as other income in the income statement when the right of payment has been established.

This category includes derivative instruments and listed equity investments which the Company has not irrevocably elected to classify at fair value through OCI.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with IFRS 9 requirements, the Company recalculate the gross carrying amount of the financial asset and recognizes a modification gain or loss in profit or loss.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Trade receivables and contract assets

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company's credit risk management practices are designed to address the risk characteristics of the key classes of financial asset. Credit exposure is controlled by counterparty limits that are reviewed and approved on an annual basis and are monitored daily. In respect of its clients and suppliers, the Company uses credit ratings as well as other publicly available financial information and its own trading records to rate its major counterparties. The assessment of the Company's exposure to credit risk includes consideration of historical and forward-looking information regarding both the financial position and performance of the counterparty and the general macro-economic environment.

Expected credit loss assessment for financial assets

Allowances are recognized as required under the IFRS 9 'Financial Instruments' impairment model and continue to be carried until there are indicators that there is no reasonable expectation of recovery.

For debt financial assets the Company applies the general approach to providing for expected credit losses as prescribed by IFRS 9, which permits the recognition of an allowance for the estimated expected loss resulting from default in the subsequent 12-month period. Exposure to credit loss is monitored on a continual basis and, where material, the allowance for expected credit losses is adjusted to reflect the risk of default during the lifetime of the financial asset should a significant change in credit risk be identified. In determining expected credit losses, financial assets with the same counterparty are grouped and where appropriate expected credit losses are measured on a collective basis. In determining the level of allowance, the Company applies judgement based on a variety of data in order to predict the likely risk of default. The Group defines default as full or partial non-payment of contractual cash flows. The determination of expected credit losses is derived from historical

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

and forward-looking information which includes external ratings, audited financial statements and other publicly available information about customers. Determination of the level of expected credit loss incorporates a review of factors which can be indicative of default, including the nature of the counterparty and the individual industry sectors in which the counterparty operates. Most the Company's financial assets are expected to have a low risk of default. A review of the historical occurrence of credit losses indicates that credit losses are insignificant due to the size of the Company's customers and the nature of the services provided. The outlook for the energy industry is not expected to result in a significant change in the Company's exposure to credit losses (see discussions above from page 6 to page 9) . As lifetime expected credit losses are not expected to be significant the Company has opted not to adopt the practical expedient available under IFRS 9 to utilize a provision matrix for the recognition of lifetime expected credit losses on trade receivables. Allowances are calculated on a case-by-case basis based on the credit risk applicable to individual counterparties. Exposure to credit risk is continually monitored in order to identify financial assets which experience a significant change in credit risk. While assessing for significant changes in credit risk the Company makes use of operational simplifications permitted by IFRS 9. The Company considers a financial asset to have low credit risk if the asset has a low risk of default; the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term; and no adverse changes in economic or business conditions have been identified which in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Where a financial asset becomes more than 30 days past its due date additional procedures are performed to determine the reasons for non-payment in order to identify if a change in the exposure to credit risk has occurred. Should a significant change in the exposure to credit risk be identified the allowance for expected credit losses is increased to reflect the risk of expected default in the lifetime of the financial asset. The Company continually monitors for indications that a financial asset has become credit impaired with an allowance for credit impairment recognized when the loss is incurred. Where a financial asset is more than 90 days past its due date additional procedures are performed to determine the reasons for non-payment in order to identify if the asset has become credit impaired. The Company considers an asset to be credit impaired once there is evidence that a loss has been incurred. In addition to recognizing an allowance for expected credit loss, the Company monitors the occurrence of events that have a detrimental impact on the recoverability of financial assets. Evidence of credit impairment includes, but is not limited to, indications of significant financial difficulty of the counterparty, a breach of contract or failure to adhere to payment terms, bankruptcy or financial reorganisation of a counterparty or the disappearance of an active market for the financial asset. A financial asset is only impaired when there is no reasonable expectation of recovery.

For trade receivables, the Company's current credit risk grading framework comprises the following categories:

Category	Description	Response
Performing	The counterparty has a low risk of default. No balances are aged greater than 30 days past due.	An allowance for lifetime ECLs is recognised where the impact is determined to be material.
Monitored	The counterparty has a low risk of default. Balances aged greater than 30 days past due have arisen due to ongoing commercial discussions associated with the close-out of contractual requirements and are not considered to be indicative of an increased risk of default.	The allowance for lifetime ECLs is increased where the impact is determined to be material.
In default	Balances are greater than 90 days past due with the ageing not being as a result of ongoing commercial discussions associated with the close-out of contractual commitments, or there is evidence indicating that the counterparty is in severe financial difficulty and collection of amounts due is improbable.	The asset is considered to be credit impaired and an allowance for the estimated incurred loss is recognised where material.
Written off	There is evidence that the counterparty is in severe financial difficulty and the Company has no realistic prospect of recovery of balances due.	The gross receivable and associated allowance are both derecognised.

Accounts receivables 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

the present value of the expected net future cash flows is reported as a loss. 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 nonpayment.

Financial Liabilities – Initial Recognition and Measurement

Financial liabilities includes the following categories:

- Trade and other payables
- Financial liabilities measured at amortized cost
- Finance lease liability
- Financial derivative
- Other liabilities

The Company recognizes a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument.

Financial liabilities - Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below.

All financial liabilities are classified at initial recognition and are initially measured at fair value net of transaction costs, with the exception of those classified as Fair Value through Profit or Loss (FVPL). Financial liabilities are measured at FVPL when they meet the definition of held for trading or when they are designated as such on initial recognition. Otherwise, financial liabilities are measured at amortized cost.

Financial liabilities measured at amortized cost

After initial recognition, financial liabilities at amortized cost are subsequently measured at amortized cost using the Effective Interest Rate method (EIR-method).

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the income statement.

Derivatives designated as hedging instruments - Embedded Derivatives

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

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Other financial instruments

The Company enters into forward foreign currency contracts, in order to manage its foreign currency exposures; these are measured at Fair Value through Profit or Loss (FVPL). The Company regularly enters into multi-currency contracts from which the cash flows may lead to embedded foreign exchange derivatives in non-financial host contracts, carried at FVPL. The Company reassesses the existence of an embedded derivative if the terms of the host financial instrument change significantly. The fair values of derivative financial instruments are measured on bid prices for assets held and offer prices for issued liabilities based on values quoted in active markets. Changes in the fair value of derivative financial instruments which do not qualify for hedge accounting are recognized in the Consolidated Income Statement within other gains and losses.

De-recognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires with the difference between the redemption amount and carrying amount recognized as gains or losses in the income statement. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the income statement.

Non-Substantial Modifications of Financial Liabilities

A non-substantial modification in terms is where the net present value of the cash flows with the modified terms is 10% or less different from the net present value prior to the modification, discounted at the original effective interest rate and where there are no other substantial qualitative differences. Under IFRS 9 a gain or loss should be recognized in the income statement for any modification, and the original effective interest rate is continued for the modified liability.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is currently an enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Derivative Financial Instruments and Hedge Accounting

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment;
- Hedges of a net investment in a foreign operation.

Hedge Accounting

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 Other Comprehensive Income and

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

accumulated in a separate component of equity. These are cash flow hedges relating to highly probable forecast transactions. Amounts accumulated in equity are reclassified via OCI to the income statement 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 that were reported in equity are immediately reclassified to profit or loss.

Consolidation of Subsidiaries and Accounting for Investments in Associates

The Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is assumed to exist where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

The Company consolidates non-wholly owned subsidiaries where it exercises a controlling influence despite holding less than 50% of the voting rights, if it is deemed to have *de facto* control.

Subsidiaries

Assets, liabilities, income and expenses of a subsidiary are included in the consolidated financial statements from the date that the Company obtains control over the subsidiary until the date that the Company ceases to control the subsidiary. Changes in the Company's interest in a subsidiary that do not result in the Company ceasing to control that subsidiary are accounted for as equity transactions.

The Company controls an investee if, and only if, the Company has:

- Power of the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns.

Where necessary, adjustments are made to the financial statements of subsidiaries to align these with the accounting policies of the Company. All intra-Company transactions, balances, income and expenses are eliminated on consolidation. Non-controlling interests comprise equity interests in subsidiaries which are not attributable, directly or indirectly to the Company. Non-controlling interests in the net assets of subsidiaries are identified separately from the Company's equity. Non-controlling interests consist of the amount of those interests at the date the Company obtains control over the subsidiary together with the non-controlling shareholders' share of net income and share of other comprehensive income since that date.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

If the Company loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Associates and Joint Ventures

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is defined as the right to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a business governed by an agreement between two or more participants, giving them joint control over a business.

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The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

Investments in associates and joint ventures are accounted for using the equity method. Under this method, the investment is carried in the consolidated balance sheet at cost plus post-acquisition changes in the Company's share of net assets of the associate or joint venture, less any provisions for impairment. The consolidated income statement reflects the Company's share of the results of operations after tax of the associate or joint venture. Losses in excess of the Company's interest, which includes any long-term interests that, in substance, form part of the Company's net investment, are only recognized to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Changes in the equity of the associates or joint venture due to items in Other Comprehensive Income is recognized in Other Comprehensive Income of the Company on an aggregate basis. Other changes in the equity of the associate or joint venture is analyzed for potential dilution or anti-dilution effects and accounted for accordingly. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Any excess of the associate's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Company's share of the associate or joint venture's profit or loss in the period in which the investment is acquired. Other changes in net assets of the associate that are not recognized in net profit or other comprehensive income of the associate, such as movements in other reserves or gains and losses arising on the associate's transactions with non-controlling interest of its subsidiaries are adjusted for in the Company's financial accounts on a proportionate basis.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss within "Share of profit (losses) of associates" in the statement of profit or loss.

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of Siem Industries S.A.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in Other Comprehensive Income is reclassified to profit or loss.

BUSINESS COMBINATIONS

The acquisition method is used to account for the acquisitions of subsidiaries and businesses. The consideration for each acquisition is measured as the aggregate of the fair values at the date of acquisition of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the new subsidiary. Costs related to the acquisition are recognized in the Company's income statement as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where the changes qualify as measurement period adjustments. All other subsequent changes in

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the fair value of contingent consideration that are classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognized.

If the initial accounting for a business combination is not completed by the end of the reporting period during which the combination occurs, then the Company will report provisional amounts for the items for which the accounting is incomplete to the extent that such amounts can be reasonably calculated. These provisional amounts are adjusted, or additional assets or liabilities are recognized, during the measurement period to reflect new information obtained regarding facts and circumstances that existed as of the acquisition date that, if such facts or circumstances had been known, would have affected the amounts recognized as of that date.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

The measurement period is the period from the date of acquisition to the date the Company obtains complete information regarding facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

Goodwill and Bargain Purchase

Goodwill that arises from a business combination is recognized as an asset at the acquisition date. Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interests in the subsidiary and the fair value of the Company's previously-held equity interest, if any, in the subsidiary over the net amounts of identifiable assets acquired and liabilities assumed at the acquisition date.

If, following a re-assessment, the Company's interest in the fair value of the subsidiary's identifiable net assets exceeds the aggregate of the consideration transferred, the amount of any non-controlling interests in the subsidiary and the fair value of the Company's previously-held equity interest in the subsidiary, then such amount represents a bargain purchase gain and will be immediately recognized in the income statement.

Goodwill is not amortized; however, the recoverable amount of goodwill is reviewed at least on an annual basis and when there are indications of impairment.

Intangible Assets Other than Goodwill

Intangible assets are measured at cost at the date of initial acquisition. Following the initial recognition, intangible assets are measured at cost less amortization and impairment charges. Internally-generated intangible assets are not capitalized with the exception of development expenditures which meet the criteria for capitalization.

Intangible assets with finite lives are amortized over their useful economic life and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for intangible assets with finite useful lives are reviewed at least annually. Changes in the expected useful lives or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortization period or method and are treated as changes in accounting estimates.

Research costs are expensed as incurred. Development expenditures are recognized on an individual project as an internally-generated intangible asset when it can be demonstrated that it meets the criteria for recognition.

Amortization of the asset over the period of expected future benefit begins when development is complete and the asset is available for use. The asset is tested for impairment annually before amortization starts and then whenever there is an indication that the asset may be impaired.

Property and Equipment and Possible Impairment

Property and equipment consist primarily of vessels engaged in the support of the offshore oil and gas industry and vessels designed for the ocean-transport of refrigerated goods ("reefer vessels" or "vessels") and the ocean-transport of cars and high and heavy units ("car carriers"). Vessels and related shipping assets are stated at historical cost, which includes costs directly attributable to the acquisition, less accumulated depreciation. The carrying value of vessels and related shipping assets are

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based on estimates, assumptions and judgments relative to capitalized costs, useful lives and residual values reflecting both historical experience and expectations of future industry conditions and operations.

The level of annual depreciation of vessels is based on the categorization of the vessel into nine different components and the calculated residual value. The vessels within the Company are divided into the following nine components and economic lives:

Component	*Percentages of Total*	*Economic Lifetime*
Offshore support vessels		
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 severage system	13%	30 years
Docking		2.5 years
Equipment		3 years
Reefer vessels		30 years
Car carrier vessels		30 years
Roll-on / Roll-off vessels		30 years

The vessel residual value is the estimated future sales price for the steel in the vessel less the estimated costs associated with scrapping a vessel. The residual value and expected useful lifetime assumptions of long-lived assets are reviewed at each balance sheet date, and where they differ significantly from previous estimates, depreciation charges are changed accordingly.

Depreciation for vessels is provided on a straight-line basis over the estimated useful life of 15-30 years after allowing for residual values. Equipment and other fixed asset costs less residual values are depreciated on a straight-line basis over the estimated useful life of 3-5 years.

Remaining long-lived assets include furniture, fixtures and cars that are carried at cost and depreciated on a straight-line basis over the estimated useful life of 3-5 years.

Subsequent costs included in the asset's carrying value include expenditures for renewals, major modifications or betterments. These costs are capitalized when it is probable that future economic benefits associated with these assets will result and the costs can be measured reliably. Such costs are amortized over the adjusted remaining useful life of the related asset.

Upon disposal or retirement of property and equipment, the carrying amount is derecognized and any resulting gains or losses are recorded in the income statement.

The date of disposal of a Non-current Asset is the date the recipient obtains control of the asset in accordance with the requirements for determining when a performance obligation is satisfied in IFRS 15. The amount of consideration to be included in the gain or loss arising from the derecognition is determined in accordance with the requirements for determining the transaction price in IFRS 15. Subsequent changes to the estimated amount of the consideration included in the gain or loss shall be accounted for in accordance with the requirements for changes in transaction price in IFRS 15.

The carrying values of assets are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. This determination of recoverability for property and equipment held for use is based on the estimated discounted future net cash flows of the underlying asset and the difference is recorded as an impairment loss in the income statement.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

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In accordance with IAS 16 and the cost model, dry-docking 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.

NEWBUILD CONTRACTS

Instalments on newbuild contracts are recorded as non-current assets. Costs related to the on-site supervision and other pre-delivery construction costs are capitalized per vessel. Borrowing costs directly attributable to the construction are capitalized as a part of the cost of the asset.

DECOMMISSIONING COSTS

Mobilization costs consist of expenditures incurred prior to the deployment of vessels or equipment and are classified as prepayments. These costs are expensed over the life of the project or contract.

A provision is recorded for decommissioning costs that will be necessary to restore a leased, or chartered-in, vessel to an agreed-upon condition when a current obligation exists, and a reliable estimate can be made of the amount of the obligation. The corresponding amount is capitalized as property, plant and equipment if the decommissioning cost is incurred upon the start of the lease, whereas restoration costs are accrued over the life of the contract.

NON-CURRENT ASSETS CLASSIFIED AS HELD-FOR-SALE

Assets are classified as held-for-sale when the following criteria are met: Management has committed to a plan to sell the asset, the asset is available for immediate sale in its present condition, the sale of the asset is highly probable to be completed within a one-year period and the asset is being actively marketed at a sale price that is reasonable in relation to its current market value. Assets classified as held-for-sale are measured at the lower of their carrying value or fair value less cost of disposal. Held-for-sale assets are no longer depreciated or amortized and are shown separately in the financial statements.

LEASES–RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-Use assets

Under IFRS 16 a lease is defined as a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

As long as the Company has lease agreements on time-charter reflecting the leases of a vessel and a service agreement related to the operation of the vessels, the two different lease agreements have to be separated in the consolidated financial accounts for the Company according to the practical expedient under IFRS 16 Leases.

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Right-of-Use assets

The Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of purchase options reasonably certain to be exercised by the Company. In calculating the present value of lease payments, the Company uses an incremental borrowing rate at the lease commencement date where the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. The Company applies the short-term lease recognition exemption to its short-term leases, which are those leases which have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Company applies the low-value assets recognition exemption to assets which are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expenses in the Consolidated Income Statement on a straight-line basis over the lease term.

FOREIGN CURRENCY TRANSLATION

Functional and Presentation Currency

The parent company uses the USD as the functional currency in the financial statements since the USD is the primary currency in the environment in which the Company operates. USD is also the presentation currency for the Company. At 31 December, the exchange rates for the following currencies and the percentage change year-over-year against the USD were as follows:

Currency	*Percentage Change*	*2023*	*2022*
USD/NOK	3.1%	10.1724	9.8573
USD/GBP	-5.4%	1.2715	1.2026
USD/EUR	-3.5%	1.1050	1.0666

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transactions. Currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities using the currency rates prevailing at the year-end are recorded in the income statement.

Currency exchange gains or losses are included in fair value changes for assets and liabilities measured at fair value through profit and loss.

Subsidiaries

The Company translates the results and balances of its consolidated subsidiaries that have a functional currency different from the USD as follows:

- Assets and liabilities for each financial period are translated at the closing exchange rate on the date of the balance sheet.
- Income and expenses for each period are translated at the average exchange rate for the period.
- Resulting exchange differences are recognized through Other Comprehensive Income as a separate component of equity.

Goodwill and fair value adjustments that are identified on the date of acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate on the reporting date. Exchange differences that arise are recognized as Other Comprehensive Income as a separate component of equity.

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CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, time deposits and all highly liquid investments purchased with original maturities of three months or less, and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

ACCOUNTS RECEIVABLE

Accounts receivable include trade receivables which are recognized initially at fair value and, subsequently, at amortized cost using the effective interest method less any provision for expected credit loss.

INVENTORIES

The major components of inventory include bunkers and lubrication oil. These inventories are recorded at the lower of cost or net realizable value. Cost is determined using the first-in, first-out ("FIFO") method.

LOANS AND NOTES PAYABLE AND DEFERRED FINANCING COSTS

Loans and notes payable are recorded as noncurrent liabilities for payments that extend more than 12 months from the reporting date. Payments on loans and notes payable due less than 12 months from the reporting date are recorded as current liabilities.

EMPLOYEE BENEFITS

Pension Obligations

Siem Shipowning maintain defined benefit plans for their employees in the UK. A defined benefit plan defines the amount of pension benefit that an employee will receive on retirement which is usually dependent on one or more factors such as age, years of service and compensation. The pension scheme is financed through contributions to insurance companies or pension funds. The liability recognized by the Company in the financial statements is the net present value of the future obligations of the pension plan as determined which is determined annually by an independent actuary. Net pension expenses are recorded as salary-related expenses in the income statement. The estimated net funds are recorded as noncurrent assets in the statement of financial position. 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.

Siem Shipowning maintains two defined contribution plans for its employees in the U.K. Yearly contributions for the two plans are expensed as incurred.

REVENUE RECOGNITION

The main activities for the Company is to employ different types of vessels, such as RoRo-vessels, reefer vessels, and car carriers.

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:

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Revenue from Voyage Charter

Revenue from operations mainly comprises chartering freight and time-charter hire income. Freight income from voyage charter is accrued over the period from the date of loading of the charterer's cargo to the date of discharging the cargo and is recognized on percentage of completion basis measured by time proportion of each voyage charter contract. Time-charter hire income is recognized over the period during which the vessel is on hire and prorated by days accordingly. The existing practice reflects the performance obligation to provide transportation services which are satisfied over time from when transport of the goods begins from loading port through delivery to discharging port, and freight income is recognized over the period of performance as required by IFRS 15. Losses from time charters or voyage charters are provided for in full when they become probable in accordance with the provisions for onerous contracts in IAS 37. A portion of the tonnage is deployed directly on time-charter terms.

Operating Lease Revenue

Time charter contracts contain a lease element and a performance obligation for the provision of time charter services.

The lease of the vessel in time-charter contracts and bareboat charter contracts, representing the use of the vessel without any associated performance obligations or warranties is recognized on a straight-line basis over the lease term, and classified as Operating revenue in the Income Statement.

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, are recognized as an asset and expensed over the lease term.

Revenues for time charter services are recognized over time as the service is rendered.

Finance Lease Revenues

Revenues earned on a finance lease arrangement are recognized in the profit and loss as finance lease revenue over the lease term in a way that produces a constant rate of return on the net investment in the finance lease receivable. Contingent rental income is recognized in the income statement when it is earned.

Revenue from Potash Production

For products which are not made to the customer's specification, revenue is recognized at delivery to the customer. For products made to customer specifications and orders, the Company does not have enforceable right to payment as described in IFRS 15, and thus recognition at a point in time is appropriate.

CONTRACT WITH A SIGNIFICANT FINANCING COMPONENT

When a financing component is significant to a contract, the Company determines the transaction price by applying a discount rate to the amount of promised consideration. By adjusting the promised consideration for the effects of a significant financing component by using the discount rate for the promised consideration, an approximate of the selling price is estimated, instead of estimating the cash selling price. The interest rate that is applied needs

to reflect the credit characteristics of the borrower in the contract. The amount of consideration to be included in the gain or loss arising from the derecognition of an item of property, plant and equipment is determined in accordance with the requirements for determining the transaction price in IFRS 15 "*Revenue from contracts with customers*" as described above in this section.

Service contracts, Management Services and Crew-Services

Revenue from service contracts are recognized in the period in which the services have been provided.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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.

INCOME TAXES

Siem Industries migrated its tax residency from the Cayman Islands to Luxembourg as of 4 December 2020. As of this date the Company is subject to corporate income tax and net wealth tax on its global income in Luxembourg in accordance with Luxembourg tax legislation. Following the Company becoming a tax resident of Luxembourg as of 4 December 2020 it will comply with all tax laws and provisions, filing requirements in Luxembourg as of this date. Currently, Luxembourg levies a corporate income tax of 24.94%. There is no stamp tax duty in Luxembourg. The Company is also subject to net wealth tax computation on an annual basis. A minimum net wealth tax of EUR4,815 applies to all corporate entities having their statutory seat or central administration in Luxembourg.

Income taxes have been provided for based upon the tax laws and rates in the countries in which the operations are conducted and income is earned. The income tax rates imposed by these taxing authorities may vary substantially. Income for tax purposes may differ from income before taxes for financial accounting purposes, particularly in those tax regimes that are revenue-based. There is no expected relationship between the provision for income taxes and income before income taxes because the countries have different tax regimes which vary not only with respect to the nominal rate, but also in terms of the availability of deductions, credits and other benefits. Variations may also arise because income earned and taxed in any particular country or countries may fluctuate from period to period. Deferred tax assets and liabilities are recognized for the anticipated future tax effects of temporary differences between the financial statement basis and the tax basis of the Company's assets and liabilities and the operating losses carried forward using the applicable tax rates in effect at year-end. Deferred tax assets are recognized only if the Company has determined that it is probable that the tax assets will be realized. A valuation allowance for deferred tax assets is recorded when it is more likely than not that some or all of the benefit from the deferred tax asset will not be realized.

CONTINGENT LIABILITIES AND PROVISIONS

The Company recognizes provisions when there is a legal or self-imposed obligation to do so as a result of events that have transpired, there is a preponderance of evidence that the obligation will be settled by some form of transfer of economic resources and the size of the obligation can be estimated with an adequate degree of reliability. Provisions are measured as the net present value of the expected payments to satisfy the obligation.

NET EARNINGS, OR NET INCOME, PER COMMON SHARE

The Company reports both basic earnings per common share and diluted earnings per common share. Basic earnings per common share is determined by dividing net income (loss) available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per common share is determined by using the average market price per common share when applying the treasury stock method to determine the number of common share equivalents which should be added to the weighted average number of shares outstanding. For the Company, diluted earnings per common share is the same as basic earnings per common share since there are no common share equivalents because the Performance Units, which are potentially common share equivalents, are expected to be settled in cash.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

GOING CONCERN

The company's consolidated financial statements have been prepared under the assumption that the Company is a going concern. In February 2024, the unsecured short-term credit facility arrangement entered into with a company owned by the Chairman of the Company was extended until 30 June 2025. By adjusting the financial figures for the Company as of 31 December 2023, and reclassify the unsecured short-term credit facility arrangement to long term liabilities, net working capital for the Company is $76.9 million, compared to $(1) million without the reclassification. For further information about the unsecured short-term credit facility arrangement, see note 23 "*Notes payable to shareholder*".

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(3) CASH AND CASH EQUIVALENTS

Terms in certain of the Company's loan, revolving credit or bond facilities require minimum cash balances or the pledge of cash deposits. Minimum cash balances and pledged cash deposits represent a form of security for long-term liabilities and are not available for unrestricted use. Accordingly, these balances are recorded as noncurrent assets. At 31 December, the following cash amounts are recorded:

(in thousands)	*2023*	*2022*
Total cash and cash equivalents and restricted cash	$ 85,596	$ 95,413
Restricted cash - bank loans and guarantees	$ -	$ -
Restricted cash - Other	$ (29,208)	$ (22,946)
Cash and cash equivalents - current assets	$ 56,388	$ 72,466

The restricted cash includes amounts securing bank loans and guarantees for periods in excess of 12 months. Cash that is restricted for various tax withholdings and other similar transactions is not included in the long-term restricted cash position.

The Company's cash holdings are denominated in several currencies as presented below

(in thousands)	*2023*	*2022*
Cash and cash equivalents denominated in the following currencies:		
USD	$ 37,861	$ 53,903
NOK	$ 11,620	$ 4,383
EUR	$ 33,077	$ 33,925
GBP	$ 2,195	$ 2,705
SGD	$ 68	$ 80
Other	$ 775	$ 417
Total cash and cash equivalents and restricted cash	$ 85,596	$ 95,413

The Company is conservatively managing its cash portfolio and ensures that deposits are placed with first class commercial banks with high credit ratings.

The table below shows the carrying amount related to amounts on deposits. The deposits are graded and monitored internally by the Company, based on current external credit ratings issued, with "prime" being the highest possible rating.

(in thousands)	*2023*	*2022*
Deposits		
Counterparties rated prime grade	$ 85,541	$ 95,245
Counterparties rated high grade	$ -	$ -
Counterparties rated upper-medium grade	$ -	$ -
Counterparties rated lower-medium grade	$ -	$ -
Counterparties rated non-investment grade	$ 54	$ 168
Total	$ 85,596	$ 95,413

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(4) Financial Assets

Financial Assets at Fair Value through Profit or Loss

At 31 December, the following securities are recorded at fair value through profit and loss:

(in thousands)	*2023*	*2022*
Listed equity securities, net fair value	$ 12,609	$ 11,025

The activity in trading securities during the financial years ended 31 December is presented below:

(in thousands)	*2023*	*2022*
Trading securities:		
Balance, 1 January	$ 11,025	$ 9,563
Purchases	26,737	4,028
Proceeds from sales	(33,950)	(2,379)
Gains (losses) Note 15	9,365	(96)
Currency exchange gains (losses)	(568)	(90)
Trading securities, 31 December	$ 12,609	$ 11,025

The trading securities are classified as Level 1 financial instruments.

The valuation for such securities is based on quoted prices available in the market for identical assets

Notes, Loans and Other Receivables

At 31 December, the following notes, loans and other receivables are recorded:

(in thousands)	*2023*	*2022*
Notes, loans and other receivables:		
Listed securities:		
- Floating rate notes	$ 8,641	$ 12,788
Unlisted securities:		
- Notes receivables, various rates	$ 47,744	$ 39,475
- Finance lease receivables	$ 284,184	$ 107,191
Notes, loans and other receivables:	$ 340,569	$ 159,454
Notes, loans and other receivables:		
- Current	$ 17,076	$ 11,507
- Non-current	$ 323,493	$ 147,947

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Notes, loans and other receivables are within the category Financial asset at amortized cost.

The activity in notes, loans and other receivables during the financial years ended 31 December is presented below:

(in thousands)	2023	2022
Notes, loans and other receivables:		
Balance, 1 January	$ 159,454	$ 182,439
Additions and purchases	178,366	30,986
Proceeds from maturities and repayments	(25,540)	(53,918)
Gains (losses) on investments, net, see Note 15	(28)	1,419
Finance lease income	15,685	-
Currency exchange gains (losses)	7,500	2,164
Reclassification	4,502	-
Other	631	(3,636)
Notes, loans and other receivables	$ 340,569	$ 159,454

(5) Investments In Associates And Other Companies

DESCRIPTION OF MAJOR INDUSTRIAL HOLDINGS

SUBSEA7 S.A.

Subsea7 S.A. ("Subsea7"; OSE Symbol: SUBC) — Subsea7 is a global leader in the delivery of offshore projects and services to the energy industry.

At 31 December 2023, the Company beneficially-owned 70,829,916 shares of Subsea7, or approximately 23.3% of its issued and outstanding shares. The effective percentage of interest was 23.6%. The Company accounts for Subsea7 as an investment in associated company using the equity method.

Financial 2023 Discussion and Subsequent Events — Revenue for the year ended 31 December 2023 was $6.0 billion, an increase of $838 million compared to 2022. Adjusted EBITDA and margin for the year ended 31 December 2023 were $714 million and 12% respectively, compared to $559 million and 11% in 2022.

Net operating income for the year ended 31 December 2023 was $105 million, compared to net operating income of $149 million in 2022. The main items contributing to the net operating income were:

- net operating income of $196 million in the Subsea and Conventional business unit, compared to $229 million in the prior year, which benefitted from a $54 million non-cash net impairment reversal;
  partly offset by:
- net operating loss of $74 million in the Renewables business unit, which included a non-cash impairment charge of $73 million mainly related to Seaway Alfa Lift's monopile installation equipment, compared to net operating loss of $85 million in 2022, with the prior year being impacted by costs incurred on certain projects, and
- Net operating loss of $18 million in the Corporate business unit compared to net operating income of $5 million in the prior year.

During the year ended 31 December 2023, no impairment charges or reversal of impairment were recognized on property, plant and equipment. In 2022, the company recorded a reversal of impairment of property, plant and equipment of $55.6 million. Net income was $10 million for the year ended 31 December 2023, compared to net income of $36 million in 2022. The movement was primarily due to:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A decrease of $44 million in net operating income:

Finance costs of $71 million in 2023 compared to $23 million in the prior year. The year-on-year increase was driven by expected higher borrowings and higher interest rates in 2023 compared to 2022;

partly offset by:

Finance income of $25 million compared to finance income of $9 million in the prior year driven by higher interest rates; and

A net gain of $20 million driven by foreign exchange gains, within other gains and losses, compared to a net loss of $7 million in the prior year

Taxation was $70 million, representing an effective tax rate of 88%, compared to $100 million in 2022, equivalent to an effective tax rate of 73%.

Diluted earnings per share was $0.05 in 2023 compared to $0.19 in 2022, calculated using a weighted average number of shares of 299 million and 293 million, respectively.

The backlog of Subsea7 was $10.6 billion at year end 2023, compared to $9.0 billion at year end 2022, representing a 18% year-on-year increase. Subsea7 has preserved a strong financial and liquidity position through the cycles, and at 31 December 2023 it had cash and cash equivalents of $751 million (2022: $646 million), net cash of $(552) million (2022: $33 million) including $458 million (2022: $257 million) related to lease liabilities, and an undrawn revolving multi-currency credit facility of $700 million (2022: $1000 million). The total facility at 31 December 2023 was $1,710 million (2021: 1,360 million). During the year ended 31 December 2023, Subsea7 made payments of dividends to its shareholders of $112 million. In 2022, Subsea7 made payments to its shareholders of $80 million, through a combination of share repurchases of $46 million and a dividend of $34 million.

The priorities of Subsea7 to invest in the business, make sound investments and cost control, coupled with maintaining its investment grade credit profile, have resulted in solid performance through the cycle and enabled the company to adapt as the needs and expectations of the stakeholders have evolved.

In June 2023 the Company acquired 500,000 shares of Subsea7 at a nominal share price of NOK110.89 per share. In September 2022, the Company acquired 880,539 shares of Subsea7 at an average price of NOK84.84 per share.

In March 2024, Subsea7 announced that its board of directors proposed a NOK6.00 per share dividend, equivalent to $170 million, to be recommended for shareholder approval at the AGM on 2 May 2024, payable in two equal installments in May and November 2024. In 2023, the Company received approx. $26.6 million in dividend from Subsea7 (2022: $7.3 million). In March 2023, Subsea7 announced that they completed an acquisition of 187,889,551 shares in Seaway7 ASA ("Seaway7") corresponding to 21.52% of Seaway7's issued and outstanding share capital. Following the completion of the acquisition, Subsea7 holds 93.94% of the issued and outstanding share capital of Seaway7.

On 13 March 2023 Subsea7 launched a voluntary offer for the remaining outstanding shares in Seaway7. Subsea7 increased it interest in Seaway7 to 97.56%, by issuing 1,435,806 new shares in Subsea7 in exchange for the shares in Seaway7 acquired in the voluntary offer. At 31 December 2023, the Company beneficially-owned 70,829,916 shares of Subsea7, or approximately 23.3% of its issued and outstanding shares, compared to 23.6% as per 31 December 2022. The reduction in percentage of interest during 2023 is caused by issuance of shares in Subsea7 AS to non-controlling interests, in exchange for the acquisition of shares in Seaway7. The effective percentage of interest for the Company in Subsea7 SA was reduced accordingly from 24.2% to 23.6%.

Part of the Company's shares in Subsea7 are pledged in relation to the Margin Loan. For further detail see Note 10, Long Term Debt.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following financial highlights show results and amounts for Subsea7 for the years ended 31 December 2023 and 2022:

Subsea 7 Financial Highlights (in thousands)			*As of and the Year Ended 31 December* 2023		2022
Financial Performance:	Revenues	$	5,974,000	$	5,136,000
	Adjusted EBITDA	$	714,000	$	559,000
	Tax expense	$	(70,000)	$	(99,900)
	Net income (loss) attributes to shareholders	$	15,400	$	57,100
Financial Position:	Assets	$	8,095,500	$	6,944,200
	Current and Non-Current Liabilities	$	3,738,400	$	2,493,500
Other notable:	Capital expenditures	$	581,200	$	355,000
	Backlog	$	10,587,000	$	9,000,000

For more information regarding Subsea 7, please visit its website at **www.subsea7.com**.

At 19 April 2024 the quoted share price for Subsea 7 SA was NOK 175.30 per share equal to $1,124 million for the shares owned by the Company.

At 19 April 2024, the Company beneficially owned 70,829,916 shares of Subsea7 S.A, representing 23.3% of the shares of the company.

SIEM OFFSHORE INC.

Siem Offshore Inc. ("Siem Offshore"; OSE Symbol: SIOFF) — Siem Offshore owns and operates a fleet of high specification offshore support vessels.

At 31 December 2023, the Company owned a beneficial interest of 83,260,604 shares of Siem Offshore, or approximately 34.9% of its issued and outstanding shares. The Company accounts for Siem Offshore Inc. as an investment in an associated company using the equity method.

In June 2023 the Company acquired 3,000,000 shares of Siem Offshore Inc. at a nominal share price of NOK20.75 per share

Financial 2023 Discussion and Subsequent Events — At the end of 2023, Siem Offshore had 26 vessels in operation, including partially-owned vessels, as compared to 28 vessels at the end of 2022. 2 vessels were in lay-up at the end of the quarter (2022: 3). The fleet includes 6 mid-size and large-size platform supply vessels ("PSVs"), 4 offshore subsea construction support vessels ("OSCVs") , 8 large-capacity anchor-handling, tug and supply ("AHTS") vessels, 2 well-intervention vessels ("WIVs"), 1 Canadian-flagged AHTS-vessels, 1 scientific core-drilling vessel, 4 smaller Brazilian-flagged vessels and 1 partially owned WIV.

The total backlog of firm contracts for the fleet was $320 million at the end of 2023 as compared to $442 million at the end of 2022.

Siem Offshore Inc. recorded a reversal of impairments for four vessels of $67 million in the fourth quarter of 2023 and capitalized $18.5 million as a deferred tax asset in the fourth quarter of 2023. There were no reversal of impairments in 2022.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following financial highlights show results and amounts for Siem Offshore for the years ended 31 December 2023 and 2022:

Siem OffshoreFinancial Highlights (in thousands)		*As of and the Year Ended 31 December* 2023		2022	
Financial Performance:	Operating revenues	$	336,026	$	274,306
	Operating margin	$	164,486	$	103,776
	Reversal of impairment of vessels	$	66,966	$	-
	Tax benefit (expense)	$	19,027	$	250
	Net income (loss) attributes to shareholders	$	174,515	$	30,897
Financial Position:	Assets	$	1,086,969	$	1,019,891
	Current and Non-Current Liabilities	$	557,793	$	660,514
Other notable:	Capital expenditures	$	33,492	$	24,923

For more information regarding Siem Offshore, please visit its website at **www.siemoffshore.com**.

At 19 April 2024 the quoted share price for Siem Offshore Inc. was NOK 34.55 per share equal to $260 million for the shares owned by the Company.

At 19 April 2024, the Company beneficially owned 83,260,604, or 34.9% of the shares of the company.

ELECTROMAGNETIC GEOSERVICES ASA

Electromagnetic Geoservices ASA ("EMGS"; OSE Symbol: EMGS) — EMGS is the owner of proprietary electromagnetic technology which supports the offshore exploration for oil and gas.

EMGS provides services for survey design and data acquisition which will be processed and interpreted. EMGS' services can also integrate the data with seismic and other geophysical and geological information to provide a more in-depth and complete understanding of the subsurface which reduces costs and associated risks.

In February 2022, EMGS agreed with the holders of its $32.5 million Senior Secured Convertible Bond to extend the maturity by 24 months from May 2023 to May 2025 and increase the interest margin by 100bps from 5.5 per cent p.a to 6.5 per cent p.a.

In December 2022, EMGS made a buyback under its $32.5 million Senior Secured Convertible Bond, reducing the outstanding amount to $19.5 million. The Company did not participate in this buyback.

The Company held a 23.9%-interest in EMGS through its wholly owned subsidiary Siem Investments S.à r.l. during 2023, in addition to $9.5 million nominal value of the $32.5 million convertible bond issued by EMGS with maturity in May 2025. On 27 December 2023 Siem Investments S.à r.l. acquired 12,000,000 EMGS shares. At 31 December 2023, Siem Investments S.à r.l. held 43,327,467 shares in EMGS and increased the percentage of interest in EMGS from 23.9% to 33.1%.

At 19 April 2024 the quoted share price for Electromagnetic Geoservices ASA was NOK 2.28 per share equal to $9 million for the shares owned by the Company.

SIEM OIL SERVICE INVEST HOLDINGS LTD.

The Company holds a 20%-interest in Siem Oil Service Invest Holdings Ltd. The company is the owner of one Anchor Handling Vessel and one Multi-Purpose Offshore Vessel. The Company's portion of Net gain for 2023 is $0.4 million (2022: $0.1million).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The associates are incorporated in the following countries:

Associate	Country of incorporation
Subsea 7 *)	Luxembourg
Siem Offshore *)	Cayman Islands
SOSI	GB
EMGS *)	Norway
S&I Leasing	Singapore

*Quoted fair market value for quoted associates are presented in the discussions above.

Summary of the share of profits (losses) of and the investments in associates as of and for the years ended 31 December is presented below:

Summary of Investments in Associates (in thousands)

Year ended	*Associate*	*Percentage Ownership*		*Share of Profits (Losses)*		*Investments in*
31-Dec-23	Subsea 7	23.6%		$2,113	$	975,475
	SOSI	20.0%		$397	$	7,214
	EMGS	33.1%		($38)	$	6,188
	S&I Leasing	50.0%		$462	$	10,065
	Siem Offshore	34.9%		$59,211	$	188,298
	Other			$0	$	4,534
	Total amount of associated companies		$	62,145	$	1,191,775
	Other companies:					
	VeCREF	16.3%	$	(189)	$	429
	Total amount of associated companies and other companies		$	61,956	$	1,192,204

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Summary of Investments in Associates (in thousands)

Year ended	*Associate*	*Percentage Ownership*		*Share of Profits (Losses)*		*Investments in*
31-Dec-22	Subsea 7	24.2%	$	13,722	$	955,071
	SOSI	20.0%	$	(142)	$	6,817
	EMGS	23.9%	$	-	$	-
	S&I Leasing	50.0%	$	558	$	10,288
	Siem Offshore	33.6%	$	10,381	$	126,934
	Other		$	-	$	2,841
	Total amount of associated companies		$	24,520	$	1,101,951
	Other companies:					
	VeCREF	16.3%	$	-	$	6,697
	Total amount of associated companies and other companies		$	24,520	$	1,108,648

The activity in investments in associates and other companies during the financial years ended 31 December are as follows:

(in thousands)		*2023*		*2022*
Investments in associates:				
Balance, 1 January	$	1,108,648	$	1,103,302
Additions to investments		19,278		9,533
Share of profits (losses) of associates		61,956		24,520
Proceeds from sales or disposals		(6,816)		(7,304)
Dividends or distributions by associates		(26,482)		(9,625)
Share of associates' other comprehensive income		4,216		(11,867)
Currency exchange gains (losses)		-		90
Reclassification of equity in associated company from non-controlling interest to retained earnings *)		31,405		-
Investments in associates, 31 December	$	1,192,204	$	1,108,648

*) As a result of increase of ownership in Seaway7 by Subsea7 during 2023, respective share of equity attributable to shareholders has increased in Subsea7 and the Company has recognized its respective share $31,405,000 as an increase of investment in associate.

(6) VESSELS, PROPERTY AND EQUIPMENT

On 5 September 2023 the Company terminated two Ro-Ro bareboat contracts chartered out following a breach of the terms in the charter parties. In December 2023, a tribunal decided that the Company had validly terminated the charters and was entitled to immediate redelivery of the two Ro-Ro vessels. The Charterers did not appeal against the award; however the vessels have not been redelivered. The Company is now seeking orders from the Commercial Court requiring redelivery of the two Ro-Ro vessels and to the extent necessary the termination of any contractual arrangements, together with judgment for sums of money due to the Company.

Despite the termination notice issued, the Charterer continued to pay for charter hire upfront, likewise, the Company has also continued to service the charters in between the termination notice date till 31 December 2023 and continues to do so post the year end. Accordingly, under IFRS 16, given that the lease remains intact, the lease continues to be recorded as a finance lease.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Summaries of the vessels and related shipping assets and property, equipment and other at 31 December are presented below:

	2023		2022	
(in thousands)	*Vessel and Related Assets*	*Property, Equipment and Other*	*Vessel and Related Assets*	*Property, Equipment and Other*
Cost:				
Balance , 1 January	$ 822,610	$ 165,909	$ 902,298	$ 175,186
Adjustments	(5,018)	18	-	-
Capital expenditures	1,169	7,855	62,870	8,613
Disposals	(24,144)	(2,799)	(116,905)	(190)
Reclass/transfer between assets groups	(199,828)	-	-	-
Effect of exchange rate differences	7,108	4,607	(25,653)	(17,700)
Cost, 31 December	$ 601,897	$ 175,590	$ 822,610	$ 165,909
Accumulated depreciation/impairment:				
Balance, 1 January	$ (262,907)	$ (105,541)	$ (258,218)	$ (103,583)
Adjustments, 1 January	5	(5)	(476)	-
Depreciation, see Note 7	(23,509)	(9,530)	(31,173)	(7,930)
Disposals and eliminations	24,144	3,035	23,512	-
Reclass to Held-for-sale	8,859	-	-	-
Translation adjustments and other	(663)	(2,774)	3,447	5,972
Accum. depreciation. 31 December	$ (254,072)	$ (114,814)	$ (262,907)	$ (105,541)
Net book value, 31 December	347,825	60,775	559,703	60,368
Property, equipment and other, net	60,775		60,368	
Deferred drydocking cost, see table below	13,306		4,575	
Vessel, property and equipment, net	$ 421,906		$ 624,646	

Carrying amount of vessels pledge as guarantee for long-term debt is $263million in 2023 (2022: $434 million).

DEFERRED DRYDOCKING COSTS

A summary of the drydocking activity for the years ended 31 December is presented below:

	Year Ended 31 December	
(in thousands)	*2023*	*2022*
Deferred drydocking costs:		
Balance, 1 January	$ 4,575	$ 4,337
Additions	11,877	2,513
Disposal and other	-	(141)
Amortization, see Note 7	(3,146)	(2,134)
Deferred drydocking costs, 31 December	$ 13,306	$ 4,575

The amortization period is generally 3-5 years and the amortization of deferred drydocking costs is recorded as an operating expense.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Right-of-Use Asset

Right-of Use Asset as included in the column Vessels and Related Assets above, as described in further detail in the table below:

(in thousands)		*31 December 2023*		*31 December 2022*
Right-of-Use Assets at 1 January	$	134,331	$	114,163
Adjustment 1 January 2023		(5,000)		-
Additions		-		31,142
This year's depreciation		(4,964)		(10,974)
Total Right-of-Use Asset 31 December	$	124,367	$	134,331

Impairment testing

There were no impairment charges or reversal of impairment charges on vessels in 2023 or 2022.

Impairment sensitivities – The value-in-use calculation in 2023 is mainly affected by changes in WACC and freight rate and charter rate assumptions. The nominal WACC used in the value-in-use calculations are presented in the table below:

	Nominal WACC	
Business segments	2023	
	Minimum	**Maximum**
Offshore Support Vessels	9.0%	9.0%
RoRo Vessels	7.2%	7.2%
Refer Vessels	9.0%	9.0%
Car Carrier Vessels	9.0%	9.0%

For the vessels within the Offshore Support Vessel segment, Reefer segment, RoRo vessel segment and car carrier vessel segment, an increase in the WACC rate of 1% would have no impact on the impairment assessment of vessels in 2023 and 2022.

The Ro-Pax vessel MV Rusadir was sold in 2023. No gain or loss was reflected in the transaction.

(7) Depreciation And Amortization

A summary of the depreciation and amortization is presented below:

		Year Ended 31 December		
(in thousands)		*2023*		*2022*
Depreciation and amortization:				
Depreciation, see Note 6		33,039		39,103
Amortization, drydock and other, see Note 6		2,912		2,134
Amortization, intangibles and other		-		253
Depreciation and amortization	$	35,951	$	41,490

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(8) Leases

The statement of financial position shows the following amounts relating to Right of Use Assets and Lease liability as of 31 December:

(in thousands)		*31 December 2023*		*31 December 2022*
Right-of-Use Assets at 1 January	$	134,331	$	114,163
Adjustment 1 January 2023		(5,000)		-
Additions		-		31,142
This year's depreciation		(4,964)		(10,974)
Total Right-of-Use Asset 31 December	$	124,367	$	134,331

(in thousands)		*31 December 2023*		*31 December 2022*
Lease liability at 1 January	$	162,702	$	149,847
Adjustment 1 January 2023		(5,000)		-
Drawdowns		-		19,110
Revaluations		(607)		6,785
Lease repayments		(43,066)		(13,039)
Total Finance lease liability 31 December	$	114,028	$	162,702

Consolidated Statement of Financial Position (in thousands):		*31 December 2023*		*31 December 2022*
Vessel		124,367		134,331
Land and buildings		-		-
Total Right-of-Use Assets	$	124,367	$	134,331

Consolidated Statement of Financial Position (in thousands):		*31 December 2023*		*31 December 2022*
Lease liabilities				
Current		15,868		50,796
Non-Current		98,160		111,906
Lease liabilities at 31 December	$	114,028	$	162,702

Consolidated Income Statement (in thousands)		*2023*		*2022*
Depreciation and Amortization		4,964		10,974
Interest expenses		7,122		8,879
Net effect	$	12,086	$	19,853

Consolidated Income Statement (in thousands)		*2023*		*2022*
Total cash outflows for leases		(14,647)		(21,918)
Net effect	$	(14,647)	$	(21,918)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Finance Lease Liabilities

The tables below presents the maturity analysis for the finance lease liabilities as per 31 December 2023 and 31 December 2022, together with a summary of depreciation of finance lease assets:

Contractual undiscounted cash flows		*31 December 2023*		*31 December 2022*
Within 1 Year		15,868		50,796
Between one and two years		14,647		14,687
Between two and three years		58,262		14,647
Between three and four years		41,173		62,384
Between four and five years		-		42,641
Over 5 years		-		-
Total undiscounted lease liabilities	$	**129,949**	$	**185,154**
Deferred Finance Expense (effect of discounting)	$	**15,921**	$	**22,453**

Discounted lease liabilities				
Within 1 Year		9,830		44,264
Between one and two years		9,138		8,649
Between two and three years		54,263		9,138
Between three and four years		41,387		58,385
Between four and five years		-		42,264
Over 5 years		-		-
Total discounted lease liabilities	$	**114,619**	$	**162,701**

Depreciation of finance lease assets				
Within 1 Year		4,964		4,964
Between one and two years		4,964		4,964
Between two and three years		4,488		4,964
Between three and four years		1,485		4,488
Between four and five years		1,169		1,485
Over 5 years		12,958		14,127
Total Depreciation	$	**30,028**	$	**34,991**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Lease modifications

Right of Use assets and finance lease liabilities has been reduced by $5 million as per 1 January 2023. There are no lease modifications in 2022.

Charter commitments

Charter-hire payments to third parties for certain contracted-in vessels are accounted for as operating leases. The charter expense and future minimum lease payments under Star Reefer's non-cancelable operating leases are presented below:

		Year ended 31 December		
(in thousands)		*2023*		*2022*
Charter expenses				
Time charter expenses, see Note 12		437		30,224
Total charter expenses	$	437	$	30,224
Minimum lease payments				
2024		-		-
2025		-		-
2026		-		-
2027		-		-
Total finance lease payments	$	-	$	-

Low value leases and leases with maturity of up to one year from inception are insignificant to the financial statements. There are no leases for the Parent Company.

(9) PROVISIONS

(in thousands)		*Restructuring Obligations*		*Contingent liabilities*		*Legal claims*		*Others*		*Total amount*
Carrying amount as of 31 December 2021:		52,100		-		200		-		52,300
Currency Translation Adjustment:		(5,700)		-		-		-		(5,700)
Charges (credited) to profit or loss										-
Additional provisions recognized:		-		-		80		304		385
Unused amounts reversed:		-		-		-		-		-
Amounts used during the year:		-		-		-		-		-
Carrying amount as of 31 December 2022:	$	46,400	$	-	$	280	$	304	$	46,985
Currency Translation Adjustment:		(216)		-		-		-		(216)
Charges (credited) to profit or loss										-
Additional provisions recognized:		-		-		-		-		-
Unused amounts reversed:		-		-		(152)		(211)		(363)
Amounts used during the year:		-		-		-		-		-
Carrying amount as of 31 December 2023:	$	46,184	$	-	$	128	$	93	$	46,406

A provision of $46.2 million is recognized in 2023 ($47.0 million in 2022) as provision for the closure of disused mining shafts and caverns in DEUSA International GmbH.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(10) Long-Term Debt

A summary of long-term debt and notes payable, net of unamortized financing fees at 31 December is presented below:

		Year Ended 31 December	
(in thousands)	*Interest rate*	*2023*	*2022*
USD-denominated long-term debt and notes payable:			
Vessel Financing and notes payable	Floating	$ 13,192	$ 19,417
GBP-denominated long-term debt and notes payable, USD equivalents:	Fixed	489	462
NOK -denominated long-term debt and notes payable, USD equivalents:			
Margin loan Facility	Floating	38,429	32,057
EUR -denominated long-term debt and notes payable, USD equivalents:			
Vessel Financings	Floating	115,169	171,585
Deusa bank loan	Floating	8,538	11,513
Total EUR -denominated long-term debt and notes payable, USD equivalents:		123,708	183,098
Long-term debt and notes payable, net of unamortized financing fees:			
Long term debt and notes payable		$ 175,817	$ 235,034
Less unamortized financing fee		$ -	$ -
Long-term debt and notes payable, net of unamortized financing fees		$ 175,817	$ 235,034

The consolidated current and noncurrent maturities for the Company, are shown below:

(in thousands)	*2023*	*2022*
Long-term debt and notes payable:		
Current	$ 20,039	$ 58,703
Non-current	$ 155,778	$ 176,331
Long-term debt and notes payable, net of unamortized financing fees	$ 175,817	$ 235,034

The consolidated Current maturities and short-term notes are shown below:

(in thousands)	*2023*	*2022*
Current maturities and Short term notes:		
Current portion of long term debt and notes payable *)	$ 20,039	$ 58,703
Current portion of finance lease liability	$ 15,868	$ 50,796
Current maturities and short term notes:	$ 35,907	$ 109,499

*) Notes payable in 2022 include current maturities that expire in 2023 and other short term notes that expire in 2023.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The scheduled total debt service, comprised of principal maturities and accrued interest payments, for the Company's debt and notes payable for each of the years ended 31 December is presented below:

Year ended 31 December (in thousands)		*Principal Maturities*		*Interest Payments*		*Debt Service*
2024	$	23,417	$	6,770	$	30,187
2025	$	23,124	$	5,495	$	28,619
2026	$	79,206	$	3,245	$	82,450
2027	$	12,934	$	2,277	$	15,211
2028	$	12,934	$	1,595	$	14,529
2029 and thereafter:	$	24,203	$	1,294	$	25,497
Long-term debt and interest payments:	$	175,817	$	20,676	$	196,493

Vessel financings

The subsidiaries of the Company have entered into vessel financing facilities with standard security packages including but not limited to, first priority mortgages over the vessels, assignment of earnings and insurances and share pledges in vessel-owning subsidiaries. A majority of the vessel financings are on floating rate basis and as per 31 December 2023 and 31 December 2022, the vessel financings were denominated in either USD or EUR. In addition to vessel specific covenants, the vessel financings of the subsidiaries include covenants related to equity, free cash, leverage and credit.

The creditors and guarantors related to the vessel financings are in general first class commercial banks and state-owned financial institutions with ratings on or above BBB- and AAA respectively

The fair value of long-term debt at 31 December 2023 and 31 December 2022 approximates its carrying value.

The reconciliation of net debt (*) for the years ended 31 December are shown below:

(in thousands)		*2023*		*2022*
Cash and cash equivalents and restricted cash	$	85,596	$	95,412
Borrowings, repayable within one year		(20,039)		(58,703)
Borrowings, repayable after one year		(155,778)		(176,331)
Net debt at 31 December	$	(90,268)	$	(139,622)
Cash and cash equivalents and restricted cash	$	85,596	$	95,412
Total debt - fixed interest rate		(489)		(462)
Total debt - floating interest rate		(175,329)		(234,572)
Net debt at 31 December	$	(90,268)	$	(139,622)

*) Net debt is defined as the difference between cash and cash equivalent, including restricted cash, and interest bearing debt.

The Group and its subsidiaries were in compliance with their respective loan covenants at the end of 2023 and 2022.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The activity in long-term debt, including current maturities and finance lease liability during the financial years ended 31 December is presented below:

(in thousands)		*2023*		*2022*
Balance 1 January	$	235,034	$	440,718
Drawdown		88,348		73,809
Reclassification from short term due to extension		32,057		-
Repayments		(157,715)		(252,843)
Total cash movements	$	(37,310)	$	(179,034)
Current exchange (gains) losses		11,072		(25,730)
Other		-		(921)
Total Non-cash movements	$	11,072	$	(26,651)
Total 31 December	$	208,796	$	235,034

		Finance lease liability		
(in thousands)		*2023*		*2022*
Balance 1 January	$	162,702	$	149,847
Adjustment 1 January 2023	$	(5,000)	$	-
Drawdown	$	-		19,110
Repayments and buybacks	$	(43,066)		(13,039)
Total cash movements		*(43,066)*		*6,071*
Revaluation	$	(607)		6,785
Total Non-cash movements	$	(5,607)		*6,785*
Total 31 December	$	114,028	$	162,702

(11) Deferred Tax Asset And Income Tax Expenses

Currently, Luxembourg levies a corporate income tax of 24.94%. There is no stamp tax duty in Luxembourg. The Company is also subject to net wealth tax computation on an annual basis. A minimum net wealth tax applies to all corporate entities having their statutory seat or central administration in Luxembourg.

The tax expense (benefit) for the years ended 31 December are reflected below:

Tax Expense (Benefit) (in thousands)		*2023*		*2022*
Current		626		838
Deferred		(123)		692
Tax expense (benefit)	$	503	$	1,530

Deferred taxes are recorded to recognize temporary differences existing between the tax bases of assets or liabilities and their reported amounts in the financial statements using the applicable tax rates in effect at year-end. The tax effects of temporary differences are recorded as deferred tax assets or deferred tax liabilities. Deferred tax assets generally represent items that can be used as a tax deduction or credit in future years. Deferred tax liabilities generally represent items that have been taken as a tax deduction but have not yet been recorded in the statement of operations. The Company has determined that it is not probable at this time that certain of the deferred tax assets will be recovered. Therefore, a valuation allowance has been provided to offset deferred tax assets on net operating losses incurred during the year in certain jurisdictions where, in the opinion of management, it is more likely than not that the financial statement benefits will not be realized.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The deferred taxes at 31 December 2023 and 31 December 2022, are reflected below:

(in thousands)	*2023*	*2022*
Deferred tax liabilities (assets):		
Operating assets	(748,660)	(633,909)
Receivables	450	612
Deferred capital gains	19,560	147,573
Provisions and accruals	(3,672)	-
Temporary differences	(732,322)	(485,724)
Net operating loss carried forward	(529,887)	(565,237)
Basis of deferred tax liability (assets)	(1,262,209)	(1,050,961)
Valuation allowance	1,247,840	1,038,011
Net deferred tax liabilities (assets)	$ (14,369)	$ (12,950)

The effective tax rate in Norway is 22% (2022: 22%), 25% (2022: 25%) in Luxembourg and 21% (2022:21%) in UK.

Tax losses for which Deferred Tax Asset has been recognized is $13.591 million (2022: $27.415 million).

(12) Operating Revenues and Expenses

Operating revenues consist of freight revenues on a time charter basis from voyage charters, time and bareboat charters, pool arrangements, finance lease arrangements, property rentals and other are presented below:

	Year ended 31 December	
(in thousands)	*2023*	*2022*
Operating revenue and finance lease revenue:		
Reefer vessels and car carriers	136,532	191,240
Potash-mining	69,271	83,848
RoRo vessels	30,020	18,295
Operating revenues	$ 235,823	$ 293,383

Operating revenue stated above includes finance lease income and operating lease revenue.

Ship operating expenses are a component of operating expenses and include crew payroll, spares parts, maintenance and repair, lube oil and consumables, and other related expenses. Operating expenses are presented below:

	Year ended 31 December	
(in thousands)	*2023*	*2022*
Operating expenses		
Vessel operating and crew expenses	50,779	88,616
Time charter expenses	30,871	30,224
Potash production	52,094	65,410
Operating expenses	$ 133,744	$ 184,250

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(13) Reconciliation Of Operating Expenses And Administrative Expenses By Nature

	Year ended 31 December 2023			Year ended 31 December 2022		
(in thousands)	*Operating expenses*	*Administrative expenses*	*Total expenses*	*Operating expenses*	*Administrative expenses*	*Total expenses*
Voyage expenses	29,738	-	29,738	42,868	-	42,868
Charter-hire expenses	1,225	-	1,225	30,224	-	30,224
Other ship operating expenses	29,717	-	29,717	28,847	-	28,847
Operating expenses DEUSA	38,402	-	38,402	42,417	-	42,417
Personnel expenses	34,422	10,475	44,897	29,294	9,497	38,791
Other Operating expenses	-	-	-	10,600	-	10,600
Other expenses	240	5,137	5,377	-	8,279	8,279
Total	$ 133,744	$ 15,612	$149,356	$ 184,250	$ 17,776	$202,026

(14) Leases - The Group as Lessor

Lease Arrangements as Lessor

The Group charters out vessels to internationally recognized companies within the shipping industry through its subsidiaries Seven Yield Holding Pte. Ltd., which engages in industrial shipping lease financing, and Siem Car Carriers Group.

At year-end 2023, the Company had 5 lease arrangements (2022: 5 lease arrangements) as lessor entered into by Seven Yield, 3 lease arrangements (2022:3) entered into by Siem Car Carriers Group of which 3 (2022: 3) were classified as finance leases and 5 (2022: 5) were classified as operating leases.

Operating Leases as Lessor

Leases in which a significant portion of the risks and rewards of ownership are retained by the owner are classified as operating leases. The leased assets are included in the balance together with other vessels owned by the Company, and refers to Seven Yield Holding Pte. Ltd., which engages in industrial shipping lease financing, and Siem Car Carriers Group. Direct costs that are incurred in the establishment of an operating lease are included in the leased asset's carrying amount and are expensed over the term of the lease on the same basis as the corresponding charter hire income.

Finance Leases as Lessor

Leases in which substantially all of the risks and rewards of the ownership of the vessel are transferred to the charterer are classified as finance leases. At the inception of the lease, the net present value of the minimum lease payments and any discounted unguaranteed residual value are recognized as non-current receivable.

Nature of the Group's leasing activities – Group as a lessor

The Group leases out vessels to third parties under non-cancellable operating leases. The rental rates of lease arrangements are fixed over the lease term. The remaining lease period under these non-cancellable leases range from one to five years at the end of the financial year. The lessees have the option to purchase the related vessels in two lease agreements.

Nature of the Group's leasing activities – Group as an intermediate lessor

Subleases – classified as operating leases

The Group acts as an intermediate lessor under arrangement in which it sub-leases out motor vessels to a related party for monthly lease payments. The sub-lease periods do not form a major part of the remaining lease terms under the head leases and accordingly, the sub-leases are classified as operating leases.

Impairment of Finance Lease Receivables as Lessor

At the end of each reporting period the Company assesses whether the financial lease receivables are credit-impaired. Impairment is assessed using the expected credit loss method for financial assets ("ECL"). Twelve month ECLs are used for the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

finance lease receivables if there are no indication of a significantly increase in the credit risk since the initial recognition of the finance lease receivables. If there is a significant increase in credit risk, the expected credit loss is estimated for the entire lease term. The assessment of whether there is a significant increase in credit risk is based on a total assessment of the counterparty. Events that may lead to a significant increase in credit risk are delayed payments, breach of covenants, decrease in equity, negative development in working capital and significant decrease in the share price for listed entities.

Total operating lease revenue and finance lease interest income for the Company as a lessor are presented below:

	Year ended 31 December	
(in thousands)	*2023*	*2022*
Operating lease revenue:		
Ordinary operating lease income	88,432	131,656
Contingent lease income	-	-
Mobilization fee, advances and deferred revenue	-	-
Total operating lease revenue	$ 88,432	$ 131,656
Finance lease revenue:		
Ordinary finance lease income	6,586	7,097
Contingent charter hire	-	-
Mobilization fee, advances and deferred revenue	-	-
Total finance lease revenue	$ 6,586	$ 7,097

Future minimum lease payments under non-cancellable operating lease arrangements as a lessor is as follows as per 31 December 2023 and 31 December 2022:

Operating Leases

	Year ended 31 December	
(in thousands)	*2023*	*2022*
Total operating lease payments		
Within 1 year	25,285	17,520
After 1 year but before 2 years	15,239	28,640
After 2 years but before 3 years	-	15,819
After 3 years but before 4 years	-	8,976
After 4 years but before 5 years	-	-
After 5 years	-	-
Total operating lease payments	$ 40,524	$ 70,955

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Finance Leases

Future gross minimum lease payments under finance lease arrangements as a lessor as per 31 December 2023 and 31 December 2022:

	Year ended 31 December			
(in thousands)		*2023*		*2022*
Gross finance lease receivable				
Within 1 year		31,767		16,880
Between one and two years		31,401		16,736
Between two and three years		31,131		16,487
Between three and four years		30,861		16,273
Between four and five years		30,125		16,058
Over 5 years		226,527		49,459
Gross Finance lease receivable		381,812		131,893
Unearned finance income		(97,628)		(24,703)
Total finance lease receivables	$	284,184	$	107,191

Total finance lease receivables as a lessor as per 31 December 2023 and 31 December 2022:

Within 1 year		17,076		11,383
Between one and two years		17,705		11,876
Between two and three years		18,453		12,314
Between three and four years		19,242		12,798
Between four and five years		19,583		13,307
Over 5 years		192,124		45,512
Total finance lease receivables	$	284,184	$	107,191

Short-term lease receivables of $17,076,000 (2022: $11,383,000) are included in "Notes, loans, finance lease and other receivables" in current assets for 2023 and 2022, respectively.

Consolidated Statements of Financial Position (in thousands		*31.12.2023*		*31.12.2022*
Finance lease receivables:				
Current:		17,076		11,383
Non-Current:		267,108		95,807
Lease receivables at 31 December:	$	284,184	$	107,191

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

15) Gains (Losses) from Investments and Sales of Property and Equipment

A summary of the net gains (losses) related to the Company's investments and the sales of property and equipment is presented below:

	Year ended 31 December		
(in thousands)	*2023*		*2022*
Gains (losses) on investment, net:	-		-
Financial assets at fair value through profit or loss.			
see Note 4	9,365		96
Gain (loss) on disposal of shares in associated companies	-		1,419
Notes, loans and receivables, see Note 4	(28)		-
Sale of vessels	-		19,081
Sale of properties and others	-		18
Other	(153)		(410)
Gains (losses) on investments and other assets, net	9,183	$	20,203

(16) Financial Instruments – Gain And Losses Recognized Within Profit Or Loss

The Company's financial instruments resulted in the recognition of the following in the Consolidated Income Statement:

	Year ended 31 December	
(in $ thousands)	*2023*	*2022*
Interest Income on financial assets measured at amortized cost	13,975	4,927
Interest expenses on financial liabilities measured at amortized cost	17,617	15,779
Net fair value gain on financial assets measured at fair value through profit and loss	9,183	2,352
Net fair value gain on financial liabilities measured at fair value through profit and loss	-	-

(17) FEE TO THE AUDITORS

The following fee for audit services and consultancy services has been recognized in 2023 and 2022:

		2023		*2022*
Audit Services		457,166		525,818
Tax consultancy services:		61,228		45,335
Other consultancy Services		28,581		46,230
Total fees	$	546,974	$	617,383

(18) NUMBER OF EMPLOYEES IN THE COMPANY

The average number of employees in the Company was 980 for 2023 (2022: 1.024), including onshore and offshore employees. There are 3 employees in the parent company in 2023 (2022: 3).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(19) Pension plans

Siem Shipowning's wholly-owned U.K. subsidiary, Siem Shipping UK Ltd., maintains a defined contribution pension plan that covered 19 employees in 2023 and 19 employees in 2022. Under this plan, Siem Shipping UK Ltd. contributes a fixed percentage of the employee's base salary. The percentage is dependent on the number of years employed and the employee's position within Siem Shipowning. Total contributions are recorded as general and administrative expenses when incurred and were approximately $208,000 and $211,000 for 2023 and 2022, respectively.

(20) Finance Income And Finance Costs

		Year ended 31 December		
(in $ thousands)		*2023*		*2022*
Interest income on financial assets measured at amortized cost		13,975		4,927
Total finance income	$	13,975	$	4,927
Interest expenses and fees on financial liabilities measured at amortized costs		17,617		15,779
Total borrowing costs	$	17,617	$	15,779
Interest expenses on finance lease liabilities - Note 8		7,445		9,514
Total borrowing costs	$	25,062	$	25,293

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(21) DISCONTINUED OPERATIONS – ASSETS HELD-FOR-SALE

2022 ($ in thousands)	*BSR Group*	*Daya Global*	*Seven Yield Renewables*	***Total***
Total revenues and operating expenses:				
Total revenues	6,890	-	-	**6,890**
Operating expenses	(10,835)	-	-	**(10,835)**
Operating margin	(3,945)	-	-	**(3,945)**
Other income:				
Interest income	-	-	-	-
Gains (losses) on sale of investments	-	-	-	-
Other income	-	-	-	-
Total other income	-	-	-	-
Expenses and other:				
Depreciation and amortization	(260)			**(260)**
Interest expense	(72)			**(72)**
General and administrative expenses	(2,649)	(25)	(7)	**(2,681)**
Currency exchange gains (losses)	289	(0)	(2)	**287**
Total expenses and other	(2,692)	(25)	(7)	**(2,726)**
Income (losses) before taxes	**(6,637)**	(25)	(7)	**(6,671)**
Income tax (expense) benefit		(2)	-	**(2)**
Net income (losses) after taxes from discontinued operations	(6,637)	(27)	(7)	**(6,671)**
Gain (loss) on sale of discontinued operations	21,364	-	-	**21,364**
Net income (losses) from discontinued operations	14,727	(27)	(7)	**14,693**

The Company sold the investment in BSR Group Holdings Ltd. ("BSR Group") in 2022. The company is a UK registered company , providing engineering, procurement and construction ("EPC") services to the solar power generation industry.

In 2022, Day OCV Pte. Ltd. is reclassified from discontinued operation to continuing operations in the Income Statement and Balance Sheet.

There are no Income or Expenses related to Discontinued Operations in 2023 or assets and liabilities related to the Discontinued Operations as per 31 December 2023 and 31 December 2022.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(22) Risk Management and Capital Management

Liquidity Risk

The Company's liquidity position, leverage and capitalization are presented below as ratios or metrics for the years ended 31 December:

(in thousands, except for ratios)	*2023*	*2022*
Liquidity ratios and metrics:		
Net cash provided by operating activities (see Statements of Cash Flows) [1)]	$98,145	$60,658
Working capital	($715)	($59,036)
Current ratio (current assets divided by current liabilities)	1.00	0.74
Quick ratio (current cash plus accounts receivable plus trading securities divided by current liabilities)	0.62	0.48
Leverage and capitalization ratios:		
Equity multiplier (total assets divided by total equity)	1.28	1.37
Debt-to-equity ratio (non-current liabilities divided by shareholders' equity)	0.18	0.22
Interest-bearing debt to total asset ratio	0.17	0.21
Debt-to-capitalization ratio (non-current liabilities divided by non-current liabilities plus total equity)	0.15	0.18

1) The amount includes net cash provided from continuing and discontinued operations.

The Company's current and long-term contractual maturities of financial liabilities are presented below:

(in thousands)	*Less than 12 Months*	*Greater than 12 Months*	*Total Contractual Maturities*
Accounts payable, other accrued costs, accrued interest payable and short-term liabilities	29,780	-	29,780
Debt service, comprised of principal maturities and interest payments	30,187	166,306	196,493
Total contractual maturities of financial liabilities	$ 59,967	$ 166,306	$ 226,273

Foreign Exchange Risk

The nature of the operations conducted by the Company exposes the Company to foreign exchange risk. This risk is primarily associated with compensation costs and purchases from suppliers that are denominated in currencies other than USD. Gains and losses on foreign exchange derivative instruments which do not qualify as hedges for accounting purposes are recognized based on the change in the market value of the derivative instruments.

The Company has on occasion purchased foreign exchange contracts with contracts terms less than 12 months to protect against the adverse effects of exchange rate fluctuations. These derivatives did not meet the strict guidelines to qualify for hedge accounting and the gains and losses on both the derivatives and the existing foreign currencydenominated assets and liabilities were recorded as currency gains or losses in the statements of operations.

Several subsidiaries of the Company operate in industries in which a majority of its transactions are denominated in USD, whether such activity involves revenues or operating expenses or assets or liabilities. The management of each individual subsidiary is responsible for monitoring its foreign currency risks and enters into currency derivative contracts from time to time to manage their foreign currency exposure mainly related to EUR, NOK and GBP.

Interest Rate Risk

The Company's use of debt exposes the Company to risks of adverse interest rate development. Floating rate debt, in which the interest rate can change from one interest period to the next in periods as short as one month, exposes the Company to short-term changes in market interest rates. Fixed rate debt, in which the interest rate is fixed over the life of the facility, exposes the Company to changes in market interest rates if the Company should decide to refinance maturing debt with new debt.

The Company and its subsidiaries may, from time to time, use interest rate swap agreements to manage the effect of interest rate changes on future income. These derivatives are used as a hedge of underlying future interest payments and are not used for speculative or trading purposes. The agreements involve the exchange of amounts based on variable interest rates and amounts based on a fixed interest rate over the life of the agreement without an exchange of the notional amount upon which the payments are based. The interest rate differential to be paid or to be received on the swaps is recognized over the lives of the swaps as an adjustment to interest expense. The agreements are adjusted to market at each reporting date.

The major risks in using interest rate derivatives include changes in interest rates that affect the value of such instruments, potential increases in the interest expense of the Company due to market increases in floating interest rates in the case of derivatives which exchange fixed interest rates for floating interest rates and the creditworthiness of the counterparties in such transactions.

The Company's long-term debt and notes payable are presented in sufficient detail in Note 10, Long Term Debt to provide an indication of the Company's sensitivity to interest rate changes.

Credit Risk

Credit risk is managed on an entity basis. Each entity is responsible for managing and analyzing the credit risk for their new and existing customers. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and other financial institutions as well as to customers, including outstanding receivables and committed transactions. Management does not expect any losses from nonperformance by its counterparties at this time.

Bunker Hedging

Siem Shipowning may at times be exposed to price fluctuations in the purchase of bunker fuel for vessels. All of Siem Shipowning fixed business is either covered by a BAF or is time-charter business where there is no exposure to bunker prices. The exposure to fluctuations in bunker prices for both companies are limited to the voyage charters, where the bunker expenses are for the account of Siem Shipowning. Siem Shipowning's management have been authorized by its board of directors to enter into bunker hedge contracts if considered necessary but the low bunker prices in the recent past has eliminated the need for such activity.

(23) RELATED PARTY AND INTRA-GROUP TRANSACTIONS

Subsea7

Dividends totaling $26.6 million (2022: $7.3 million) were paid to the Company.

Siem Offshore

In March 2023, the Company, through its indirect subsidiary Siem Sustainable Energy S.à r.l. bought at a discount from a financial institution a portion of a loan that the latter granted to one of Siem Offshore Inc's subsidiaries. The nominal of the loan was USD 2,295,031. The interests due on a quarterly basis which are unpaid are added to the principal. In December 2023, the loan was partially repaid for USD 202,514.75. The loan matures on December 31, 2024.

Electromagnetic Geoservices

The Company holds a 33.1%-interest in Electromagnetic Geoservices through its wholly owned subsidiary Siem Investments, in addition to $9.5 million of the $32.5 million convertible bond issued by Electromagnetic Services with maturity in May 2025.

Siem Oil Service Invest Norway AS

The Company has provided, through its indirect subsidiary Grand Rue Finance S.à r.l., a loan to Siem Oil Service Invest Norway AS, an indirect subsidiary of Siem Oil Service Invest Holding Limited, in which the Company holds a 20% interest. The outstanding principle amount of the loan is USD 4,400,000 and matures in January 2025.

Compensation of Directors and Officers

Directors are not entitled to a director's fee.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Notes Payable to Shareholder

A company owned by Mr. Siem, the Company's Chairman and the largest individual owner of the Company's shares, had loans outstanding to the Company in NOK, EUR, GBP and USD at the end of 2023 for approximately $77.85 million (2022: $78.48 million) under a short-term credit facility agreement. The interest rate was fixed at 5% during 2023. In February 2024, the unsecured short-term credit facility agreement was extended until 30 June 2025, and the interest rate will be increased to a fixed rate of 8% effective from 30 June 2024. An arrangement fee of approximately 1% will be charged as a part of the extension.

A summary of receivables and payables with other related parties at 31 December is presented below:

(in thousands)		*2023*		*2022*
Due from(to) associates and other related parties				
Loan and accrued interest payable		(77,848)		(78,480)
Total due from (to) associates and other related parties	$	(77,848)	$	(78,480)

(24) Credit Risk and Concentration Risk

The Company's credit risk is primarily attributable to its trade and other short term receivables and asset derivative positions. The derivative counterparties are large established financial institutions, and the counterparty risk for the asset derivative positions are 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 car manufacturers and banana producers which are considered to be creditworthy third parties. Historically, the loss percentage has been low, and we have not experienced any increases in counterparty risk. The need for provisions are continually assessed and, on 31 December 2023, the provision for certain accounts receivable which may not be paid in full was $0 million for the Company (2022: nil).

With volatile shipping markets, there is never full protection against potential counterparty default. The Company conducts on-going credit reviews to monitor each lessee's financial performance and compliance with financial covenants (if any). In addition, the payment conduct of a lessee is monitored on a monthly basis. The Company uses a provision matrix to measure the lifetime expected credit loss allowance for trade and finance lease receivables.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Company considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

These receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company considers a financial asset as in default (as defined in the relevant contractual agreement) if the counterparty fails to make contractual payments when they fall due, and writes off the financial asset when a debtor fails to make contractual payments greater than 120 days past due. Where receivables are written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss. Further in order to mitigate risk, the underlying lease contracts are generally structured such that the lessee pay an advance prior or at commencement of contract, implicit payback period is relatively steep such that book value is comfortably above projected book value during the duration of the contract and implicit asset value risk is low, purchase obligation or put option close to scrap at the end of the period is the norm, monthly payment of hire in advance ensures early warning of credit risk, as well as parent company guarantee's supporting the credit of the contract by covering all liabilities under each lease agreement, including any purchase obligations. At 31 December 2023, the Company have assessed the financial assets as performing, counterparties having low risk of default and do not have any past due amounts.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The table below presents the concentration risks for 2023 and 2022:

	2023		2022	
(in thousands)	*Amount*	*% of total*	*Amount*	*% of total*
Accounts receivables on 31 December:				
1 to 5 largest	100,519	96.8%	25,592	89.1%
6 to 10 largest	1,483	1.4%	2,024	7.0%
Others	1,838	1.8%	1,109	3.9%
Provision for bad debt	(4,633)		(4,891)	
Total accounts receivables:	$ 99,207		$ 23,835	

	2023	2022
(Amounts in USD 000')	Amount	Amount
Provision for bad debt		
Opening balance 1 January		
Correction opening balance	$ (4,282)	$ (4,586)
Realized loss	(304)	77
Reversal of provision previous year	-	-
Provision current year	(47)	(381)
Currency translation differences	-	-
Total provisions for bad debt	$ (4,633)	$ (4,891)

	2023		2022	
(in thousands)	*Amount*	*% of total*	*Amount*	*% of total*
Aging on 31 December				
Not due	90,515	87.2%	15,349	64.4%
Due up to 1 month	8,181	7.9%	3,342	14.0%
Due 1-4 months	9	0.0%	57	0.2%
Due more than 4 months	5,135	4.9%	5,086	21.3%
Total accounts receivables	$ 103,840		$ 23,835	

The carrying amount of the accounts receivables are denominated in the following currencies:

	2023		2022	
(in thousands)	*Amount*	*% of total*	*Amount*	*% of total*
Currency				
USD	15,518	14.9%	18,672	65.0%
NOK	87	0.1%	37	0.1%
EUR	88,197	84.9%	9,965	34.7%
GBP	39	0.0%	51	0.2%
CYN		0.0%		0.0%
Total accounts receivable	103,840	100.0%	28,725	100.0%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(25) Financial Instruments

Derivative financial instruments recognized in the Consolidated Balance Sheet were as follows:

(For the year ended in $ thousands)		*2023*		*2022*
Non-current:				
Forward foreign exchange contracts		-		-
Interest swap derivatives		2,923		4,381
Total	$	2,923	$	4,381
Current:				
Forward foreign exchange contracts		2,458		4,802
Forward contract shares		5,329		-
Forward foreign exchange contracts		(2,435)		(3,979)
(For the year ended in $ thousands)		5,352		823

The table below details the Company's liquidity profile for its derivative financial liabilities. The table has been prepared based on the undiscounted net cash payments and receipts on the derivative instruments that settle on a net basis and the undiscounted gross payments and receipts on those derivative financial instruments that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the balance sheet date.

At 31 December 2023		*Less than*				*3 months to*				
(For the year ended in $ thousands)		*1 month*		*1-3 months*		*1 year*		*1-5 years*		*Total*
Net settled - Current Assets										
Foreign exchange forward contract payments		-		-		-		-		-
Foreign exchange forward contract receipts		371		1,324		762		-		2,458
Shares forward contract receipts				5,329		-		-		5,329
Net settled - Current Liabilities										
Foreign exchange forward contract payments		-		(2,435)		-		-		(2,435)
Foreign exchange forward contract receipts		-		-		-		-		-
Total	$	371	$	4,218	$	762	$	-	$	5,352

At 31 December 2022		*Less than*				*3 months to*				
(For the year ended in $ thousands)		*1 month*		*1-3 Months*		*1 year*		*1-5 years*		*Total*
Net settled - Current Assets										
Foreign exchange forward contract payments		-		4,802		-		-		4,802
Foreign exchange forward contract receipts		-		-		-		-		-
Net settled - Current Liabilities										
Foreign exchange forward contract payments		-		(3,979)		-		-		(3,979)
Foreign exchange forward contract receipts		-		-		-		-		-
Total	$	-	$	823	$	-	$	-	$	823

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(26) Currency Sensitivity Analysis

The table below presents the effect on the income statement from a 10% change in the currency exchange rate between USD and the currencies EUR, GBP, and NOK.

Currency sensitivity analysis (in thousands)	*10% change in exchange rate against USD (stronger USD)*		*10% change in exchange rate against USD (weaker USD)*	
	2023	*2022*	*2023*	*2022*
Long term liabilities	12,420	18,356	(12,420)	(18,356)
Cash holdings	(2,471)	(3,265)	2,471	3,265
Accounts receivables	(30,285)	(2,532)	30,285	2,532
Net effect on income statement	(20,336)	12,559	20,336	(12,559)

(27) Cash Flow Interest Risk And Fair Value

The Company is 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 10, Long Term Debt. 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 1 day to 3 months, which mitigates some of the potential interest rate risk.

The following sensitivity tables for 2023 and 2022 demonstrate the impact on the Company's profit (loss) before tax and equity from a potential shift in interest rates, all other variables held constant:

		-1% Movement		*+1% Movement*	
At 31 December 2023 (in thousands)	*Carrying amount*	*Profit (loss)*	*Equity*	*Profit (loss)*	*Equity*
Financial assets					
Cash and cash equivalents	56,388	(564)	(564)	564	564
Impact on financial assets before tax		(564)	(564)	564	564
Financial liabilities					
Borrowings	367,693	3,677	3,677	(3,677)	(3,677)
Impact on financial liabilities before tax		3,677	3,677	(3,677)	(3,677)
Total increase/decrease before tax		3,113	3,113	(3,113)	(3,113)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

		-1% Movement		*+1% Movement*	
At 31 December 2022 (in thousands)	*Carrying amount*	*Profit (loss)*	*Equity*	*Profit (loss)*	*Equity*
Financial assets					
Cash and cash equivalents	72,466	(725)	(725)	725	725
Impact on financial assets before tax		(725)	(725)	725	725
Financial liabilities					
Borrowings	476,215	4,762	4,762	(4,762)	(4,762)
Impact on financial liabilities before tax		4,762	4,762	(4,762)	(4,762)
Total increase/decrease before tax		4,037	4,037	(4,037)	(4,037)

(28) FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Company's financial assets are classified as assets at fair value through profit and loss and amortized cost. Financial liabilities are classified as liabilities at fair value through profit and loss and amortized cost. For further information about the categorization under IFRS 9 Financial Instruments and changes from IAS 39 Financial Instruments, see Note 2.

The value of forward exchange contracts is 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 receivable 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 for 2023 and 2022 display the book value and the fair value of financial assets and obligations, where the fair value measurement are categorized within the following three levels:

- Quoted prices in an active market – Level 1
- Significant observable inputs – Level 2
- Significant unobservable inputs – Level 3

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	2023				Fair Value
(in thousands)		*Book value*		*Fair value*	*Measurement*
Financial assets					
Cash and cash equivalents		56,388		56,388	Level 1
Accounts receivables		20,780		20,780	Level 3
Accrued interest receivable		506		506	Level 3
Trading securities		12,609		12,609	Level 1
Derivative financial instruments		5,382		5,382	Level 2
Notes, loans and other receivables		340,277		340,277	Level 3
Restricted cash		29,208		29,208	Level 1
Other long term receivables		-		-	Level 3
Total financial assets	**$**	**465,150**	**$**	**465,150**	
Financial liabilities					
Accounts payable		15,361		15,361	Level 3
Other current liabilities		14,666		14,666	Level 3
Borrowings		253,665		253,665	Level 3
Derivative financial instruments		2,435		2,435	Level 2
Other non- current liabilities		47,048		47,048	Level 3
Total financial liabilities	**$**	**333,175**	**$**	**333,175**	

	2022				Fair Value
(in thousands)		*Book value*		*Fair value*	*Measurement*
Financial assets					
Cash and cash equivalents		72,466		72,466	Level 1
Accounts receivables		23,835		23,835	Level 3
Accrued interest receivable		8,575		8,575	Level 3
Trading securities		11,025		11,025	Level 1
Derivative financial instruments		9,183		9,183	Level 2
Notes, loans and other receivables		159,454		159,454	Level 3
Restricted cash		22,946		22,946	Level 1
Other long term receivables		10,377		10,377	Level 3
Total financial assets	**$**	**317,861**	**$**	**317,861**	
Financial liabilities					
Accounts payable		17,698		17,698	Level 3
Other current liabilities		13,774		13,774	Level 3
Borrowings		313,514		313,514	Level 3
Derivative financial instruments		3,979		3,979	Level 2
Other non- current liabilities		46,641		46,641	Level 3
Total financial liabilities	**$**	**395,606**	**$**	**395,606**	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(29) Commitments, Guarantees and Contingencies

The Company or any of its subsidiaries or associates may become involved in various legal proceedings during the ordinary course of business. It is the Company's policy to accrue for amounts related to these legal matters if it is probable that a liability has been incurred and an amount can be reasonably estimated. The Company is not aware of any litigation which, in the opinion of management, is likely to have a material adverse effect on the Company's financial position, results of operations or cashflows other than as discussed.

As of year-end 2023 the Company had no major guarantee's outstanding.

(30) share capital, Capitalization and Capital Accounts

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for its shareholders, to provide benefits to its stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Further objectives include safeguarding the ability of its subsidiaries and associates as going-concerns to an extent that is both reasonable and prudent.

The Company purchases Common Shares from time to time from its shareholders who have offered to sell such shares to the Company. Any Common Shares that are purchased by the Company are retired and cancelled. The Company purchased nil Common Shares during 2023 and 2022.

The Board of Directors will, on occasion, declare an extraordinary dividend. The Directors last declared and paid extraordinary dividends of $0.20 per Common Share in May 2015.

Total number of shares in the Company have in previous years been set to 14,996,996. An updated review of our share registration system have identified a miscalculation of the total number of shares in the Company. Correct number of shares in the Company is 14,994,196.

Summarized Balance Sheet	**Deusa**	**Star Reefers / Siem Shipowning**	**Total**
(in thousands)	**2023**	**2023**	**2023**
Current Assets	39,393	39,027	78,420
Current Liabilities	6,840	12,498	19,338
Current Net Assets	32,553	26,530	59,082
Asset held for sale	-	-	-
Non-Current Assets	64,870	151,356	216,226
Non-Current Liabilities	62,537	8,794	71,331
Non-Current Net Assets	2,334	142,561	144,895
Net Assets	34,886	169,091	203,977
Accumulated NCI	123	-	123

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(31) Non- Controlling Interest

Summary Statement of comprehensive income (in thousands)	Deusa 2023	Star Reefers / Siem Shipowning 2023	Total 2023
Revenue	68,818	75,394	144,213
Profit for the period	**4,231**	**18,360**	22,591
Profitable attributable to NCI	1,693	64	1,757
Other comprehensive income	-	-	-
Total comprehensive income	4,231	18,360	22,591
Total comprehensive income attributable to NCI	1,693	64	1,757
Dividends paid to NCI	840	-	840

Summarized cash flows (in thousands)	Deusa 2023	Star Reefers / Siem Shipowning 2023	Total 2023
Cash flow from operating activities	7,473	25,881	33,354
Cash flow from investing activities	(5,067)	(12,906)	(17,974)
Cash flow from financing activities	(3,389)	(25,473)	(28,863)
Net increase / (decrease) in cash and cash equivalents	$ (984)	$ (12,498)	$ (13,482)

(32) Buyback Of Shares In Subsidiaries

In August 2022, Siem Shipowning Inc., one of the subsidiaries of the Company entered into an agreement with a Group of minority shareholders to buyback 1,331,122 shares. An initial payment was made and the balance was financed by a sellers' credit facility. The facility will be repaid over four equal annual instalments with the final payment being in Q4 2026. The loan carries an interest rate of LIBOR plus a margin of 0% in year 1 and 2, 1.75% in year 3, and 3% in year 4. The same offer was made to all shareholders, and in December 2022 the Company bought back a further 21,854 shares from other minority shareholders. All shares acquired through the buyback process have been cancelled. Simultaneously, in August 2022, Siem Shipowning Inc. acquired 1,331,122 shares in Star Reefers Inc. A further 20,854 shares were acquired in December 2022. Per 31.12.2023 the Company owned 99.4% of the outstanding shares in Siem Shipowning Inc. and 99.3% in Star Reefers Inc.

(33) subsequent Events

In February 2024, Subsea7 announced that its board of directors proposed a NOK6.00 per share dividend, equivalent to $170 million, to be recommended for shareholder approval at the AGM on 2 May 2024. The dividend will be paid in two installments of NOK 3.00, one on the 14 May 2024 and the second on the 7 November 2024.

A company owned by Mr. Siem, the Company's Chairman and the largest individual owner of the Company's shares, had loans outstanding to the Company for approximately $77.85 million (2022: $78.48 million) under a short-term credit facility agreement. In February 2024, the unsecured short-term credit facility agreement was extended until 30 June 2025. For further information see note 23 "RELATED PARTY AND INTRA-GROUP TRANSACTIONS".

The two wholly-owned subsidiaries of Seven Yield Holding Pte. Ltd., SY RORO 1 Pte. Ltd. together with SY RORO 2 Pte. Ltd. ("Owners"), commenced the High Court Proceedings in London, UK pursuant to a Multipartite Agreement made between Owners and Charterers, Moby SpA ("Moby"), Compagnia Italiana di Navigazione SpA ("CIN"), and Onorato Armatori SrL, who have guaranteed the obligations of the Charterers under the Head Charters, (the "Charter Guarantor") (the Charterers, Moby, CIN and the Charter Guarantors together the "Defendants") entered into on the same date as the Head

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

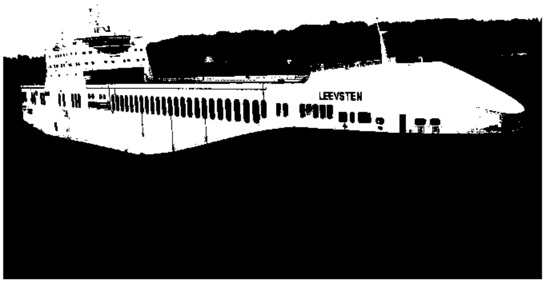
Charters. Judgment was handed down on 21 March 2024 in Owners' favour, whereby the High Court also ordered the redelivery of the vessels to the Owners by 15 April 2024.

On 9 April 2024 the Defendants applied for permission to appeal the High Court Order dated 25 March 2024 ("Order") and a stay of execution of the Order pending appeal. The Owners filed their objection on 11 April 2024. Stay was granted on 12 April 2024 by the Court of Appeal ("COA") to 19 April 2024, 4pm. The Leave to Appeal Hearing was held on 19 April 2024 and the Judge of COA refused to grant the charterers leave to appeal. Hence the stay of execution of the Order is lifted and the Defendants are required to immediately redeliver the vessels to the Owners.

On the 5 April 2024 Siem Offshore Inc. announced that they have agreed to sell 9 of its vessels (Siem Barracuda, Siem Stingray, Siem Opal, Siem Pearl, Siem Topaz, Siem Pilot, Siem Pride, Siem Symphony and Siem Thiima) to Siem Sustainable Energy S.a r.l, which is a wholly-owned subsidiary of the Company, in exchange for 35% of Siem Sustainable Energy S.à r.l.'s shares in Siem Offshore Inc. The Company will thereafter cease to be a share-holder in Siem Offshore Inc., and the Company and Kristian Siem does not offer himself for election at the annual shareholders meeting in Siem Offshore Inc. scheduled to be held on the 7th of May 2024.

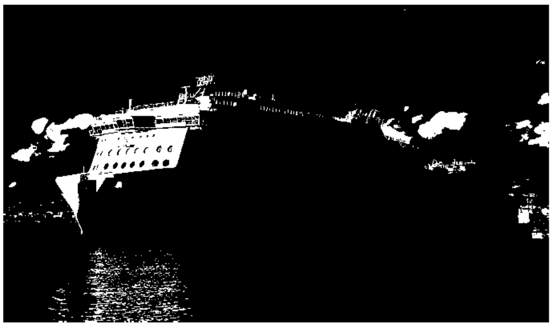
The 9 vessels are 3 AHTS, 4 PSV and 2 OSCV. The vessels will be transferred to the Company as soon as practical and before 1 July 2024. Siem will assume $ 117.5 mill of existing vessel debt as part of the transaction.

Siem Offshore Inc. will continue to manage the 9 vessels under industry standard ship management agreements for a minimum period of one year.

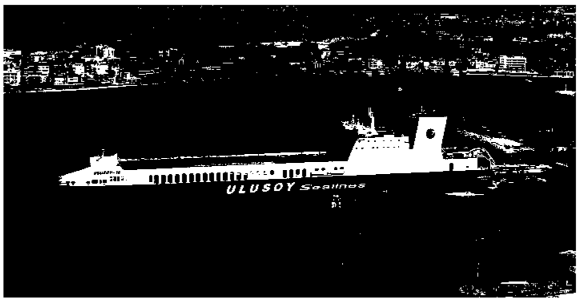


Leevsten operated by Cotunav and owned by Seven Yield

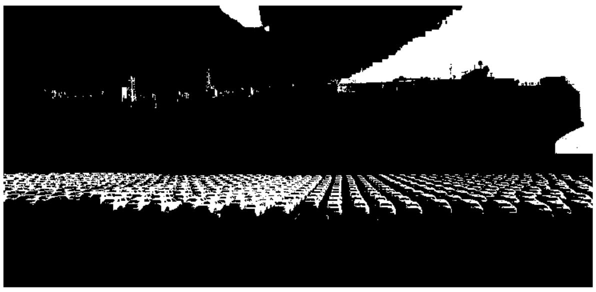
Liekut operated by Searoad and owned by Seven Yield



Rusadir under seller financing from Seven Yield to Balearia



Ulusoy operated by Sealines and owned by Seven Yield



Siem Confucius operated by Siem Car Carriers

Siem Copernicus operated by Siem Car Carriers and owned by S&I Leasing, an associated company of Seven Yield

SIEM INDUSTRIES

SUBSIDIARIES AND ASSOCIATES

Star Reefers Inc.
Siem Shipowning Inc.
Siem Car Carriers AS
Seven Yield Holding Pte. Ltd.
Momentum S.à r.l.
Grand Rue Finance S.à r.l.
Siem Investments S.à r.l.
Siem Capital UK Ltd.
Seven Yield Renewables Ltd.
Subsea 7 S.A.
Siem Offshore Inc.
Siem Oil Service Invest Holdings Ltd.
Deep Seas Insurance Ltd.
Siem Sustainable Energy S.à r.l.
Deusa International GmbH
Siem Kapital AS

DIRECTORS

Kristian Siem, Chairman
Karen Siem
Louisa Siem
Harald Kuznik
Jørgen Westad

REGISTERED OFFICE

Siem Industries S.A.
36-38 Grand Rue
L-1660 Luxembourg
Grand Duchy of Luxembourg

EXECUTIVE OFFICE

Siem Industries S.A.
36-38 Grand Rue
L-1660 Luxembourg
Grand Duchy of Luxembourg

OTHER OFFICES

Siem Kapital AS
Nodeviga 14
4610 Kristiansand, Norway

Momentum S.à r.l.
36-38 Grand Rue
L-1660 Luxembourg
Grand Duchy of Luxembourg

SIEM INDUSTRIES S.A. WEBSITE

www.siemindustries.com

Siem Shipping Norway AS

ÅRSREGNSKAP 2023

ORGANISASJONSNUMMER: 978 644 384

Siem Shipping Norway AS

Årsberetning

Virksomheten

Siem Shipping Norway AS er en del av Siem Shipowning gruppen med Siem Shipowning Inc. som konsernspiss.

Gruppen opererer med kjøleskip, bilbefraktningskip og RoRo skip. Ved årsslutt 2023 kontrollerte konsernet en flåte på 10 kjøleskip og 2 bilbefraktningskip. Skipene er enten direkte eid eller tatt inn på certepartier.

Siem Shipping Norway AS er et holding selskap uten ansatte.

Forutsetning om fortsatt drift

Selskapets egenkapital var pr. utgangen av 2023 NOK 517.7 millioner. Siem Shipping Norway AS er finansiert gjennom egenkapital og lån fra konsernselskaper. De konserninterne lån er subordinerte. Styret er av den oppfatning at forutsetningen for fortsatt drift er tilstede i henhold til regnskapslovens § 3-3 og årsregnskapet er således utarbeidet under forutsetning av fortsatt drift.

Resultat, balanse og likviditet

Selskapet hadde i 2023 driftsinntekter på NOK 0 (2021: NOK 0). Driftsresultatet var NOK -0.1 millioner (2022: NOK -0.1 millioner). Totalt var netto finansposter NOK 17.3 millioner (2022: NOK 16.8 millioner).

Resultatregnskapet i Siem Shipping Norway viser et overskudd NOK 53,794,000 (2022 overskudd på NOK 16,716,000) som styret foreslår overført annen egenkapital. Selskapet har har mottatt et konsernbidrag på NOK 193,830,259 (brutto) fra Siem Car Carriers AS, som er et søster selskap. Selskapet har samtidig avgitt et konsernbidrag på NOK 254,492,455 (brutto) til Siem Car Carriers AS.

Selskapets egenkapital var pr. utgangen av 2023 NOK 517.7 millioner.

Selskapets likviditet i 2023 har vært tilfredstillende.

Organisasjon og ledelse

Det er ingen ansatte i selskapet i 2023(2022: Ingen ansatte).

Likestilling

Selskapets personalpolitikk anses å være kjønnsnøytral og selskapet er av den oppfatning at likestillingsspørsmål er tilfredsstillende ivaretatt. Pr. årsskiftet 2023 består styret av tre menn. Det er ikke iverksatt eller planlagt konkrete tiltak innenfor dette området.

Aksjonærforhold

Siem Shipowning Inc. eier 100% av aksjene i Siem Shipping Norway AS. Ved utløpet av 2023, hadde selskapet totalt 2.168.588 utstedte og utestående aksjer, hver pålydende NOK 20.50.

Siem Shipping Norway AS

Ytre miljø

Som et holdingselskap påvirker ikke selskapet det ytre miljø i nevneverdig grad.

Finansiell risiko

Selskapet har begrenset finansiell risiko, da fordringer og gjeld i det alt vesentlige er konserninterne og hovedsakelig nominert i USD. Selskapets konserninterne gjeld er knyttet til flytende rente og Siem Shipping Norway AS vil således være eksponert for fluktuasjoner i rentemarkedet.

Selskapets likviditet er tilfredstillende.

Styreforsikring

Selskapet har ikke tegnet forsikring for styrets medlemmer og dagligleder for deres mulige ansvar overfor foretaket og tredjepersoner.

Fremtidsutsikter

Selskapet er et rent holdingselskap, og per 31.12.23 var det ingen ansatte. I 2023 har det ikke vært noen ansatte og selskapet kjøper tjenester eksternt som vil ivareta selskapets interesser.

Styret i Siem Shipping Norway AS
30 mai 2024

Glenn Pettersen (May 30, 2024 11:21 GMT+2)	Arne Johannes Andersen (May 30, 2024 11:25 GMT+2)	
Glenn Pettersen (Styrets leder)	Arne Andersen (Styremedlem og daglig leder)	Svein Andresen (Styremedlem)

Siem Shipping Norway AS

Resultat regnskap

(NOK 1000)	Note	2023	2022
Administrasjonskostnader	2	-60	-107
Driftsresultat		**-60**	**-107**
Renteinntekter konsern	5/9	26,132	10,823
Andre finansinntekter	4	86	24
Rentekostnader konsern	5/9	-11,327	-3,449
Andre finanskostnader	4	1	-12
Netto valutagevinst (tap)		2,478	9,437
Netto finansposter		**17,370**	**16,822**
Resultat før skatt		**17,310**	**16,716**
Skatt	3	36,484	-
Resultat for året		**53,794**	**16,716**
Disponering av årsresultatet:			
Overført til / fra annen egenkapital	7	**-53,794**	**-16,716**

Siem Shipping Norway AS

Balanse pr. 31. desember

(NOK 1000)	Note	2023	2022
Eiendeler			
Immaterielle eiendeler:			
Utsatt skattefordel	3	74,398	80,556
Sum immaterielle eiendeler		**74,398**	**80,556**
Finansielle anleggsmidler:			
Investering i datterselskap	8	388,617	388,617
Langsiktige fordringer på konsernselskaper	5/9	155,532	143,863
Sum finansielle anleggsmidler		**544,149**	**532,481**
Sum anleggsmidler		**618,547**	**613,037**
Omløpsmidler:			
Kortsiktige fordringer på konsernselskaper	5	105	-
Andre fordringer		-	1,045
Bankinnskudd	6	2,586	1,598
Sum omløpsmidler		**2,691**	**2,643**
Sum eiendeler		**621,238**	**615,680**

Siem Shipping Norway AS

Balanse pr. 31. desember

(NOK 1000)	Note	2023	2022
Egenkapital og gjeld			
Innskutt egenkapital:			
Aksjekapital	7	44,456	44,456
Overkursfond	7	371,497	371,497
Annen innskutt egenkapital	7	657	657
Sum innskutt egenkapital		**416,610**	**416,610**
Annen egenkapital	7	101,122	150,634
Sum opptjent egenkapital		**101,122**	**150,634**
Sum egenkapital	7	**517,732**	**567,244**
Langsiktig gjeld:			
Langsiktig gjeld til konsernselskaper	5/9	42,811	48,418
Sum langsiktig gjeld		**42,811**	**48,418**
Kortiktig gjeld til konsernselskaper	5/9	60,662	-
Leverandørgjeld		18	-
Annen kortsiktig gjeld		13	18
Sum kortsiktig gjeld		**60,693**	**18**
Sum gjeld		**103,504**	**48,436**
Sum egenkapital og gjeld		**621,238**	**615,680**

Styret i Siem Shipping Norway AS
30 mai 2023

Glenn Pettersen (May 30, 2024 11:21 GMT+2)

Glenn Pettersen
(Styrets leder)

Arne Johannes Andersen (May 30, 2024 11:25 GMT+2)

Arne Andersen
(Styremedlem og daglig leder)

Svein Andresen
(Styremedlem)

Siem Shipping Norway AS

Kontantstrømsanalyse

(NOK 1000)	Note	2023	2022
KONTANTSTRØM FRA OPERASJONELLE AKTIVITETER			
Resultat før skattekostnad		17,310	16,716
Endring kortsiktig fordring / kortsiktig gjeld		954	84
Netto kontantstrøm fra operasjonelle aktiviteter		**18,264**	**16,799**
KONTANTSTRØM FRA INVESTERINGSAKTIVITETER			
Netto kontantstrøm fra investeringsaktiviteter		**-**	**-**
KONTANTSTRØM FRA FINANSIERINGSAKTIVITETER			
Konsernbidrag		-60,661	-
Endring mellomværende konsernselskaper	5/9	43,387	-19,088
Netto kontantstrøm fra finansieringsaktiviteter		**-17,274**	**-19,088**
Netto endring i kontanter og kontantekvivalenter		990	-2,289
Kontanter og kontantekvivalenter 01.01	6	1,598	3,888
Kontanter og kontantekvivalenter 31.12	6	**2,586**	**1,598**

Siem Shipping Norway AS
Noter

Note 1 : Regnskapsprinsipper

Generelt
Hvis ikke særskilt angitt er alle beløp i NOK 1.000.

Selskapsregnskapet er utarbeidet i overensstemmelse med regnskapslovens bestemmelser og god regnskapsskikk (GRS) og reglene for øvrige selskaper.

Selskapet er unntatt plikten å presentere konsernregnskap etter regnskapsloven §3-7. Selskapet innarbeides i konsernregnskapet til morselskapet, Siem Shipowning Inc. Morselskapets konsernregnskap kan anskaffes fra Siem Shipping UK Ltd, 40 Brighton Road, Sutton, SM2 5BN, United Kingdom.

Klassifisering av poster i regnskapet
Eiendeler bestemt for varig eie eller bruk og fordringer med forfall senere enn ett år fra regnskapsårets utløp er oppført som anleggsmidler. Øvrige eiendeler er klassifisert som omløpsmidler. Gjeld som forfaller senere enn ett år etter regnskapsårets utløp er oppført som langsiktig gjeld. Fordringer er oppført til pålydende med fradrag for forventede tap.

Varige driftsmidler
Andre varige driftsmidler blir avskrevet lineært over antatt økonomisk levetid, vanligvis tre til fem år.

Bruk av estimater
Utarbeidelse av regnskap i samsvar med regnskapsloven krever bruk av estimater. Anvendelsen av selskapets regnskapsprinsipper krever også at ledelsen anvender vurderinger. Områder som i stor grad inneholder slike vurderinger, høy grad av kompleksitet, eller områder hvor forutsetninger og estimater er viktige for årsregnskapet, er beskrevet i notene.

Investeringer i andre selskaper
Bortsett fra kortsiktige investeringer i børsnoterte aksjer, brukes kostmetoden på investeringer i andre selskaper. Kostpris økes når midler legges til gjennom kapitalforhøyelser eller når konsernbidrag gis til datterselskaper. Mottatt utbytte inntektsføres først. Utbytte som overstiger delen av egenkapitalen etter kjøpet reflekteres som en reduksjon i kjøpskostnaden. Utbytte / konsernbidrag fra datterselskaper gjenspeiles i samme år som datterselskapet foretar en avsetning for beløpet. Utbytte fra andre selskaper reflekteres som finansielle inntekter når det er godkjent.

Nedskrivning av eiendeler
Test for verdifall utføres hvis det er indikasjon på at balanseført verdi av en eiendel overstiger estimert gjenvinnbart beløp. Testen utføres på det laveste nivået av anleggsmidler der uavhengige kontantstrømmer kan identifiseres. Hvis balanseført verdi er høyere enn både virkelig verdi fratrukket salgskostnad og gjenvinnbart beløp (netto nåverdi av fremtidig bruk / eierskap), blir eiendelen nedskrevet til det høyeste av virkelig verdi fratrukket salgskostnad og gjenvinnbart beløp.

Tidligere nedskrivning, unntatt nedskrivning av goodwill, reverseres i senere perioder dersom forholdene som forårsaker nedskrivningen ikke lenger er til stede.

Utsatt skatt og skattekostnad
Årets skattekostnad består av årets betalbare skatt og endringen i utsatt skatt. Utsatt skatteforpliktelse og utsatt skattefordel er beregnet i henhold til GRS. Utsatt skatt beregnes på grunnlag av midlertidige forskjeller mellom regnskapsmessige og skattemessige balanseverdier, samt underskudd til fremføring. Utsatt skattefordel på skattereduserende midlertidige forskjeller og underskudd til fremføring som ikke inngår i utligningen balanseføres dersom det er sannsynliggjort at denne kan realiseres gjennom fremtidig inntjening. Utsatt skatt beregnes på nettogrunnlaget etter utligningen.

Siem Shipping Norway AS
Noter

Kontantstrømoppstilling
Kontantstrømoppstillingen er utarbeidet etter den indirekte metoden. Kontanter og kontantekvivalenter inkluderer kontanter, bankinnskudd og andre kortsiktige investeringer som umiddelbart og med minimal valutarisiko kan konverteres til kjente kontantbeløp, med forfallsdato mindre enn tre måneder fra kjøpsdatoen.

Valuta
Pengeposter i utenlandsk valuta omregnes til balansedagens kurs. Sluttkurs USD/NOK 31.12.2023 var 10.1724 (31.12.2022: 9.8573)
Valutagevinster er presentert under finansinntekter og valutatap er presentert under finanskostnader.

Hendelser etter balansedagens slutt
Ny informasjon vedrørende forhold som eksisterte ved årsslutt er hensyntatt i resultatregnskapet og balansen i henhold til vanlige vurderingsprinsipper. Vesentlige hendelser etter årets slutt er det opplyst om i note.

Siem Shipping Norway AS
Noter

Note 2 – Lønnskostnader

Det var ingen ansatte i Siem Shipping Norway AS i 2023 (2022: 0), og følgelig er det ikke utbetalt noen godtgjørelse til adminstrerende direktør i 2023 (2022:0).

Det er ikke gitt lån til eller sikkerhetsstillelser for ansatte eller styremedlemmer pr. 31/12-2023 eller pr. 31/12-2022. Selskapet har ikke utbetalt styrehonorar til styremedlemmene i 2023 eller i 2022.

Revisjon (NOK 1,000)	**2023**	**2022**
Revisjonshonorar	48	48
Annen bistand	12	64
Sum	**60**	**112**

Note 3 – Skatt

NOK (1,000)		
Beregning av utsatt skatt/utsatt skattefordel og endring i utsatt skatt/utsatt skattefordel	**2023**	**2022**
Midlertidige forskjeller som inngår i grunnlaget for utsatt skatt/skattefordel		
Anleggsmidler	-28	-36
Fordringer	4,582	0
Gevinst- og tapskonto	-1,507	-1,883
Netto midlertidige forskjeller	**3,047**	**-1,919**
Aksjer	0	0
Avskåret rentefradrag	-11,240	-11,240
Underskudd og godtgjørelse til fremføring	-329,978	-536,152
Grunnlag for utsatt skatt/skattefordel i balansen	**-338,171**	**-549,311**
Utsatt skattefordel/utsatt skatt	-74,398	-120,848
Ikke oppført utsatt skattefordel	0	40,292
Utsatt skatt/ skattefordel i regnskapet	-74,398	-80,556

Grunnlag for skattekostnad, endring i utsatt skatt og betalbar skatt		
Resultat før skattekostnad	17,310	16,716
Permanente forskjeller	0	0
Grunnlag for årets skattekostnad	**17,310**	**16,716**
Endring i forskjeller som inngår i grunnlag for utsatt skatt/skattefordel	6,159	-480
Endring i underskudd til fremføring	**-206,174**	**16,236**
Grunnlag for betalbar skatt i resultatregnskapet	0	0
Skattepliktig inntekt (grunnlag for betalbar skatt i balansen)	0	0
Avstemming av årets skattekostnad		
Regnskapsmessig resultat før skattekostnad	17,310	16,716
Beregnet skatt 22%	3,808	3,678
Skattekostnad i resultatregnskapet	-36,484	0
Differanse	**40,292**	**-3,678**
Differansen består av følgende:		
22% av permanente forskjeller	0	0
Endring i utsatt skatt/skattefordel som ikke var balanseført	40,292	-3,678
Sum forklart differanse	**40,292**	**-3,678**

Siem Shipping Norway AS
Noter

Note 4 – Finansinntekt / finanskostnad

Annen finansinntekt (NOK 1,000)	2023	2022
Rente inntekter bank	86	24
Sum	**86**	**24**

Annen finanskostnad (NOK 1,000)	2023	2022
Annen finanskostnad	1	-12
Sum	**1**	**-12**

Note 5 – Fordringer og gjeld konsernselskaper

(NOK 1,000)	31/12/23	31/12/22
Konsernfordringer		
STAR Reefers Pool Inc	105	
SSI Shipowning I Inc	155,532	143,863
Sum konsernfordringer	**155,637**	**143,863**

Konsernfordringer forfall etter 5 år	31/12/23	31/12/22
SSI Shipowning I Inc	155,532	143,863
Sum fordringer	**155,532**	**143,863**

(NOK 1,000)	31/12/23	31/12/22
Konserngjeld		
Auto Marine Transport Inc.	-	-40,839
Siem Shipowning I Norway AS	-42,811	-7,579
Siem Car Carriers AS	-60,662	
Sum konserngjeld	**-103,473**	**-48,418**

Konserngjeld forfall etter 5 år	31/12/23	31/12/22
Auto Marine Transport Inc.		-40,839
Siem Shipowning I Norway AS	-42,811	-7,579
Siem Car Carriers AS	-60,662	
Sum konserngjeld	**-103,473**	**-48,418**

Selskapets konserninterne mellomværender er nominert i USD. Svingninger i kursen NOK/USD vil således påvirke selskapets resultat og balanse. Det er ikke foretatt noen sikringsforretninger. Selskapet belaster renter på mellomværende, LIBOR + margin.

Siem Shipping Norway AS
Noter

Note 6 – Bankinnskudd

(NOK 1,000)	31/12/23	31/12/22
NOK	1,119	664
USD	1,467	934
Sum	**2,586**	**1,598**
Hvorav bundne midler består av:		
- skattetrekkskonto	1	1

Note 7 – Egenkapital

NOK (1,000)	Antall aksjer	Pål. i NOK	Aksje-kapital	Overkurs-fond	Annen innskutt egenkapital	Annen egenkapital	Sum egenkapital
Egenkapital 31/12/2021	2,168,588	20.5	**44,456**	**371,497**	**657**	**133,918**	**550,529**
- Resultat 2022						16,716	**16,716**
Egenkapital 31/12/2022	2,168,588	20.5	**44,456**	**371,497**	**657**	**150,634**	**567,245**
- Resultat 2023						53,794	**53,794**
- Konsernbidrag fra Siem Car Carriers AS					151,188		**151,188**
- Konsernbidrag til Siem Car Carriers AS					-50,064	-204,428	**-254,492**
Egenkapital 31/12/2023	2,168,588	20.5	**44,456**	**371,497**	**101,781**	**-0**	**517,734**

Per 31 desember 2023 var alle aksjer er eiet av Siem Shipowning Inc. Siem Industries SA. er majoritetseier i Siem Shipowning Inc. (se note 10).

Selskapet har har mottatt et konsernbidrag på NOK 193,830,259 (brutto) fra Siem Car Carriers AS, som er et søster selskap. Selskapet har samtidig avgitt et konsernbidrag på NOK 254,492,455 (brutto) til Siem Car Carriers AS.

Forutsetning om fortsatt drift

Selskapets egenkapital var pr. utgangen av 2023 NOK 517.7 millioner. Siem Shipping Norway AS er finansiert gjennom egenkapital og lån fra konsernselskaper. De konserninterne lån er subordinerte. Styret er av den oppfatning at forutsetningen for fortsatt drift er tilstede i henhold til regnskapslovens § 3-3 og årsregnskapet er således utarbeidet under forutsetning av fortsatt drift.

Siem Shipping Norway AS
Noter

Note 8 – Aksjer i datterselskap

(NOK 1,000)

Selskap	Sted	Antall aksjer	Eierandel	Stemme rett	Anskaffelses kost	Verdi 2023	Verdi 2022
Auto Marine Transport Inc	Cayman	1	100%	100%	369,699	300,693	300,693
Siem Shipowing I Norway AS	Norge	1000	100%	100%	87,894	87,894	87,894
Siem Offshore OSCV II AS	Norge	30	100%	100%	30	30	30
Total					**457,623**	**388,617**	**388,617**

Aksjene i Siem Offshore OSCV II AS ble solgt til et søsterselskap i April 2024.

Investeringer i datterselskaper regnskapsføres til kostpris med fradrag for eventuell nedskrivning.

Det ble ikke regnskapsført noen nedskrivning i 2023 eller i 2022.

Note 9 – Konsernmellomværende

Per 31. desember 2023 var det kostnadført renter på NOK 8,158,749 betalt til morselskapet, Siem Shipowning Inc. (2022: rente inntekt NOK 2,090,058).

Per 31. desember 2023 var det inntektsført renter NOK 12,830,396 mottatt fra Siem Shipping UK Ltd, som er et søster selskap (2022: NOK 8,732,215).

Per 31. desember 2023 var det kostnadsført renter NOK 1,680,272 betalt til Auto Marine Transport Inc. som et heleid datterselskap av selskapet. (2022: NOK 2,050,119).

Per 31. desember 2023 var det inntektsført renter NOK 13,301,205 mottatt fra SSI Shipowning I Inc som et søster selskap av selskapet. (2022: rente kostnad NOK 992,685)

Per 31. desember 2023 var det kostnadsført renter NOK 1,487,583 betalt til Siem Shipowning I Norway AS som et heleid datterselskap av selskapet (2022: NOK406,403).

Per 31. desember 2022 var det kostnadsført renter NOK 1,680,272 betalt til datterselskapet, Auto Marine Transport Inc. (2022: NOK0).

Selskapet har har mottatt et konsernbidrag på NOK 193,830,259 (brutto) fra Siem Car Carriers AS, som er et søster selskap. Selskapet har samtidig avgitt et konsernbidrag på NOK 254,492,455 (brutto) til Siem Car Carriers AS.

Note 10 - Ultimat eier

Siem Shipping Norway AS er 100% eiet datterselskap av Siem Shipowning Inc. Siem Shipowning Inc er igjen eiet 99.3% direkte og indirekte av Siem Industries SA. Siem Industries SA. kontrolleres av selskaper hvor Kristian Siem og hans nærmeste familie er potensielt begunstiget. Kopi av konsernregnskapet til Siem Industries SA. kan fåes ved henvendelse til Siem Shipping UK Ltd, 40 Brighton Road, Sutton, SM2 5BN, England.

EY
Building a better working world

Statsautoriserte revisorer
Ernst & Young AS

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www.ey.no
Medlemmer av Den norske Revisorforening

UAVHENGIG REVISORS BERETNING

Til generalforsamlingen i Siem Shipping Norway AS

Konklusjon

Vi har revidert årsregnskapet for Siem Shipping Norway AS som består av balanse per 31. desember 2023, 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 et rettvisende bilde av selskapets finansielle stilling per 31. desember 2023 og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjon

Vi har gjennomført revisjonen i samsvar med 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 i samsvar med kravene i relevante lover og forskrifter i Norge og *International Code of Ethics for Professional Accountants* (inkludert internasjonale uavhengighetsstandarder) utstedt av 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

Øvrig informasjon omfatter informasjon i selskapets årsrapport bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Styret og daglig leder (ledelsen) er ansvarlig for den øvrige informasjonen. Vår konklusjon om revisjonen av årsregnskapet dekker ikke den øvrige informasjonen, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese den øvrige informasjonen med det formål å vurdere om årsberetningen inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav og hvorvidt det foreligger vesentlig inkonsistens mellom den øvrige informasjonen og årsregnskapet eller kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon. Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon eller ikke inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav, er vi pålagt å rapportere det.

Vi har ingenting å rapportere i så henseende, og vi mener at årsberetningen er konsistent med årsregnskapet og inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettvisende bilde i samsvar med regnskapslovens bestemmelser og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller 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 med mindre ledelsen enten har til hensikt å avvikle selskapet eller virksomheten, eller ikke har noe annet realistisk alternativ.

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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 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. Feilinformasjon kan skyldes misligheter eller feil og er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

Som del av en revisjon i samsvar med ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og vurderer vi risikoen for vesentlig feilinformasjon i årsregnskapet, enten det skyldes misligheter eller feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av intern kontroll.
- opparbeider vi oss en forståelse av den interne kontrollen som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape betydelig tvil om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke kan fortsette driften.
- evaluerer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettvisende bilde.

Vi kommuniserer med styret blant annet om det planlagte omfanget av og tidspunktet for revisjonsarbeidet og eventuelle vesentlige funn i revisjonen, herunder vesentlige svakheter i den interne kontrollen som vi avdekker gjennom revisjonen.

Kristiansand, 30. mai 2024
ERNST & YOUNG AS

Revisjonsberetningen er signert elektronisk

Espen Fyllingen
statsautorisert revisor

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Fyllingen, Espen
Statsautorisert revisor
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