



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 895 871 362
Organisasjonsform: Aksjeselskap
Foretaksnavn: SIEM AHTS POOL AS
Forretningsadresse: Nodeviga 14
4610 KRISTIANSAND S

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Dag Ronny Bordvik
Dato for fastsettelse av årsregnskapet: 31.05.2022

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 08.06.2023



Resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Revenue	2, 16	13 557 006	16 559 925
Gain sale of assets		904 688	22 079
Sum inntekter		14 461 694	16 582 004
Kostnader			
Vessel operating expenses	8, 9	18 393 836	23 454 010
Depreciation and amortisation	12	13 889 183	24 422 944
Nedskrivning av varige driftsmidler og immaterielle eiendeler	12		185 618 271
Other expenses	3	241 400	293 184
Sum kostnader		32 524 419	233 788 409
Driftsresultat		-18 062 726	-217 206 405
Finansinntekter og finanskostnader			
Financial income	14	918 538	1 126 198
Sum finansinntekter		918 538	1 126 198
Write-downs of investment in subsidiary	11		
Rentekostnad til foretak i samme konsern	6	3 161 466	4 904 004
Other financial expenses	14	5 998 508	11 138 133
Sum finanskostnader		9 159 973	16 042 137
Netto finans		-8 241 435	-14 915 939
Ordinært resultat før skattekostnad	10	-26 304 161	-232 122 344
Tax on ordinary result benefit/(expense)	10		
Ordinært resultat etter skattekostnad		-26 304 161	-232 122 344
Årsresultat		-26 304 161	-232 122 344
Årsresultat etter minoritetsinteresser		-26 304 161	-232 122 344
Totalresultat		-26 304 161	-232 122 344



Resultatregnskap

Beløp i: USD	Note	2021	2020
Overføringer og disponeringer			
Udekket tap	5	-26 304 161	-232 122 344
Transferred from other equity	5		
Sum overføringer og disponeringer		-26 304 161	-232 122 344



Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessels and equipment	7, 12	172 263 550	228 723 814
Project costs	7, 12	1 812 129	1 951 849
Sum varige driftsmidler		174 075 679	230 675 663
Finansielle anleggsmidler			
Investering i datterselskap	11	11 435 080	11 435 080
Sum finansielle anleggsmidler		11 435 080	11 435 080
Sum anleggsmidler		185 510 759	242 110 743
Omløpsmidler			
Varer			
Inventories	8	1 034 421	1 473 189
Sum varer		1 034 421	1 473 189
Fordringer			
Accounts receivable	6, 7, 15	1 339 034	4 762 422
Other short-term receivables		2 306 532	4 731 114
Sum fordringer		3 645 567	9 493 536
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	13	1 520 965	148 908
Sum bankinnskudd, kontanter og lignende		1 520 965	148 908
Sum omløpsmidler		6 200 953	11 115 633
SUM EIENDELER		191 711 711	253 226 376

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: USD	Note	2021	2020
Egenkapital			
Innskutt egenkapital			
Share capital	4, 5	163 255	139 217
Overkurs	5	577 664 782	352 755 009
Sum innskutt egenkapital		577 828 037	352 894 226
Opptjent egenkapital			
Other equity	18		
Udekket tap	5	582 002 671	555 698 510
Sum opptjent egenkapital		-582 002 671	-555 698 510
Sum egenkapital		-4 174 634	-202 804 284
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	7	109 211 458	266 392 447
Subordinated loan from shareholders	6, 16, 17	77 717 227	176 852 184
Sum annen langsiktig gjeld		186 928 685	443 244 631
Sum langsiktig gjeld		186 928 685	443 244 631
Kortsiktig gjeld			
Leverandørgjeld	6	7 355 687	5 876 620
Other current liabilities		1 601 973	6 909 409
Sum kortsiktig gjeld		8 957 660	12 786 029
Sum gjeld		195 886 345	456 030 660
SUM EGENKAPITAL OG GJELD		191 711 711	253 226 376



Skatteetaten

Vår dato
10.07.2018

Din dato
02.07.2018

Saksbehandler
Jeanette Munkvold
Skovholt

800 80 000
Skatteetaten.no

Din referanse
Bendik Svendsen

Telefon
90076012

Org.nr
996250318

Vår referanse
2012/627533

Postadresse
Postboks 9200 Grønland
0134 Oslo

ADVOKATFIRMAET PRICEWATERHOUSECOOPERS AS
Postboks 748 Sentrum
0106 OSLO

Fritak for konsernregnskapsplikten for underkonsernet Siem AHTS Pool AS, org.nr. 895 871 362

Vi viser til deres brev av 2. juli 2018 hvor dere søker om fritak fra plikten til å utarbeide konsernregnskap for Siem AHTS Pool AS.

Siem AHTS Pool AS er 78,15% eid av Siem Offshore Inc. som er hjemmehørende på Cayman Islands og notert på Oslo Børs. Det ultimate morselskapet avlegger sitt konsernregnskap på engelsk etter IFRS, og Siem AHTS Pool AS med datterselskaper konsolideres inn i konsernregnskapet til Siem Offshore Inc. Eier av øvrig aksjeandel, Singa Star Pte Ltd. har skriftlig akseptert at det søkes om fritak for utarbeidelse av konsernregnskap for det norske morselskapet i underkonsernet.

Skattedirektoratet finner med hjemmel i regnskapsloven av 17. juni 1998 nr. 56 § 3-7 fjerde ledd å kunne gi tillatelse til at det gjøres unntak for konsernregnskapsplikten for Siem AHTS Pool AS. Det forutsettes at Siem Offshore Inc. utarbeider konsernregnskap som omfatter den regnskapspliktige og dennes datterselskap. Det legges til grunn at dette konsernregnskapet er utarbeidet i samsvar med IFRS og at kravene i regnskapsloven § 3-7 med forskrifter for øvrig følges. Bestemmelsene i regnskapsloven kapittel 8 gjelder tilsvarende for dette konsernregnskapet.

Når det gjelder hvilket språk morselskapet skal utarbeide konsernregnskapet på, vises det til forskrift av 7.9.2006 nr. 1062 til utfylling og gjennomføring mv. av regnskapsloven. Det følger av § 3-7-1 at konsernregnskapet foruten på norsk, kan være på svensk, dansk eller engelsk.

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

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Kari-Alice Frønsdal
underdirektør
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jeanette Munkvold Skovholt

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

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Skattedirektoratet

Saksbehandler Rune Tystad	Deres dato 29.08.2012	Vår dato 11.09.2012
Telefon 977 59 464	Deres referanse Svein A. Andersen	Vår referanse 2012/627533

PricewaterhouseCoopers as
Postboks 447
4664 KRISTIANSAND S

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Siem AHTS Pool AS, org.nr. 895 871 362

Det vises til deres brev av 29. august 2012 hvor søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Siem AHTS Pool AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Siem AHTS Pool AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Bakgrunn

Siem AHTS Pool AS inngår som et heleid datterselskap av det børsnoterte selskapet Siem Offshore Inc. (Oslo Børs ticker SIOFF) som er et offshore-selskap som blant annet eier og driver plattformforsyningsskip (PSV) og ankerhåndteringsfartøyer (AHTS). Morselskapet i konsernet har engelsk som arbeidsspråk. Selskapet ble stiftet 10. august 2010, med det formål å skulle håndtere pool-samarbeidet mellom Siem Offshore konsernet og det Singapore-basert rederiet Singa Star om driften av 10 ankerhåndteringsfartøyer, hvorav 8 av skipene er eid av Siem Offshore konsernet. Årsregnskapet for Siem AHTS Pool AS er således av interesse for ledelsen og eierne av SingaStar-konsernet. Samtlige 4 styremedlemmer i Siem AHTS Pool AS er norske. Imidlertid er årsregnskapet til selskapet også av stor interesse for lederne og eierne av SingaStar, da fordelingen av resultatet fra driften av de 10 ankerhåndteringsfartøyene gjøres i regnskapet til Siem AHTS Pool AS. I tillegg opererer selskapet innen shipping-bransjen der engelsk er det klart dominerende språket. Selskapets eiere og styre kan ikke forholde seg til et årsregnskap eller en årsberetning utelukkende på norsk, da dette ikke vil være tilfredsstillende for den utenlandske samarbeidspartneren Singa Star. Årsregnskap og årsberetning er derfor utarbeidet på engelsk og gjennomgås av selskapenes styre på engelsk språk. Den norske versjonen utarbeides kun for å tilfredsstillende regnskapsloven.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal ”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland 0134 Oslo	Se www.skatteetaten.no Org. nr: 996250318	800 80 000 Telefaks
For elektronisk henvendelse se www.skatteetaten.no		22 17 08 60



I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *”informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapets virksomhet er utpreget internasjonal og arbeidsspråket er engelsk. Videre er det vektlagt at selskapet har utenlandsk eiere og en utenlandsk samarbeidspartner som er avhengig av å få regnskapet på engelsk.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad

Kopi til:
SIEM AHTS POOL AS
Dag Ronny Bordvik
Postboks 425
4664 KRISTIANSAND



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**Annual Report
for
Siem AHTS Pool AS
2021**



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Board of Directors' Report 2021

Siem AHTS Pool AS
Address: Nodeviga 14, 4610 Kristiansand, Norway
Org.nr: 895 871 362

The Company

Siem AHTS Pool AS is the owner and operator of eight Anchor Handling and Tug Supply (AHTS) vessels. The Company's head office is located in Kristiansand, Norway.

Fair view

The Board confirms that the annual accounts give a true and fair view of Siem AHTS Pool AS' assets and liabilities, financial position and profit or loss.

Outlook

While the oversupply of offshore support vessels ("OSVs") continues to have effects on charter rates for the Company's fleet, the Board sees an encouraging increase in demand for OSVs services in general. Increased spending for maintenance, construction and exploration gives hope that the market will gradually recover from past conditions. For the AHTS fleet, medium to longer-term contracts in the NorthSea are generally not available. Seasonal (summer) campaigns, and selective tender contracts in Brazil, West Africa and Australia are exceptions, but do still not provide the required volume of demand that can provide satisfactory economics. In addition, many contracts include liabilities, such as early termination clauses, skewed payment terms, and unacceptable and uninsurable risk to owners. In desperation, owners tend to accept clients' terms to avoid lay-up.

We do not expect a significant rate-upturn in the short- and medium-term, but expect to see a slow increase in charter rates and short periods with high charter rates. The charter rates are expected to be volatile for some years.

The scrapping or attrition of marginal, less efficient vessels is necessary to contribute to a balance in the supply and demand of the OSV fleet.

Financial Risk

Interest risk

The Company is exposed to changes in interest rates as all of the long-term interest-bearing debt is at floating interest rate terms.

Currency risk

The Company is exposed to currency risk as revenue and costs are denominated in various currencies, among others, NOK, EUR, GBP and AUD. Functional currency for the Company is USD.

Liquidity risk

The Company is financed by mortgage debt, shareholders loan and equity. An agreement to a four-year financial restructuring plan has been completed and was successfully implemented on 26 May 2021. See note 18 for details.

If the Company fails to repay or refinance its credit facilities, additional equity financing may be required. There can be no assurance that the Company will be able to repay its debts or extend the debt repayment schedule through re-financing of credit facilities. There is no assurance that the Company will not experience cash flow shortfalls exceeding the company's available funding sources or to remain in compliance with minimum cash requirements. Further, there is no assurance that the Company will be able to raise new equity or arrange new credit facilities on favorable terms and at amounts necessary to conduct its ongoing and future operations should this be required.

Credit risk

The Company's clients are mainly major oil companies and offshore service companies, which are considered to be creditworthy third parties. Historically, the loss percentage has been low. The counterparty risk has increased during the year as a result of the negative development in the offshore oil and gas industry following the volatile oil price.

War risk

The war in Ukraine could impact the market balance of OSVs in the Company's key areas of operation. There is associated risk of price escalations to vessel spare parts, logistics and other services. The Company observes indications of shortages of experienced crew and escalation of crew costs. Sanctions that have been imposed on nations and organizations could affect the Company's competition directly and indirectly, and its ability to receive and send payments for its services.



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Climate risk

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

Research and development activities

The Company is not involved in any research and development activities.

Going concern

The financial statements have been prepared under the assumption that the Company is a going-concern.

This assumption is based on forecasted cash-flows and a financial platform that position the Company for the expected challenging market in the coming years. Following the Financial Restructuring in Q2 2021, the company has substantial improved its equity, cash position and forecasted cash flow. No debt will mature before the end of 2024, except for debt that will be subject to cash sweep if applicable. The restructuring has strengthened the Company's financial position as liabilities to banks and shareholders were reduced by USD 215 million with lower, and sustainable, mandatory repayments going forward, and increased the equity of USD 225 million.

The volatile market conditions and impact of the COVID-19 pandemic on vessel operations and the world economy continue to have a negative influence on the Company's earnings and cash flows. Total Equity is negative at USD 4 174 634 at 31.12.2021. (31.12.2020: Negative USD 202 804 284). Due to negative equity and volatile market, financial support from the shareholders will also be needed during 2022.

Comments related to the financial statements

The Company recorded operating revenue of USD 13 557 006 compared to last year's USD 16 559 925. The operating expenses were USD 32 524 419 compared to last year's USD 233 788 409. The net operating loss was USD 18 062 726 compared to last year's loss of USD 217 206 405.

Depreciations and amortization of USD 13 889 183 is included in the operating expenses, compared to USD 24 422 944 for last year. No impairment is included in the operating expenses, compared to USD 185 618 271 impairment last year.

Two AHTS vessels were sold in June with a gain of USD 904 688. Following the sale the Company owns eight AHTS vessels. At year end two AHTS vessels were in lay-up, compared to two vessels in lay-up at last year end.

Total cash flow from operating activities was negative at USD 763 036 for 2021 compared to last year's negative of USD 14 966 888.

Net loss after tax was USD 26 304 161 for 2021 compared to last year's loss USD 232 122 344.

The equity has improved from negative USD 202 804 284 in 2020 to negative USD 4 174 634 in 2021. The equity ratio was negative with 2 % in 2021, last year negative with -80 %. The improvement in equity is an effect of the financial restructuring implemented in Q2 2021.

Short term debt as of 31.12.2021 was 5 % of the Company's total debt, compared to 3 % as of 31.12.2020.

Financial allocations

The Board proposes that the net loss of USD 26 304 161 for 2021 to be allocated to loss brought forward.

Working environment

There were no employees in the Company in 2021.

Vessel crews are hired from the associated company Siem Offshore Crewing AS. Management services are hired from associated companies.

Equality

There were no employees in the Company. All of the Board members are men.

The external environment



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

The vessels operated by the Company were engaged in seaborne trade, which implies certain risks of discharges to sea and air. The vessels were in compliance with the applicable international regulations, and the Board is not aware of any circumstances where the vessel operations have caused discharges beyond levels that are generally accepted when operating AHTS vessels.

Directors and Officers Liability Insurance

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

The Board of Directors of Siem AHTS Pool AS Kristiansand, 24.05.2022

DocuSigned by:
Bernt Omdal
887FDE3474B4476...

Bernt Magne Omdal
Chairman of the board

DocuSigned by:
Leif Erling Lauvås
1C5AB8A65E224BE...

Leif Erling Lauvås
Member of the board

DocuSigned by:
Wai Lin
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Wai Lin
Member of the board



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Income Statement

Siem AHTS Pool AS

(All amounts in USD)

Operating income and operating expenses	Note	2021	2020
Revenue	2, 16	13 557 006	16 559 925
Gain sale of assets		904 688	22 079
Total income		14 461 694	16 582 004
Vessel operating expenses	8, 9	18 393 836	23 454 010
Depreciation and amortisation	12	13 889 183	24 422 944
Impairment on vessels	12	0	185 618 271
Other expenses	3	241 400	293 184
Total expenses		32 524 419	233 788 409
Operating profit/(loss)		-18 062 726	-217 206 405
Financial income and expenses			
Financial income	14	918 538	1 126 198
Interest expense to group companies	6	3 161 466	4 904 004
Other financial expenses	14	5 998 508	11 138 133
Net financial items		-8 241 435	-14 915 939
Net profit/(loss) before tax	10	-26 304 161	-232 122 344
Net profit/(loss)		-26 304 161	-232 122 344
Net loss		-26 304 161	-232 122 344
Allocation of net loss			
Loss brought forward	5	26 304 161	232 122 344
Total		-26 304 161	-232 122 344



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Statement of Financial Position 31.12

Siem AHTS Pool AS

(All amounts in USD)

Assets	Note	2021	2020
Non-current assets			
Property, plant and equipment			
Vessels and equipment	7, 12	172 263 550	228 723 814
Project costs	7, 12	1 812 129	1 951 849
Total non-current tangible assets		174 075 679	230 675 663
Investments in subsidiaries	11	11 435 080	11 435 080
Total non-current intangible		11 435 080	11 435 080
Total non-current assets		185 510 759	242 110 743
Current assets			
Inventories	8	1 034 421	1 473 189
Accounts receivable	6, 7, 15	1 339 034	4 762 422
Other short-term receivables		2 306 532	4 731 114
Total receivables		3 645 567	9 493 536
Cash and cash equivalents	13	1 520 965	148 908
Total current assets		6 200 953	11 115 633
Total assets		191 711 711	253 226 376



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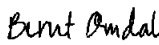
Statement of Financial Position 31.12


Siem AHTS Pool AS
(All amounts in USD)


Equity and liabilities	Note	2021	2020
Equity			
Paid-in capital			
Share capital	4, 5	163 255	139 217
Share premium reserve	5	577 664 782	352 755 009
Total paid-in capital		577 828 037	352 894 226
Retained earnings			
Uncovered loss	5	-582 002 671	-555 698 510
Total retained earnings		-582 002 671	-555 698 510
Total equity		-4 174 634	-202 804 284
Long term liabilities			
Borrowings from financial institutions	7	109 211 458	266 392 447
Subordinated loan from shareholders	6, 16, 17	77 717 227	176 852 184
Total of long term liabilities		186 928 685	443 244 631
Current liabilities			
Trade payables	6	7 355 687	5 876 620
Other current liabilities		1 601 973	6 909 409
Total current liabilities		8 957 660	12 786 029
Total liabilities		195 886 345	456 030 660
Total equity and liabilities		191 711 711	253 226 376

Kristiansand, 24.05.2022

The board of Siem AHTS Pool AS

DocuSigned by:

887FDE3474B4476...
Bernt Magne Omdal
chairman of the board

DocuSigned by:

3758F7D4F21D4AD...
Wai Lin
member of the board

DocuSigned by:

1C5AB8AB5E224BE...
Leif Erling Lauvås
member of the board



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Indirect cash flow statement

Siem AHTS Pool AS

	Note	2021	2020
Cash flows from operating activities			
Result before tax		-26 304 161	-232 122 344
+/- Loss/(gain) sale of assets		-904 688	0
Depreciation and amortisation expense	12	13 889 183	24 422 944
Impairment of vessels	12	0	185 618 271
Interest expenses		8 456 741	0
Interest expenses paid		-3 672 832	0
Change in inventories		438 768	400 650
Change in accounts receivable		3 423 388	5 785 908
Change in trade creditors		1 479 067	300 088
Change in other accounts		2 431 498	627 595
Net cash flow from operational activities		-763 036	-14 966 888
Cash flows from investment activities			
Investments in vessels	12	-5 406 590	-9 949 187
Investments in subsidiares	11	0	-5 200 000
Proceeds from sale of fixed assets		49 022 079	0
Net cash flow from investment activities		43 615 489	-15 149 187
Cash flows from financing activities			
Proceeds from shareholders' loan	16	10 477 600	17 198 696
Repayment long term borrowing		-61 957 995	0
Proceeds from long term borrowing		0	159 671
Proceeds from issue of new equity		10 000 000	0
Net cash flow from financing activities		-41 480 395	17 358 367
Net change in cash and other cash equivalences		1 372 058	-12 757 708
Cash at bank as of 1st of January		148 908	12 906 616
Cash at bank as of 31st of December		1 520 965	148 908



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Notes (All amounts in USD)

Siem AHTS Pool AS

Note 1, Accounting principles

The annual report is prepared according to the Norwegian Accounting Act 1998 and generally accepted accounting principles in Norway.

The Company is owned 78,16% by Siem Offshore Inc. who reports consolidated financial statements for the Group which includes the Company and its subsidiaries. The consolidated financial statements are audited in accordance with the law and IFRS and stock-exchange requirements related to Siem Offshore Inc's listing on the Oslo Stock Exchange. Siem Offshore Inc. has been given exemption from Norwegian language presentation and the consolidated financial statements are in English. Consolidated financial statements for Siem Offshore Inc. may be requested from Siem Offshore Inc, Nodeviga 14, 4610 Kristiansand, Norway.

Sales revenue

Sales revenues are recognized at the time of delivery. Revenue from services are recognized at execution. The share of sales revenue associated with future services are recorded in the balance sheet as deferred sales revenue, and are recognized at the time of execution.

Balance sheet classification

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as non-current assets and/or long term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Non-current assets are valued at the cost of acquisition. In case of non-incidentally reduction in value, the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

Subsidiary company

Subsidiary companies are booked per the cost method in the company's annual accounts.

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. For other receivables, a general provision is carried based on expected loss.

Inventories

Inventories are valued at the lower of cost or market value. Cost is estimated using the FIFO method. Finished goods and work in progress are valued at full production cost. Write-downs are carried for foreseeable obsolescence.

Vessels and equipment

Vessels and equipment are capitalized, and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred. Improvements, upgrading, periodic maintenance and drydocking are capitalized and depreciated with the asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the higher of the net selling price and value in use. In calculating value in use, the estimated future cash flows are discounted to their present value.

Currency

Items included in the financial statement are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency for the company is USD. Assets and liabilities are translated at the closing rate at the date of the balance sheet for each reporting period presented. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account. A NOK/USD rate of 0,11339 is used per 31.12.2021.

Income tax

Tax expenses in the profit and loss account comprise both taxes payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 % percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences, both positive and negative, are balanced within the same period. Deferred tax assets are recorded in the balance sheet to the extent it's more likely than not that the tax assets will be utilized. The tax effect of group contribution is posted directly against the investment in the balance if the group contribution is not recognized in the profit and loss.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with original maturities of three months or less.



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Notes (All amounts in USD)

Siem AHTS Pool AS

Note 2, Geographical allocation of revenue

Geographical allocation of revenue from contracting party	2021	2020
Norway	3 836 300	3 658 384
United Kingdom	2 388 453	6 463 535
Spain	0	51 255
Australia	793 064	997 556
Ireland	2 592 903	0
Netherlands	0	1 105 292
Singapore	2 866 908	0
France	929 424	0
Denmark	149 954	0
Panama	0	114 600
Canada	0	1 176 356
Cyprus	0	2 992 947
Total revenue	13 557 006	16 559 925

Note 3, Wage cost, numbers of employees, remuneration, loans to employees and auditor's fee

Wage cost

There are no employees in the company, and the company is not requested to have a pension scheme.

Loans to employees

There are no loans to employees.

Remuneration to leading employees

There was no remuneration to leading employees.

Remuneration to The Board of Directors

There was no remuneration to the Board of Directors. The Directors are employed through the associated companies, Siem Offshore AS and Singa Star Pte Ltd.

Members of The Board of Directors are not in a position to receive remuneration, bonus or severance pay by the end of duty.

Auditor's remuneration	2021	2020
Audit Fee	19 437	5 085
Other Services	0	443
Total	19 437	5 528

Audit cost is exclusive of VAT.

Note 4, Share capital and shareholder information

Share capital

The share capital in Siem AHTS Pool AS is divided into 13 000 shares, nominal value of USD 12,56 / NOK 100, total nominal value is USD 163 255 / NOK 1 300 000. There is only one class of shares in the company, and the shareholders' voting rights are the same as the share of ownership.

Ownership structure

The shares are 31st of December 2021 owned by:

Owning Company	Number of shares	Percentage
Siem Offshore Inc	10 161	78,16 %
Singa Star Pte Ltd	2 839	21,84 %
Total number of shares	13 000	100 %



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Notes (All amounts in USD)

Siem AHTS Pool AS

Note 5, Changes in equity

	Share capital	Share premium reserve	Loss brought forward	Total Equity
Equity at 1st of January 2021	139 217	352 755 009	-555 698 510	-202 804 284
Annual change in equity:				
Capital increase	24 038	224 914 795		224 938 833
Issue cost		-5 022		-5 022
Loss for the year			-26 304 161	-26 304 161
Equity at 31st of December 2021	163 255	577 664 782	-582 002 671	-4 174 634

Following the financial restructuring in Q2 2021, the equity was increased by USD 225 million of which USD 215 million was capital increase by conversion of shareholder loan and USD 10 million was capital increase by cash contribution. The company has substantially strengthened the financial position as liability to banks and shareholders were reduced by USD 215 million and strengthen its equity significantly, but the total equity on 31 December 2021 is negative due to net loss for 2021.

Note 6, Intercompany balances

Company	Accounts receivable		Other receivables	
	2021	2020	2021	2020
Secunda Canada LP	0	72 335	0	0
Nova Scotia Limited	0	19 054	0	0
Sum	0	91 389	0	0

Company	Trade creditors		Short term liabilities to group companies		Other long term liabilities	
	2021	2020	2021	2020	2021	2020
Siem Offshore Crewing AS	2 170 330	1 264 259	0	0	0	0
Siem Offshore AS	119 650	184 793	0	0	0	0
Siem Offshore Rederi AS	84 945	28 391	0	0	0	0
Siem Offshore Management AS	0	0	0	0	0	0
Siem Offshore Maritime Personell AS	0	11 169	0	0	0	0
Siem AHTS Pool Australia Pty	2 453 602	653 963	0	0	0	0
Siem Offshore Inc	0	0	0	0	75 412 124	138 319 194
Sum	4 828 527	2 142 575	0	0	75 412 124	138 319 194

The long term liability with Siem Offshore Inc. is a subordinated shareholder loan provided as working capital. Interest of USD 3 161 466 is recorded for 2021. Further information is set out in note 16 and 17.



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Notes (All amounts in USD)

Siem AHTS Pool AS

Note 7, Borrowings from financial institutions

Loan per currency	Loan 31.12.2021	Installment within 5 years	Interest fixing
USD	109 218 101	109 218 101	Floating
Fees and expenses	-6 642		
Total long term debt	109 211 458		

Book values, pledged as security for liabilities to financial institutions	31.12.2021
Vessels and equipment	174 075 679
Accounts receivable	1 339 034
Total book values, pledged as security for liabilities to financial institutions	175 414 713

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

The Company has a portfolio of bank loans secured with mortgage in vessels and accounts receivables. The creditors and guarantors are in general first-class commercial banks and state-owned financial institutions with ratings on or above BBB- and AAA.

The Company is in compliance with their financial covenants on 31 December 2021.

Note 8, Inventories

Inventories	2021	2020
Stock of fuel oil	1 034 421	1 473 189
AHTS Mobile Assets	1 833 637	1 833 637
Provision for obsolescence mobile assets	-1 833 637	-1 833 637
Total inventories	1 034 421	1 473 189

Note 9, Vessel operating expenses

Distribution of vessel operating expenses	2021	2020
Vessel crew cost	11 134 383	12 518 011
Other vessel operating cost	7 259 453	10 935 999
Total	18 393 836	23 454 010

Technical-, crew- and commercial management services are delivered by an associated company, Siem Offshore AS. Fees for these services amount to USD 1 631 694 and are included above in the line "Other vessel operating cost". For 2020 the fees were USD 2 184 641. Vessel crew cost is delivered by the associated companies, Siem Offshore Crewing AS and Siem Offshore Maritime Personnel AS.



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Notes (All amounts in USD)

Siem AHTS Pool AS

Note 10, Income tax

Specification of income tax in the income statement	2021	2020
Calculation of annual year tax basis		
Loss before tax	-26 304 161	-232 122 344
Permanent differences	-4 873	0
Change in temporary differences	-27 545 856	135 588 870
Adjustment interest beetwen related parties	8 224 318	14 608 500
Exchange variation recalculating tax base from USD to NOK	309 569	33 800 561
Annual year tax basis	-45 321 003	-48 124 413
Temporary differences		
Fixed assets	-46 902 894	-88 650 053
Inventory	-1 456 466	-1 505 452
Receivables	0	-807 716
Profit and loss-account	-14 733 210	-2 723 708
Loss carried forward	-412 301 684	-379 323 591
Interest beetwen related parties carried forward	-69 919 478	-63 770 195
Net temporary differences	-545 313 732	-536 780 715
Gross deferred tax	119 969 021	118 091 758
Tax not recognised in the balance sheet	-119 969 021	-118 091 758
Net deferred tax in the balance	0	0

Note 11, Investment in subsidiaries

Company	Share capital	Number of shares	Book value	Equity	Net result
Siem AHTS Pool Australia Pty Ltd	16 587 125	22 868 700	11 435 080	13 515 626	3 659 922
Sum			11 435 080		

Subsidiaries recognized according to cost method.



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Notes (All amounts in USD)

Siem AHTS Pool AS

Note 12, Vessels equipment and capitalized project cost

	Vessel and equipment	Transformer	Project cost	Periodic maintenance and docking	Total
Purchase cost 01.01.2021	664 628 591	72 746	3 362 279	22 830 587	690 894 200
Capital expenditure	828 336	0	0	4 578 254	5 406 590
The years disposals at cost	-131 682 524	0	0	-8 376 972	-140 059 496
Purchase cost 31.12.2021	533 774 402	72 746	3 362 279	19 031 869	556 241 294
Acc. depreciation per 01.01.2021	-450 836 381	-72 746	-1 410 430	-7 898 981	-460 218 537
Depreciation	-10 198 622	0	-139 720	-3 550 841	-13 889 183
Impairment	0	0	0	0	0
Disposal of accumulated depreciation	88 288 997	0	0	3 653 109	91 942 106
Acc. depreciation per 31.12.2021	-372 746 006	-72 746	-1 550 150	-7 796 713	-382 165 615
Net book value 31.12.2021	161 028 396	0	1 812 129	11 235 157	174 075 679
Economic life (years)	See specification	5	2-5	2-5	
Amortization plan	Linear	Linear	Linear	Linear	

Project cost relate to investments made to fulfill requirements for particular vessel contracts. The costs are amortized over the term of the specific charter contracts.

Specification to vessels and equipment, various components	Percentage of total	Economic lifetime
Hull	27 %	30 years
Cargo equipment	17 %	30 years
Vessel equipment	10 %	15 years
Crew equipment	9 %	15 years
Engine	18 %	30 years
Engine systems	6 %	30 years
Combined sewerage system	13 %	30 years
Docking		5 years
Equipment		3 years

Sale of vessels

"Siem Diamond" and "Siem Garnet" were sold and delivered to new owner in June 2021, resulting in a gain of USD 904 688. Proceeds were used to repay debt.

Impairment of vessels

Tangible assets with finite lives are tested for impairment. If indicators are identified that indicate that the carrying amount of the assets exceed the recoverable amount, the Company performs an assessment to determine impairment. An impairment loss is recognized if the carrying amount exceeds recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use (VIU).

As of December 31st 2021, impairment indicators were identified for the vessels, mainly due to lower freight rates and vessels in lay up. Based on such indicators, impairment tests have been performed for all AHTS vessels as of 31 December 2021.

VIU is based on the present value of discounted cash flows for the cash generating unit (CGU) for its remaining life based on market views for future periods.

The discount rate used in the VIU calculation is a weighted average cost of capital after tax of 7.4%.

Operational expenses that are directly attributable to the CGU are based on budget with an annual escalation as applicable. Dry-docking cost are included in line with the dry-docking schedule.

Net selling price is determined as the amount that would be obtained from sale of the asset in a regular market, less cost of sales, based on an average of third party valuation reports from two independent ship brokers. The Company understand that ship brokers apply newbuilding price partly as basis for their appraisals. Newbuilding prices are adjusted for building supervision cost and other additional cost, which results in an estimated delivered cost of a newbuilding with prompt delivery adjusted for age of each vessel.



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Notes (All amounts in USD)

Siem AHTS Pool AS

No impairment charges were recognized, and no impairment was recorded for 2021. (2020: USD 185,6 million). The book value of the vessels does not reflect possible impairment charges if a sale of assets is forced in today's market.

Note 13, Restricted cash and bank deposits

There were no restricted funds at year-end.

Note 14, Financial income and expense

Financial income	2021	2020
Interest income from bank	2 426	26 984
Realized currency gain	728 144	1 063 510
Unrealized currency gain	115 239	35 651
Other financial income	72 728	52
Total financial income	918 538	1 126 198
Other financial expenses	2021	2020
Interest cost from bank	1 408 579	3 880 251
Other interest cost	544 685	1 455 696
Other financial cost	922 938	1 333 628
Guarantee commission	2 591 242	3 520 242
Unrealized currency loss	0	49 415
Realized currency loss	531 064	898 900
Total other financial expense	5 998 508	11 138 133

Note 15, Accounts receivable

Accounts receivable	2021	2020
Accounts receivable	1 339 034	5 478 732
Intercompany receivable	0	91 389
Provision for bad debt	0	-807 699
Total accounts receivable	1 339 034	4 762 422

Note 16, Related party transactions

Shareholder loan, subordinated	Siem Offshore Inc	Singa Star Pte. Ltd	Total
Balance 01.01.2021	138 319 194	38 532 990	176 852 184
Loan converted to equity	-140 126 304	-39 036 416	-179 162 720
New loan	65 868 168	0	65 868 168
Working capital provided by shareholders	8 189 600	2 288 000	10 477 600
Interest 2021, accrued	3 161 466	520 529	3 681 995
Balance 31.12.2021	75 412 123	2 305 103	77 717 227

The Company completed and implemented a restructuring plan on 26 May 2021. All shareholder loan was converted to equity. New loan from Siem Offshore Inc. correspond to share of secured bank debt, USD 102 million, transferred to Siem Offshore Inc. not



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Notes (All amounts in USD)

Siem AHTS Pool AS

converted to equity. Interests are accrued on a quarterly basis and added to the principal debt.

The Company has no employees, and operational and administrative management are hired from the associated company Siem Offshore AS. Crew is hired from the associated companies Siem Offshore Crewing AS and Siem Offshore Maritime Personnel AS. Services provided by related parties are charged at fixed fees agreements and costplus markup agreements.

The Company has signed bareboat agreements for AHTS's with Siem AHTS Pool Australia Pty Ltd.

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

Note 17, Other long-term liabilities

Long term liabilities which fall due more than 5 years after the end of the fiscal year.	2021	2020
Singa Star Pte Ltd	1 901 710	26 800 899
Siem Offshore Inc	73 963 245	93 365 456
Total	75 864 955	120 166 355

Note 18, Going Concern

The financial statements have been prepared under the assumption that the Company is a going-concern.

This assumption is based on forecasted cash-flows and a financial platform that position the Company for the expected volatile market in the coming years. Following the Financial Restructuring in Q2 2021, the Company has substantially improved its equity, cash position and forecasted cash flow. No debt will mature before the end of 2024, except for debt that will be subject to cash sweep if applicable. The restructuring has strengthened the Company's financial position as liabilities to banks and shareholders were reduced by USD 215 million with lower, and sustainable, mandatory repayments going forward, and increased the equity of USD 225 million. The volatile market conditions and impact of the COVID-19 pandemic on vessel operations and the world economy continue to have a negative influence on the Company's earnings and cash flows. Total Equity is negative at USD 4 174 634 at 31.12.2021. (31.12.2020: Negative USD 202 804 284). Due to negative equity and volatile market, financial support from the shareholders will also be needed during 2022.

Note 19, Subsequent events

Awarded a contract for the AHTS "Siem Sapphire" for contract in Taiwan, securing firm utilization well into the third quarter of 2022, plus options.

The war in Ukraine have so far not had any material effect on the operations of the Company. The Company observes indications of shortages of experienced crew and escalation of crew costs due to shortages of Ukrainian and Russian crew. Drilling campaigns in Russia will probably go ahead without European tonnage thus more vessel availability in key markets during the summer season.



To the General Meeting of Siem AHTS Pool AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Siem AHTS Pool AS (the Company), which comprise the statement of financial position as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these 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 (management) is responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

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

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Independent Auditor's Report - Siem AHTS Pool AS



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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

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

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 24 May 2022
PricewaterhouseCoopers AS

Bjørn Lund
State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Audit report Siem AHTS Pool

Signers:

Name	Method	Date
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SIEM Offshore



Annual Report 2021



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Highlights 2021

Revenue USD 1,000

254,493

Operating margin USD 1,000

100,585

Employees

1,021

Vessels in operation per 31.12.2021

28

Highlights for the First Quarter

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

Highlights for the Second Quarter

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

Highlights for the Third Quarter

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

Highlights for the Fourth Quarter

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



Key figures

(Amounts in USD 1,000)

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

Definitions

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

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

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



STATEMENTS OF CASH FLOWS	2021	2020
Net cash flow from operations	82,099	39,704
Net change in cash	-3,472	70

KEY FIGURES	2021	2020
Weighted average no. of outstanding shares (1,000)	147,050	9,347
Weighted average no. of diluted outstanding shares (1,000)	147,050	9,347
Earnings per share (USD)	0.73	-31.97
Diluted earnings per share (USD)	0.73	-31.97
Share price per year end (USD)	0.39	8.38
Share price per year end (NOK)	3.40	71.50

Note: Weighted average number of shares for 2020 and share price for 2020 have been adjusted for the 100:1 reverse split that was done in 2021 in order to present comparable figures.

Vessels

| Vessels in operation

31/12/2021	28 TOTAL
31/12/2020	31 TOTAL
31/12/2019	35 TOTAL
31/12/2018	40 TOTAL
31/12/2017	43 TOTAL
31/12/2016	46 TOTAL
31/12/2015	51 TOTAL
31/12/2014	55 TOTAL
31/12/2013	55 TOTAL
31/12/2012	47 TOTAL

Ownership





| 100%

31/12/2021	28 TOTAL
31/12/2020	31 TOTAL
31/12/2019	35 TOTAL
31/12/2018	40 TOTAL
31/12/2017	43 TOTAL
31/12/2016	46 TOTAL
31/12/2015	51 TOTAL
31/12/2014	55 TOTAL
31/12/2013	55 TOTAL
31/12/2012	47 TOTAL








Vessels in the fleet





Platform Supply Vessels (PSV)

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

Anchor Handling Tug Supply Vessels (AHTS)

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

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

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



Siem Pilot

Siem Thilma

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



Siem Topaz

Siem Ruby

Siem Pearl

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

Other



Brazil – Fleet of 5 vessels

Avalon Sea - Canada

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



Joides Resolution

Big Orange XVIII

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

Well Intervention Vessels (WIV)



Siem Helix 1

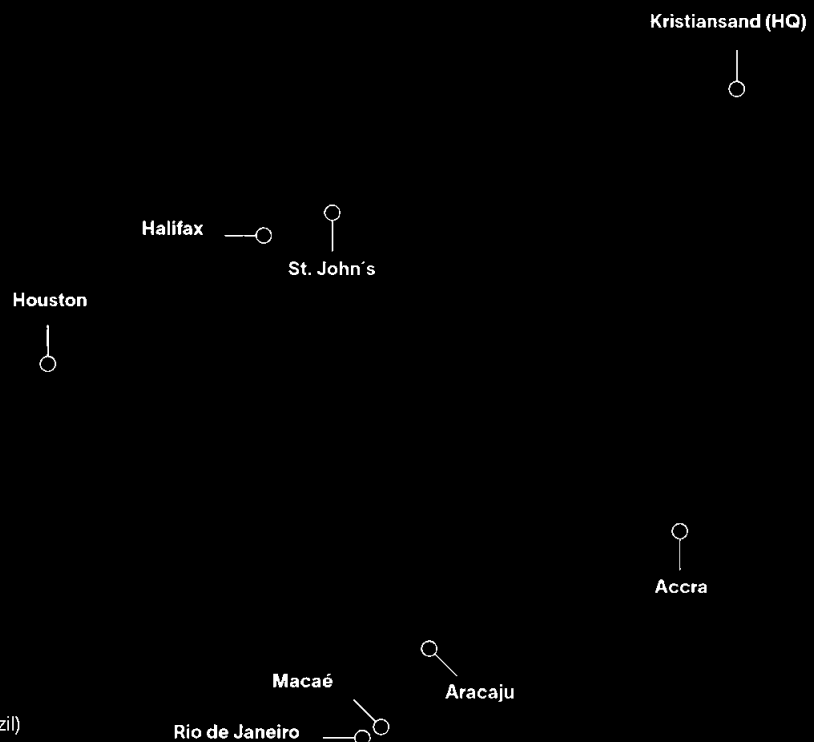
Siem Helix 2

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



Local presence in key markets

Geographical footprint



Siem Offshore offices

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



Total employees

1,021

Vessels in operations

28

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

Perth —○



Siem Offshore Inc. at a glance

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

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

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

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



Our Values

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

Caring

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

Competitive

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

Committed

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

Revenue

Amounts in USD 1,000

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

Operating Margin

Amounts in USD 1,000

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

Employees

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



Board of Directors' Report

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

THE COMPANY

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

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

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

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

FINANCIAL RESULTS, POSITION AND RISKS

IFRS

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

Going-Concern

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

The Market

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

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

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

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



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

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

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

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

Income Statement

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

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

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

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

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

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

Financial Position and Cash Flows

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

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

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



Board of Directors' Report

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

Cash flows

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

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

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

Financial Risks

Interest risk

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

Currency risk

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

Inflation Risk

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

Liquidity risk

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

Climate risk

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

War risk

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



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

OPERATIONS

Fleet, Performance and Employment

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

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

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

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

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

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

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

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

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

HSEQ

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

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

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

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

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

Environment

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

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



Board of Directors' Report

Ethics, Compliance and Integrity

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

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

SHAREHOLDERS AND CORPORATE GOVERNANCE

Shareholder Information

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

Corporate Governance

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

Directors and Officers Liability Insurance

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

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

THE WORKING ENVIRONMENT AND THE EMPLOYEES

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

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

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

OUTLOOK

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

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

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

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



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

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

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

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

21 April 2022

Kristian Siem
Chairman
(Sign.)

Barry W. Ridings
Director
(Sign.)

Alexander Monnas
Director
(Sign.)

Kenneth Ross
Director
(Sign.)

Peter Ditlef Knudsen
Director
(Sign.)

Bernt Omdal
Chief Executive Officer
(Sign.)



Corporate Governance

Statement of Policy on Corporate Governance

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

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

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

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

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

Business

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

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

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

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

Equity and Dividends

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



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

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

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

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

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

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

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

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

Freely Negotiable Shares

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

General Meetings

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

Nomination Committee

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

Board of Directors; Composition and Independence

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



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

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

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

Work of the Board of Directors

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

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

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

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

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

Risk Management and Internal Control

Internal control

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

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

Financial reporting process

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

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

Remuneration of the Board of Directors

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

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

Remuneration of the Executive Management

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



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

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

Information and Communications

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

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

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

Take-overs

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

Auditor

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

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

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



Income statement

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

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



Statements of Financial Position —Assets

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



Statements of Financial Position —Equity and Liabilities

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

21 April 2022

Kristian Siem
Chairman
(Sign.)

Barry W. Ridings
Director
(Sign.)

Alexander Monnas
Director
(Sign.)

Kenneth Ross
Director
(Sign.)

Peter Dittef Knudsen
Director
(Sign.)

Bernt Omdal
Chief Executive Officer
(Sign.)



Statements of changes in equity

CONSOLIDATED

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



Statements of changes in equity

PARENT COMPANY

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



Statements of cash flows

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



Notes to the accounts

Note 1 Accounting Principles

1.1 General

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

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

1.2 Basis of preparation

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

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

All amounts are in USD thousands, unless otherwise stated.

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

(a) New and amended standards that have been adopted

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

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

(b) New standards and interpretations not yet adopted

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

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



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

1.3 Consolidation

(a) Subsidiaries

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

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

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

(b) Business combinations

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

(c) Associated companies

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

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

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

1.4 Classification of items in the financial statements

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

1.5 Segment reporting

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



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

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

1.6 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

(c) Subsidiary companies

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

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

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

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

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

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

1.7 Non-current tangible assets and maintenance costs

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

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

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

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



1.8 Newbuild contracts and borrowing costs

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

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

1.9 Impairment of non-financial assets

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

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

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

1.10 Intangible assets

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

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

The relevant exchange rates vs. USD are:

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

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Picture by Andreas Bjørkholm Vollen

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

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

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

acquired trademarks and licenses are shown at cost.

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

1.11 Financial assets

1.11.1 Classification

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

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



(b) Financial assets at amortized cost

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

1.11.2 Recognition and measurement

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

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

1.12 Offsetting financial instruments

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

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

1.13 Inventories

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

1.14 Cash and cash equivalents

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

1.15 Accounts receivable

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

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

1.16 Share capital

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



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

1.17 Borrowings

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

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

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

1.18 Commercial Interest Reference Rate (CIRR) loan

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

1.19 Taxation

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

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

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

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

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

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

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

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

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



1.20 Pension costs and obligations

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

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

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

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

1.21 Derivatives and hedging activities

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

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

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

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

1.22 Revenue recognition

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

Charter rate contracts

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

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



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Interest income

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

Dividend income

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

Rendering of services

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

1.23 Accounts payable

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

1.24 Earnings per share

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

1.25 Statement of Cash Flows

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

1.26 Related party transactions

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

1.27 Government grants

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

1.28 Leases

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

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

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

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



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

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

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

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

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

1.29 Share-based payments

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

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

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

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

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

1.30 Other claims and obligations

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



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Note 2 Financial Risk Management

2.1 Financial risk factors

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

2.2 Foreign exchange risks

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

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

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

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

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



Financial Risk Management Note 2

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

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



Notes to the accounts

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

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



Financial Risk Management Note 2

2.3 Credit risks

Concentration risks

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

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

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

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

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

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

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

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



Notes to the accounts

Trade and receivables

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

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

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

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

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

Financial Risk Management Note 2

2.4 Cash flow, interest risk and fair value

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

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

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

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

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

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

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

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

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

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



Notes to the accounts

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

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

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



Financial Risk Management Note 2

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

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

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

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

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

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

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

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

2.5 Liquidity risk

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

Notes to the accounts

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

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

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

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

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

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

2.6 Capital management

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

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

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



Financial Risk Management Note 2

Note 3 Critical Accounting Estimates and Judgements

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

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

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

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

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

Going Concern

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

Vessel

Impairment of vessels

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

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

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

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



Notes to the accounts

Note 4 Segment Reporting

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

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

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

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

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

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

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



Segment reporting Note 4

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



Notes to the accounts

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



Note 5

Vessels, Equipment and Capitalized Project Cost

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

The balance of capitalized project costs relates to specific contracts.



Notes to the accounts

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

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

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

Impairment vessels

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

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

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

Value-in-use (VIU)

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

Discount rate

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

Operating expenses

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



Fair value less cost of disposal

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

Climate risk

Management has considered the potential impacts of climate risk and whether this will have an adverse impact on the future use of the Company's vessels. The Company operates within the offshore oil and gas sector and the offshore renewable sector. It's expected that demand for the Group's services could increase due to climate related opportunities.

Management does not consider there is a significant risk that the Company's vessels will become obsolete due to climate considerations as they form a key part in the transition to the provision of sustainable energy.

Sensitivities

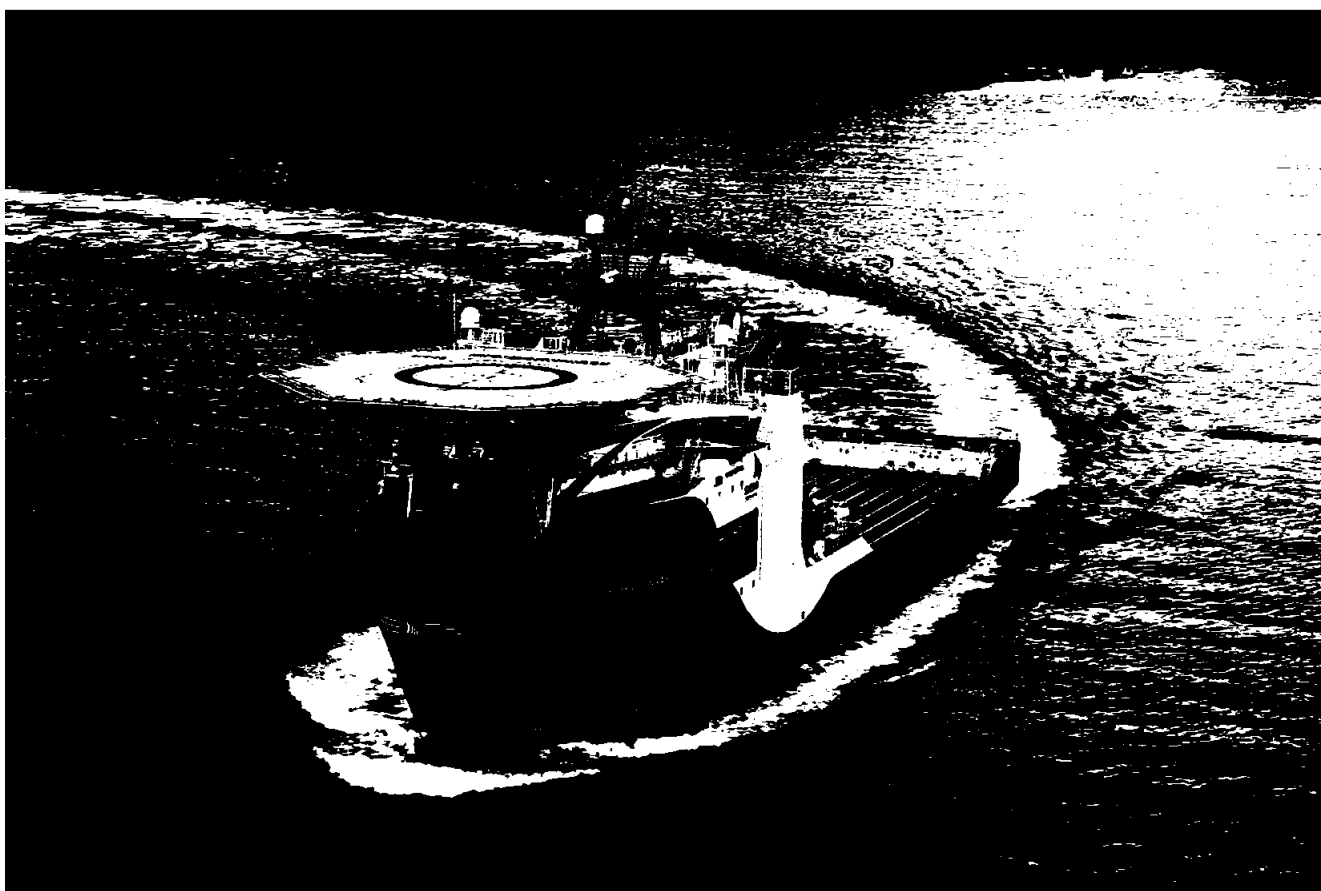
The VIU calculation is mainly affected by changes in the WACC and freight rate assumptions. The WACC used for vessels financed in USD was 7.43% (2020: 8.39%) and for the vessels financed in NOK the WACC was 7.82% (2020: 8.77 %). The WACC used for vessels financed in USD in Brazil was 9.24% (2020: 10.75%).

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

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



Notes to the accounts





Note 6 Investment in Subsidiaries

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

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

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

Siem Offshore Servicios Maritimos Ltda was incorporated in 2021.



Notes to the accounts

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



Note 7 Investment in Associated Companies

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

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



Notes to the accounts

31 December 2021

CONSOLIDATED

COMPANY NAME

(Amounts in USD 1,000)

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

Of which:

Amortisation of fair value in excess of book value

for vessels and goodwill

Effect of exchange rate differences

Fair value in excess of book value for vessels and goodwill as of 31 December 2021

-	-	-
-	-24	-24
-	314	314

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

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



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



Notes to the accounts

31 December 2020 CONSOLIDATED

COMPANY NAME	PR Tracer Offshore ANS	KS Big Orange XVIII	Siem Offshore Ghana Ltd	Total
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(Amounts in USD 1,000)

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

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

Of which:

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

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



Note 8

Pension Costs and Obligations

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



Notes to the accounts

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

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



Note 9 Receivables

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

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

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



Notes to the accounts

Note 10 Restricted Cash

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

Note 11 Taxes

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

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

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

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

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



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

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

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

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



Notes to the accounts

Note 12 Borrowings

Carrying amount - excluding CIRR				CONSOLIDATED		
<i>(Amounts in USD 1,000)</i>				12/31/2021		
				12/31/2020		
Secured	Current	Non-current	Total	Current	Non-current	Total
Fixed rates bank loans	18,989	225,393	244,383	107,051	365,782	472,834
Floating rates bank Loans	29,767	353,318	383,085	89,250	304,958	394,208
Total secured borrowings	48,756	578,711	627,467	196,301	670,741	867,042
Unsecured		Non-current	Total	Current		Non-current
Fixed rate notes / Bonds	-	-	-	-	86,425	86,425
Floating rate notes / Bonds	-	-	-	43,664	-	43,664
Loans from related parties (1)	-	2,305	2,305	-	38,533	38,533
Total unsecured borrowings	-	2,305	2,305	43,664	124,958	168,622
Total borrowings	48,756	581,017	629,772	239,965	795,699	1,035,664
Fees and expenses	-1,106	-4,420	-5,526	-1,075	-3,802	-4,877
Total borrowings incl. fees	47,650	576,596	624,246	238,890	791,897	1,030,787
Fair value - excluding CIRR				CONSOLIDATED		
<i>(Amounts in USD 1,000)</i>				12/31/2021		
				12/31/2020		
Secured	Current	Non-current	Total	Current	Non-current	Total
Fixed rates bank loans	18,989	227,899	246,888	107,051	382,072	489,123
Floating rates bank Loans	29,767	353,318	383,085	89,250	304,958	394,208
Total secured borrowings	48,756	581,217	629,973	196,301	687,030	883,331
Unsecured	Current	Non-current	Total	Current	Non-current	Total
Fixed rate notes / Bonds	-	-	-	-	86,425	86,425
Floating rate notes / Bonds	-	-	-	43,664	-	43,664
Loans from related parties (1)	-	2,305	2,305	-	38,533	38,533
Total unsecured borrowings	-	2,305	2,305	43,664	124,958	168,622
Total borrowings	48,756	583,522	632,278	239,965	811,988	1,051,953
Fees and expenses	-1,106	-4,420	-5,526	-1,075	-3,802	-4,877
Total	47,650	579,102	626,752	238,890	808,186	1,047,076



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

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

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

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

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



Notes to the accounts

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

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

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

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

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

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

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



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

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



Notes to the accounts

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

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

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



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

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



Notes to the accounts

Note 13
Other Current Liabilities and Other Current Provision

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

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

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

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



Note 14 Related Party Transactions

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

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

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

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

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

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

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

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

These transactions were at arm's length.

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



Notes to the accounts

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

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

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

Non-current liability

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



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

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

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

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

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

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

Payables to related parties		
Subsidiaries	1,172	-
Associates	-	311
Total	1,172	311

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

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



Notes to the accounts

All loans are at market terms of interest.

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

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

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

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

The credit facility is at market terms of interest.



Note 15

Derivative Financial Instruments

Assets (Liabilities)

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

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

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



Notes to the accounts

Note 16 Guarantees

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

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

Note 17 Operating Expenses

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



Note 18 Salaries and Wages, Number of Employees

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

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

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

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

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

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



Notes to the accounts

Corporate management salaries and other benefits

(Amounts in USD 1,000)

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

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

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

(Amounts in USD 1,000)

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

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

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

See Note 29 for more information.

Remuneration to the Board of Directors

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

Extraordinary bonus to Directors:

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

Auditor's remuneration

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



Note 19 Leases

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

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

There are no leases for the Parent Company.

Consolidated Statements of Financial Position:

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

The balance sheet includes the following amounts relating to leases:

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

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

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

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



Notes to the accounts

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



Operating Leases as Lessor of vessels:

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

There is no Contract Backlog for the Parent Company.

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

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

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



Notes to the accounts

Note 20
Financial Items

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

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

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

Derecognition of financial liabilities

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

Restructured debt terms

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

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



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

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

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



Notes to the accounts

Note 21 Earnings/(loss) per Share

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

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

Note 22 Assets Held for Sale

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

2021

No assets held for sale per 31.12.2021.

2020

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



Note 23

Other Gain/(Loss) on Sale of Assets

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

2021

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

2020

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



Notes to the accounts

Note 24

Listing of the 20 Largest Shareholders as of 31 December 2021

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

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



Note 25 Subsequent Events

February 2022:

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

March 2022:

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

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

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

Note 26 Gain/(Loss) on Currency Derivative Contracts

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

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



Notes to the accounts

Note 27 Financial Instruments by Category

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

31 Dec 2021

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

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

31 Dec 2021

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

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



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

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

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

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



Notes to the accounts

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

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

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

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

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

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

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



Note 28 Inventories

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

Note 29 Share-based Payments

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

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

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

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



Environmental, Social and Governance (ESG)

Introduction

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

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

The complete ESG report is available on www.siemoffshore.com

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

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

ENVIRONMENTAL

Emissions and Energy Reduction

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

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

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

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

Shore power in port

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

Hybrid battery power system

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

Regular hull cleaning

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



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

Use biogas (LBG) on PSV LNG

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

Yearly fuel oil (FO) campaign

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

Biodiversity and Marine Pollution

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

Ship recycling

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

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

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

Waste generated across the fleet

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

SOCIAL

Accidents, Safety and Labour Rights

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

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

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

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

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

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



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

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

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

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

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

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

Diversity

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

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

GOVERNANCE

Business Ethics and ESG Governance

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

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

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

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

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

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



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

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

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

OUTLOOK

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

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

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

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

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

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

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



To the General Meeting of Siem Offshore Inc.

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

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

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

In our opinion:

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

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

Basis for Opinion

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

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

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

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

Key Audit Matters

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

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

(2)



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recognized, and no impairment was recorded in 2021.

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

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

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

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

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

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

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

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

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

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

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

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

(3)

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

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

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

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

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

Other Information

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

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

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

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

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

Responsibilities of Management for the Financial Statements

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

(4)



Independent Auditor's Report - Siem Offshore Inc.



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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Independent Auditor's Report - Siem Offshore Inc.



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

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

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

Report on Other Legal and Regulatory Requirements

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

Opinion

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

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

Management's Responsibilities

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

Auditor's Responsibilities

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

Oslo, 21 April 2022
PricewaterhouseCoopers AS

Bjørn Lund
State Authorised Public Accountant

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Responsibility Statement

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

21 April 2022

Kristian Siem
Chairman
(Sign.)

Barry W. Ridings
Director
(Sign.)

Alexander Monnas
Director
(Sign.)

Kenneth Ross
Director
(Sign.)

Peter Ditlef Knudsen
Director
(Sign.)

Bernt Omdal
Chief Executive Officer
(Sign.)



Board of Directors

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

Kristian Siem (born 1949), Chairman

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

Barry W. Ridings (born 1953), Board Member

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

Alexander Monnas (born 1951), Board Member

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

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

Kenneth Ross (born 1968), Board Member

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

Peter Ditlef Knudsen (born 1957), Board Member

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



Financial Calendar 2022

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

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

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



Alternative Performance Measurement (APM) and other definitions

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

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

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

OTHER DEFINITIONS:

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

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

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

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

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

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

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

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



SIEM Offshore

Siem Offshore Inc

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www.siemoffshore.com



@siemoffshore

Mandatory ESEF concepts:

Name of reporting entity: Siem Offshore Inc.

Domicile of entity: Cayman Islands

Legal form of entity: Inc.

Country of incorporation: Cayman Islands

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

Principal place of business: Norway

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

Name of parent entity: Siem Offshore Inc.

Name of ultimate parent of group: Siem Offshore Inc.