



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020
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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:	31.05.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 07.07.2022



Resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Revenue	2	16 559 925	35 359 832
Gevinst salg anleggsmiddel		22 079	7 146
Sum inntekter		16 582 004	35 366 978
Kostnader			
Cost of materials	8, 9	23 454 010	31 127 557
Avskrivning på driftsmidler	12	24 422 944	36 274 640
Nedskrivning av varige driftsmidler og immaterielle eiendeler	12	185 618 271	45 114 000
Other operating expenses	3	293 184	398 532
Sum kostnader		233 788 409	112 914 729
Driftsresultat		-217 206 405	-77 547 751
Finansinntekter og finanskostnader			
Other financial income	14	1 126 198	1 616 241
Sum finansinntekter		1 126 198	1 616 241
Write-downs of long-term investments	11		
Rentekostnad til foretak i samme konsern	6	4 904 004	5 307 968
Other financial expenses	14	11 138 133	16 717 402
Sum finanskostnader		16 042 137	22 025 370
Netto finans		-14 915 939	-20 409 128
Ordinært resultat før skattekostnad	10	-232 122 344	-97 956 880
Tax on ordinary result	10		
Ordinært resultat etter skattekostnad		-232 122 344	-97 956 880
Årsresultat		-232 122 344	-97 956 880
Årsresultat etter minoritetsinteresser		-232 122 344	-97 956 880
Totalresultat		-232 122 344	-97 956 880



Resultatregnskap

Beløp i: USD	Note	2020	2019
Overføringer og disponeringer			
Udekket tap	5	-232 122 344	-97 956 880
Transferred from other equity	5		
Sum overføringer og disponeringer		-232 122 344	-97 956 880



Balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Machinery and equipment	7, 12	228 723 814	428 676 121
Equipment and other movables	7, 12	1 951 849	2 091 569
Sum varige driftsmidler		230 675 663	430 767 690
Finansielle anleggsmidler			
Investering i datterselskap	11	11 435 080	6 235 080
Sum finansielle anleggsmidler		11 435 080	6 235 080
Sum anleggsmidler		242 110 743	437 002 770
Omløpsmidler			
Varer			
Varer	8	1 473 189	1 873 839
Sum varer		1 473 189	1 873 839
Fordringer			
Accounts receivables	6, 7, 15	4 762 422	10 548 330
Other short-term receivables		4 731 114	3 427 762
Sum fordringer		9 493 536	13 976 092
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	13	148 908	12 906 616
Sum bankinnskudd, kontanter og lignende		148 908	12 906 616
Sum omløpsmidler		11 115 633	28 756 547
SUM EIENDELER		253 226 376	465 759 317

BALANSE - EGENKAPITAL OG GJELD

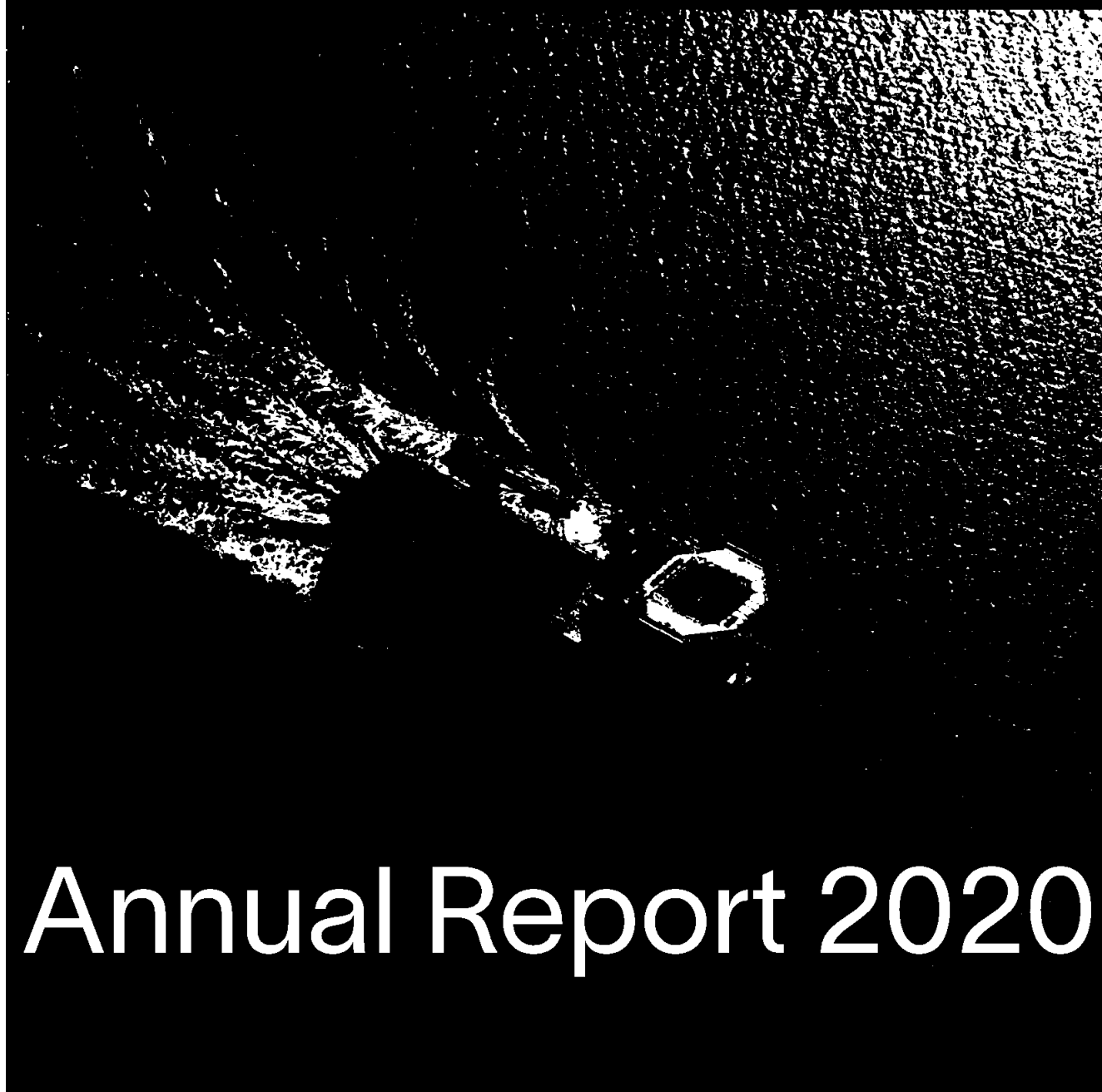


Balanse

Beløp i: USD	Note	2020	2019
Egenkapital			
Innskutt egenkapital			
Share capital	4, 5	139 217	139 217
Overkurs	5	352 755 009	352 755 009
Sum innskutt egenkapital		352 894 226	352 894 226
Opptjent egenkapital			
Other equity	18		
Udekket tap	5	555 698 510	323 576 166
Sum opptjent egenkapital		-555 698 510	-323 576 166
Sum egenkapital		-202 804 284	29 318 060
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	7	266 392 447	266 232 776
Other long term liabilities	6, 16, 17	176 852 184	159 653 488
Sum annen langsiktig gjeld		443 244 631	425 886 263
Sum langsiktig gjeld		443 244 631	425 886 263
Kortsiktig gjeld			
Leverandørgjeld	6	5 876 620	5 576 532
Other current debt		6 909 409	4 978 462
Sum kortsiktig gjeld		12 786 029	10 554 994
Sum gjeld		456 030 660	436 441 257
SUM EGENKAPITAL OG GJELD		253 226 376	465 759 317



SIEM Offshore



Annual Report 2020



Highlights 2020

Revenue USD 1,000

244,843

Operating margin USD 1,000

82,259

Employees

1,042

Vessels in operation per 31.12.2020

31

- The Company entered into an agreement with effect from 31 March 2020 with its secured lenders to provide time to secure a financing solution under the assumption that the market will remain depressed for several years. The terms of the agreement includes deferral and suspension of principal and interest and waiver of financial covenants until 15 May 2020.
- Bondholders' meetings for each of the two unsecured bonds (SIOFFO 1 & SIOFFO2) were held on 31 March 2020. The Bondholders approved waiving financial covenants for the period 1 January 2020 to 30 June 2020 and approved other proposals as set out in the summons to the meetings.

Highlights for the Second Quarter

- Conducted a review of vessel valuations and recorded aggregate impairments of USD 261.2 million.
- Entered into a standstill agreement with the Company's secured lenders in Europe and Norway for the period from 29 May 2020 until 30 April 2021.
- Bondholders' meetings for each of the two unsecured bonds (SIOFFO 1 & SIOFFO2) were held on 30 June 2020. The Bondholders approved waiving financial covenants for the period from and including 30 June 2020 to and including 30 October 2020, and approved other proposals as set out in the summons to the meetings.
- New employment:
 - Agreed an 80-days firm contract for the vessel "Slem Dorado" for work offshore the US East Coast
 - Agreed 180-days work under the frame agreement with Subsea 7 for the vessel "Slem Spearfish"
 - Agreed an 80-days firm contract for the vessel "Slem Barracuda" for work in the Kara Sea
 - Agreed a 90-days firm contract for the vessel "Slem Pearl" for work in the Kara Sea

Highlights for the Third Quarter

- Agreed a 2-year contract with two yearly options for the two PSVs "Slem Atlas" and "Slem Giant".
- Agreed an extension for three large AHTS vessels operating in Australia securing work until October 2021 with options until end of 2022.

Highlights for the Fourth Quarter

- Received notice of early termination of the charter party for the PSV "Slem Pilot". The Company will be compensated by an early termination fee.
- Sold and delivered the vessel "Venture Sea", previously part of the Canadian Vessels fleet
- Conducted a periodic review of vessel valuations and recorded aggregate impairments of USD 26 million.

Highlights for the First Quarter

- Agreed a contract for support of a ten-wells drilling campaign for the dual fuel Platform Supply Vessel "Slem Symphony", with an estimated duration of up to 600 days plus options.
- Agreed an 18-weeks firm contract with options for the vessel "Slem Stingray" for work in the North Sea.
- Established a Company Task Force to manage and coordinate the risks, precautions and possible effects from the COVID-19 pandemic.

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Key figures

	CONSOLIDATED	
	2020	2019
(Amounts in USD 1,000)		
INCOME STATEMENTS		
Operating revenue	244,843	292,530
Operating expenses	-182,584	-182,785
Operating margin	82,259	109,744
Operating margin, %	34%	38%
Depreciation and amortization	-74,944	-104,672
Impairment of vessels	-276,857	-59,238
Gain/(loss) on sale of assets	655	-2,779
Gain/(loss) on interest rate derivatives (CIRR)	-	314
Gain/(loss) on currency derivative contracts	-1,970	-57,507
Operating profit	-270,856	-57,507
Operating profit margin, %	-11%	-20%
Net financial items	-77,787	-56,183
Result from associated companies	844	568
Profit/(loss) before taxes	-347,799	-113,123
Profit margin before taxes	-142%	-39%
Tax benefit/(expense)	-2,873	-1,383
Net profit/(loss) from continuing operations	-350,472	-114,506
Net profit/(loss) from discontinued operations	-	5,260
Net profit/(loss)	-350,472	-109,246
Net profit/(loss) attributable to shareholders	-51,607	-21,017
Net profit margin, %	-29%	-30%
STATEMENTS OF FINANCIAL POSITION		
Non-current assets	1,030,207	1,397,426
Current assets	155,621	143,312
Working capital	-160,373	-84,718
Total assets	1,185,828	1,541,454
Shareholders' equity	571,52	353,483
Non-current liabilities	857,412	953,054
Current liabilities	315,994	228,030
Total equity and liabilities	1,185,828	1,541,454

Definitions

- (1) Earnings before interest, tax, depreciation and amortization (EBITDA)
- (2) Earnings before interest and taxes (EBIT)
- (3) Total current assets less total current liabilities
- (4) See Statements of Cash Flows for details
- (5) Net cash flow from operation divided on weighted average number of shares outstanding
- (6) Stock Exchange price on December 31 divided on earnings per share
- (7) Stock Exchange price on December 31 divided on cash flow per share
- (8) Shareholders' equity divided on number of outstanding shares
- (9) Operating margin divided on weighted average number of outstanding shares
- (10) Book equity divided on total assets
- (11) Current assets divided on current liabilities

STATEMENTS OF CASH FLOWS	2020	2019
Net cash flow from operations	49,583	96,023
Net changes in cash	70	15,881

KEY FIGURES

	2020	2019
Weighted average no. of outstanding shares (1,000)	934,739	941,802
Weighted average no. of diluted outstanding shares (1,000)	1,185,272	1,202,335
Earnings per share (USD)	-0.32	-0.09
Diluted earnings per share (USD)	-0.32	-0.09
Cash flow per share in USD	0.05	0.10
Share price per year end (USD)	0.08	0.14
Share price per year end (NOK)	0.72	1.26
Price/earnings per share (P/E)	-0.26	-1.53
Price/cash flow per share (P/CF)	1.53	1.41
Book shareholders' equity per share (USD)	0.06	0.38
Operating margin share	0.09	0.12
Book equity ratio	(10)	0.23
Liquidity ratio	(11)	0.49

	31/12/2020	31/12/2019	31/12/2018	31/12/2017	31/12/2016	31/12/2015	31/12/2014	31/12/2013	31/12/2012	31/12/2011
Vessels in operation	31 TOTAL	35 TOTAL	40 TOTAL	43 TOTAL	46 TOTAL	51 TOTAL	55 TOTAL	55 TOTAL	47 TOTAL	45 TOTAL

Vessels

Vessels in operation

Ownership

100%

	31/12/2020	31/12/2019	31/12/2018	31/12/2017	31/12/2016	31/12/2015	31/12/2014	31/12/2013	31/12/2012	31/12/2011
Ownership	31 TOTAL	35 TOTAL	40 TOTAL	43 TOTAL	46 TOTAL	51 TOTAL	55 TOTAL	55 TOTAL	47 TOTAL	45 TOTAL



Local presence in key markets

Geographical footprint

Total employees

1,042

Vessels in operations

31

PSVs: 7

WIVs: 2

AHTs: 10

OSCVs: 4

CANADIAN FLEET: 1

OTHER: 7

Kristiansand (HQ)



Halifax



St. John's



Houston



Accra

Aracaju



Macaé



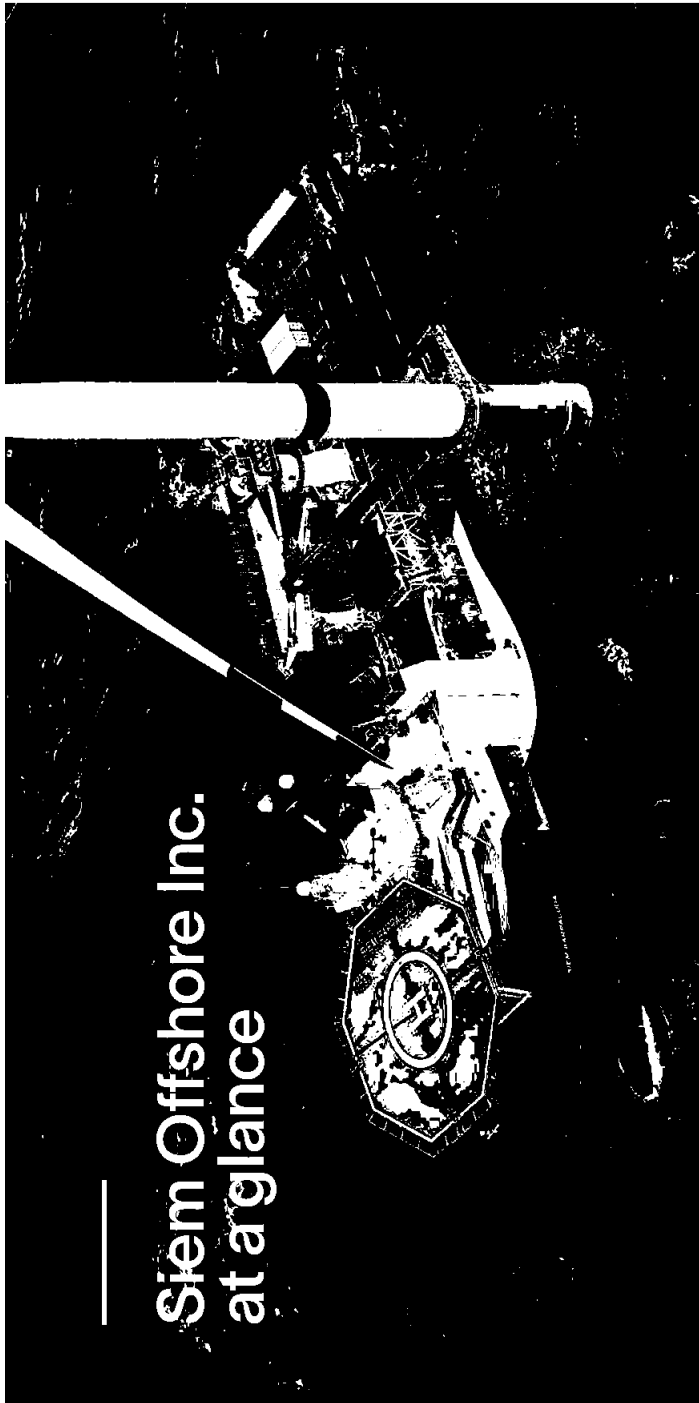
Rio de Janeiro



Perth

Siem Offshore offices

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



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 31 vessels in operation at year-end 2020. By end March 2021, the total fleet comprised of 30 vessels, including, among others the following owned vessels, six Platform Supply Vessels (PSVs), four Offshore Subsea Construction Vessels (OSCVs), ten Anchor Handling, Tug and Supply vessels (AHTS), two Well-Intervention Vessels (WIVs), one scientific core-drilling vessel, five Brazilian flagged vessels and one Canadian flagged vessel (i.e. AHTS vessel). 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.

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: SI-OFF). The Company's headquarters is located in Kristiansand, Norway and additional subsidiary offices are located in Brazil, Ghana, USA, Canada and Australia. 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

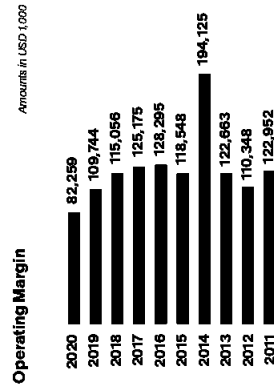
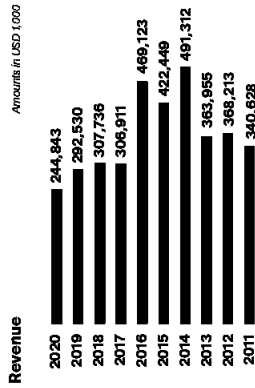
We encourage team spirit and knowledge sharing. We strive to perform our daily work correctly, safely and without causing damage to people, environment and equipment.

Competitive

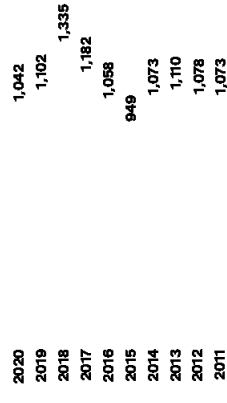
We behave in a pro-active manner and we are innovative in our way of thinking. Continuous improvement is our key to success.

Committed

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



Employees





Board of Directors' Report

The Board of Directors of Siem Offshore Inc. (the "Board") presents its report for the fiscal year ended 31 December 2020, together with the audited consolidated financial statements for the Company and the Parent Company. The financial statements and related notes were authorised for issue by the Board on 22 April 2021 and will be presented to the shareholders for approval at the Annual General Meeting to be held on Friday 7 May 2021.

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 Ghana. 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 wind market. The Company operated a fleet of 31 vessels at year-end, including partly-owned vessels and 7 vessels in lay-up. During 2020, the total fleet of OSVs conducted operations in the North Sea, the Arctic Ocean, Northern Pacific Ocean, West Africa, Australia, South East Asia, Canada and Brazil.

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. However, there are material uncertainties related to the going-concern status due to the current contractual arrangements with the Financing Banks, the Bond Holders and other

unsecured lenders. The poor market conditions and the impact of the COVID-19 pandemic on world economy influence the vessel rates and operations negatively.

The Company is exposed to a number of risks. One of the most important risk factors is the demand for its services. The OSV market is now in its 7th year of depressed condition and we expect that the market will remain soft for some time. It is highly uncertain as to when charter rates will generate sufficient earnings to provide for full debt-servicing.

The Company has recorded aggregated impairments of USD 27.7 million in 2020. Additional impairment charges may be necessary if the market continues to be depressed for a prolonged period. The financial statements do not reflect impairment charges that will occur if a sale of assets is forced in today's market, or if deteriorating assumptions are used in the value-in-use calculation. Total Equity (inclusive of Non-controlling interests) is USD 12 million at 31 December 2020. The Company entered into a standstill agreement with its secured lenders in Europe and Norway for the period from 29 May 2020 until 30 April 2021. The objective for the 2021 Restructuring Plan is to improve recoverability of banks' and bondholders' loans through an orderly reorganisation of the Balance Sheet, preserve contract backlog and to enable the Company to service its clients.

The Company has reached an agreement with the Bondholders and the European banks for the restructuring of the Company's credit agreements.

The restructuring agreement is a 4-year plan that involves conversion of debt to equity, a reduction of future scheduled interest and amortisation payments and extension of secured debt with maturity before 2024 to 31 December 2024. The Plan will significantly strengthen the Company's balance sheet and create a stronger financial platform to continue to support the Company's clients, preserve contract backlog and to meet the challenges in an extended downturn in the offshore supply market.

The main terms of the restructuring agreed with the European banks, key Bondholders and Shareholders include:

- Total equalization of approximately USD 268 mill of debt.
- The SIOFF10 Bondholders will receive a payment of USD 4 million and the residual balance will be converted into equity in the Company.
- The SIOFF20 bond debt will be converted into equity in the Company in its entirety.
- Remaining secured debt, following debt-to-equity conversion, to be guaranteed by SIOFF, and to be serviced in full, or in part or by cash sweeps depending on categorization based on contract situation, current market conditions and forecast.
- Extension of maturity for secured facilities with original maturity date before 31 December 2024.
- Revised financial covenants and general undertakings.
- The equalized debt will be converted to shares at a price of NOK 0.10 per share.
- Based on figures as of year-end 2020, the existing shares are expected to represent approximately 4% and the converted debt (including that of the bondholders) will represent approximately 96% of the Company's shares after restructuring.

The agreements with European Banks and the Bondholders are mutually conditional and subject to a satisfactory refinancing solution with the Brazilian Banks. The Company remains in discussions with the Brazilian Banks with the aim of securing their participation in the restructuring plan. While the negotiations with the Brazilian Banks continue, the Company is exploring alternative options with a view to consummate the restructuring without the consensual participation of them.

The Company is aiming for a successful implementation of the restructuring plan following the agreed standstill period. However, there is a risk that the restructuring plan can fail and that the Company will come into a default situation. In a default situation the Company will not be in compliance with its Financial covenants and general undertakings and all debt classified as non-current must be reclassified as current debt in the Balance Sheet.

The negative market outlook is further exacerbated by the COVID-19 pandemic situation, which has affected world economies and resulted in reduced global demand for oil. This has led to a significant drop in the oil price which has placed additional pressure on the OSV market.

The Company is working with its unions and crews to secure safe and reliable operations of its vessels. An additional risk is that vessel operations could be halted through the absence of crew members due to strict travel restrictions and potentially shutdown lasts for an extended time, there is a potential risk of contract cancellations with the resultant negative effect on our cash flow. The Company takes all reasonable precautions to minimize such risk. Governmental regulations are frequently changing and it is a challenge to move crews, spare parts and service-personnel around the globe to attend to our vessels.

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. The oil price has a direct impact on the offshore activities which the Company

serves. The lately increase in the oil price, now trading in the range between USD60 and USD70 per barrel, will probably lead to higher activity in the offshore industry.

The COVID-19 pandemic and the large fluctuation in the oil price have resulted in extreme volatility in currency exchange rates as the USD has strengthened against other currencies. The BRL in particular has suffered substantially. The Company has entered into several currency and interest rate hedging programs. At the current levels of currency rates, the market value of such hedging programs will have an immediate material negative effect on the profits and cash flow of the Company while the potential positive effects from the strengthening of the USD will materialize over years.

All financial derivatives will be terminated and settled before 30 April 2021, this according to the restructuring agreement. The net liability (M-TM) at 31 December 2020 was USD 18.8 million.

Income Statement

The Company had 31 offshore vessels in operation at year-end. In 2020, the Company recorded operating revenue of USD 244.8 million and a net loss attributable to shareholders of USD 298.9 million, or USD (0.32) per share, compared to operating revenue of USD 292.5 million and a net loss attributable to shareholders of USD 88.2 million, or USD (0.09) per share, in 2019.

The Company's operating margin for 2020 was USD 82.3 million compared to USD 109.7 million in 2019. Net operating margin as a percentage of operating revenue was 34% in 2020 compared to 38% in 2019.

The Company's operating profit (loss) for 2020 was USD (270.9) million compared to USD (67.5) million in 2019 and includes depreciation and amortization of USD 74.9 million (2019: USD 104.7 million). During 2020, the Company conducted periodic reviews of vessel valuations and recorded impairments of USD 276.9 million on certain vessels compared to impairment charges of USD 59.2 million in 2019. Net currency exchange gain (losses) of USD (2.0) million (2019: USD (0.9) million) was recorded on forward currency contracts, of which a gain of USD 12.0 million (2019: USD (0.8) million) was unrealised. The net gain (loss) on sale of assets was USD 0.7 million (2019: USD (2.8) million).

The Company's net financial items were USD (77.8) million (2019: USD (56.2) million) and included net financial expenses of USD (65.5) million (2019: USD (65.1) million) and a revaluation loss of non-USD currency items of USD (29.4) million (2019: USD (0.8) million) mainly due to stronger NOK and weaker 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.

Net profit (loss) from discontinued operations was nil (2019: USD 5.3 million). The profit in 2019 was the final settlement of a contingent consideration from the sale of Siem Offshore Contractors GmbH and two vessels "Siem Almerij" and "Siem Moxie".

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

The Board proposes that the Parent's net loss of USD 290 million for 2020 be allocated to retained earnings and that no dividend shall be paid for 2020.



Board of Directors' Report

Financial Position and Cash Flows

Total equity for the Company was USD 12 million at year-end 2020 (2019: USD 360 million), and the book equity ratio was 1% (2019: 23%). Shareholders' equity was USD 57 million (2019: USD 553 million), equivalent to USD 0.05 per share (2019: USD 0.38 per share).

The cash position at year-end was USD 103.2 million (2019: USD 74.5 million).

The Company recorded USD 25 million as gross capital expenditures in fixed assets during 2020, related to project-specific investments in vessels and capitalised dry-dockings.

The net interest-bearing debt at year-end was USD 928 million (2019: USD 945 million). The Company deferred interest and guarantee-fee payments of USD 19 million that, during the year, were added to the principal loan balance of secured and unsecured credit facilities related to Payment-in-kind (PIK) agreements (2019: Nil). The minority interest in the AHTS fleet increased its subordinated shareholder's loan by USD 3.5 million (2019: USD 13.8 million), inclusive of accrued interest. The weighted average cost of debt for the Company was approximately 3.4% p.a. at year-end, including the effect of debt-related derivatives (interest rate swaps and cross currency swaps (2019: 4.6% p.a.). The Company paid debt instalments of the equivalent of USD 21 million in 2020 (2019: USD 99 million). The drawings related to PIK interest and guarantee fees, and the reduced instalments in 2020 compared to 2019, are per agreements with the lending banks and bondholders under standard agreements that remain in force until 30 April 2021. The Company is negotiating long-term agreements with amended terms and covenants with the objective to replace the current standstill agreement that expires on 30 April 2021.

The Company's cash-flows are primarily denominated in USD, NOK, EUR, BRL, GBP and AUD. During 2020, the USD weakened by 2.8% to the NOK, strengthened by 28.9% to the BRL, weakened by 9.0% to the AUD, weakened by 3.3% to the GBP and weakened by 8.5% to EUR. The average recorded exchange rates were NOK/USD 0.10672, EUR/USD 1.14518, BRL/USD 0.18420, GBP/USD 1.36449 and AUD/USD 0.69192 (2019: NOK/USD 0.11378, EUR/USD 1.12142, BRL/USD 0.25387, GBP/USD 1.32041 and AUD/USD 0.75365).

Financial Risks

Interest risk

The Company is exposed to changes in interest rates, as approximately 46% 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 0.655% p.a. during 2020 (2019: 2.33% p.a.), and the average 3-month NIBOR was 0.7% p.a. during 2020 (2019: 1.55% p.a.). The Company held USD 215 million in interest rate swap agreements and USD 39 million in cross currency interest rate swaps at year-end. These amounts are the underlying and notional values.

Currency risk

The Company is exposed to currency risk as revenue and costs are denominated in various currencies. Forward exchange contracts are entered into in order to reduce the currency risk related to future cash flows.

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.

OPERATIONS

Fleet, Performance and Employment

The fleet in operation at end of year 2020 totalled 31 vessels, including party owned vessels and 7 vessels in lay-up. The Company performed ship-management services for 4 vessels owned by related parties.

The Company had seven PSVs in operation at end of the year (2019: seven). The PSV fleet earned operating revenues of USD 37.3 million and had 94% utilisation (2019: USD 52.7 million and 98%). The operating margin before administrative expenses was USD 13.8 million (2019: USD 22.4 million), and the operating margin as a percentage of revenue was 37% (2019: 43%).

The Company had four OSCVs and two WIVs in operation at end of the year (2019: six in total). The OSCV and WIV fleet earned operating revenues of USD 105.4 million and had 89% utilisation (2019: USD 105.4 million and 92%). The operating margin before administrative expenses was USD 64.5 million (2019: USD 65.0 million) and the operating margin as a percentage of revenue was 61% (2019: 62%).

The Company had ten AHTS vessels in operation at end of the year (2019: ten). The AHTS fleet earned operating revenues of USD 37.2 million and had 67% utilisation excluding vessels in lay-up (2019: USD 58.0 million and 70% utilisation). The operating margin before administrative expenses was USD 5.9 million (2019: USD 11.0 million) and the operating margin as a percentage of revenue was 16% (2019: 19%).

Secunda Holding Limited ("Secunda") is a wholly-owned subsidiary that owns and operates a harsh-weather fleet of one

offshore support vessel and part of the year had one vessel on a bareboat contract (2019: four). 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. One vessel was sold in December 2020. The Canadian fleet earned operating revenues of USD 17.7 million and had 90% utilization (2019: USD 26.9 million and 97%). The operating margin before administrative expenses was USD 6.6 million (2019: USD 11.9 million) and the operating margin as a percentage of revenue was 49% (2019: 44%).

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 (2019: five). This fleet earned operating revenues of USD 15.5 million and had 8% utilisation (2019: USD 20.3 million and 90%). The operating margin before administrative expenses was USD 7.7 million (2019: USD 1.6 million) including a USD 6.6 million provision for a possible legal claim liability and the operating margin as a percentage of revenue was 49% (2019: 6%).

The Scientific Core-Drilling includes the drilship "JOIDES Resolution" which is on a firm charter for ocean seabed core-sample drilling. The charterer is an international research program and expeditions are word-wide. The "JOIDES Resolution" recorded operating revenues of USD 28.6 million (2019: USD 28.3 million) with an operating margin before administrative expenses of USD 13.6 million (2019: USD 16.4 million) and the operating margin as a percentage of revenue was 48% (2019: 59%).

The total firm contract backlog for all OSV-vessels at 31 December 2020 was USD 483 million (2019: USD 526 million), including the drilship "JOIDES Resolution" and the 41%-owned ship in the well-stimulation vessel "Big Orange VIII". The total vessel contract backlog is allocated with USD 201 million in 2021, USD 142 million in 2020 and USD 140 million in 2023 and onwards. The contract backlog, as a % of the annual fleet capacity, is 50% for 2021, 27% for 2022 and 18% for 2023 (2019: 46% for 2020, 31% for 2021 and 20% for 2022).

HSEQ

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

The Company's continuous focus on safe operations, cooperation and environmental initiatives are resulting in safety and environmental improvements. During the fourth quarter, the Health campaign focusing on "Wellbeing and Healthy Marine Minds at Sea" was successfully rolled out throughout the fleet globally.

The trends are favourable regarding the Total Recordable Incidents and we continue to strive for improvements. The Company has not experienced any Lost Time Injuries during the last 16 months, which reflects dedicated personnel and constant focus on safe operations.

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

During the fourth quarter, business compliance, ethics and due diligence have been focus areas, whereas policies, procedures and training material have been updated and revised to

meet the ever-challenging business issues which we face in the global theatre.

The global COVID-19 virus outbreak has affected the company in many ways and a dedicated Task Force has continuous focus on developing and advising of mitigating actions to avoid virus outbreak amongst crew on board vessels and crew and staff at home or in transit.

The Company is interacting closely with several clients and partners regarding the COVID-19 situation.

Environment

In 2020, protection of the environment has been a prioritized area. The environmental strategy outlines the company's internal goals for emission intensity and 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.

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 we operate. This continued to be a focus area in 2020, 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 fulfills its accountability.

SHAREHOLDERS AND CORPORATE GOVERNANCE

Shareholder Information

The Company's authorised share capital is USD 15,000,000 divided into 1,500,000,000 ordinary shares of a nominal value of USD 0.01 each. The issued share capital at 22 April 2021, based on the 934,736,777 Company shares issued and outstanding, is USD 9,347,367.77. 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 Inc., with an 83% interest at 22 April 2021. During 2020, the closing share price reached a high of NOK 174, a low of NOK 0.51 and closed at NOK 0.71 at year-end.



Board of Directors' Report

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.

THE WORKING ENVIRONMENT AND THE EMPLOYEES

The Company provides a workplace with equal opportunities for all employees. We treat current and prospective employees fairly as to salaries, promotions and recruitment. The Company offers its employees a sound working environment. We also give possibilities for professional development where women and men are treated equally and free of any discrimination.

The sick leave for the onshore and offshore employees was 0.5% and 7.8% 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

Overcapacity of OSV vessels continues to effect rates. The world fleet is relatively young and the imbalance of the supply and demand for our fleet is likely to take time to work through. We see encouraging signs of increase in demand and some vessel categories are likely to enjoy better rates in the medium term. Consolidation is the action required by OSV operating companies to make a difference. Consolidation would serve the interest of all stakeholders well.

The Offshore Wind market continue with good activity and increased demand for specialized built Offshore Services Vessels (SOV) and Offshore Subsea Construction Vessels (OSCV). We expect the offshore wind market to grow which should have a positive effect on the demand for the Offshore Subsea construction fleet.

Long-term contracts are still more or less absent for the AHTS and Offshore Construction Vessel segments. A number of the contracts entered into by our competitors include liabilities with unacceptable risk and unsustainable pricing. In desperation, owners accept clients' terms to avoid lay-up.

We believe 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 restructuring plan, the Company should have a solid and robust balance sheet and be well-positioned for further growth and development.

22 April 2021

Kristian Siem
Chairman
(Sign)

Alexander Monnas
Director
(Sign)

Barry Ridings
Director
(Sign)

Bernt Omndal
Chief Executive Officer
(Sign)

John Wallace
Director
(Sign)

Corporate Governance

The principles for corporate governance adopted by the Company are based on the "Norwegian Recommendation for Corporate Governance" issued on the 17 October 2018.

Statement of Policy on Corporate Governance

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.nves.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, 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



Corporate Governance

limit of 50% of Siem Offshore's shares at the time the authorization was given. The Board holds authorization from the Annual General Meeting held on 10 May 2010 to issue 154,246,360 new shares. 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.

An Extraordinary General Meeting was held on 14 August 2015 resolving as a Special Resolution that the Company should increase the authorized share capital of the Company from US\$5,500,000 - divided into 550,000,000 Common Shares of par value US\$0.01 each to US\$10,000,000 - divided into 1,000,000,000 Common Shares of par value US\$0.01 each, by the creation of an additional 450,000,000 Common Shares of par value US\$0.01 each which shall rank pari passu in all respects with the existing Common Shares.

The Board of Directors of the Company resolved to issue 454,430,000 common shares at a share price of NOK 1.80 in a Rights Issue.

At the Annual General Meeting held on 5 May 2017 it was resolved to increase the authorised share capital of the Company from US\$10,000,000 divided into 1,000,000,000 Common Shares of par value US\$0.01 each to US\$12,250,000 divided into 1,250,000,000 Common Shares of par value US\$0.01 each, by the creation of an additional 250,000,000 Common Shares of par value US\$0.01 each, which shall rank pari passu in all respects with the existing Common Shares.

The Board of Directors of the Company resolved to issue 100,000,000 Common Shares at a share price of NOK 1.90 in a Rights Issue.

At the Annual General Meeting held on 3 May 2018 it was resolved to increase the authorised share capital of the Company from US\$12,500,000 divided into 1,250,000,000 Common Shares of par value US\$0.01 each to US\$15,000,000 divided into 1,500,000,000 Common Shares of par value US\$0.01 each, by the creation of an additional 250,000,000 Common Shares of par value US\$0.01 each, which shall rank pari passu in all respects with the existing Common Shares.

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 US\$ 0.01 each, are freely tradable and carry equal rights with no restrictions on voting.

Siem Sustainable Energy S.a.r.l., which owns 83.7% 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 Capital UK Limited, Sutton, UK at 7 May 2021, at 9:30am UK 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 Noddevigs 14, P.O. Box 425, Kristiansand 4664, Norway, email: info@siemoffshore.com or telefax no. +47 3740 62 85, 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.

Corporate Assembly and 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 and an Audit Committee.

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 Audit Committee consists of all 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



Corporate Governance

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 2021 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 latter 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 issue 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 statements

	PARENT COMPANY		CONSOLIDATED	
	2020	2019	2020	2019
	<i>(Amounts in USD 1,000)</i>			
Operating revenue	1,336	1,440	244,843	292,530
Operating expenses	-3,114	-538	-162,584	-182,785
Operating margin	-1,778	902	82,259	109,744
- Depreciation and amortization	-	-	4,5	-74,944
- Impairment of vessels	-	-	3,4,5	-276,857
- Gain/(loss) on sales of assets	-	-	23	655
- Gain on sale of interest rate derivatives (CIRR)	-	314	12	-
- Loss on currency derivative contracts	14	-27	20,25	-1,970
Operating profit	-1,764	1,190	-270,856	-57,507
	FINANCIAL INCOME AND EXPENSES			
Financial income	17,050	15,682	20	7,161
Financial expenses	-301,267	-203,654	20	-55,514
Net currency gain/(loss)	-3,739	2,680	20	-29,434
Net financial items	-287,956	-185,093	-77,787	-56,183
- Result from associated companies	-	-	7	844
Profit/(loss) before taxes	-289,720	-183,903	-347,799	-113,123
- Tax benefit/(expense)	-693	-95	11	-2,673
Net profit/(loss) from continuing operations	-290,413	-183,998	-350,472	-114,506
- Net profit/(loss) from discontinued operations	-	-	30	-
Net profit/(loss)	-290,413	-183,998	-350,472	-109,246
- Attributable to non-controlling interest	-	-	6	-51,607
Attributable to shareholders of the Company	-290,413	-183,998	-298,866	-88,229
Weighted average number of outstanding shares (1,000)			934,739	942,802
Earnings/(loss) per share: Basic			21	-0,32
Earnings/(loss) per share: Diluted			21	-0,32
	STATEMENT OF COMPREHENSIVE INCOME			
	<i>(Amounts in USD 1,000)</i>			
	2020	2019	2020	2019
Net profit/(loss)	-290,413	-183,998	-350,472	-109,246
Other Comprehensive income				
Items that will not be reclassified to profit or loss	-	-	-721	347
- Pension remeasurement gain (loss)	-	-	-	-
Items that may be subsequently reclassified to profit or loss	-	-	-	-
- Cash flow hedges	-	-	-12,589	650
- Currency translation differences	-	-	15,837	5,530
Total comprehensive income for the year	-290,413	-183,998	-347,946	-102,779
- Attributable to non-controlling-interest	-	-	-51,606	-21,021
Attributable to shareholders of the Company	-290,413	-183,998	-296,341	-81,698



Statements of Financial Position
—Equity and Liabilities

PARENT COMPANY	12/31/2019		12/31/2020		CONSOLIDATED	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019
(Amounts in USD 1,000)						
EQUITY						
644,306	644,306	644,306	644,306	644,306	644,306	644,306
-22,302	-22,302	-22,302	-29,332	-29,332	-32,580	-32,580
-570,537	-280,663	-280,663	-557,622	-557,622	-258,234	-258,234
51,467	341,341	341,341	57,152	57,152	353,493	353,493
-	-	-	-44,730	-44,730	6,877	6,877
51,467	341,341	341,341	12,423	12,423	360,370	360,370
LIABILITIES						
NON-CURRENT LIABILITIES						
86,426	82,362	82,362	2,121,427	791,887	876,357	876,357
-	-	-	12,27	46,946	54,540	54,540
621	-	-	11	1,255	1,786	1,786
-	-	-	8	1,100	477	477
1,833	3,310	3,310	2,15,27	1,833	3,310	3,310
-	-	-	19	15,381	16,572	16,572
88,878	85,673	85,673	857,412	857,412	953,054	953,054
CURRENT LIABILITIES						
147	24	24	2,27	13,654	18,085	18,085
43,664	40,897	40,897	2,121,427	238,890	143,270	143,270
-	-	-	2,15,26,27	18,829	20,938	20,938
311	3,380	3,380	11	964	3,093	3,093
44,122	44,301	44,301	13,14,19,27	43,657	42,643	42,643
133,001	129,974	129,974	1,173,405	315,994	228,030	228,030
184,467	471,315	471,315	1,185,828	1,541,454	1,541,454	1,541,454
-	-	-	12	863,928	869,512	869,512
815,504	987,982	987,982	16	686	2,755	2,755

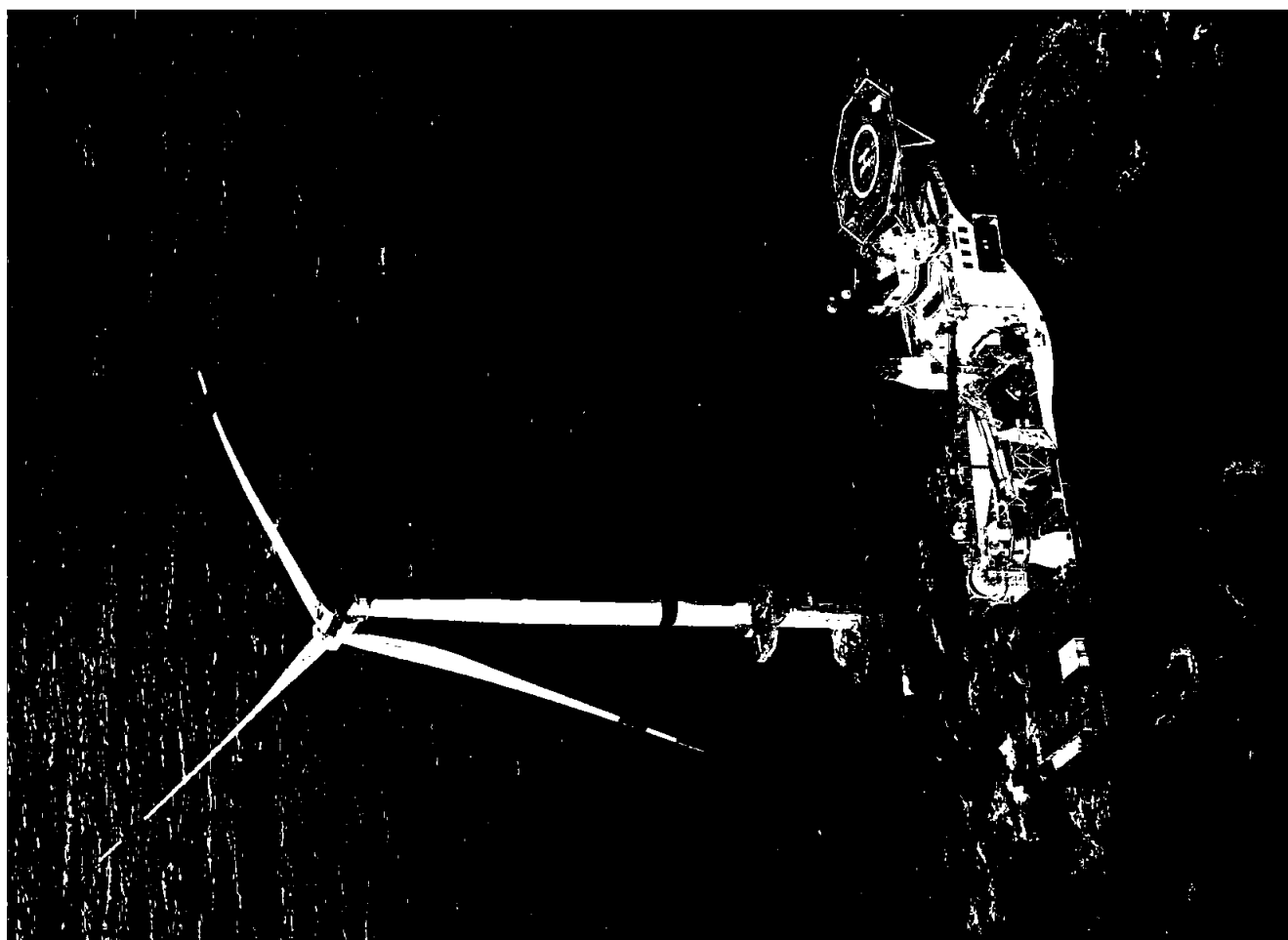
Statements of Financial Position
—Assets

PARENT COMPANY	12/31/2019		12/31/2020		CONSOLIDATED	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019
(Amounts in USD 1,000)						
NON-CURRENT INTANGIBLE ASSETS						
-	-	11	7,526	10,321	10,321	10,321
-	-	-	7,526	10,321	10,321	10,321
NON-CURRENT TANGIBLE ASSETS						
-	-	4,5	936,990	1,288,446	1,288,446	1,288,446
-	-	4,5	3,098	3,693	3,693	3,693
-	-	-	940,088	1,292,139	1,292,139	1,292,139
NON-CURRENT FINANCIAL ASSETS						
130,177	284,688	6	-	-	-	-
-	-	7	2,522	1,226	1,226	1,226
-	-	12,27	46,946	54,540	54,540	54,540
59	124,859	9,14,27	34,125	39,199	39,199	39,199
130,236	409,547	82,593	82,593	94,966	94,966	94,966
130,236	409,547	1,030,207	1,030,207	1,397,426	1,397,426	1,397,426
CURRENT ASSETS						
-	-	2,27	29,843	40,990	40,990	40,990
2,454	1,338	9,14,27	17,869	22,192	22,192	22,192
-	-	28	4,684	5,240	5,240	5,240
-	-	2,15,26,27	-	440	440	440
51,777	60,430	2,10,27	103,225	74,451	74,451	74,451
54,231	61,768	185,621	185,621	143,312	143,312	143,312
-	-	4,22,23	-	715	715	715
184,467	471,315	1,185,828	1,185,828	1,541,454	1,541,454	1,541,454



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	Shareholders' equity	Non-controlling interest	Total equity	
Equity as of 31 December 2018	942,021,380	9,420	637,893	-38,769	-170,352	438,792	27,898	466,090	
Net income to shareholders	-	-	-	-	-88,229	-88,229	-21,017	-109,246	
Employee share scheme - Value of employee services	-	-	-	5	-	5	-	5	
Cash flow hedge	-	-	-	650	-	650	-	650	
Currency translation differences	-	-	-	5,534	-	5,534	-4	5,530	
Pension remeasurement	-	-	-	-	347	347	-	347	
Cancellation of own shares	-7,282,603	-73	-2,933	-	-	-3,006	-	-3,006	
Equity as of 31 December 2019	934,738,777	9,347	634,959	-32,580	-258,234	353,493	6,877	360,370	
Net income to shareholders	-	-	-	-	-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	-557,822	57,152	-44,730	12,423	



Statements of changes in equity

PARENT COMPANY						
(Amounts in USD 1,000)	Total no. of shares	Share capital	Share premium reserves	Other reserves	Retained earnings	Shareholders' equity
Equity as of 31 December 2018	942,021,380	9,420	637,893	-22,302	-96,670	528,341
Other items, CIRRR	-	-	-	-	314	314
Net loss	-	-	-	-	-184,312	-184,312
Share option program	-	-	-	-	5	5
Cancellation of own shares	-7,282,603	-73	-2,933	-	-	-3,006
Equity as of 31 December 2019	934,738,777	9,347	634,959	-22,302	-280,663	341,342
Other items	-	-	-	-	538	538
Net loss	-	-	-	-	-290,413	-290,413
Equity as of 31 December 2020	934,738,777	9,347	634,959	-22,302	-570,537	51,467



Statements of cash flows

PARENT COMPANY		CONSOLIDATED		
2020	2019	Note	2020	2019
(Amounts in USD 1,000)				
CASH FLOW FROM OPERATIONS				
-290,413	-183,998		-350,472	-114,506
5,956	8,716		49,862	60,449
-2,192	-7,477		-3,855	-8,118
-5,393	-5,820		-	-
684	95		-	-
-	-	11	2,673	1,383
-	-	7	-844	-568
-	-	22,23	-655	2,779
-	-	5	74,944	104,672
-	-	5	276,857	59,238
294,664	194,262		-	-
-	5	20	-	-
-	-	29	-	5
-	-	26	-12,039	789
-4,062	-61,913		1,806	33,992
-	-314	12	-	-314
-871	4,301		11,317	4,228
-1,626	-52,141		49,593	144,030
-2,602	-7,985		-13,429	-54,271
2,192	7,477		4,073	7,904
-	-95		-532	-1,640
-2,036	-52,745		39,704	96,023
CASH FLOW FROM INVESTMENT ACTIVITIES				
-	-	4,5	-25,207	-35,678
-	-	22,23,30	838	50,506
-	783		-	-
-	-42,842		-	-
-8,657	-		-	-
-	-		-	-
-	-	7	-	1,067
-	-	30	-	29,797
-	-		5,778	-14,573
-8,657	-42,059		-16,591	31,116
CASH FLOW FROM FINANCING ACTIVITIES				
-	-		2,184	12,231
-	-	19	-2,112	-1,639
-1,529	618		-1,529	618
-	-		-1,441	-
-	-	12	-	-
-	-		2,507	-20,794
-	-	12	-20,652	-98,670
-	-3,006		-	-3,006
-1,529	-2,388		-21,043	-11,261
-12,222	-87,192		70	15,881
60,430	163,302		74,451	63,413
3,569	-5,680		28,704	-4,843
51,777	60,430		103,225	74,451



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 14 April 2021.

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. A material uncertainty related to going concern exists and is further disclosed in note 31 to these financial statements.

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.

(b) 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 2020:

- Definition of Material – Amendments to IAS 1 and IAS 8
- Definition of a Business – Amendments to IFRS 3
- Revised Conceptual Framework for Financial Reporting, and Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39 and IFRS 7

(b) New standards and interpretations not yet adopted
Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 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.

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 value 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

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

The Company is organized into one segment, the OSV segment. The OSV segment has seven sub-segments: platform supply vessels ("PSVs"), offshore subsea construction vessels ("OSCVs"), anchor-handling tug supply vessels ("AHTS Vessels"), Other Vessels in Brazil (consisting of fast crew vessels ("FCVs"), fast supply vessels ("FSVs") and oil spill recovery vessels ("OSRVs"), Scientific Core-Drilling and Other.



Notes to the accounts

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

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

Capitalized project cost - Certain vessel contracts require an investment prior to commencing the contract to fulfill 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

Installments 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.

Interest expense eligible for capitalization is only adjusted for the effect of interest rate or cross-currency interest rate swaps that are designated and qualify as an accounting hedge under IAS 39. Currently the Company does not have any interest rate or cross-currency swap contracts designated as hedges.

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.

The relevant exchange rates vs. USD are:

	Average 2020	31.12.2020	Average 2019	31.12.2019
NOK (Norwegian kroner)	0.1067	0.1172	0.1138	0.1139
EUR (Euros)	1.1452	1.2271	1.1214	1.1234
GBP (Pound Sterling)	1.2921	1.3649	1.2790	1.3204
REAS (Brazilian Reals)	0.1942	0.1924	0.2539	0.2481

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 reviewed annually



Notes to the accounts



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 - 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 historical 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 CRR 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 or 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 estimated based on commodity market prices.

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 expected net future cash flows is reported as a loss.

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

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 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.



Notes to the accounts

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.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recognized as a liability on an amortized cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognized as a liability or included in shareholder's equity depending on the features of the bond and the conversion option.

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 applied for 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 deposit account with a Norwegian bank at the same interest rate as the loans. The agreed periods of the deposits are identical with the periods of the loans. The cash gain due to the interest rate differential between the current market interest rate and the rate agreed for the deposit is deferred over the duration of the loans.

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.

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 re-measured 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-stimulated vessel. Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, withholding tax, returns, rebates and discounts and after elimination of sales within the Company. Revenue is recognized as follows:

Charter rate contracts

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

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



Notes to the accounts

Interest income

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

Dividend income

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

Rendering of services

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

1.23 Accounts payable

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

1.24 Earnings per share

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

1.25 Statement of Cash Flows

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

1.26 Related party transactions

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

1.27 Government grants

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

1.28 Leases

The Company leases various office premises, office machines and communication satellite equipment. Rental contracts are typically made for fixed periods of 1 to 5 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 recognized 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 these top management employees as consideration for equity instruments (share-options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognized as an Operating Expense. For additional information see note 29 Share-based payments.

The total amount to be expensed is determined by reference to the fair value of the options granted at grant date, as determined using a Black-Scholes model. Exercise price is the stock price at date of the grant. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. The only condition for vesting is employment with the Company; options vest over a five-year period after grant date. At the end of each reporting period, the Company revises its estimates of

the number of options that are expected to vest based on the non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity. Each option gives the holder the right, but not the obligation, to acquire one share at the exercise price on the terms and subject to the conditions set out in the Stock Option Plan.

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

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

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

1.30 Other claims and obligations

Provisions for legal claims, service warranties and make-good obligations are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.



Notes to the accounts

Note 2
Financial Risk Management

2.1 Financial risk factors

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

2.2 Foreign exchange risks

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

tional 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 2020 mainly USD, NOK, EUR, GBP, BRL, CAD and AUD revenues and expenses, compared to mainly USD, NOK, EUR, GBP, BRL, CAD and AUD during 2019.

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 (Amounts in USD 1,000)	Foreign exchange risk rate 10%			
	+10% movements	Profit/(loss)	Equity	Profit/(loss)
				-10% movements
31 December 2020	Carrying amount	Equity	Profit/(loss)	Equity
Financial assets				
Cash and cash equivalent	103,225	3,374	3,374	-3,374
Accounts receivable	29,843	1,686	1,686	-1,686
Impact on financial assets before tax	133,068	5,060	5,060	-5,060
Financial liabilities				
Accounts payable	13,654	-953	-953	953
Derivatives	20,662	3,466	3,466	-3,466
Borrowings	1,030,787	-32,654	-32,654	32,654
Impact on financial liabilities before tax	1,065,102	-30,141	-30,141	30,141
Income statement				
Operating revenue	244,843	14,020	14,020	-14,020
Operating expenses	162,584	-10,753	-10,753	10,753
Impact on operating result before tax	82,259	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
EUR		484	484	-484
GBP		2,402	2,402	-2,402
BRL		414	414	-414
CAD		1,116	1,116	-1,116
AUD		-9,129	-9,129	9,129
Total increase/decrease before tax	-21,814	-21,814	-21,814	21,814

Financial assets in 2020 and 2019 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 these derivatives will impact the profit of the Company.

Notes to the accounts

Financial Risk Management Note 2

CONSOLIDATED (Amounts in USD 1,000)	Foreign exchange risk rate 10%		
	+10% movements	+10% movements	+10% movements
31 December 2019	Carrying amount	Profit/(loss)	Equity
Financial assets			Equity
Cash and cash equivalent	74,451	1,960	1,960
Derivatives	440	-578	578
Accounts receivable	40,990	2,492	-2,492
Impact on financial assets before tax	115,880	3,874	-3,874
Financial liabilities			
Accounts payable	18,085	-1,039	1,039
Derivatives	24,249	8,381	-8,381
Borrowings	1,012,966	-45,145	45,145
Impact on financial liabilities before tax	1,055,300	-37,803	37,803
Income statement			
Operating revenue	292,530	16,890	-16,890
Operating expenses	182,785	-12,824	12,824
Impact on operating result before tax	109,744	4,066	-4,066
Total increase/decrease before tax		-29,863	29,863
Allocation per currency			
NOK		-25,108	25,108
EUR		2,292	-2,292
GBP		2,771	-2,771
BRL		-11,120	11,120
CAD		-496	496
AUD		1,799	-1,799
Total increase/ decrease before tax		-29,863	29,863

PARENT COMPANY (Amounts in USD 1,000)	Foreign exchange risk rate 10%		
	+10% movements	+10% movements	+10% movements
31 December 2020	Carrying amount	Profit/(loss)	Equity
Financial assets			Equity
Cash and cash equivalent	51,777	-129	129
Impact on financial assets before tax	51,777	-129	129
Financial liabilities			
Accounts payable	147	-5	5
Derivatives	1,833	-183	183
Borrowings	130,089	-13,481	-13,481
Impact on financial liabilities before tax	132,069	-13,669	13,669
Income statement			
Operating revenue	1,336	-	-
Operating expenses	-3,114	-269	269
Impact on operating result before tax	4,450	-269	269
Total increase/decrease before tax		-14,067	14,067
Allocation per currency			
NOK		-14,059	14,059
EUR		-9	9
GBP		1	-1
Total increase/ decrease before tax		-14,067	14,067

Notes to the accounts

PARENT COMPANY (Amounts in USD 1,000)	+10% movements		Foreign exchange risk rate 10%		-10% movements	
	Carrying amount	Profit/(loss)	Equity	Profit/(loss)	Equity	Equity
31 December 2019						
Financial assets						
Cash and cash equivalent	60,430	-31	-31	31	31	31
Impact on financial assets before tax	60,430	-31	-31	31	31	31
Financial liabilities						
Accounts payable	24	2	2	-2	-2	-2
Derivatives	3,310	-368	-368	301	301	301
Borrowings	122,224	-12,642	-12,642	-12,642	-12,642	-12,642
Impact on financial liabilities before tax	125,559	-13,008	-13,008	-12,343	-12,343	-12,343
Income statement						
Operating revenue	1,440	-	-	-	-	-
Operating expenses	538	-139	-139	139	139	139
Impact on operating result before tax	902	-139	-139	139	139	139
Total increases/decrease before tax	-13,178	-13,178	-13,178	-12,173	-12,173	-12,173
Allocation per currency						
NOK		-13,382	-13,382	-11,969	-11,969	-11,969
EUR		693	693	-693	-693	-693
GBP		-489	-489	489	489	489
Total increases/ decrease before tax	-13,178	-13,178	-13,178	-12,173	-12,173	-12,173

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 are major established financial institutions, and the counterparty risk for the asset derivative positions is 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 credit-worthy 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 2020, the provision for certain accounts receivables which may not be paid in full was USD 5.9 million for the Company (2019: USD 1.8 million) and nil for the Parent (2019: nil). The table below presents the concentration risks for 2020 and 2019:

(Amounts in USD 1,000)	PARENT COMPANY		CONSOLIDATED	
	USD	% of total	USD	% of total
Receivables on 31 December 2020				
1 to 5 largest	-	-	18,869	52.8 %
6 to 10 largest	-	-	5,570	15.6 %
Others	-	-	11,285	31.6 %
Provision for bad debt	-	-	-5,881	
Total accounts receivable	-	-	29,643	100%
(Amounts in USD 1,000)				
Receivables on 31 December 2019				
1 to 5 largest	-	-	16,021	37.4 %
6 to 10 largest	-	-	4,776	11.2 %
Others	-	-	22,018	51.4 %
Provision for bad debt	-	-	-1,825	
Total accounts receivable	-	-	40,990	100%

Changes in the provision for bad debt can be summarised as follows:

(Amounts in USD 1,000)	PARENT COMPANY		CONSOLIDATED	
	2020	2019	2020	2019
Provision bad debt				
Opening balance January 1	-	-	1,825	1,755
Provision current year	-	-	4,095	89
Currency translation differences	-	-	-40	-18
Closing balance 31 December	-	-	5,881	1,825

Notes to the accounts

Financial Risk Management Note 2

Trade and receivables

The table below presents an aging analysis of the outstanding receivables at year-end 2020 and 2019. Overdue receivables are monitored continually by Management. The Management considers the net outstanding amounts to be recoverable.

	PARENT COMPANY		CONSOLIDATED	
	USD	% of total	USD	% of total
(Amounts in USD 1,000)				
Aging on 31 December 2020				
Not due	-	-	25,255	84.6 %
Due up to 1 month	-	-	2,597	8.7 %
Due 1-4 months	-	-	818	2.7 %
Due more than 4 months	-	-	1,173	3.9 %
Total accounts receivable	-	-	29,843	100%
(Amounts in USD 1,000)				
Aging on 31 December 2019				
Not due	-	-	33,791	82.4 %
Due up to 1 month	-	-	1,291	3.1 %
Due 1-4 months	-	-	636	1.6 %
Due more than 4 months	-	-	5,272	12.9 %
Total accounts receivable	-	-	40,990	100%

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

	PARENT COMPANY		CONSOLIDATED	
	2020	2019	2020	2019
(Amounts in USD 1,000)				
Currency				
USD	-	-	12,982	16,559
NOK	-	-	2,774	2,409
EUR	-	-	5,328	8,387
GBP	-	-	1,256	3,218
CAD	-	-	1,888	5,015
AUD	-	-	2,707	3,117
BRL	-	-	2,908	2,285
Total accounts receivable	-	-	29,843	40,990

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

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. The Company is negotiating a financial restructuring plan, see Note 31 for further details.

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.

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.

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.

	-1% movements		+1% movements	
	Profit/(loss)	Equity	Profit/(loss)	Equity
CONSOLIDATED				
(Amounts in USD 1,000)				
31 December 2020				
Financial assets	103,225	-1,032	-1,032	1,032
Cash and cash equivalent	103,225	-1,032	-1,032	1,032
Impact on financial assets before tax				
Financial liabilities	471,726	4,713	4,713	-4,713
Borrowings	471,726	4,713	4,713	-4,713
Impact on financial liabilities before tax				
Total increase/decrease before tax		3,681		-3,681
CONSOLIDATED				
(Amounts in USD 1,000)				
31 December 2019				
Financial assets	74,451	-745	-745	745
Cash and cash equivalent	74,451	-745	-745	745
Impact on financial assets before tax				
Financial liabilities	629,761	6,298	6,298	-6,298
Borrowings	629,761	6,298	6,298	-6,298
Impact on financial liabilities before tax				
Total increase/decrease before tax		5,553		-5,553

Borrowings in the tables above include only borrowings with floating interest.

Above movements 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.

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

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

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

PARENT COMPANY (Amounts in USD 1,000)	Interest rate risk (IR)		+1% movements	
	-1% movements	Equity	Profit/(loss)	Equity
31 December 2019				
Financial assets				
Cash and cash equivalent	60,430	-604	604	604
Impact on financial assets before tax	60,430	-604	604	604
Financial liabilities				
Borrowings	39,862	399	-399	-399
Impact on financial liabilities before tax	39,862	399	-399	-399
Total increase/decrease before tax	-206	-206	206	206

(Amounts in USD 1,000)	CONSOLIDATED			
	12/31/2020	Fair value	Book value	12/31/2019
Financial assets				
CRR loan deposit	45,946	52,667	54,540	61,261
Long-term receivables	34,173	34,173	39,199	39,199
Accounts receivable	29,843	29,843	40,990	40,990
Other short-term receivables	17,869	17,869	22,192	22,192
Financial assets held for sale	-	-	715	715
Derivative financial instruments	-	-	440	440
Cash and cash equivalents	103,225	103,225	74,451	74,451
Total	231,007	237,728	232,628	239,249
Financial liabilities				
Borrowings	1,030,787	1,047,076	1,012,966	1,033,068
CRR loan	45,946	52,667	54,540	61,261
Other non-current liabilities	15,381	15,381	16,573	16,573
Accounts payable	13,654	13,654	18,085	18,085
Derivative financial instruments	20,662	20,662	24,249	24,249
Other current liabilities	43,657	43,657	49,314	49,314
Total	1,170,086	1,193,096	1,175,728	1,202,550

Notes to the accounts

(Amounts in USD 1,000)	PARENT COMPANY	
	12/31/2020	12/31/2019
Financial assets	Book value	Fair value
Long-term loan	59	124,859
Other short-term receivables	2,454	1,338
Cash and cash equivalents	51,777	60,430
Total	54,290	186,627
Financial liabilities		
Borrowings	130,089	122,224
Derivative financial instrument	1,833	3,310
Accounts payable	147	24
Other current liabilities	311	4,415
Total	132,380	129,974

2.5 Liquidity risk

The Company monitors its cash flow from operations closely and optimizes the working capital level of the individual 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 is negotiating a financial restructuring plan for implementation in 2021. The restructuring process is believed to have negative effects on the Company's ability to secure new capital. Please also see note 3 and note 31.

The tables below summarize the maturity profile of the Company's financial liabilities including interest

Financial Risk Management Note 2

(Amounts in USD 1,000)	CONSOLIDATED				
	Less than 3 months	3 to 12 months	1 to 2 years	2 to 5 years	Total
31 December 2020					
Interest-bearing loans and borrowings	-	238,890	306,254	292,498	1,030,787
Trade and other payables	14,518	-	-	-	14,518
Total	14,518	238,890	306,254	292,498	1,045,405
31 December 2019					
Interest-bearing loans and borrowings	20,063	137,978	460,419	334,429	1,154,158
Trade and other payables	18,085	-	-	-	18,085
Total	38,149	137,978	460,419	334,429	1,172,243
	PARENT COMPANY				
	Less than 3 months	3 to 12 months	1 to 2 years	2 to 5 years	Total
31 December 2020					
Interest-bearing loans and borrowings	-	43,864	86,425	-	130,089
Trade and other payables	147	-	-	-	147
Total	147	43,864	86,425	-	130,236
31 December 2019					
Interest-bearing loans and borrowings	1,173	42,759	4,761	88,938	137,631
Trade and other payables	24	-	-	-	24
Total	1,197	42,759	4,761	88,938	137,655

2.6 Capital risk 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 low and 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 more vessels into lay-up. End of year the Company had seven vessels in lay-up.

The standstill agreement include a waiver of financial covenants and suspension of interest and instalment payments till 30 April 2021. See note 31 for further details.

These restrictions, that will come into force when the standstill period has expired, and if the financial restructuring plan fail, may negatively affect the Company's operations including, but not limited to, the Company's ability to meet the fierce competition in the market in which it operates.

2.7 Risks related to loan agreements, restrictions on dividends and distribution

The Company's loan agreements include terms, conditions and covenants which impose restrictions on the operations of the Company. At year-end 2020 a standstill agreement had been reached with the major lending banks and bondholders.

2.8 Risks related to possible tax liabilities

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.



Notes to the accounts

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. However, due to the current contractual arrangements with the financing banks combined with a challenging market situation and increased uncertainty related to the COVID-19 pandemic, a material uncertainty exists related to going concern. Further information on the uncertainty is disclosed in note 31 to these financial statements.

Vessels

Impairment of vessels

On the reporting date, the Company has assessed whether there are any indicators of impairment related to its vessels. Indicators include external broker estimates, significant changes in charter hire contracts, day rates, vessel operating costs, vessels in lay-up, weighted average cost of capital and other adverse market conditions.

When such indications exist, an impairment test is performed in accordance with Company policy. The recoverable amount of the vessel is estimated. An impairment loss is recognized at the amount by which the vessel's carrying value exceeds its recoverable amount.

The recoverable amount for vessels is estimated by means of broker estimates and value-in-use calculations based on projected discounted cash flows. 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.

The market for offshore service vessels is expected to remain weak for several years. For vessels fixed on firm contracts with a duration in the period from 2021 through 2026, 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 2026. 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.

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, CHRO, COO 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 business area is OSV with the segments PSV, OSCV and WIV, AHTS Vessels, Canadian fleet, Scientific Core-Drilling and Other Vessels in Brazil.

The PSV segment includes seven Platform Supply Vessels. The OSCV and WIV segment includes four Offshore Subsea Construction Vessels and two Well Intervention Vessels. The AHTS segment includes ten Anchor Handling and Tug Supply Vessels. The Canadian fleet segment at year-end 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 Other Vessels in Brazil 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 three measures of segment results, Operating Revenue, Operating Margin and Net Profit.

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.



Notes to the accounts

Segmentreporting Note 4

	CONSOLIDATED	
	2020	2019
<i>(Amounts in USD 1,000)</i>		
Operating revenue by business area		
PSV	37,287	52,737
OSCV and WIV	105,367	105,391
AHTS Vessels	37,243	57,985
Brazilian Fleet	15,613	20,289
Canadian fleet	17,659	28,851
Scientific Core-Drilling	28,570	28,316
Other/intercompany elimination	3,125	961
Total operating revenue	244,843	292,530
Operating margin by segments		
PSV	13,783	22,410
OSCV and WIV	64,502	65,043
AHTS Vessels	-5,879	10,961
Brazilian Fleet	7,694	-1,642
Canadian fleet	8,647	11,932
Scientific Core-Drilling	13,635	16,406
Other/intercompany elimination	-503	2,353
Administrative expenses	-19,600	-17,718
Total operating margin	82,259	109,744
Depreciation and amortization by business area		
PSV	10,056	16,324
OSCV and WIV	27,021	30,974
AHTS Vessels	25,892	37,047
Brazilian Fleet	3,258	4,178
Canadian fleet	2,504	10,235
Scientific Core-Drilling	3,879	3,664
Other/intercompany elimination	2,334	2,350
Total depreciation and amortization	74,944	104,672
Impairment by business area		
PSV	25,963	10,712
OSCV and WIV	44,636	-
AHTS Vessels	187,074	45,114
Canadian fleet	19,184	3,412
Total impairment	276,857	59,238

	CONSOLIDATED	
	2020	2019
<i>(Amounts in USD 1,000)</i>		
Capital expenditures by business area for tangible assets		
PSV	4,134	2,064
OSCV and WIV	1,093	15,016
AHTS Vessels	15,776	13,662
Brazilian Fleet	907	4,314
Canadian fleet	373	609
Scientific Core-Drilling	2,866	12
Other/intercompany elimination	59	-
Total capital expenditures	25,207	35,676
Book value by business area for tangible assets, including vessel held for sale		
PSV	108,783	138,165
OSCV and WIV	491,397	562,654
AHTS Vessels	237,502	435,285
Brazilian Fleet	45,485	75,761
Canadian fleet	39,668	60,629
Scientific Core-Drilling	12,222	13,235
Other/intercompany elimination	5,031	7,124
Total book value	940,088	1,292,854



Notes to the accounts

Note 5
Vessels, Equipment and Capitalized Project Cost

Tangible assets (Amounts in USD 1,000)	CONSOLIDATED		
	Land and buildings	Vessels and equipment	Drydocking project cost
Purchase cost on 1 January 2019	287	2,418,085	45,834
Capital expenditure	-	16,348	19,350
Additions related to IFRS 16	3,758	4,884	-
The year's disposal at cost	-	-116,180	-11,381
Effect of exchange rate differences	-7	-2,828	-230
Purchase cost on 31 December 2019	4,038	2,320,309	53,553
Accumulated depreciation on 1 January 2019	-38	-655,873	-32,274
Accumulated impairment on 1 January 2019	-	-325,433	-
The year's depreciation	-891	-92,163	-10,284
Impairment of vessels	-	-59,238	-
The year's disposal of accumulated depreciation	-	56,712	8,222
The year's disposal of accumulated impairment	-	25,301	-
Effect of exchange rate differences	-4	-2,969	-522
Accumulated depreciation on 31 December 2019	-933	-1,053,664	-34,857
Net book value on 31 December 2019	3,105	1,266,645	18,697
Purchase cost on 1 January 2020	4,038	2,320,309	53,553
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
Purchase cost on 31 December 2020	3,501	2,283,986	40,496
Accumulated depreciation on 1 January 2020	-933	-694,294	-34,857
Accumulated impairment on 1 January 2020	-	-359,370	-
Movement between groups	-	-186	-117
The year's depreciation	-822	-66,431	-7,094
Impairment of vessels	-	-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
Accumulated depreciation on 31 December 2020	-1,652	-1,373,446	-15,895
Net book value on 31 December 2020	1,849	910,540	24,601

The balance of capitalized project costs relate to specific contracts. The costs are amortized over the term of the specific charter contracts. The vessels are divided into the following components and economic lives:

Component	Percentage of total	Economic life
Hull	27.00%	30 years
Cargo equipment	17.00%	30 years
Marine equipment	10.00%	15 years
Crew equipment	9.00%	15 years
Engine	18.00%	30 years
Engine system	6.00%	30 years
Combined sewerage system	13.00%	30 years
Docking and class renewals	-	5 years
Equipment	-	3 years

Impairment vessels

Tangible and intangible assets with finite lives are tested for impairment if indicators are identified that indicate that the carrying amount of the assets exceeds the recoverable amount. The Company performs an assessment to determine any indicators of impairment. An impairment loss is recognized if the carrying amount exceeds recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal (FVL-COD) and value-in-use (VIU) and each vessel is considered a separate Cash Generating Unit (CGU).

As of 31 December 2020 impairment indicators were identified for certain OSV vessels, mainly due to lower freight rates, vessels in lay-up and the ongoing financial restructuring of the Company. Based on such indicators, impairment tests have been performed for all OSV vessels as of 31 December 2020.

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

FVLCOOD (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.

Impairment testing

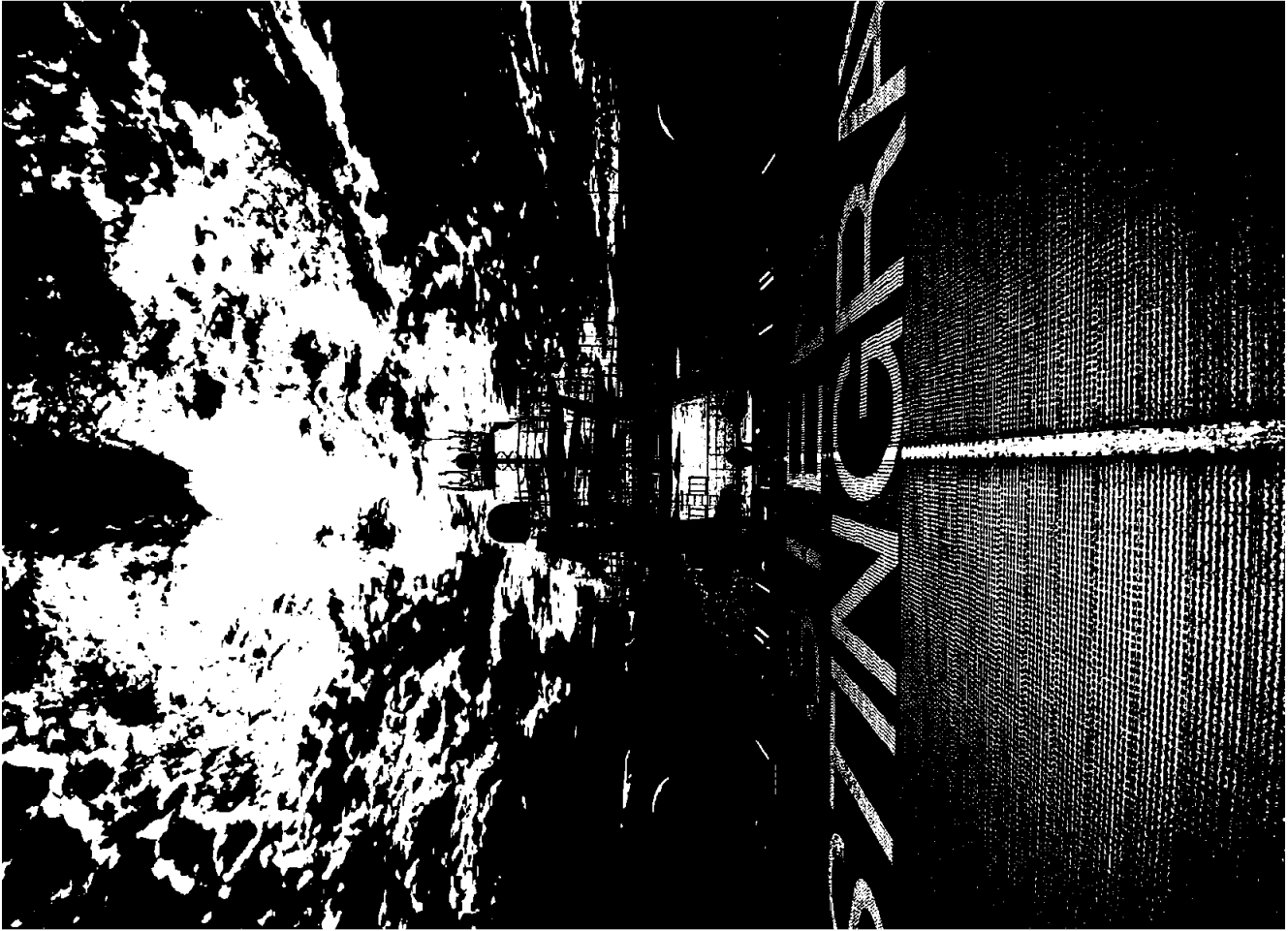
Based on the assessment an impairment charge of USD 276.9 million (2019: USD 59.2 million) has been recognized which represents a write-down of OSV vessels to their recoverable amount. The recoverable amount was based on the higher of FVLCOOD and VIU calculation with each vessel as a separate CGU. The impairment of USD 276.9 million is related to 19 vessels (2019: 15 vessels) in the Company's fleet.

Value-in-use (VIU)

VIU is based on the present value of discounted cash flows for each separate 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.

Discount rate

The discount rate used in the value-in-use calculation is a weighted average cost of capital (WACC) after tax ranging from 8.39%-10.75% (2019: 7.49%-9.05%).



Notes to the accounts

Impairment charge per vessel
(Amounts in USD 1,000)

Vessel	Valuation Method	Jan - Dec 2020 Impairment	31 Dec 2020 net book value
PSV 1	VIU	3,210	2,952
PSV 2	VIU	6,119	26,172
PSV 3	VIU	9,049	38,120
PSV 4	VIU	7,585	24,340
OSCV 1	VIU	10,877	21,067
OSCV 2	VIU	12,215	54,661
OSCV 3	VIU	12,023	56,358
OSCV 4	VIU	9,521	58,002
AHTS 1	VIU	20,092	23,352
AHTS 2	VIU	20,919	22,132
AHTS 3	VIU	15,462	25,002
AHTS 4	VIU	18,428	19,868
AHTS 5	VIU	18,496	24,918
AHTS 6	VIU	22,131	25,812
AHTS 7	VIU	18,821	23,929
AHTS 8	VIU	19,337	22,592
AHTS 9	VIU	17,265	24,666
AHTS 10	VIU	16,133	25,299
CAN 1	VIU	19,184	38,650
Total		276,857	557,822

Sensitivities

Impairment of USD 276.9 million, relating to 19 vessels, was recognized in 2020. The VIU calculation is mainly affected by changes in the WACC and freight rate assumptions. The WACC used for vessels financed in USD was 8.39% (2019: 7.49%) and for the vessels financed in NOK the WACC was 8.77% (2019: 7.68 %). The WACC used for vessels financed in USD in Brazil was 10.75% (2019: 9.05%).

A reduction of freight rate assumption of USD 1,000 per day for each vessel would increase the impairment by approximately USD 52.3 million, applicable to 19 vessels. An increase in freight rate assumption of USD 1,000 per day would reduce the impairment by approximately USD 20.2 million applicable to 19 of the vessels. With an increase in freight rate assumptions of USD 1,000 day, VIU would become higher than FVLCOO for certain vessels.

An increase in WACC of 0.5% would increase the total impairment by approximately USD 20.9 million and relate to 19 vessels in total. A decrease in WACC of 0.5% would decrease the total impairment by approximately USD 8.5 million and relate to 19 of the vessels. With a decrease in WACC of 0.5%, VIU would become higher than FVLCOO for certain vessels.



Notes to the accounts

Note 6 Investment in Subsidiaries

Company (Amounts in USD 1,000)	Registered office	Ownership and voting share	Revenue	Net profit	Share capital	Book equity	Cost price	Book value	Minority share of net profit/(loss)	Minority share of net equity	Impairments made in 2020
Siem Offshore AS	Kristiansand, Norway	100%	11,566	-442	35	8,410	16,194	11,494	-	-	-
Siem Offshore Invest AS	Kristiansand, Norway	100%	7,604	-16,883	888	150,925	97,634	77,634	-	-	-
Siem Offshore Rederi AS	Kristiansand, Norway	100%	106,726	-77,450	6,175	39,287	333,543	39,719	-	-	133,000
Siem Offshore do Brasil SA	Rio de Janeiro, Brazil	100%	25,511	-21,297	83,838	-66,930	135,978	-	-	-	-
Siem AHTS Pool AS	Kristiansand, Norway	78%	16,560	-232,122	139	-202,804	275,925	-	-51,607	-44,730	22,825
DSND Subsea Ltd	London, England	100%	-	-	-	-205	18,352	-	-	-	-
Siem Offshore Management (US) Inc.	Texas, USA	100%	174	103	1	485	1	1	-	-	-
Siem Offshore US Holding AS	Kristiansand, Norway	100%	-	-7	5	180	961	187	-	-	-
ODL AS	Kristiansand, Norway	100%	28,581	7,342	4	8,343	1,143	1,143	-	-	-
Total value recorded in the statement of financial position of the Parent Company						-62,329	880,031	130,177	-51,607	-44,730	155,825

Siem Offshore US Inc. and Siem Offshore Crewing (CI) Inc have been dissolved in 2020.
Siem Offshore Management AS has been merged with Siem Offshore AS during 2020.

Siem Offshore Construction Vessels AS and Siem Offshore Services AS has been merged with Siem Offshore Rederi during 2019.
Siem Offshore Thimsa AS has been renamed to ODL AS in 2019.

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

Company	Registered office	Share and voting rights
Consul Delaware LLC	Delaware, USA	100%
Araçaju 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 Poland Sp.z o.o and Siem Offshore Contractors EPS BV have been dissolved in 2020.
Siem Offshore Ghana International AS has been merged with Siem Offshore Rederi during 2019.



Notes to the accounts

Note 7
Investment in Associated Companies

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

31 December 2020	CONSOLIDATED			
COMPANY NAME (Amounts in USD 1,000)	PR Tracer Offshore ANS	KS Big Orange XVIII	Siem Offshore Ghana Ltd	Total
Profit and loss account				
Operating revenues	5,821	391	-	6,211
Operating expenses	-4,105	-19	-23	-4,147
EBITDA	1,716	372	-23	2,065
Depreciation and Amortization	-	-	-1	-1
Operating profit (EBIT)	1,716	372	-24	2,063
Net financial items	-28	2	-	-26
Taxes	-	-	-	-
The year's net profit after tax	1,688	374	-24	2,038
This Company's share of net profit after tax	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 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 December 31	-	324	72	396
Book value as of 31 December	1,830	692	-	2,522

31 December 2020	CONSOLIDATED			
COMPANY NAME (Amounts in USD 1,000)	PR Tracer Offshore ANS	KS Big Orange XVIII	Siem Offshore Ghana Ltd	Total
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	698	155	-12	840
Adjustments consolidated accounts	-	334	12	346
Effect of exchange rate differences	100	10	-	110
Net book value as of 31 December	1,830	692	-	2,522
Of which:				
Adjustments IFRS and fair value in excess of book value for vessel and goodwill as of 1 January	-	330	-	330
Effect of exchange rate differences	-	-5	-	-5
Fair value in excess of book value for vessels and goodwill as of 31 December 2020	-	325	-	325

COMPANY NAME	Registered office	Consolidation	Owner interest	Voting rights	Paid in capital	Issued, 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



Notes to the accounts

31 December 2019 CONSOLIDATED				
COMPANY NAME (Amounts in USD 1,000)	PR Tracer Offshore ANS	KS Big Orange XVIII	Siem Offshore Ghana Ltd	Total
Profit and loss account				
Operating revenues	5,224	415	-	5,639
Operating expenses	-4,232	-21	-21	-4,274
EBITDA	993	394	-21	1,366
Depreciation and Amortisation	-	-	-	-
Operating profit (EBIT)	993	394	-21	1,366
Net financial items	10	8	-	17
Taxes	-	-	-	-
The year's net profit after tax	1,002	401	-21	1,383
This Company's share of net profit after tax	414	166	-10	570
Statement of financial position				
Non-current assets	-	-	4	4
Current assets	912	-	10	922
Cash	1,588	485	1	2,075
Total assets	2,501	485	14	3,000
Equity	2,501	467	-124	2,844
Non-current liabilities	-	-	-	-
Current liabilities	-	18	138	156
Total equity and liabilities	2,501	485	14	3,000
Siem Offshore's share of booked equity	1,033	193	-61	1,166
Added/reduced in the period				
Adjustments IFRS and fair value in excess of book value	-	-	61	61
for vessel and goodwill as of 31 December	-	-	-	-
Net book value in Siem Offshore as of 31 December	1,033	193	-	1,226

31 December 2019 CONSOLIDATED				
COMPANY NAME (Amounts in USD 1,000)	PR Tracer Offshore ANS	KS Big Orange XVIII	Siem Offshore Ghana Ltd	Total
Specification of changes net book value in Siem Offshore's accounts				
Net book value as of 1 January	1,338	360	-	1,698
This year's share of net profit/(loss)	414	166	-10	570
Dividends	-705	-329	-	-1,035
Effect of exchange rate differences	-15	-3	10	-8
Net book value as of 31 December	1,032	194	-0	1,226
Of which:				
Amortisation of fair value in excess of book value for vessels and goodwill	-330	330	-	-
Fair value in excess of book value for vessels and goodwill as of December 31	-330	330	-	-

COMPANY NAME	Registered office	Consolidation	Owner interest	Voting rights	Paid in capital	Issued, 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



Notes to the accounts

Note 8 Pension Costs and Obligations

	CONSOLIDATED	
	2020	2019
<i>(Amounts in USD 1,000)</i>		
Pension cost recognized in the income statement		
Present value of current years benefit earned	1,144	1,888
Interest expense	138	326
Expected return on plan assets	-130	-252
Administration cost	-	47
Social contribution	38	136
Pension scheme defined contribution	1,821	-
Impact of curtailment/settlement	-882	-1,042
Net periodic pension cost (see Note 1B)	2,128	1,103
The development in the defined benefit obligation		
At 1 January	6,536	12,638
Present value of current years benefit earned	1,144	1,888
Interest expense	138	326
Effect of settlement	-	-8,869
Payroll tax of employer contribution, assets	-155	-246
Benefits paid	-37	-487
Remeasurements loss/(gain)	373	-635
Exchange differences	232	-69
At 31 December	8,231	6,536

The development in the fair value of plan assets		
At 1 January	6,059	10,928
Expected return on plan assets	130	252
Effect of settlement	-	-6,022
Employer's contribution	1,268	1,992
Payroll tax of employer contribution, assets	-155	-246
Benefits paid	-37	-487
Remeasurements loss/(gain)	-328	-285
Exchange differences	202	-64
At 31 December	7,190	6,059

	CONSOLIDATED	
	2020	2019
<i>(Amounts in USD 1,000)</i>		
Pension liability		
Present value of funded obligations	8,231	6,536
Fair value of plan assets	-7,130	-6,059
Present value of funded obligations	1,101	477
Present value of unfunded obligations	-1	-
Liability in the statement of financial position	1,100	477
Financial assumptions		
Discount rate	1.70%	2.30%
Expected return on funds	1.70%	2.30%
Expected wage adjustment	2.25%	2.25%
Adjustment of the basic National Insurance amount	2.00%	2.00%
Expected pension increase	0.00%	0.50%
Number of employees in defined benefit scheme	58	287

Notes to the accounts

Note 9 Receivables

PARENT COMPANY		CONSOLIDATED	
12/31/2020	12/31/2019	12/31/2020	12/31/2019
(Amounts in USD 1,000)			
Long-term receivables			
-	100	-	100
-	124,758	-	-
-	-	21,356	23,234
-	-	11,881	13,590
59	-	888	2,275
59	124,859	34,125	39,199
Other short-term receivables			
14	-	5,817	7,980
-	-	5,597	5,354
-	-	2,310	2,238
-	-	1,328	2,326
-	-	44	52
-	710	-	710
2,440	602	-	-
-	26	2,772	3,533
2,454	1,338	17,869	22,192

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

Note 10 Restricted Cash

USD 27.6 million of the Company's cash balance at year-end were restricted funds of which USD 1.4 million was for tax withholdings and USD 26.2 million represented securities for bank guarantees, loans, derivatives and legal disputes.

Note 11 Taxes

(Amounts in USD 1,000)	CONSOLIDATED	
	2020	2019
Temporary differences		
Deferred tax		
Participation in limited liability companies		
Operating assets		
Pension funds/obligations		
Other short-term differences		
Tax loss carried forward		
Basis for deferred tax (tax asset)		
Deferred tax (tax asset) Norway	-6,726	-9,521
Deferred tax (tax asset) Holland	-800	-800
Deferred tax (tax asset)	-7,526	-10,321
Deferred tax (asset) recognized in statement of financial position as of 31 December	-7,526	-10,321

There are no tax assets in the Parent Company.

Deferred tax assets are recognized as intangible 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 decided to exit the Norwegian Tonnage Tax regime effective 1 January 2015. Formally the decision was made as part of filing of the 2015 corporate tax return. The decision was made to ensure that the Company is fully capable of complying with current legislation. Additionally, exiting the Norwegian Tonnage Tax regime will provide more flexibility to the operations and management of the Company's fleet. The Norwegian Tonnage Tax Regime is a ring-fence regime which is not flexible with regards to which assets and activities that can be operated within the regime.



Notes to the accounts

	CONSOLIDATED	
(Amounts in USD 1,000)	12/31/2020	12/31/2019
Total tax liabilities		
Long-term tax liabilities falling due after 1 year	1,255	1,786
Payable taxes falling due within 1 year	964	3,093
Tax liabilities	2,220	4,879
Tax expense		
(Amounts in USD 1,000)	12/31/2020	12/31/2019
Taxes payable	89	438
Change in deferred tax asset/liability	2,584	945
Total	2,673	1,383

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

	PARENT COMPANY	
(Amounts in USD 1,000)	2020	2019
Tax expense		
Change in deferred tax asset/liabilities	684	-
Taxes payable	8	-95
Total	693	-95

**Note 12
Borrowings**

Drawn amount - excluding CIRR (Amounts in USD 1,000)	12/31/2020				12/31/2019			
	Secured	Current	Non-current	Total	Secured	Current	Non-current	Total
Secured								
Bank Loans	196,301	670,741	867,042	1,634,084	196,301	670,741	867,042	1,634,084
Total secured borrowings	196,301	670,741	867,042	1,634,084	196,301	670,741	867,042	1,634,084
Unsecured								
Fixed rate notes / Bonds	-	86,425	86,425	86,425	-	86,425	86,425	86,425
Floating rate notes / Bonds	43,664	-	43,664	43,664	43,664	-	43,664	43,664
Loans from related parties (1)	-	38,533	38,533	38,533	-	38,533	38,533	38,533
Total unsecured borrowings	43,664	124,958	168,522	217,147	43,664	124,958	168,522	217,147
Total borrowings	239,965	795,699	1,035,564	1,851,231	239,965	795,699	1,035,564	1,851,231
Fees and expenses	-1,075	-3,802	-4,877	-9,654	-1,075	-3,802	-4,877	-9,654
Total borrowings incl. fees	238,890	791,897	1,030,687	1,841,577	238,890	791,897	1,030,687	1,841,577
Fair value - excluding CIRR								
(Amounts in USD 1,000)								
Secured								
Bank Loans	196,301	687,030	883,331	1,666,662	196,301	687,030	883,331	1,666,662
Total secured borrowings	196,301	687,030	883,331	1,666,662	196,301	687,030	883,331	1,666,662
Unsecured								
Fixed rate notes / Bonds	-	86,425	86,425	86,425	-	86,425	86,425	86,425
Floating rate notes / Bonds	43,664	-	43,664	43,664	43,664	-	43,664	43,664
Loans from related parties (1)	-	38,533	38,533	38,533	-	38,533	38,533	38,533
Total unsecured borrowings	43,664	124,958	168,522	217,147	43,664	124,958	168,522	217,147
Total borrowings	239,965	811,988	1,051,853	1,883,809	239,965	811,988	1,051,853	1,883,809
Fees and expenses	-1,075	-3,802	-4,877	-9,654	-1,075	-3,802	-4,877	-9,654
Total	238,890	808,186	1,047,076	1,874,155	238,890	808,186	1,047,076	1,874,155



Notes to the accounts

Drawn amount - excluding CIRR (Amounts in USD 1,000)	12/31/2020			12/31/2019			
	Unsecured	Current	Non-current	Total	Current	Non-current	Total
Fixed rate notes / Bonds	-	86,425	-	86,425	-	82,362	82,362
Floating rate notes / Bonds	43,664	-	39,862	83,526	39,862	-	39,862
Total unsecured borrowings	43,664	86,425	39,862	130,089	39,862	82,362	122,224
Total borrowings	43,664	86,425	39,862	130,089	39,862	82,362	122,224
Fees and expenses	-	-	-	-	-	-	-
Total borrowings incl. fees	43,664	86,425	39,862	130,089	39,862	82,362	122,224
Fair value - excluding CIRR							
(Amounts in USD 1,000)	12/31/2020			12/31/2019			
Unsecured	Current	Non-current	Total	Current	Non-current	Total	
Fixed rate notes / Bonds	-	86,425	86,425	-	84,910	84,910	
Floating rate notes / Bonds	43,664	-	43,664	39,862	-	39,862	
Total unsecured borrowings	43,664	86,425	130,089	39,862	84,910	124,772	
Total borrowings	43,664	86,425	130,089	39,862	84,910	124,772	
Fees and expenses	-	-	-	-	-	-	
Total	43,664	86,425	130,089	39,862	84,910	124,772	

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 issued two high-yield unsecured bonds of NOK363 million and NOK770 million respectively. The NOK770 million bond is a convertible bond. The Company has a call option at 120% of par value. The high-yield unsecured bonds are listed on Oslo Stock Exchange, have no amortization and mature in 2021 and 2023.

At 31 December 2020, Siem Industries held ownership of 82% in the convertible bond loan.

(1) At year-end 2020 the Company held a secured revolving credit facility with Siem Industries S.A. at USD12 million. The credit facility remained undrawn at year-end 2020. The non-controlling interest in Siem AHTS Pool AS has paid-in a subordinated shareholder's loan at USD 38.5 million. Interests are accrued on a quarterly basis and added to the principal debt. Installments and interests will become payable from April 2023 contingent upon approval from mortgage debt lenders.

Instalments falling due over the next 5 years - excluding CIRR (Amounts in USD 1,000)	CONSOLIDATED		
	Mortgage debt	Other interest bearing debt	Total
2021	195,226	43,664	238,890
2022	303,219	-	306,219
2023	71,038	87,709	158,748
2024	63,185	3,853	67,038
2025	65,629	3,853	69,482
Thereafter	160,441	29,970	190,411
Total	861,737	169,050	1,030,787
Instalments falling due over the next 5 years - excluding CIRR (Amounts in USD 1,000)	PARENT COMPANY		
	Mortgage debt	Other interest bearing debt	Total
2021	-	43,664	43,664
2022	-	-	-
2023	-	86,425	86,425
2024	-	-	-
2025	-	-	-
Thereafter	-	-	-
Total	-	130,089	130,089

The book value of mortgaged assets consist of non-current tangible assets and a portion of the accounts receivables that amounts to USD 968 million at year end.

Under the ongoing financial restructuring process of the Company all financial covenants related to the Company's debt agreements have been temporarily waived. The Company and the Parent Company are in compliance with their financial covenants on 31 December 2020. Amended debt covenants are being renegotiated. There is a risk that these negotiations will fail and that the original debt covenants will be reactivated.



Notes to the accounts

PARENT COMPANY		CIRR Commitment		CONSOLIDATED	
12/31/2020	12/31/2019	(Amounts in USD 1,000)		12/31/2020	12/31/2019
-	-	Total CIRR loan commitment	45,946	54,540	54,540
-	-	CIRR loan drawn	45,946	54,540	54,540
-	-	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. The Company made certain sale of the right to exercise such options to a first class international bank (the "Bank"). 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. Recognition of the gain, related to each option, is recorded over the term of any drawn loans. 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.

PARENT COMPANY		Unearned CIRR		CONSOLIDATED	
12/31/2020	12/31/2019	(Amounts in USD 1,000)		12/31/2020	12/31/2019
-	314	Beginning of the year	-	-	314
-	-314	Recognized in the profit and loss account	-	-	-314
-	-	Net unearned CIRR as of 31 December	-	-	-

Net debt		CONSOLIDATED	
(Amounts in USD 1,000)	12/31/2020	12/31/2019	12/31/2019
Cash and cash equivalents	103,225	74,451	74,451
Borrowings, repayable within one year	-238,890	-136,599	-136,599
Borrowings, repayable after one year	-791,897	-876,357	-876,357
Net debt	-927,562	-938,516	-938,516

Cash and cash equivalents	103,225	74,451
Gross debt - fixed interest rates	-559,511	-383,205
Gross debt - floating interest rates	-471,276	-625,761
Net debt	-927,562	-938,516

Net debt		PARENT COMPANY	
(Amounts in USD 1,000)	12/31/2020	12/31/2019	12/31/2019
Cash and cash equivalents	51,777	60,430	60,430
Borrowings, repayable within one year	-43,664	-39,862	-39,862
Borrowings, repayable after one year	-86,425	-82,362	-82,362
Net debt	-78,311	-61,794	-61,794

Cash and cash equivalents	51,777	60,430
Gross debt - fixed interest rates	-43,664	-39,862
Gross debt - floating interest rates	-86,425	-82,362
Net debt	-78,311	-61,794

Borrowings		CONSOLIDATED	
(Amounts in USD 1,000)	12/31/2020	12/31/2019	12/31/2019
Borrowings as at 1 January 2019	-	1,096,003	1,096,003
Lease liability 1 January 2019	8,030	8,030	8,030
Lease payments	-1,639	-1,639	-1,639
New leases	612	612	612
Repayment of borrowings	-98,870	-98,870	-98,870
New loans related parties	12,231	12,231	12,231
Accrued interest related parties	1,549	1,549	1,549
Foreign exchange adjustments	1,681	1,681	1,681
Other	172	172	172
Borrowings and lease liability at 31 December 2019	1,019,969	1,019,969	1,019,969

Lease payments	-2,112	-2,112
Repayment of borrowings	-20,652	-20,652
Drawn amount PIK interest and fees	19,158	19,158
New loans related parties	2,184	2,184
Accrued interest	1,454	1,454
Accrued interest related parties	9,463	9,463
Foreign exchange adjustments	5,650	5,650
Other	761	761
Borrowings and lease liability at 31 December 2020	1,035,875	1,035,875

Borrowings and lease liability		CONSOLIDATED	
(Amounts in USD 1,000)	12/31/2020	12/31/2019	12/31/2019
Borrowings repayable within one year	238,890	136,599	136,599
Borrowings repayable after one year	791,897	876,357	876,357
Lease liability repayable within one year	1,978	1,672	1,672
Lease liability repayable after one year	3,110	5,332	5,332
Total	1,035,875	1,019,969	1,019,969

Borrowings		PARENT COMPANY	
(Amounts in USD 1,000)	12/31/2020	12/31/2019	12/31/2019
Borrowings as at 1 January 2019	122,514	122,514	122,514
Cash flows	-290	-290	-290
Foreign exchange adjustments	-	-	-
Borrowings at 31 December 2019	122,224	122,224	122,224
Net change in cash during the period	3,891	3,891	3,891
Cash flows	3,974	3,974	3,974
Foreign exchange adjustments	-	-	-
Borrowings at 31 December 2020	130,089	130,089	130,089

Borrowings		PARENT COMPANY	
(Amounts in USD 1,000)	12/31/2020	12/31/2019	12/31/2019
Borrowings repayable within one year	43,664	39,862	39,862
Borrowings repayable after one year	86,425	83,685	83,685
Total	130,089	122,224	122,224

Notes to the accounts

Note 13 Other Current Liabilities

PARENT COMPANY	CONSOLIDATED				
	12/31/2020	12/31/2019	(Amounts in USD 1,000)		
-	-	-	Social security tax, etc.	2,749	2,704
-	-	-	Unearned income	3,394	3,384
-	-	-	Other accrued cost, mainly regarding operating expenses vessels	13,493	13,220
-	-	-	Current lease liability	1,978	1,672
-	-	2,969	Intercompany liabilities	-	-
-	-	-	Accrual for possible legal claims in Brazil	15,317	16,444
311	411	-	Accrued salaries, holiday pay, payroll tax and other	6,726	5,220
311	3,380	3,380	Total other current liabilities	43,657	42,643

Other accrued cost includes accrued commission and accruals for purchase orders. An accrual at USD 15 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.a.r.l., with a holding of 83 %, 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 174 K for 2020 (2019: USD 250 K). The fee is the remuneration for the services of two of the Board members 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. 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 (Amounts in USD 1,000)	CONSOLIDATED	
	2020	2019
Service to entity where director has ownership	16,626	2,201
Total	16,626	2,201

The service is provided to companies in which the Chairman has an interest. Kristian Siem is the Chairman of Siem Industries S.A., which is controlled by Kristian Siem. Siem Industries holds an interest in Subsea 7, 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 companies during 2020 and 2019.

The amounts for 2020 and 2019 also include management services and crew service to subsidiaries of Siem Europe S.a.r.l. and to Subsea 7 companies.

Purchase of service (Amounts in USD 1,000)	CONSOLIDATED	
	2020	2019
Service from related parties	-	-
Service from entity where director has ownership	1,398	499
Total	1,398	499

Services purchased from related parties for 2020 were mainly cost for Bare Boat hire, technical management, corporate management and crew. Service from entity where director has ownership consist of service from the yard Fiensburger Schiffbau GmbH and management fees from Siem Capital UK Ltd and Siem Kapital AS, all these 100% owned by Siem Europe S.a.r.l. Bare Boat expenses have been charged from Siem Oil Service Invest Norway AS (20% owned by a subsidiary of Siem Industries).

These transactions were at arm's length.



Notes to the accounts

	CONSOLIDATED	
	2020	2019
Current loan to related parties		
<i>(Amounts in USD 1,000)</i>		
At January 1	710	4,061
Installments	-710	-3,650
Interest expenses	2	299
Interest paid	-2	-
At December 31	-	710

Day OCY, 100% owned by Siem Europe S.a.r.l. has been 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.

	CONSOLIDATED	
	2020	2019
Non-current liability to related parties		
<i>(Amounts in USD 1,000)</i>		
At January 1	34,895	21,115
Drawings	2,184	12,230
Interest expenses	1,454	1,550
Interest paid	-	-
At December 31	38,533	34,895

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 installments or interest payments will be due till 2023. The loan is unsecured and subordinated to bank debt.

The liability is at markets term of interest.

	CONSOLIDATED	
	2020	2019
Sale of service		
<i>(Amounts in USD 1,000)</i>		
Service to subsidiaries	1,336	1,415
Service to associates	-	25
Total	1,336	1,440
Purchase of service		
<i>(Amounts in USD 1,000)</i>		
Service from subsidiaries	2,528	4,707
Service from associates	174	250
Total	2,702	4,957

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 two of the Board members and cost related to office and administration in the Cayman Islands.

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



Notes to the accounts

Year-end balance sheet items arising from sales and purchases (Amounts in USD 1,000)	PARENT COMPANY	
	12/31/2020	12/31/2019
Receivables from related parties		
Subsidiaries	2,440	602
Associates	-	74
Total	2,440	676

Payables to related parties	PARENT COMPANY	
	12/31/2020	12/31/2019
Subsidiaries	-	2,970
Associates	311	-
Total	311	2,970

Non-current loan to subsidiaries (Amounts in USD 1,000)	PARENT COMPANY	
	12/31/2020	12/31/2019
At 1 January	124,758	76,522
Drawings	6,657	42,929
Interest charged	5,351	5,888
Provision for bad debt	-138,795	-425
Exchange rate variations	29	-155
At 31 December	-	124,758

The long-term loan to subsidiaries on 31 December 2020, 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 22,259) and to Siem AHTS Pool AS (USD 138,319) has been made and is reflected above.

All loans are at market terms of interest.

Current loan to related parties (Amounts in USD 1,000)	PARENT COMPANY	
	12/31/2020	12/31/2019
At 1 January	710	4,061
Installments	-710	-3,650
Interest charged	2	299
Interest received	-2	-
At 31 December	-	710

Day OCY 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.

Non-current liability to related parties (Amounts in USD 1,000)	PARENT COMPANY	
	12/31/2020	12/31/2019
At 1 January	-	12,746
Installments	-	-12,746
Interest charged	417	351
Interest paid	-	-351
At 31 December	417	-

The revolving credit facility provided by Siem Industries S.A. was fully repaid in 2019. The credit facility has a limit of USD 12 million and has not been drawn on at year end 2020.

The credit facility is at market terms of interest.



Notes to the accounts

Note 18
Salaries and Wages, Number of Employees

	CONSOLIDATED	
	2020	2019
Personnel expenses (1) (Amounts in USD 1,000)		
Salaries and wages	77,983	93,844
Government grants - net wages arrangement in Norway	-4,012	-4,212
Payroll tax	6,217	6,483
Pension costs, see Note 8	2,128	1,103
Other benefit	6,242	5,511
Total personnel expenses	88,558	102,710

(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 1,072 for 2020 (2019: 1,219), including onshore and offshore employees. There are no employees in the Parent.

	2020	2019
Payroll registered to the executive management: (Amounts in USD 1,000)		
Salary and other short term compensation	1,583	1,948
Total	1,583	1,948

Employees included in the above payroll in 2020 were five (2019: five).

Corporate management salaries and other benefits

2020	Salary paid	Pension premium	Other benefits	Share options held
CEO Bernt Omdal	383.5	32.1	2.2	2,400,000
CFO Dagfinn B. Lie	283.0	25.9	2.2	2,400,000
COO Tore Lillestø	251.9	23.8	2.2	-
CHRO Tore B. Johannessen	257.5	32.9	2.6	2,400,000
Chartering Dir. Andreas Hageil	255.6	25.6	2.2	-
Total	1,431.6	140.2	11.6	7,200,000

Members of corporate management hold 10,000 shares in the Company (2019: 10,000).

2019	Salary paid	Pension premium	Other benefits	Share options held
CEO Bernt Omdal	433.5	36.2	6.4	2,400,000
CFO Dagfinn B. Lie	443.0	30.3	7.5	2,400,000
COO Tore Lillestø	297.0	27.0	2.0	-
CHRO Tore B. Johannessen	309.3	37.2	1.9	2,400,000
Chartering Dir. Andreas Hageil	290.7	24.1	1.9	-
Total	1,773.5	154.8	19.7	7,200,000

The Board of Directors of Siem Offshore Inc. has authorized the award of two programs of Share Options to three key employees of the Company. The total cost for the two programs is zero for 2020 (USD 5 for 2019).
See Note 29 for more information.

	2020	2019
Loan to executive management (Amounts in USD 1,000)		
Balance 1 January	-	993
Installments	-	-993
Balance 31 December	-	-

The loans were settled in 2019 as the shares in pledge were sold.

The Remuneration paid to the Board of Directors in 2020 was USD 262K (2019: USD 455K).

	PARENT COMPANY		CONSOLIDATED	
	2020	2019	2020	2019
Auditor's remuneration (Amounts in USD 1,000)				
Audit Fee	80	80	221	389
Audit Fee, Other	15	15	58	52
Tax and legal assistance	11	50	32	149
Other consultants, fees	-	-	35	23
Total auditor's remuneration	61	145	345	613



Notes to the accounts

**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 insignificant to the financial statements.

There are no leases for the Parent Company.

Consolidated Statements of Financial Position:

(Amounts in USD 1,000)	CONSOLIDATED
Right of use assets at 01.01.2020	6,779
Additions in 2020	-
The year's depreciation	-1,792
Effect of exchange rate differences	-216
Right of use assets at 31.12.2020	4,771

The balance sheet includes the following amounts relating to leases:

(Amounts in USD 1,000)	12/31/2020	12/31/2019
Right of use assets*		
Land and buildings	1,841	2,872
Vessels and equipment	2,930	3,907
Total Right of use assets	4,771	6,779

*Included in the line item "Vessels and equipment" in the balance sheet

(Amounts in USD 1,000)	CONSOLIDATED
Lease liability at 01.01.2020	7,004
Additions in 2020	-
Lease payments	-2,112
Interest cost	435
Effect of exchange rate differences	-238
Lease liability at 31.12.2020	5,088

(Amounts in USD 1,000)	12/31/2020	12/31/2019
Lease liabilities**		
Current	1,978	1,672
Non-Current	3,110	5,332
Total Lease liabilities	5,088	7,004

**Included in the line item "Other liabilities" in the balance sheet.

Operating Leases as Lessor of vessels:

The table below shows future minimum lease payments for vessels fixed on leasing contracts (in total 19 Time Charter contracts and 1 Bare Boat Contract as of 31 December 2020). 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. Optional periods are not included in the amounts below.

PARENT COMPANY	(Amounts in USD 1,000)		
	2020	2019	Fall due
-	-	-	Within 1 year
-	-	-	1 to 5 years
-	-	-	After 5 years
-	-	-	Total
			2020
			2019
			200,268
			282,101
			445,183
			6,328
			483,170
			651,779



Notes to the accounts

Note 21

Earnings/(loss) per Share

(Amounts in USD 1,000)	2020	2019
Weighted average number of shares outstanding (1,000)	934,739	941,802
Weighted average number of shares diluted (1,000)*	1,186,272	1,202,335
Result attributable to shareholders	-299,866	-88,229
Earnings/(loss) per share attributable to equity shareholders	-0.32	-0.09
Earnings/(loss) per share diluted attributable to equity shareholders	-0.32	-0.09

* Shares to be included in diluted number of shares (in 1,000):

	2020	2019
Number of shares from Option program to executive management (see note 18 and 29)	7,200	7,200
Number of shares related to Convertible loan (see note 12)	253,333	253,333
Total number of shares in addition to be included in diluted number of shares	260,533	260,533

Note 22

Assets Held for Sale

(Amounts in USD 1,000)	2020	2019
Net book value per 1 January	715	16,950
Capitalized cost related to sale of vessels	-	715
The year's disposal at cost	-715	-16,950
Net book value per 31 December	-	715

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

2019
The sale of the vessels "Siem Sasha", "Siem Louisa" and "Sophie Siem" was concluded on 26 February 2019.

"Burin Sea" and "Trinity Sea", two of the Canadian vessels were sold in December 2019, with delivery in 2020. The net book value for these two vessels is zero, but cost related to the sale has been capitalized and is presented as asset held for sale in the balance sheet.

Note 20
Financial Items

PARENT COMPANY	(Amounts in USD 1,000)		CONSOLIDATED	
	2020	2019	2020	2019
Financial income				
Interest income	7,585	13,296	3,855	8,118
Other financial income	9,485	2,385	3,306	1,647
Total financial income	17,050	15,682	7,161	9,765
Financial expenses				
Interest expenses	-5,956	-5,716	-50,297	-60,996
Impairment of shares and receivables from subsidiaries	-294,664	-194,262	-	-
Other financial expenses	-647	-675	-5,218	-4,147
Total financial expenses	-301,267	-203,654	-55,574	-65,133
Other financial items				
Net currency gain/(loss)	-3,739	2,890	-29,434	-816
Total currency gain/(loss)	-3,739	2,890	-29,434	-816

The financial income for 2020 includes a gain from the amended agreement with lenders to Secunia, Canada of USD 1.5 million.

The net currency gain/(loss) for the Parent of USD (3,739) includes an intercompany realized gain of USD 18 K.

The weighted average cost of debt for the Company was approximately 3.4% (2019: 4.6%) at 31 December, including the effect of fixed interest rate swap agreements.



Notes to the accounts

Note 23 Other Gain/(Loss) on Sale of Assets

PARENT COMPANY	CONSOLIDATED		
	2020	2019	(Amounts in USD 1,000)
-	-	Gain/(loss) on sale of assets, net	655
-	-	Total	655
			2020
			2019
			-2,779
			-2,779

2020
The net gain for the Company on sale of assets of USD 0.655 million is from the sale of the Candian vessels "Trinity Sea", "Burn Sea" and "Venture Sea", and from the sale of two A-frames.

2019
The net loss for the Company on sale of assets of USD 2.8 million is from the sale of the vessels "Siem Marlin", "Siem Sasha", "Siem Louisa" and "Sophie Siem", a crane and other equipment.

Note 24 Listing of the 20 Largest Shareholders as of 31 December 2020

Shareholder	Number of shares	Owner interest
SIEM SUSTAINABLE ENERGY S.A.R.L	782,094,385	83.67%
ACE CROWN INTERNATIONAL LIMITED	95,585,454	10.22%
ROY TORVILD MOSVOLD	15,500,000	1.68%
EGD CAPITAL AS	5,000,000	0.64%
MERRILL LYNCH, PIERCE, FENNER & SM	3,717,644	0.40%
ROYDEFRAKT AS	2,550,000	0.27%
UBS SWITZERLAND AG	1,843,706	0.20%
TONGA INVEST AS	1,678,050	0.18%
FORSVARET'S PERSONNELSERVICE	953,976	0.10%
CORTEX AS	952,000	0.10%
OSLOKANALEN AS	850,000	0.09%
LARS BRUUN	699,656	0.07%
STIAN OPSAHL	620,875	0.07%
MACAMA AS	529,704	0.06%
KEBI AS	520,000	0.06%
BARRUS CAPITAL AS	515,687	0.06%
DEUTSCHE BANK AKTIENGESELLSCHAFT	495,480	0.05%
NORDNET LIVSFORSIKRING AS	479,640	0.05%
PAAL MYHRE	400,000	0.04%
ALTA INVEST SA	400,000	0.04%
Total 20 largest shareholders	916,366,247	98.03%
Other shareholders	18,372,530	1.97%
Total number of outstanding shares	934,738,777	100.00%

Siem Sustainable Energy S.a.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.a.r.l.

Notes to the accounts

Note 25 Subsequent Events

January 2021:

- Siem Stingray awarded a 6-month firm contract with options.
- Bondholders' meetings in SIOFF01 and SIOFF02 approved the restructuring plan.

February 2021:

- Signed Term Sheet with all the European Lenders approving the restructuring plan.
- Siem Baracuda awarded a 100-day contract with options for an offshore wind project in the Far East.
- Siem Spearfish awarded a 2-month firm contract with options for West Africa.

March 2021:

- Sale and delivery of the 2007 built Platform Supply Vessel "Siem Hanne".

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

Note 27 Financial Instruments by Category

31 Dec 2020 (Amounts in USD 1,000)	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. Also see Note 9.

31 Dec 2020 (Amounts in USD 1,000)	Liabilities at fair value through the profit or loss	Other financial liabilities	Total
CONSOLIDATED			
Liabilities as per statement of financial position			
Accounts payable	-	13,854	13,854
Borrowings	-	1,030,787	1,030,787
CIRR Loans	-	45,946	45,946
Other non-current liabilities	-	15,381	15,381
Other current liabilities	-	43,857	43,857
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.

Note 26 Gain/(Loss) on Currency Derivative Contracts

PARENT COMPANY	2019 (Amounts in USD 1,000)	2020	CONSOLIDATED
	-	12,039	2019
	-27	-14,009	-789
14	-27	-1,970	-876

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



Notes to the accounts

31 Dec 2019	CONSOLIDATED		
(Amounts in USD 1,000)	Financial assets at amortized cost	Assets at fair value through the profit and loss	Total
Assets as per statement of financial position			
Derivative financial instruments	-	440	440
Accounts receivable	40,990	-	40,990
Other short term receivables	6,533	-	6,533
CIRR Loan deposits	54,540	-	54,540
Long term receivables	39,199	-	39,199
Cash and cash equivalents	74,451	-	74,451
Total	215,713	440	216,153

Prepayments do not qualify as a financial instrument and are not included in above amount. Excluded prepayments amount to USD 15,659, see Note 9.

31 Dec 2019	CONSOLIDATED		
(Amounts in USD 1,000)	Liabilities at fair value through the profit or loss	Other financial liabilities	Total
Liabilities as per statement of financial position			
Accounts payable	-	18,085	18,085
Borrowings	-	1,012,966	1,012,966
CIRR Loans	-	54,540	54,540
Other non-current liabilities	-	16,573	16,573
Other current liabilities	-	49,314	49,314
Adjustments for liabilities that do not qualify as a financial instrument (1)	-	-18,115	-18,115
Derivative financial instruments	24,249	-	24,249
Total	24,249	1,133,364	1,157,613

(1) Non-financial liabilities do not qualify as a financial instrument and are not included in above amount. Excluded liabilities amount to USD 18,115 consisting of USD 3,093 in Taxes Payable, USD 477 in Pension Liability, USD 2,703 in Social Security Payable, USD 1,786 in Tax Liability, USD 3,364 in Unearned Income and USD 6,671 in Accrued Interest. See Note 13 for information about Social Security Payable and Unearned Income.

31 Dec 2020	PARENT COMPANY	
(Amounts in USD 1,000)	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 USD 14. See Note 9.

31 Dec 2020	PARENT COMPANY		
(Amounts in USD 1,000)	Liabilities at fair value through the profit and 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

31 Dec 2019	PARENT COMPANY		
(Amounts in USD 1,000)	Financial assets at amortized cost	Assets at fair value through the profit and loss	Total
Assets as per statement of financial position			
Trade and other instruments (1)	126,170	-	126,170
Cash and cash equivalents	60,430	-	60,430
Total	186,601	-	186,601

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

31 Dec 2019	PARENT COMPANY		
(Amounts in USD 1,000)	Liabilities at fair value through the profit and loss	Other financial liabilities	Total
Liabilities as per statement of financial position			
Borrowings falling due after 1 year	-	82,362	82,362
Borrowings falling due within 12 months	-	39,962	39,962
Accounts payable	-	24	24
Derivatives	3,310	-	3,310
Other current liabilities	-	4,415	4,415
Total	3,310	126,663	129,973



Notes to the accounts

Note 28
Inventories

PARENT COMPANY		CONSOLIDATED	
12/31/2020	12/31/2019	12/31/2020	12/31/2019
	(Amounts in USD 1,000)		
-	-	1,854	2,194
	Fuel		
-	-	2,830	3,046
	Spareparts		
-	-	4,684	5,240
	Total Inventories		

Note 29
Share-based Payments

The Company has entered into two Share option agreements with selected employees.

On 19 January 2013, the Company entered into a Share option agreement as follows:

The Board of Directors of Siem Offshore Inc. has authorized the award of 14,000,000 share options to eight key employees of the Company. The exercise price is NOK 8.45 per share.

The exercise price of the granted options is equal to the market price of the shares on the date of the grant.

The Options can be exercised as follows:

2014:
20% of the total number beginning on 18 January 2014.

2015:
40% of the total number beginning on 18 January 2015, less any options previously issued.

2016:
60% of the total number beginning on 18 January 2016, less any options previously issued.

See note 18 for the total expense recognized in the income statement for share options granted to certain employees.

In 2019 and 2020, no cost was recognized under Retained earnings related to value of employee services, as the vesting period for this option program ended in 2018.

On 2 April 2014, the Company entered into a Share option agreement with selected employees.

The Board of Directors of Siem Offshore Inc. has authorized the award of 3,000,000 share options to ten key employees of the Company. The exercise price is NOK 9.07 per share. The exercise price of the granted options is equal to the market price of the shares on the date of the grant.

The Options can be exercised as follows:

2017:
60% of the total number beginning on 2 April 2017, less any options previously issued.

2018:
80% of the total number beginning on 2 April 2018, less any options previously issued.

2019:
100% of the total number beginning on 2 April 2019, less any options previously issued.

The exercise period shall in no event be later than the date falling 10 years after the award date.

The Company has no legal or constructive obligation to repurchase or settle the options in cash. The weighted average fair value of options granted during the period determined using the Black-Scholes valuation model was nil per option.

The significant inputs into the model were weighted average share price of NOK 9.07 at the grant date, exercise price of NOK 9.07, volatility of 45%, dividend yield of 0%, an expected option life of 10 years and an annual risk-free interest rate of 1.30% (2019: 1.55%).

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last five years.

In 2020, no cost (2019: USD5) was recognized under Retained earnings related to value of employee services, as the vesting period for this option program ended in 2019.

In 2019, a reversal of part of the accrued employers contribution was made. The total reversed amount for both programs amounted to USD 288, and was booked against salary cost.

Since the share option programs were awarded, seven members of the option programs have left the Company. See note 19 for the total expense recognized in the income statement for share options granted to certain employees. No options were exercised during 2019 or 2020.

Exercise price per share option, NOK ("weighted average) Options outstanding

At 1 January 2015	8,56*	17,000,000
Forfeited	8,56*	-7,200,000
At 31 December 2015	8,56*	9,800,000
At 1 January 2016	8,56*	9,800,000
At 31 December 2016	8,56*	9,800,000
At 1 January 2017	8,56*	9,800,000
Forfeited	8,56*	-1,200,000
At 31 December 2017	8,56*	8,600,000
At 1 January 2018	8,56*	8,600,000
Forfeited	8,56*	-1,400,000
At 31 December 2018	8,56*	7,200,000
At 1 January 2019	8,55*	7,200,000
At 31 December 2019	8,55*	7,200,000
At 1 January 2020	8,55*	7,200,000
At 31 December 2020	8,55*	7,200,000



Notes to the accounts

Note 30
Discontinued Operations

On 1 March 2018, the Company announced that it had entered into an agreement with a subsidiary of Subsea 7 S.A to sell all its shares in Siem Offshore Contractors GmbH ("SOC") subject to German competition clearance. Simultaneously, the Company also announced that it had agreed to sell the cable lay vessel "Siem Alimery" and the installation support vessel "Siem Moxie" to a company in the Subsea 7 Group. The Company and Subsea 7 are related parties.

On 11 April 2018, the Company announced that the transaction had been completed. Financial information relating to the discontinued operations for 2020 and 2019 is set out below. The discontinued operations include SOC, "Siem Alimery" and "Siem Moxie" and the gain from the sale of SOC and the vessels "Siem Alimery" and "Siem Moxie". A profit of USD93.0 million was recorded in 2018 as Gain on sale of subsidiary and vessel under Net profit/(loss) from discontinued operations.

In August 2019 the Company reached an agreement with Subsea 7 regarding settlement of the contingent consideration for the sale of SOC. Based on this settlement, a profit of USD6.3 million was recorded in 2019 as net profit/(loss) from discontinued operations and was paid to the Company in August 2019.

Financial performance (Amounts in USD 1,000)	2020	2019
Gain on sale of subsidiary and vessels	-	5,260
Net profit/(loss) from discontinued operations	-	5,260

There were no assets or liabilities related to discontinued operations as per 31.12.2020 or per 31.12.2019.



Note 31 Liquidity and Going Concern

The financial statements have been prepared under the assumption that the Company and the Parent are going-concerns. However, there are material uncertainties related to the going-concern status due to the current contractual arrangements with the Financing Banks and other unsecured lenders. The poor market conditions and the impact of the COVID-19 pandemic on world economy influence the vessel rates and operations negatively.

The Company is exposed to a number of risks. One of the most important risk factors is the demand for its services. The OSV market is now in its 7th year of depressed condition and we expect that the market will remain soft for some time. It is highly uncertain as to when charter rates will generate sufficient earnings to provide for full debt-servicing. The Company has reduced its debt by USD500 million over the last five years, made possible by good cooperation between the Company and its financing banks, significant shareholder support, good ship operations and disposal of non-strategic and older assets.

The Company has recorded aggregated impairments of USD277 million in 2020. Additional impairment charges may be necessary if the market continues to be depressed for a prolonged period. The financial statements do not reflect impairment charges that will occur if a sale of assets is forced in today's market, or if deteriorating assumptions are used in the value-in-use calculation. Total Equity (inclusive of Non-controlling interests) is USD12 million at 31 December 2020. The Company entered into a standstill agreement with its secured lenders in Europe and Norway for the period from 29 May 2020 until 30 April 2021. The objective for the 2021 Restructuring Plan is to improve recoverability of banks' and bondholders' loans through an orderly reorganisation of the Balance Sheet, preserve contract backlog and to enable the Company to service its clients.

The Company now has reached an agreement with the Bondholders and the European banks for the restructuring of the Company's credit agreements.

The restructuring agreement is a 4-year plan that involves conversion of debt to equity, a reduction of future scheduled interest and amortisation payments and extension of secured

debt with maturity before 2024 to 31 December 2024. The Plan will significantly strengthen the Company's balance sheet and create a stronger financial platform to continue to support the Company's clients, preserve contract backlog and to meet the challenges in an extended downturn in the offshore supply market.

The main terms of the restructuring agreed with the European banks, key Bondholders and Shareholders include:

- Total equalization of approximately USD 288 mill. of debt.
- The SIOFF01 Bondholders will receive a payment of USD 4 million and the residual balance will be converted into equity in the Company.
- The SIOFF02 bond debt will be converted into equity in the Company in its entirety.
- Remaining secured debt, following debt-to-equity conversion, to be guaranteed by SIOFF and to be serviced in full, or in part or by cash sweeps depending on categorization based on contract situation, current market conditions and forecast. No debt amount will be in excess of current market values.
- Extension of maturity for secured facilities with original maturity date before 31 December 2024.
- Revised financial covenants and general undertakings.
- The equalized debt will be converted to shares at a price of NOK 0.10 per share.
- Based on figures as of year-end 2020, the existing shares are expected to represent approximately 4% and the converted debt (including that of the bondholders) will represent approximately 96% of the Company's shares after restructuring.

The agreements with European Banks and the Bondholders are mutually conditional and subject to a satisfactory refinancing solution with the Brazilian Banks. The Company remains in discussions with the Brazilian Banks with the aim of securing their participation in the restructuring plan, but has so far not been able to reach agreement for a long-term solution. While the negotiations with the Brazilian Banks continue, the Company is exploring alternative options with a view to consummate the restructuring without the consensual participation of them.

The Company is aiming for a successful implementation of the restructuring plan following the agreed standstill period. However, there is a risk that the restructuring plan will fail and that the Company will come into a default situation. In a default situation the Company will not be in compliance with its Financial covenants and general undertakings and all debt classified as non-current must be reclassified as current debt in the Balance Sheet.

The negative market outlook is further exacerbated by the COVID-19 pandemic situation, which has affected world economies and resulted in reduced global demand for oil. This has led to the collapse in the oil price, recovered for now, which has placed additional pressure on the OSV market.

The Company is working with its unions and crews to secure safe and reliable operations of its vessels. An additional risk is that vessel operations could be halted through the absence of crew members. If the COVID-19 shutdown lasts for an extended time, there is a potential risk of contract cancellations with the resultant negative effect on our cash flow. The Company takes all reasonable precautions to minimize such risk. Governmental regulations are frequently changing and it is a challenge to move crews, spare parts and service-personnel around the globe to attend to our vessels.

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. The oil price has a direct impact on the offshore activities which the Company serves.

The COVID-19 pandemic and the large fluctuation in the oil price have resulted in extreme volatility in currency exchange rates as the USD has strengthened against other currencies. The NOK and BRL currencies in particular have suffered substantially. The Company has entered into several currency and interest rate hedging programs. At the current levels of currency rates, the mark-to-market value of such hedging programs will have an immediate material negative effect on the profits and cash flow of the Company while the potential positive effects from the strengthening of the USD will materialize over years.



Corporate social and environmental responsibility

Statement on Social and Environmental Responsibility

As a company incorporated in the Cayman Islands, Stiem Offshore Inc. ("The Company") 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, social and environmental responsibility.

Cayman Islands Corporate Law is to a great extent based on English Law. In addition, due to The Company being a Norwegian Tax Resident, the Norwegian Accounting law applies to The Company. According to the Norwegian Accounting Act §3-3c The Company should provide a statement on Social and Environmental Responsibility. The statement should include which actions are taken by The Company to integrate human rights, employee's rights and social conditions, external environment and the fight against corruption in its business strategies, daily operations and in relation to its interested parties. The Board of Directors has reviewed this statement. It is the opinion of the Board of Directors that The Company complies with regulations in the Norwegian Accounting law with respect to Social and Environmental Responsibility reporting.

Code of Conduct

The Company has established a Code of Conduct policy expressing its non-tolerance on corruption as well as dealing with ethical principles of the Company. The Company is fully committed to perform its business with integrity and transparency throughout its global operations. As stated in the Code of Conduct policy it is the policy of the Company to conduct its business in accordance with all applicable laws and regulations and in an ethically responsible manner.

Protection of health, safety and the prevention of pollution to the environment are primary goals of The Company. All of our employees and representatives must conduct their duties and responsibilities in compliance with The Company's policy on Health, Safety and Environment, applicable law and industry standards relating to health and safety in the workplace and the prevention of pollution to the environment.

The Company has implemented policies and control procedures to ensure that only proper transactions are entered into by The Company, that such transactions have proper management approval, that such transactions are properly accounted for in the books and records of The Company, and that the reports and financial statements of The Company are prepared in a timely manner, understandable and fully, fairly and accurately reflect such transactions.

The Company observes fair employment practices in every aspect of its business.

The Company conducts its business with honesty and integrity and competes fairly and ethically within the framework of the law. The Company expects that all of its business partners have the same approach to business dealing.

Improper payments

The Code of Conduct does also include policies on improper payments. The Company does not tolerate any actions or payments which could be viewed as improper payments.

No gifts, hospitality or travel benefit may be offered to or requested or accepted from any third party if that benefit could be seen to be disproportionately generous or otherwise be seen as something which may induce or make the recipient feel obliged to reciprocate by way of improperly performing his or her function.

The Company and its directors, officers and employees will not accept any gift, hospitality or travel benefit either directly or indirectly from business partners, against making commitment, recommending or promoting a certain conduct or position by The Company or otherwise seek to gain personal benefit in relation to The Company's business dealings.

Likewise, the Company does not itself offer inducements to anyone associated with business partners to promote a certain conduct or position by such business partner.

The Company and any of its people shall not pay money or provide gifts, entertainment, hospitality or any other thing or service of value to any Government Official. This prohibition extends to payments to consultants, agents or other intermediaries when the payer knows or has reason to believe that some part of the payment will be used to bribe or otherwise influence a public official.

Political contributions are not authorized.

Corporate Social Responsibility

The Company respects and promotes harmonious working relationship with the local communities where it operates, but refrains from participating in local politics. The Company seeks to foster a sustainable business for its many stakeholders.

The Company is fully committed to comply with local laws and regulations throughout its global operations.

The Company is committed to employ local staff where applicable and possible in all countries where it is operating and conducting business. The Company is committed to providing

equal opportunity and fair treatment to all individuals on the basis of merit, without discrimination on the grounds of race, colour, religion, national origin, sex, pregnancy, age, disability, marital status or other characteristics protected by applicable law.

The Company is dedicated in creating a high-quality working environment under which its people respect and trust each other such that everyone acts in an honest, friendly and proactive way with a responsible attitude and high moral standards. The Company prohibits bullying and harassment in any form including sexual, racial, ethnic and other forms of harassment.

Corporate Environmental Responsibility

Stiem Offshore Environmental Policy sets out the Board Directors and management's commitment to minimize the Company's impact on the environment, in relation to biodiversity, climate change and water and waste management. At senior management level, there is a shared responsibility to ensure that management and staff are made aware of this policy, that there are systems and processes in place to integrate environmental considerations in decision making and operations and that such standards apply to all personnel working in the Company.

As a result, environmental considerations including biodiversity management emission and waste reduction, climate change expectations and commitments are managed at all levels within the organization.

Stiem Offshore environmental strategy states that protection of the environment is prioritized and a key element of operational planning and execution to minimize the potential impact of the Company's operations. It outlines the company's internal goals for emission intensity and reductions, waste handling, energy loss, as well as research and development targets to further develop emission-reducing technologies.

Access to dependable energy supply directly affect all business and communities. From air emission to fossil fuels, Stiem Offshore takes a proactive and collaborative approach by addressing energy demand and climate change in our operations and for our clients.

Energy usage and climate concerns require systematic change and The Company has implemented appropriate tools to drive this forward. The effective use of energy resources and climate change are complex and interconnected. We will continue to seek solutions that promote energy conservation, clean energy and reductions in greenhouse emissions. Stiem Offshore considers digitalization is a key to sustainability and to enable appropriate data collection and analyses.

Stiem Offshore use Mares Fleet Monitoring System for automatic data processing and graphic display in real-time. The crew of the vessels can easily adjust operations to improve energy efficiency, reduce cost and reduce the climate foot-

print. Fuel monitoring systems have been installed in 12 vessels and more will follow in 2020.

Port Clean Air and Vessel emissions

The Environmental Ship Index (ESI) identifies seagoing ships that perform better in reducing air emissions than required by the current emission standards of the International Maritime Organization. The ESI evaluates the amount of nitrogen oxide (NOx) and Sulphur oxide (SOx) that is emitted from each vessel, and it includes a reporting scheme on the greenhouse gas emission of the vessels. The ESI is a valid indicator of the environmental performance of ocean-going vessels and will assist in identifying cleaner ships in a general way.

Energy mix

The total amount of energy consumed as an aggregate figure, in gigajoules (GJ), the percentage of energy consumed that was supplied from 1) heavy fuel oil and 2) the percentage of energy consumed that is renewable/low-carbon energy.

For the fleet of Stiem Offshore, 99.52% of total energy consumed comes from the use of marine gas oil (MGO) and 0.48% of total energy comes from shore power produced from renewable waterfall plants. Heavy fuel oil (HFO) is not consumed by Stiem Offshore vessels.

Responsible vessel recycling

The company ensures that vessels are demolished and recycled in accordance with internationally accepted green recycling regulations, practices and procedures. This includes, without limitation, IMO Guidelines on ship recycling, the Hong Kong International Convention for Safe and Environmentally Sound Recycling of Ships 2009, EU Regulation NO 1257/2013 regarding Ship recycling and the applicable Ship Recycling regime in the recycling location.

No vessels were recycled in 2019. Two vessels will be recycled in 2020.

Number and aggregate volume of spills and releases to the environment

The total number of spills and releases to the environment (water, soil and air) and the aggregate volume of potentially harmful spills and releases in cubic meters.

Spills include all accidental spills and releases of substance that has escaped their containment as gas, fuel, hydraulic and tube oil in addition to chemicals and bulk cargoes. In 2019 the Company recorded two oil spills with 90 litres lost.



Environmental, Social and Governance (ESG) Report 2020

The Company has a set of procedures, guidelines and policies to define and achieve goals related to ESG. These procedures, guidelines and policies have been adopted by the Board and Management. Regular reviews, monitoring and updates are being performed.

The complete Slem Offshore ESG Report 2020 has been published on the Company's website. A summary of the report is presented below.

Introduction

The complete ESG report aims to give an insight of the Company's focus areas within Environmental, Social and Governance issues.

The Company operates 32 vessels (owned and on management), employ directly and indirectly around 1,100 Seafarers and 115 Office Staff. The Company's Headquarters is located in Norway and have offices in Brazil, Canada, Australia, Ghana and the United States.

The Company operates a modern fleet with environmentally friendly vessels. All AHTS vessels and PSVs have Clean Design Class. The PSVs operating in the North Sea and in Australia are dual fuelled. The Construction vessels and Well Intervention Vessels hold Clean Design Class. To reduce fuel consumption and carbon footprint we have an ongoing program to install shore power connection in our vessels, including battery systems. The Company has over the last decade participated in various Energy Efficiency studies hosted by class societies and others. When the time comes for building new vessels, we will strive to find the most energy efficient solutions with reduced emissions. It is a clear strategy to phase out old non-core vessels and to maintain a modern and environmentally friendly fleet at all times.

As a member of the Norwegian Shipowner's Association, we share their goal and work towards zero emissions within 2050. We encourage and expect all our Employees and Stakeholders to act openly, honestly and transparently to achieve the ESG goals.

For the period of 2020/2021, the Company has chosen to concentrate on four of the UN Sustainable goals:

- No 3 Good health and well-being
- No 8 Decent work and economic growth
- No 13 Climate action
- No 16 Peace, justice and strong institutions

In the ESG Report 2020, the Company's has adopted its established KPI's and the Norwegian Shipowner's Association guidelines for accounting metrics.

ENVIRONMENTAL

No 13 - CLIMATE ACTION

Take urgent action to combat climate change and its impacts

We actively search ways to optimize the energy efficiency and reduce emissions. In 2020 and 2021 the focus is on areas where we are able to become more environmentally friendly, such as:

Ship Performance Monitor system which enable the crew to see immediate effect on energy efficiency measures and take an active role to reduce emissions. At the beginning of 2020, the system had been installed in 11 of our vessels and five more vessels had the system installed during 2020.

To highlight and encourage continuous focus, we run a fuel efficiency campaign every year and Emissions are being reduced. In 2020 the campaign had the effects of saving 442 Tonne Marine Gas Oil, 1239 Tonne CO2 and 30,870 Kg NOx. The overall fuel efficiency increased by 20.7%. Agreements have been made with selected partners to benefit from digitalization and big data analyses on propulsion modus which will give further reduction in emissions.

As a member of the NCE Maritime Cleantech, we are part of a cluster organization whose goal is to strengthen the cluster partner's competitiveness by developing and launching innovative solutions for energy-efficient and clean maritime activities. The Company is in compliance with MARPOL Annex VI, reg. 14 and IMO Global Sulphur Cap 2020 by using low sulphur marine gas oil only, with the limit of 0.1 % sulphur.

The Company is a member of the NCE Maritime Cleantech and the Norwegian initiative NOx Fund. We have a high focus on reducing plastic waste on board our vessels and have taken several initiatives.

Emissions

Our largest direct emission comes from the use of fuel. In 2020 Greenhouse gas (GHG) emissions from 23 vessels amounted at 205,145 metric Tons CO2 equivalents (2019: 274,719). Total distance sailed was 27 0622 nautical miles. Due to the scope of operation for offshore vessels, the GHG emission intensity metric is not suitable. We have chosen to report GHG emission intensity as CO2 equivalents/nautical miles. The relative GHG intensity was 0.85 (2019: 0.79). Total energy consumed was 2,870,090 GJ (2019: 3,968,300 GJ)

Oil spill to sea

Discharge to sea includes all accidental spills of bunker oil, diesel oil, hydraulic and lube oil in addition to chemicals and bulk

carages. In 2020 there were 2 incidents of oil spill representing 0.15 cubic metre (2019: 2 incidents representing 0.09 cubic metre)

Ship recycling

We are conscious of the hazardous impact ship recycling has on the environment. At the recycling of 2 vessels in 2020 (2019: 0) the selected yard was approved and listed in the European List of ship recycling facilities. The Company complies with regulations in the Hong Kong International Convention, The Basel Convention, the EU Ship Recycling Regulation and EU Waste Shipment Regulation.

SOCIAL

No 3: GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote well-being for all at all ages

No 8: DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

We ensure that all our Seafarers have good working conditions according to international regulations, conventions and industry standards. The various regulations covers conditions of employment, medical care, social security protection as well as standards for accommodation, recreational facilities, food and catering on board. In addition to this, the majority our Seafarers are members of a trade union, which the Company supports. The climate between the unions and Company has always been fruitful and based on mutual respect.

In 2019/2020, the world was hit by the Covid-19 pandemic, and affected all of us in many ways. For the Company, our seafarers are the most valuable asset and the safety of our people comes first. In mid-March -2020, the Company established a Task Force Group and created a stand-alone Covid-19 Management Plan.

We put healthy minds on the agenda. During 2020, there has been, and still are, many challenges connected to crew changes and additional cost, due to the pandemic. In Q4 2020, a mental health campaign was rolled out in the entire fleet. In 2020, the total exposure hours were 4,325,193 (2019: 5,255,092). The lost time injury rate was zero (2019: 0.39). The total recordable injuries rate was 1.15 (2019: 0.85). There were zero port state detentions (2019: zero) and there were 5 port state deficiencies (2019: 12).

GOVERNANCE

No 16: PEACE, JUSTICE AND STRONG INSTITUTIONS

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

We have taken several actions to work towards a transparent, ethical and corruption free business. Our Corporate Code of Conduct is applicable to all Employees, partners and suppliers. It describes our initiatives towards whistleblowing, fair and equal treatment, conflict of interest, anti-bribery, anti-corruption, antitrust and competition, trade restrictions, export controls and boycott regulations and insider trading. Introduction to the Code of Conduct and other relevant policies is part of the Employees introduction programme.

The Company has procedures in these areas. The procedures are actively being monitored, updated and communicated throughout the organization. Operating internationally, 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 conducts due diligence before any new contract is signed.

We have several procedures in place to ensure that our Suppliers and Major Contractors fulfil our requirements.

During 2020, the Company started to implement mandatory anti-bribery training for all Seafarers. The training will be held annually to maintain focus and awareness.

ESG OUTLOOK

Slem Offshore will continue to search for solutions to further reduce emissions. In 2021, we will install a battery power system on our dual fuel Platform Support Vessel "Slem Symphony". We will continue to evaluate future alternative energy sources for our vessels, such as e.g. hydrogen based fuels and the applicability the various alternatives have from a technical and environmental perspective.

We will continue to improve vessel monitoring and environmental performance through exploitation of digitalized solutions, allowing increased efficiency and subsequent reduced emissions.

We will strive to install shore power connection on further vessels in the fleet. Presently seven vessels are equipped to connect to shore power-supply when in port. As a result, there are zero GHG emissions, no local particle emissions and noise is considerably reduced, for the benefit of crew and the local community.

In 2021, the intention is to implement mandatory training on sanctions and anti-bribery for all Office personnel.



To the General Meeting of Siem Offshore Inc.
Independent Auditor's Report

Independent Auditor's Report - Siem Offshore Inc.



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 statement of financial position as at 31 December 2020, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the accounts, including a summary of significant accounting policies, and
- The consolidated financial statements of Siem Offshore Inc. and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2020, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the accounts, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, 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.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, 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.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under these 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 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.

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State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm*

Material Uncertainty Related to Going Concern

We draw attention to Note 31 in the financial statements and the Board of Directors' report. Note 31 indicates that the Group, in order to service its debts, is dependent upon reaching agreement with its banks and bondholders to amend the terms of its existing contractual debt facilities. As stated in Note 31 and the Board of Directors' report, the need to conclude such agreement, along with other matters as set forth in Note 31 and the Board of Directors' report, indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. We emphasize that the financial statements do not reflect impairment charges that may occur should a sale of assets be forced. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

The Company's and the Group's business activities have remained largely unchanged during 2020. We have not identified regulatory changes or other transactions or events that qualify as new Key Audit Matters for 2020. "Impairment assessment vessels" has approximately the same characteristics as last year and continues to be in our focus.

Key Audit Matter

Impairment assessment vessels

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.

As of 31 December 2020, the Group owns or operates Offshore Support Vessels ("OSV") with a combined carrying amount of USD 935 million, which represents approximately 79% of total asset values.

Impairment indicators were considered presents as of 31 December 2020 due to poor market conditions for OSVs and the impact of the COVID-19 pandemic. During 2020, the Group recognized impairment of vessels of USD 277 million.

We focused on this area due to the significant carrying amount of the vessels

How our audit addressed the key Audit Matter

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.

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:

- 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 ensured the mathematical accuracy of its application in the value in use calculations.



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.

The fair value less costs of disposal is determined by management based on external brokers' valuations. We concentrated some of our audit effort on understanding how the brokers arrived at the estimate for the fair value.

- Current and historical external market data, where available, to corroborate the charter rates used by management. We challenged management on their assessment of market rates, including expected timing and extent of future increases 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.

In order to assess the estimates for fair value less costs of disposal, management completed broker valuation certificates for the vessels. We satisfied ourselves that the external brokers had both the objectivity and the competence to provide the estimate. We obtained an understanding of how selected brokers estimated fair value for the vessels. We also satisfied ourselves that the brokers were provided with relevant facts in order to determine such an estimate, by testing key inputs such as build date, build location and certain key specifications back to the ships register. 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.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

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

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



Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and management are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines 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 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing, we exercise professional judgement 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.



Independent Auditor's Report - Siem Offshore Inc.



- 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.

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 Board of Directors 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.

Oslo, 22 April 2021

PricewaterhouseCoopers AS

Bjørn Lund
State Authorised Public Accountant



Responsibility Statement

We confirm, to the best of our knowledge that the financial statements for the period 1 January to 31 December 2020 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.

22 April 2021

Kristian Siem
Chairman
(Sign)

Barry W. Ridings
Director
(Sign)

Alexander Mommas
Director
(Sign)

Bernt Omdal
Chief Executive Officer
(Sign)

John C. Wallace
Director
(Sign)

Board of Directors

The Company has a Board of four 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 Kveerner/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.

Alexander Mommas (born 1951), Board Member

Mr. Mommas is a non-executive advisor to Daiwa Capital Markets Europe Ltd. Mr. Mommas is also an advisor on investment and financial matters in Geneva, and on the board of a private trust company. Mr. Mommas 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. Mommas is a British citizen.

John C. Wallace (born 1938), Board Member

Mr. Wallace is a member of the Audit Committee of Siem Offshore Inc. He served for over twenty-five years as Chairman of Fred. Olsen Ltd., London, specializing in shipping, renewable energy and property development. Prior to his retirement in 2010 he was Chairman of the Audit Committee of Bonheur ASA, Oslo (a Fred Olsen company). He was Chairman of the Audit Committee of Callon Petroleum Co., USA until retiring in 2018. He received his Bachelor of Commerce degree from McGill University, Montreal, in 1959 majoring in Accounting and Economics. He qualified as a Chartered Accountant with PricewaterhouseCoopers in Canada in 1963 prior to joining Baring Brothers & Co., Limited in London, England. He received a Certified Public Accountant qualification from the State of Illinois in 2004. He was inducted as a 2011 Industry Pioneer by the Offshore Energy Centre in Houston. Mr. Wallace is a Canadian citizen.

Barry W. Ridings (born 1953), Board Member

Mr. Ridings is a Senior Advisor at Lazard Freres & 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). Mr. Ridings is a Fellow of the American College of Bankruptcy and a member of the International Insolvency Institute and the American Bankruptcy Institute. 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.



Alternative Performance Measurement (APM)

The Company has identified several 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, financial position and associated risk of the Company.

Operating margin - Operating revenues less operating expenses, including general and administrative expenses

Operating margin percentage - Operating margin as a percentage of operating revenues

EBITDA - Operating result before depreciation, amortization and impairment

EBIT - Operating profit before financial income and expenses, and before tax

Current ratio - Current assets divided by current liabilities

Book Equity ratio - Book equity including minority interests as percentage of total assets

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, adjusted for treasury shares

Equity per share - Shareholders' equity divided on number of outstanding shares

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

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

Contract backlog - total nominal value of future revenues from firm contracts, excluding optional periods

Utilization - effective time on hire relative to total time available in the reporting period, excluding vessels in lay-up

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

Financial Calendar 2021

Siem Offshore Inc. will release financial figures on the following dates in 2021:

Q1 2021	Monday 10 May
Q2 2021	Thursday 26 August
Q3 2021	Thursday 28 October

The Annual General Meeting of the Company will be held on Friday 7 May 2021.



SIEM Offshore

Siem Offshore Inc

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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
2020**



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Board of Directors' Report 2020

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 ten 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

The continued low activity in the offshore oil-service industry and excess capacity in the Offshore Support Vessel (OSV) fleet, including the AHTS fleet, have given charter rates at low levels, in some areas even below operating expenses, and more vessels have been put into lay-up.

A substantial number of the OSVs in lay-up are not expected to return to the market unless there is a significant increase in day-rates which also will generate cash flows that will cover deferred maintenance, other reactivating cost and finance cost.

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. The current financial challenges experienced by most of the owners are expected to continue.

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, the AUD, NOK and the EUR. 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.

Research and development activities

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



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Going concern

In accordance with the section § 3-3 of the Norwegian Accountancy Act, we confirm that Siem AHTS Pool AS meets the requirements for continuation as 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. The Going concern status is supported by the successful implementation of a Financial Restructuring plan that was completed and implemented on 26 May 2021.

There are uncertainties related to the going concern status due to the challenging market conditions and the impact of the Covid-19 pandemic on the vessel operations.

The Company is exposed to a number of risks. One of the most important risk factors is the demand for its services. The OSV market is now in its 8th year of depressed conditions and it has taken longer to recover than earlier expected. It is highly uncertain as to when charter rates will offer sufficient earnings for full debt servicing. The COVID-19 pandemic situation, when combined with the dramatic and unprecedented collapse in oil prices and global demand for oil, have put even more pressure on the OSV market. The COVID-19 pandemic has had a significant adverse effect on all service operations worldwide. The Company is working with the unions and the crews to find ways to secure the safe and healthy operation of its vessels. It is, however, likely that at some point in the future vessel operation will be halted through the absence of crew members. If the shutdown lasts for an extended time, there is a potential risk of contracts being cancelled which would negatively affect the cash flow of the Company. The Company takes all reasonable precautions to minimize such risk. Governmental regulations are frequently changing and it is a challenge to move crews, spare parts, service personnel and other around the globe to attend our vessels.

Comments related to the financial statements

The Company recorded operating revenue of USD 16 559 925 compared to last year's USD 35 359 832. The operating expenses were USD 233 788 409 compared to last year's USD 112 914 729. The net operating loss was USD 217 206 405 compared to last year's loss of USD 77 547 751.

Depreciations and amortization of USD 24 422 944 is included in the operating expenses, compared to USD 36 274 640 for last year. Impairment of USD 185 618 271 is included in the operating expenses, compared to USD 45 114 000 impairment last year.

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 USD 14 966 888 for 2020 compared to last year's negative of USD 29 036 546.

Net loss after tax was USD 232 122 344 for 2020 compared to last year's loss USD 97 956 880.

The equity has decreased from USD 29 318 060 in 2019 to negative equity USD 202 804 284 in 2020. The equity ratio was negative with 80 % in 2020, last year positive with 6 %.

Short term debt as of 31.12.2020 was 3 % of the Company's total debt, compared to 2 % as of 31.12.2019.

Financial allocations

The Board proposes that the net loss of USD 232 122 344 for 2020 to be allocated to loss brought forward.

Working environment

There were no employees in the Company in 2020.

Crew onboard the vessels are hired from the associated company Siem Offshore Crewing AS and 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

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.



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**The Board of Directors of Siem AHTS Pool AS
Kristiansand, 31.05.2021**

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Bernt Omdal
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Bernt Magne Omdal
Chairman of the board

DocuSigned by:
Dagfinn Breistein Lie
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Dagfinn Breistein Lie
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	2020	2019
Revenue	2	16 559 925	35 359 832
Gain sale of assets		22 079	7 146
Total operating income		16 582 004	35 366 978
Vessel operating expenses	8, 9	23 454 010	31 127 557
Depreciation and amortisation	12	24 422 944	36 274 640
Impairment on vessels	12	185 618 271	45 114 000
Other operating expenses	3	293 184	398 532
Total operating expenses		233 788 409	112 914 729
Operating profit/(loss)		-217 206 405	-77 547 751
Financial income and expenses			
Financial income	14	1 126 198	1 616 241
Interest expense to group companies	6	4 904 004	5 307 968
Other financial expenses	14	11 138 133	16 717 402
Net financial items		-14 915 939	-20 409 128
Operating result before tax	10	-232 122 344	-97 956 880
Net profit/(loss)		-232 122 344	-97 956 880
Net loss		-232 122 344	-97 956 880
Allocation of net loss			
Loss brought forward	5	232 122 344	97 956 880
Net brought forward		-232 122 344	-97 956 880

Siem AHTS Pool AS



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Statement of Financial Position 31.12

Siem AHTS Pool AS
(All amounts in USD)

Assets	Note	2020	2019
Non-current assets			
Tangible assets			
Vessels and equipment	7, 12	228 723 814	428 676 121
Project costs	7, 12	1 951 849	2 091 569
Total non-current tangible assets		230 675 663	430 767 690
Investments in subsidiaries	11	11 435 080	6 235 080
Total non-current intangible		11 435 080	6 235 080
Total non-current assets		242 110 743	437 002 770
Current assets			
Inventories	8	1 473 189	1 873 839
Accounts receivable	6, 7, 15	4 762 422	10 548 330
Other short-term receivables		4 731 114	3 427 762
Total receivables		9 493 536	13 976 092
Cash and cash equivalents	13	148 908	12 906 616
Total current assets		11 115 633	28 756 547
Total assets		253 226 376	465 759 317



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Statement of Financial Position 31.12

Siem AHTS Pool AS
(All amounts in USD)

Equity and liabilities	Note	2020	2019
Equity			
Paid-in capital			
Share capital	4, 5	139 217	139 217
Share premium reserve	5	352 755 009	352 755 009
Total paid-in capital		352 894 226	352 894 226
Retained earnings			
Uncovered loss	5	-555 698 510	-323 576 166
Total retained earnings		-555 698 510	-323 576 166
Total equity		-202 804 284	29 318 060
Long term liabilities			
Borrowings from financial institutions	7	266 392 447	266 232 776
Subordinated loan from shareholders	6, 16, 17	176 852 184	159 653 488
Total of long term liabilities		443 244 631	425 886 263
Current debt			
Trade creditors	6	5 876 620	5 576 532
Other current debt		6 909 409	4 978 462
Total current debt		12 786 029	10 554 994
Total liabilities		456 030 660	436 441 257
Total equity and liabilities		253 226 376	465 759 317

Kristiansand, 31.05.2021

The board of Siem AHTS Pool AS

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Bernt Omdal
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Bernt Magne Omdal
chairman of the board

DocuSigned by:
Dagfinn Breistein Lie
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Dagfinn Breistein Lie
member of the board

DocuSigned by:
Wai Lin
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Wai Lin
member of the board



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Indirect cash flow statement

Siem AHTS Pool AS

	Note	2020	2019
Cash flows from operating activities			
Result before tax		-232 122 344	-97 956 880
Depreciation and amortisation expense	12	24 422 944	36 274 640
Impairment of vessels	12	185 618 271	45 114 000
Change in inventories		400 650	94 315
Change in accounts receivable		5 785 908	-5 575 560
Change in trade creditors		300 088	-7 222 743
Change in other accounts		627 595	235 682
Net cash flow from operational activities		-14 966 888	-29 036 546
Cash flows from investment activities			
Investments in vessels	12	-9 949 187	-10 028 865
Investments in subsidiaries	11	-5 200 000	0
Net cash flow from investment activities		-15 149 187	-10 028 865
Cash flows from financing activities			
Proceeds from shareholders' loan	16	17 198 696	62 016 719
Repayment long term borrowing		0	-18 182 992
Proceeds from long term borrowing		159 671	0
Net cash flow from financing activities		17 358 367	43 833 727
Net change in cash and other cash equivalences		-12 757 708	4 768 316
Cash at bank as of 1st of January		12 906 616	8 138 300
Cash at bank as of 31st of December		148 908	12 906 616



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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 78,15% by Siem Offshore Inc. who reports consolidated accounts for the Group which includes the accountable and the accountables subsidiary companies. This consolidated accounts are audited and in accordance with the law, including IFRS and stock-exchange usages related to Siem Offshore Inc's listing on the Oslo Stock Exchange. This compilation of consolidated accounts must be in Norwegian, but Siem Offshore Inc. has been given exemption to present the consolidated accounts in English. Consolidated accounts for Siem Offshore Inc. may be delivered by request to Siem Offshore Inc, Nodeviga 14, 4610 Kristiansand.

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 after 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.

Foreign currency translation

The functional currency for the company is USD. Foreign currency transactions are translated at the year-end exchange rates. A NOK/USD rate of 0,11720 is used per 31.12.2020.

Vessels and equipment

Vessels and equipment are capitalized, and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred. Improvements and upgrading 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 0,11720 is used per 31.12.2020.

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	2020	2019
Norway	3 658 384	7 484 934
United Kingdom	6 463 535	12 280 149
Spain	51 255	0
Australia	997 556	806 314
Russia	0	3 788 595
Netherlands	1 105 292	0
Cayman Island	0	510 140
France	0	306 864
Malaysia	0	2 016 630
Panama	114 600	416 494
Canada	1 176 356	0
Cyprus	2 992 947	7 749 711
Total revenue	16 559 925	35 359 832

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 pension's 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	2020	2019
Audit Fee	5 085	16 834
Other Services	443	0
Total	5 528	16 834

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 11 000 shares, nominal value of USD 12,66 / NOK 100, total nominal value is USD 139 217 / NOK 1 100 000. 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 2020 owned by:

Owning Company	Number of shares	Percentage
Siem Offshore Inc	8 597	78,15 %
Singa Star Pte Ltd	2 403	21,85 %
Total number of shares	11 000	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 at 1st of January 2020	139 217	352 755 009	-323 576 166	29 318 060
Annual change in equity:				
Loss for the year			-232 122 344	-232 122 344
Equity at 31st of December 2020	139 217	352 755 009	-555 698 510	-202 804 284

Note 6, Intercompany balances

Company	Accounts receivable		Other receivables	
	2020	2019	2020	2019
Siem AHTS Pool Australia Pty	0	145 925	0	0
Siem Offshore Rederi AS	0	0	0	0
Siem Offshore Maritime Personnel AS	0	25 631	0	0
Secunda Canada LP	72 335	0	0	0
Nova Scotia Limited	19 054	0	0	0
Sum	91 389	171 556	0	0

Company	Trade creditors		Short term liabilities to group companies		Other long term liabilities	
	2020	2019	2020	2019	2020	2019
Siem Offshore Crewing AS	1 264 259	637 708	0	0	0	0
Siem Offshore AS	184 793	135 475	0	0	0	0
Siem Offshore Rederi AS	28 391	0	0	0	0	0
Siem Offshore Management AS	0	1 923	0	0	0	0
Siem Offshore Maritime Personell AS	11 169	0	0	0	0	0
Siem AHTS Pool Australia Pty	653 963	0	0	0	0	0
Siem Offshore Inc	0	0	0	0	138 319 194	124 758 420
Sum	2 142 575	775 106	0	0	138 319 194	124 758 420

The long term liability with Siem Offshore Inc. is a subordinated shareholder loan provided as a part of the financing of the vessel purchase and funding in general. Interest of USD 4 904 004 is recorded for 2020. 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

(Amount in USD)

Loan per currency	Loan 31.12.2020	Installment within 5 years	Installment beyond 5 years	Interest fixing	Due
USD	266 413 139	266 413 139	0	Floating	2022-2023
Fees and expenses	-20 693				
Total long term debt	266 392 447				

Book values, pledged as security for liabilities to financial institutions	31.12.2020
Vessels and equipment	230 675 663
Accounts receivable	4 762 422
Total book values, pledged as security for liabilities to financial institutions	235 438 085

The company has a portfolio of bank loans secured with mortgage in vessels, accounts receivable and revenues. The creditor and guarantors are in general first class commercial banks and state owned financial institutions with ratings on or above BBB+ and AAA.

There are various financial covenants related to the Company's debt agreements. The main prevailing covenants are:

Value Adjusted Equity Ratio
A ratio of Financial Indebtedness to EBITDA
Free cash covenant

The company is in compliance with all of the financial covenants as per 31 December 2020.

The financial covenants and general undertakings have been waived by the financing banks, effective from 29 April 2020 till 31 May 2021.

For further details regarding the financial restructuring process, see note 18.

Note 8, Inventories

Inventories	2020	2019
Stock of fuel oil	1 473 189	1 459 181
Slop chest	0	0
AHTS Mobile Assets	1 833 637	1 833 637
Provision for obsolescence mobile assets	-1 833 637	-1 418 978
Total inventories	1 473 189	1 873 839

Note 9, Vessel operating expenses

Distribution of vessel operating expenses	2020	2019
Vessel crew cost	13 079 107	16 684 960
Other vessel operating cost	10 374 903	14 442 597
Total	23 454 010	31 127 557

Financial services and commercial operation are delivered by an associated company, Siem Offshore AS. Fees for these services amount to USD 2 184 641 and are included above in the line "Other vessel operating cost". 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	2020	2019
Calculation of annual year tax basis		
Loss before tax	-232 122 344	-97 956 880
Change in permanent differences	0	0
Change in temporary differences	135 588 870	17 258 057
Adjustment interest between related parties	14 608 500	20 741 462
Exchange variation recalculating tax base from USD to NOK	33 800 561	-1 180 584
Annual year tax basis	-48 124 413	-61 137 945
Temporary differences		
Fixed assets	-88 650 053	42 514 920
Inventory	-1 505 452	-1 133 200
Receivables	-807 716	-663 189
Profit and loss-account	-2 723 708	0
Loss carried forward	-379 323 591	-321 845 344
Interest between related parties carried forward	-63 770 195	-47 773 255
Net temporary differences	-536 780 715	-328 900 067
Gross deferred tax	118 091 758	72 358 015
Tax not recognised in the balance sheet	-118 091 758	-72 358 015
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	17 653 722	22 868 700	11 435 080	10 973 018	-4 180 279
Sum			11 435 080		

Subsidiaries recognized according to cost method.

An impairment charge was recognised of USD 5 000 000 for 2018.



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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	Vessel equipment	Project cost	Periodic maintenance and docking	Total
Purchase cost 01.01.2020	662 908 595	72 746	11 308 030	3 362 279	39 762 833	717 414 481
Capital expenditure	1 719 996	0	0	0	8 229 191	9 949 187
The years disposals at cost	0	0	-11 308 030	0	-25 161 438	-36 469 468
Purchase cost 31.12.2020	664 628 591	72 746	0	3 362 279	22 830 587	690 894 200
Acc. depreciation per 01.01.2020	-245 546 907	-72 746	-11 308 030	-1 270 709	-28 448 399	-286 646 791
Depreciation	-19 671 203	0	0	-139 720	-4 612 021	-24 422 944
Impairment	-185 618 271	0	0	0	0	-185 618 271
Disposal of accumulated depreciation	0	0	11 308 030	0	25 161 438	36 469 468
Acc. depreciation per 31.12.2020	-450 836 381	-72 746	0	-1 410 430	-7 898 981	-460 218 537
Net book value 31.12.2020	213 792 210	0	0	1 951 849	14 931 606	230 675 663
Economic life (years)	See specification	5	15-30	2-5	2-5	
Amortization plan	Linear	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

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 fair value less cost of disposal (FVLCO) and value in use (VIU).

As of December 31st 2020, impairment indicators were identified for the vessels, mainly due to lower freight rates, vessels in lay up and the ongoing financial restructuring of the Company. Based on such indicators, impairment tests have been performed for all AHTS vessels as of 31 December 2020.

VIU is based on the present value of discounted cash flows for the cash generating unit 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 8.4%.

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

FVLCO 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.

An impairment charge has been recognised of USD 185 618 271 for 2020, which represents a writedown of the AHTS vesels to their recoverable amount.



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Notes (All amounts in USD)

Siem AHTS Pool AS

Note 13, Restricted cash and bank deposits

There were no restricted funds at year-end.

Note 14, Financial income and expense

Financial income	2020	2019
Interest income from bank	26 984	47 683
Realized currency gain	1 063 510	1 529 813
Unrealized currency gain	35 651	0
Other financial income	52	38 745
Total financial income	1 126 198	1 616 241
Other financial expenses	2020	2019
Interest cost from bank	3 880 251	8 803 582
Other interest cost	1 455 696	1 561 256
Other financial cost	1 333 628	1 421 649
Guarantee commission	3 520 242	3 992 762
Unrealized currency loss	49 415	306 726
Realized currency loss	898 900	631 427
Total other financial expense	11 138 133	16 717 402

Note 15, Accounts receivable

Accounts receivable	2020	2019
External receivables	5 478 732	11 039 971
Intercompany receivables	91 389	171 556
Provision for bad debt external receivables	-807 699	-663 196
Total accounts receivable	4 762 422	10 548 330

Note 16, Related party transactions

Shareholder loan, subordinated	Siem Offshore Inc	Singa Star Pte. Ltd	Total
Balance 01.01.2020	124 758 420	34 895 068	159 653 488
Working capital provided by shareholders	8 656 769	2 184 000	10 840 769
Interest 2020	4 904 004	1 453 922	6 357 926
Balance 31.12.2020	138 319 194	38 532 990	176 852 184

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 cost plus an agreed markup.

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

All terms for above transactions are at arms' length.



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Notes (All amounts in USD)

Siem AHTS Pool AS

Note 17, Other long-term liabilities

Long term liabilities which fall due more than 5 years after the end of this fiscal year.	2020	2019
Singa Star Pte Ltd	26 800 899	28 716 176
Siem Offshore Inc	93 365 456	99 806 735
Total	120 166 354	128 522 911

Note 18, Liquidity and Going Concern

The financial statements have been prepared under the assumption that the Company is a going-concern. However, there are uncertainties related to the going-concern status due to poor market conditions and the impact of the COVID-19 pandemic on world economy, which influence the vessel rates and operations negatively.

The Company is exposed to a number of risks. One of the most important risk factors is the demand for its services. The OSV market is now in its 8th year of depressed condition and we expect that the market will remain soft for some time.

The Company has recorded aggregated impairments of USD 186 million in 2020. Additional impairment charges may be necessary if the market continues to be depressed for a prolonged period. The financial statements do not reflect impairment charges that will occur if a sale of assets is forced in today's market, or if deteriorating assumptions are used in the value-in-use calculation. Total Equity is negative at USD 202,8 million at 31 December 2020.

The Company entered into a standstill agreement with its secured lenders in Europe and Norway for the period from 29 May 2020 until 31 May 2021. The objective for the 2021 Restructuring Plan is to improve recoverability of banks' loans through an orderly reorganisation of the Balance Sheet, preserve contract backlog and to enable the Company to service its clients. The restructuring plan was successfully completed and implemented on 26 May 2021.

The restructuring agreement is a four-year plan that involves conversion of debt to equity, a reduction of future scheduled interest and amortization payments and extension of secured debt with maturity before 2024 to 31 December 2024. The Plan will significantly strengthen the Company's balance sheet and create a stronger financial platform to continue to support the Company's clients, preserve contract backlog and to meet the challenges in an extended downturn in the offshore supply market.

The main terms of the restructuring agreed with the European banks and Shareholders include:

- Equitization of approximately USD 101 million of the secured debt and all of the Shareholders' loan.
- Remaining secured debt, following debt-to-equity conversion, to be guaranteed by the Shareholders, and to be serviced by cash sweeps from the Company and other Group Companies depending on categorization based on contract situation, current market conditions and forecast. No debt amount will be in excess of current market values of the secured asset.
- Extension of maturity for secured facilities with original maturity date before 31 December 2024.
- Revised financial covenants and general undertakings.
- The equitized debt will be converted to shares maintaining the relative ownership of the current two shareholders.

The negative market outlook is further exacerbated by the COVID-19 pandemic situation, which has affected world economies and resulted in reduced global demand for oil. This has led to the collapse in the oil price, recovered for now, which has placed additional pressure on the OSV market.

The Company is working with its unions and crews to secure safe and reliable operations of its vessels. An additional risk is that vessel operations could be halted through the absence of crew members. If the COVID-19 shutdown lasts for an extended time, there is a potential risk of contract cancellations with the resultant negative effect on our cash flow. The Company takes all reasonable precautions to minimize such risk. Governmental regulations are frequently changing and it is a challenge to move crews, spare parts and service-personnel around the globe to attend to our vessels.

The Company is exposed to credit risk related to the financial position 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. The oil price has a direct impact on the offshore activities which the Company serves.



To the General Meeting of Siem AHTS Pool AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Siem AHTS Pool AS, which comprise statement of financial position as at 31 December 2020, the income statement and indirect 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 accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 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

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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authorised accounting firm*



Independent Auditor's Report - Siem AHTS Pool AS



Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional skepticism 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 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'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 to cease to continue as a going concern.

(2)



Independent Auditor's Report - Siem AHTS Pool AS



- 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 fair presentation.

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.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 31 May 2021
PricewaterhouseCoopers AS

Bjørn Lund
State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Auditor's report

Signers:

Name	Method	Date
Lund, Bjørn	BANKID_MOBILE	2021-05-31 20:32

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- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



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The seal is a guarantee for the authenticity
of the document.



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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