



**SIEM OFFSHORE INC.**  
**REPORT FOR FOURTH QUARTER AND THE FISCAL YEAR 2022**

On 24 February 2023 – Siem Offshore Inc. (the “Company”; Oslo Stock Exchange: SIOFF) announces results for fourth quarter and the fiscal year ended 31 December 2022.

**SELECTED FINANCIAL INFORMATION**

|  | 2022             | 2021             | 2022             | 2021           |
|--|------------------|------------------|------------------|----------------|
| <i>(Amounts in USD millions)</i>               | 4Q               | 4Q               | Jan-Dec          | Jan-Dec        |
|  | <i>Unaudited</i> | <i>Unaudited</i> | <i>Unaudited</i> | <i>Audited</i> |
| Operating revenues                             | 64.3             | 65.3             | 274.3            | 254.5          |
| Operating margin                               | 20.8             | 24.8             | 103.8            | 100.6          |
| Operating margin, %                            | 32%              | 38%              | 38%              | 40%            |
| Operating profit (loss)                        | 5.5              | 8.9              | 39.4             | 38.2           |
| Net profit (loss)                              | -8.7             | 7.1              | 27.7             | 102.9          |
| Net profit (loss) attributable to shareholders | -6.5             | 8.1              | 30.9             | 107.9          |
| Net cash flow before debt repayment            | 20.9             | 17.6             | 60.0             | 120.8          |
| Net interest bearing debt                      | 474.0            | 532.4            | 474.0            | 532.4          |
| Repayment of interest bearing debt             | 14.6             | 15.1             | 55.0             | 124.3          |
| Contract Backlog                               | 441.7            | 297.5            | 441.7            | 297.5          |
| Total Equity                                   | 359.4            | 340.3            | 359.4            | 340.3          |
| Cash and Cash equivalents                      | 94.9             | 91.8             | 94.9             | 91.8           |

**HIGHLIGHTS FOR THE FOURTH QUARTER**

- Received notification of the final unfavorable decision of a Brazilian court in a lawsuit filed against Petrobras. The case is related to late delivery of the vessel “Siem Marataizes” from yard back in 2016.
- Awarded a new 4-6 month contract for the battery hybrid PSV “Siem Symphony” commencing in Q2 2023 with BP Canada.
- Entered into a one-year firm contract plus options for the MPSV “Siem Dorado” with an undisclosed client. The contract will commence in direct continuation of the current contract and operations are expected to be primarily outside the North Sea.

**SUBSEQUENT EVENTS**

- Awarded a contract extension of 7 months firm for the OSCV “Siem Barracuda” on the Hywind Tampen offshore wind farm project for client Equinor.

## **MARKET AND OUTLOOK**

The fourth quarter was characterized by reduced activity and day rates in most segments compared to the previous quarter. Several campaigns and projects were ending and vessels became available. The North Sea's spot market was roughly the same as in recent years, considering entering into the winter season, where AHTS suffered slightly more than the PSV market, but the market was in line with normal seasonal variations. Most of the construction vessels were in operation.

The expected increase in activity in Brazil, West Africa and the North Sea is showing signs of realization. Although it is progressing slower than expected, we see higher rates for longer periods within several segments. The high activity offshore driven by strong energy prices and wind installations, suggest a growing demand for our young and advanced fleet for years to come. The focus is to ensure utilization, especially for the AHTS segment in Australia, Asia and the North Sea.

For the OSCV segment we now see that requirements for multi-year contracts are hitting the market, which is a signal that charterers are positioning themselves strategically to reduce the risk of not having control over capable assets to carry out their already booked projects in the years ahead. Having refrained from taking on long-term contracts in the previously weak market, the Company now has several vessels in a position to target long-term opportunities in the coming years.

The floating offshore wind segment is still in an early stage of development, but this segment may require a substantial number of Construction and high-end AHTS vessels for installation of anchors, mooring and hook-up projects.

The Company is well-positioned to compete with its peers based on its modern fleet, relatively strong balance sheet, quality backlog, strong operating record, positive reputation and its proven ability to provide employment on a global scale both within the fossil and renewable energy segments.

## **RESULTS AND FINANCE**

### **Income Statements (4Q 2022 over 4Q 2021)**

Operating revenues were USD64.3 million (2021: USD65.3 million). The operating margin was USD20.8 million (2021: USD24.8 million). Administrative expenses were USD6.6 million (2021: USD4.9 million).

Operating profit/(loss) was USD5.5 million (2021: USD8.9 million) after depreciation and amortization expenses of USD15.2 million (2021: USD15.9 million).

Net financial items were USD-13.9 million (2021: USD-4.0 million) and include a net revaluation gain/(loss) of non-USD currency items of USD-7.1 million (2021: USD-2.0 million), of which USD-8.6 million was unrealized (2021: USD-2.6 million). The financial expenses were USD9.0 million (2021: USD4.9 million). Non-USD currency items are held to match short- and long-term liabilities in similar currencies.

The net profit/(loss) attributable to shareholders was USD-6.5 million (2021: USD8.1 million), representing USD-0.03 per share (2021: USD0.03 per share).

## **Statements of Financial Position and Cash Flows**

Shareholders' equity was USD363.1 million before non-controlling interest on 31 December 2022 (31 December 2021: USD340.8 million), equivalent to USD 1.52 per share (2021: USD 1.43 per share). Non-controlling interest is USD-3.7 million. Total equity ratio was 35% (31 December 2021: 32%). Net cash flow from operating activities for the fiscal year 2022 was USD84.2 million and the cash position on 31 December 2022 was USD94.9 million.

The gross interest-bearing debt was equivalent to USD569.0 million. In the fiscal year 2022, the Company made principal repayments of USD55.0 million. In the same period, the Company made interest payments of USD17.4 million.

The weighted average cost of debt for the Company was approximately 5.8% p.a. on 31 December 2022 (31 December 2021: 3.3%). The Company has no debt-related derivatives such as interest rate swaps and cross currency swaps. However, 38% of interest-bearing debt has fixed interest rate and a positive market value.

The share capital is USD238.852 million representing a total of 238,852,052 shares with a nominal value of USD1.00 per share.

## **Health, Safety, Environment & Quality (HSEQ)**

The Company has not experienced any serious injuries nor any serious environmental incidents in the fourth quarter of 2022. There has been a continuously positive safety and environmental trend throughout the quarter.

The quarterly safety campaign has focused on "Preventing hand and finger injuries", developed and streamlined together with a major client. This was a success and shows the good cooperation between Clients and Siem Offshore. The campaign has been rolled out to the whole fleet and to all the Company offices.

There has been an increase in the frequency of managerial visits onboard all vessels after the uplift of Covid-19 travel restrictions – this has been well received by all vessels and crews.

Clients are very satisfied with our operational and safety performance, which reflects professional crew and a well-developed safety culture throughout the Company. This is well documented through our customer surveys.

The conflict in Ukraine is challenging in many ways, primarily the hardships for the people directly involved. Many of our seafarers are from Ukraine. The Company has a constant and clear focus on close communication with seafarers around safety and day-to-day support.

## **Ethics, Compliance, and Integrity are key to our business**

The Company is committed to carrying out its business in an ethical manner and in strict compliance with applicable laws wherever it operates. This has been a focus area in 2022, where we have further earned the trust of our clients, business partners, suppliers, and other stakeholders by acting consistently and reliably in accordance with these principles.

## **The Fleet**

On 31 December 2022, the fleet totaled 28 vessels (2021: 28 vessels), including partly owned vessels. 3 vessels were in lay-up at the end of the quarter (2021: 4). In addition to the owned fleet of 28 vessels, the Company performs ship-management services for 3 vessels. The overall fleet utilization in the quarter was 88% (2021: 90%), excluding vessels in lay-up.

## **Results for the Fourth Quarter 2022**

### **Platform Supply Vessels (PSVs)**

The Company had 6 PSVs in the fleet at the end of the quarter (2021: 6). The PSVs recorded operating revenues of USD9.4 million and had 96% utilization (2021: USD9.5 million and 85%). The operating margin before administrative expenses for the PSVs was USD1.8 million (2021: USD3.1 million). The margin was reduced from 2021 due to reduced charter rates, in combination with increased cost due to trading area.

### **Offshore Subsea Construction Vessels (OSCVs) and Well-Intervention Vessels (WIVs)**

The Company had 4 OSCVs and 2 WIVs at the end of the quarter (2021: 4 OSCVs and 2 WIVs). The OSCVs and WIVs earned operating revenues of USD32.0 million and had 94% utilization (2021: USD30.6 million and 94%). The operating margin before administrative expenses was USD18.5 million (2021: USD16.0 million). The revenues and margin increased from 2021 due to increased charter rates.

### **Anchor-Handling Tug Supply (AHTS) Vessels**

The Company had 8 AHTS vessels at the end of the quarter (2021: 8). The AHTS fleet earned operating revenues of USD8.4 million and had 71% utilization excluding vessels in lay-up (2021: USD10.1 million and 82%). The operating margin before administrative expenses was USD-1.9 million (2021: USD1.0 million). One vessel was in lay-up at the end of the quarter (2021: 2 vessels). The revenues and margin decreased from 2021 mainly due to lower utilization.

### **Other Vessels**

The Company had a fleet of 5 smaller Brazilian-flagged vessels (fast supply vessels, fast crew vessels and oil-spill recovery vessels) at the end of the quarter (2021: 5). Two vessels were in lay-up at the end of the quarter (2021: 2 vessels). Two vessels operated under term contracts in Brazil. One vessel is on a Bareboat contract. The fleet earned operating revenues of USD3.8 million and had 95% utilization excluding vessels in lay-up (2021: USD4.1 million and 100%). The operating margin before administrative expenses for the fleet was USD1.4 million (2021: USD2.5 million).

The Company had one Canadian-owned vessel operating offshore Canada at the end of the quarter (2021: 1). The vessel earned operating revenues of USD1.8 million and had 100% utilization (2021: USD3.0 million and 100%). The operating margin before administrative expenses was USD1.6 million (2021: USD2.3 million). The revenues and margin are down from 2021 due to lower rates and Covid-19 support that was received from the Canadian Government in 2021.

The Company had one scientific core-drilling vessel that recorded operating revenues of USD8.3 million (2021: USD7.7 million) and an operating margin before administrative expenses of USD5.1 million (2021: USD4.2 million).

The 41%-ownership in the “Big Orange XVIII” recorded a share of profit of USD0.2 million (2021: USD0.3 million). These results are recorded in accordance with the equity method.

### Contract Backlog

The total contract backlog on 31 December 2022 was USD442 million and is allocated as follows:

| <i>(Amounts in USD millions)</i> | 2025       |            |            | Total      |
|----------------------------------|------------|------------|------------|------------|
|                                  | 2023       | 2024       | onwards    |            |
| OSVs                             | 169        | 110        | 107        | 386        |
| Other                            | 32         | 24         | 0          | 56         |
| <b>Total Backlog</b>             | <b>201</b> | <b>134</b> | <b>107</b> | <b>442</b> |

On behalf of the Board of Directors of Siem Offshore Inc.

24 February 2023

Kristian Siem, Chairman

Bernt Omdal, Chief Executive Officer

## CONSOLIDATED INCOME STATEMENTS

| <i>(Amounts in USD 1,000)</i>  | Note     | 2022             | 2021             | 2022             | 2021           |
|--|----------|------------------|------------------|------------------|----------------|
|  |          | 4Q               | 4Q               | Jan-Dec          | Jan-Dec        |
|  |          | <i>Unaudited</i> | <i>Unaudited</i> | <i>Unaudited</i> | <i>Audited</i> |
| Operating revenues   | 4        | 64,345           | 65,278           | 274,306          | 254,493        |
| Operating expenses   | 8        | -36,943          | -35,609          | -147,934         | -134,115       |
| Administrative expenses  | 8        | -6,649           | -4,916           | -22,596          | -19,793        |
| <b>Operating margin</b>  | <b>4</b> | <b>20,753</b>    | <b>24,753</b>    | <b>103,776</b>   | <b>100,585</b> |
| Depreciation and amortization  | 4,5,8    | -15,153          | -15,868          | -64,305          | -63,539        |
| Gain / (loss) on sales of fixed assets                               | 5        | -57              | -12              | -95              | 997            |
| Gain/(loss) on currency derivative contracts                         |          | -                | 62               | -                | 204            |
| <b>Operating profit/(loss)</b>                                       |          | <b>5,543</b>     | <b>8,935</b>     | <b>39,376</b>    | <b>38,247</b>  |
| Financial income   | 9        | 2,274            | 2,799            | 4,300            | 96,727         |
| Financial expenses   | 8,9      | -9,035           | -4,857           | -24,375          | -28,573        |
| Net currency gain (loss) on revaluation                              | 9        | -7,096           | -1,956           | 7,736            | -4,531         |
| <b>Net financial items</b>   |          | <b>-13,857</b>   | <b>-4,014</b>    | <b>-12,340</b>   | <b>63,623</b>  |
| Result from associated companies                                     |          | 202              | 323              | 446              | 42             |
| <b>Profit/(loss) before taxes</b>                                    |          | <b>-8,112</b>    | <b>5,243</b>     | <b>27,482</b>    | <b>101,912</b> |
| Tax benefit/(expense)  | 7        | -540             | 1,847            | 250              | 1,000          |
| <b>Net profit/(loss)</b>   |          | <b>-8,651</b>    | <b>7,091</b>     | <b>27,732</b>    | <b>102,912</b> |
| Attributable to non-controlling interest                             |          | -2,197           | -1,038           | -3,165           | -4,947         |
| <b>Attributable to shareholders of the Company</b>                   |          | <b>-6,455</b>    | <b>8,128</b>     | <b>30,897</b>    | <b>107,858</b> |
| Weighted average number of outstanding shares(000's)                 |          | 238,852          | 238,852          | 238,852          | 147,050        |
| Earnings/(loss) per share (basic and diluted)                        |          | -0.03            | 0.03             | 0.13             | 0.73           |
| <b>Statements of Comprehensive Income</b>                            |          | <b>2022</b>      | <b>2021</b>      | <b>2022</b>      | <b>2021</b>    |
| <i>(Amounts in USD 1,000)</i>  |          | <b>4Q</b>        | <b>4Q</b>        | <b>Jan-Dec</b>   | <b>Jan-Dec</b> |
|  |          | <i>Unaudited</i> | <i>Unaudited</i> | <i>Unaudited</i> | <i>Audited</i> |
| <b>Net profit (loss)</b>   |          | <b>-8,651</b>    | <b>7,091</b>     | <b>27,732</b>    | <b>102,912</b> |
| <b>Other comprehensive income/(expense)</b>                          |          |                  |                  |                  |                |
| Items that will not be reclassified to the Income Statement:         |          |                  |                  |                  |                |
| Pension re-measurement gain/(loss)                                   |          | -446             | -203             | -446             | -203           |
| Items that may be subsequently reclassified to the Income Statement: |          |                  |                  |                  |                |
| Cash flow hedges   |          | 1,816            | -930             | 11,753           | -2,217         |
| Currency translation differences                                     |          | 10,376           | 1,449            | -19,959          | 825            |
| <b>Total comprehensive profit/(loss) for the period</b>              |          | <b>3,095</b>     | <b>7,406</b>     | <b>19,080</b>    | <b>101,317</b> |
| Attributable to non-controlling interest                             |          | -2,197           | -1,039           | -3,165           | 4,947          |
| <b>Attributable to shareholders of the Company</b>                   |          | <b>5,292</b>     | <b>8,445</b>     | <b>22,245</b>    | <b>106,263</b> |

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

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| <i>(Amounts in USD 1,000)</i>                            | Note | 31.12.2022       | 31.12.2021       |
|--|------|------------------|------------------|
| <b>ASSETS</b>  |      | <i>Unaudited</i> | <i>Audited</i>   |
| <b>Non-current assets</b>                                |      |                  |                  |
| Vessels and equipment                                    | 5,8  | 804,918          | 844,652          |
| Capitalized project cost                                 | 5    | 1,811            | 2,433            |
| Investment in associates and other long-term receivables |      | 32,319           | 33,244           |
| CIRR loan deposit <sup>1)</sup>                          |      | 20,638           | 36,763           |
| Deferred tax asset                                       | 7    | 8,636            | 8,945            |
| <b>Total non-current assets</b>                          |      | <b>868,323</b>   | <b>926,037</b>   |
| <b>Current assets</b>                                    |      |                  |                  |
| Trade receivables and other current assets               |      | 56,619           | 55,621           |
| Cash and cash equivalents                                | 6    | 94,949           | 91,839           |
| <b>Total current assets</b>                              |      | <b>151,568</b>   | <b>147,460</b>   |
| <b>Total Assets</b>                                      |      | <b>1,019,891</b> | <b>1,073,497</b> |
| <b>EQUITY</b>  |      |                  |                  |
| Share capital  |      | 238,852          | 238,852          |
| Other reserves <sup>2)</sup>                             |      | 124,229          | 101,984          |
| <b>Total Shareholders' equity</b>                        |      | <b>363,081</b>   | <b>340,836</b>   |
| Non-controlling interest                                 |      | -3,703           | -538             |
| <b>Total Equity</b>                                      |      | <b>359,377</b>   | <b>340,298</b>   |
| <b>LIABILITIES</b>                                       |      |                  |                  |
| <b>Non-current liabilities</b>                           |      |                  |                  |
| Borrowings   | 6    | 509,994          | 576,596          |
| CIRR loan <sup>1)</sup>                                  |      | 20,638           | 36,763           |
| Other non-current liabilities                            | 8    | 14,574           | 14,211           |
| <b>Total non-current liabilities</b>                     |      | <b>545,206</b>   | <b>627,570</b>   |
| <b>Current liabilities</b>                               |      |                  |                  |
| Current portion of borrowings                            | 6    | 58,978           | 47,650           |
| Accounts payable and other current liabilities           | 7,8  | 56,330           | 57,980           |
| <b>Total current liabilities</b>                         |      | <b>115,307</b>   | <b>105,630</b>   |
| <b>Total liabilities</b>                                 |      | <b>660,514</b>   | <b>733,200</b>   |
| <b>Total Equity and Liabilities</b>                      |      | <b>1,019,891</b> | <b>1,073,497</b> |

1) Commercial Interest Reference Rate

2) Share premium reserves have been included in Other reserves

The accompanying Notes are in integral part of these Consolidated Financial Statements.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

|   | 2022             | 2021            |
|---|------------------|-----------------|
| <i>(Amounts in USD 1,000)</i>                   | Jan-Dec          | Jan-Dec         |
|   | <i>Unaudited</i> | <i>Audited</i>  |
| <b>Cash flow from operating activities</b>      |                  |                 |
| Net profit/(loss)                               | 27,732           | 102,912         |
| Interest expense                                | 23,370           | 24,187          |
| Interest income                                 | -4,245           | -3,240          |
| Cash flow hedge                                 | -6,232           | -               |
| Tax expense                                     | -250             | -1,000          |
| Results from associated companies               | -446             | -42             |
| Loss/(gain) on sale of assets                   | 95               | -997            |
| Debt forgiveness from restructuring             | -                | -91,553         |
| Depreciation and amortization                   | 64,305           | 63,539          |
| Unrealized currency gain/(loss)                 | -1,358           | -3,578          |
| Changes in short-term receivables and payables  | -2,648           | 9,174           |
| Other changes                                   | -531             | 2,493           |
| <b>Cash flow from operating activities</b>      | <b>99,792</b>    | <b>101,895</b>  |
| Interest paid                                   | -17,432          | -23,342         |
| Interest received                               | 2,599            | 3,183           |
| Taxes paid                                      | -786             | 363             |
| <b>Net Cash flow from operating activities</b>  | <b>84,172</b>    | <b>82,099</b>   |
| <b>Cash flow from investing activities</b>      |                  |                 |
| Capital expenditure in vessels and equipment    | -24,923          | -27,736         |
| Proceeds from sale of fixed assets              | 97               | 52,463          |
| Change in other non-current receivables         | 763              | 4,202           |
| <b>Cash flow from investing activities</b>      | <b>-24,062</b>   | <b>28,929</b>   |
| <b>Cash flow from financing activities</b>      |                  |                 |
| Contribution from non-controlling interests     | 1,791            | 10,000          |
| Paid leases                                     | -1,812           | -1,927          |
| Changes in other non-current liabilities        | -126             | 1,697           |
| Repayment of long-term borrowings               | -54,963          | -124,270        |
| <b>Cash flow from financing activities</b>      | <b>-55,109</b>   | <b>-114,500</b> |
| <b>Net change in cash and cash equivalents</b>  | <b>5,000</b>     | <b>-3,472</b>   |
| Cash and cash equivalents, beginning of period  | 91,839           | 103,225         |
| Effect of exchange rate differences             | -1,890           | -7,914          |
| <b>Cash and cash equivalents, end of period</b> | <b>94,949</b>    | <b>91,839</b>   |

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

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

| <i>(Amounts in USD 1,000)</i>                        | Total no. of shares | Share capital  | Share premium reserves | Other reserves | Retained earnings | Shareholders' equity | Non-Contr. interest | Total equity   |
|--|---------------------|----------------|------------------------|----------------|-------------------|----------------------|---------------------|----------------|
| <b>Equity at 1 January 2021</b>                      | <b>934,738,777</b>  | <b>9,347</b>   | <b>634,959</b>         | <b>-29,332</b> | <b>-557,821</b>   | <b>57,152</b>        | <b>-44,730</b>      | <b>12,423</b>  |
| Net profit/(loss) for the period                     | -                   | -              | -                      | -              | 107,858           | 107,858              | -4,947              | 102,912        |
| Pension re-measurement                               | -                   | -              | -                      | -              | -203              | -203                 | -                   | -203           |
| Cash flow hedge                                      | -                   | -              | -                      | -2,217         | -                 | -2,217               | -                   | -2,217         |
| Currency translation differences                     | -                   | -              | -                      | 825            | -                 | 825                  | -                   | 825            |
| Shares issues in Siem Offshore Inc                   | 22,950,466,494      | 229,505        | -52,084                | -              | -                 | 177,421              | -                   | 177,421        |
| Correction number of shares following reversed split | -23,646,353,219     | -              | -                      | -              | -                 | -                    | -                   | -              |
| Share issues in partially owned subsidiaries         | -                   | -              | -                      | -              | -                 | -                    | 49,138              | 49,138         |
| <b>Equity at 31 December 2021</b>                    | <b>238,852,052</b>  | <b>238,852</b> | <b>582,875</b>         | <b>-30,725</b> | <b>-450,166</b>   | <b>340,836</b>       | <b>-538</b>         | <b>340,298</b> |

| <i>(Amounts in USD 1,000)</i>     | Total no. of shares | Share capital  | Share premium reserves | Other reserves | Retained earnings | Shareholders' equity | Non-Contr. interest | Total equity   |
|-----------------------------------|---------------------|----------------|------------------------|----------------|-------------------|----------------------|---------------------|----------------|
| <b>Equity at 1 January 2022</b>   | <b>238,852,052</b>  | <b>238,852</b> | <b>582,875</b>         | <b>-30,725</b> | <b>-450,166</b>   | <b>340,836</b>       | <b>-538</b>         | <b>340,298</b> |
| Net profit/(loss) for the period  | -                   | -              | -                      | -              | 30,897            | 30,897               | -3,165              | 27,732         |
| Pension re-measurement            | -                   | -              | -                      | -              | -446              | -446                 | -                   | -446           |
| Cash flow hedge                   | -                   | -              | -                      | 11,753         | -                 | 11,753               | -                   | 11,753         |
| Currency translation differences  | -                   | -              | -                      | -19,959        | -                 | -19,959              | -                   | -19,959        |
| Reallocation of retained loss     | -                   | -              | -419,715               | -              | 419,715           | -                    | -                   | -              |
| <b>Equity at 31 December 2022</b> | <b>238,852,052</b>  | <b>238,852</b> | <b>163,160</b>         | <b>-38,931</b> | <b>-</b>          | <b>363,081</b>       | <b>-3,703</b>       | <b>359,378</b> |

## NOTES TO THE FINANCIAL STATEMENTS

### Note 1 – Basis of Preparation

The financial statements have been prepared under the assumption that the Company and the Parent are going concerns. The assumption is based on the terms of the financing facilities, contract backlog, Company's strong equity position, cash position and forecasted cash flows.

The consolidated financial information for the period 1 January to 31 December 2022 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The consolidated interim financial information should be read in conjunction with the audited annual financial statements for the year ended 31 December 2021, which have been prepared in accordance with IFRS standards.

### Note 2 – Accounting Policies

The accounting policies applied are consistent with those of the audited annual financial statements for the year ended 31 December 2021 and with new standards, amendments to standards and interpretations that have become effective in 2022.

### Note 3 –Key Risks

The Company is exposed to financial, commercial and operational risks that affect the financial position, earnings and cash flow of the Company.

#### 3.1 Interest Risk

The Company is exposed to changes in interest rates as approximately 62% of the long-term interest-bearing debt was subject to floating interest rates at the end of December 2022. The remaining portion of the debt is subject to fixed interest rates.

#### 3.2 Currency Risk

The Company is exposed to currency risk as revenues and costs are denominated in various currencies. See Note 6 for details. The Company is also exposed to currency risk on long-term debt and cash position held in non-USD currencies. The Company has closed all of its currency hedging derivatives in compliance with the financial restructuring agreements. A natural currency hedging accounting arrangement is held in Brazil for vessels operating under USD financing.

#### 3.3 Inflation Risk

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

## NOTES TO THE FINANCIAL STATEMENTS

### 3.4 Liquidity Risk

No debt will mature till end of 2024, except for debt that will be subject to cash sweep if applicable. See Annual Report note 12 for further details. The volatile market conditions and the impact of the COVID-19 pandemic on vessel operations and world economy may still have a negative influence.

### 3.5 Commercial and operational risk

The Company is exposed to commercial risk as it operates in the cyclical oil and gas service markets with significant volatility in charter rates. Operational risk is related to availability of experienced crew and technical incidents with vessels and equipment.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 4 – Segment Reporting

| <i>(Amounts in USD 1,000)</i>                | <b>2022</b>      | <b>2021</b>      | <b>2022</b>      | <b>2021</b>    |
|--|------------------|------------------|------------------|----------------|
|  | <b>4Q</b>        | <b>4Q</b>        | <b>Jan-Dec</b>   | <b>Jan-Dec</b> |
|  | <i>Unaudited</i> | <i>Unaudited</i> | <i>Unaudited</i> | <i>Audited</i> |
| <b>Operating revenue by segments</b>         |                  |                  |                  |                |
| Platform Supply Vessels                      | 9,417            | 9,495            | 36,157           | 39,908         |
| Offshore Subsea Construction Vessels and WIV | 32,049           | 30,598           | 126,864          | 111,718        |
| Anchor Handling Tug Supply Vessels           | 8,352            | 10,060           | 53,231           | 43,067         |
| Brazilian Fleet                              | 3,823            | 4,117            | 16,126           | 15,698         |
| Canadian Fleet                               | 1,814            | 2,989            | 8,337            | 12,670         |
| Other/Intercompany elimination               | 559              | 317              | 1,543            | 1,449          |
| Scientific Core-Drilling Vessel              | 8,331            | 7,703            | 32,047           | 29,984         |
| <b>Total operating revenue</b>               | <b>64,345</b>    | <b>65,278</b>    | <b>274,306</b>   | <b>254,493</b> |
| <b>Operating margin by segments</b>          |                  |                  |                  |                |
| Platform Supply Vessels                      | 1,764            | 3,089            | 7,410            | 15,100         |
| Offshore Subsea Construction Vessels and WIV | 18,531           | 16,018           | 72,667           | 64,387         |
| Anchor Handling Tug Supply Vessels           | -1,909           | 965              | 12,157           | 3,780          |
| Brazilian Fleet                              | 1,391            | 2,495            | 7,541            | 8,922          |
| Canadian Fleet                               | 1,647            | 2,299            | 4,969            | 9,140          |
| Other/Intercompany elimination               | 844              | 614              | 2,733            | 2,604          |
| Scientific Core-Drilling Vessel              | 5,133            | 4,190            | 18,895           | 16,445         |
| Administrative expenses                      | -6,649           | -4,916           | -22,596          | -19,793        |
| <b>Total operating margin from segments</b>  | <b>20,753</b>    | <b>24,753</b>    | <b>103,776</b>   | <b>100,585</b> |
| <b>Depreciation by segments</b>              |                  |                  |                  |                |
| Platform Supply Vessels                      | -1,993           | -2,354           | -9,330           | -9,755         |
| Offshore Subsea Construction Vessels and WIV | -7,674           | -6,740           | -29,867          | -26,042        |
| Anchor Handling Tug Supply Vessels           | -3,629           | -3,481           | -14,448          | -15,554        |
| Brazilian Fleet                              | 46               | -866             | -2,883           | -3,334         |
| Canadian Fleet                               | -432             | -566             | -1,987           | -2,244         |
| Other/Intercompany elimination               | -367             | -598             | -1,374           | -2,193         |
| Scientific Core-Drilling Vessel              | -1,104           | -1,262           | -4,417           | -4,417         |
| <b>Total depreciation by segments</b>        | <b>-15,153</b>   | <b>-15,868</b>   | <b>-64,305</b>   | <b>-63,539</b> |

## NOTES TO THE FINANCIAL STATEMENTS

### Note 5 - Vessels, Equipment and Project Cost

| <i>(Amounts in USD 1,000)</i>                                 | <b>Land and buildings</b> | <b>Vessels and equipment</b> | <b>Capitalized project cost</b> | <b>Total</b>      |
|---|---------------------------|------------------------------|---------------------------------|-------------------|
| <b>Purchase cost at 1 January 2022</b>                        | <b>3,506</b>              | <b>2,171,967</b>             | <b>8,512</b>                    | <b>2,183,985</b>  |
| Capital expenditure   | -                         | 24,923                       | -                               | 24,923            |
| The period's disposal at cost                                 | -                         | -2,203                       | -                               | -2,203            |
| Effect of exchange rate differences                           | 54                        | -4,912                       | -272                            | -5,130            |
| <b>Purchase cost at 31 December 2022</b>                      | <b>3,560</b>              | <b>2,189,776</b>             | <b>8,240</b>                    | <b>2,201,575</b>  |
| <b>Accumulated depreciation at 1 January 2022</b>             | <b>-2,257</b>             | <b>-778,827</b>              | <b>-6,079</b>                   | <b>-787,163</b>   |
| <b>Accumulated impairment at 1 January 2022</b>               | <b>-</b>                  | <b>-549,737</b>              | <b>-</b>                        | <b>-549,737</b>   |
| The year's depreciation                                       | -527                      | -63,209                      | -569                            | -64,305           |
| The year's disposal of accumulated depreciation               | -                         | 1,934                        | -                               | 1,934             |
| Effect of exchange rate differences                           | -33                       | 4,239                        | 219                             | 4,425             |
| <b>Accumulated depreciation and impairment at 31 December</b> | <b>-2,818</b>             | <b>-1,385,599</b>            | <b>-6,429</b>                   | <b>-1,394,846</b> |
| <b>Net book value at 31 December 2022</b>                     | <b>742</b>                | <b>804,176</b>               | <b>1,811</b>                    | <b>806,730</b>    |

The balance of capitalized project costs relates to specific contracts. The costs are amortized over the term of the specific charter contracts.

The Company tested if there are indicators of assets' impairments, and of assets' reversal of past impairments. The indicators that previously indicated impairment has lost momentum as the oil price, which is considered a key driver to vessels' cash flows, has remained at favorable levels for some time. Indicators related to impairment, as oil price, oil companies' investment programs, vessels employment, charter rates, brokers' valuations and the development in market capitalization of the Company indicated that reversal of past impairment should be tested. The Company tested all cash generating units for value in use estimates based on discounted cash flows. Following the value in use testing the Company concluded that no further vessel impairments is required. And the Company concluded not to recognize any reversal of past impairments. The market outlook has slightly improved and there are early signs of improvement on charter rates and vessel utilization. If this trend continues it could trigger reversal of impairment for certain vessels in the future.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 6 – Interest-Bearing Debt

| <i>(Amounts in USD 1,000)</i>          | <b>31.12.2022</b> | <b>31.12.2021</b> |
|--|-------------------|-------------------|
|  | <i>Unaudited</i>  | <i>Audited</i>    |
| <b>Total cash and cash equivalents</b> | <b>94,949</b>     | <b>91,839</b>     |
| Current portion of borrowings          | -58,978           | -47,650           |
| Non-current portion of borrowings      | -509,994          | -576,596          |
| <b>Gross interest-bearing debt</b>     | <b>-568,972</b>   | <b>-624,246</b>   |
| <b>Net interest-bearing debt</b>       | <b>-474,023</b>   | <b>-532,407</b>   |

The interest-bearing debt is denominated in currencies as follows: USD 94% and NOK 6 %. The cash position is denominated in USD at 57% and other currencies at 43%. Restricted funds were USD6.4 million.

The long-term interest bearing-debt per 31 December 2022 includes a shareholder's loan from the minority shareholder in Siem AHTS Pool AS at USD4.3 million. The loan is subordinated to other financial debt and any debt servicing is contingent on lending bank's approval. The current portion of borrowings includes a cash sweep estimate of USD18.8 million.

### Note 7 – Taxes

The Company is subject to taxes in several jurisdictions where significant judgement 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 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 holds a significant taxable position of losses carried forward that may be offset against future tax positions, provided that the Company earns taxable profits and that current tax regulations are maintained. As the timing and valuation of the tax positions are uncertain, the Company has included only a minor share of its potential deferred tax asset in the Balance sheet.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 8 - Leases

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

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

#### Consolidated Statements of Financial Position:

*(Amounts in USD 1,000)*

|  |              |
|--|--------------|
| <b>Right of use assets at 1 January 2022</b>   | <b>3,192</b> |
| The period's depreciation                      | -1,503       |
| Effect of exchange rate differences            | 24           |
| <b>Right of use assets at 31 December 2022</b> | <b>1,712</b> |

The balance sheet shows the following amounts relating to leases:

| <i>(Amounts in USD 1,000)</i> | 31.12.2022   | 31.12.2021   |
|-------------------------------|--------------|--------------|
| <b>Right of use assets*</b>   |              |              |
| Office premises               | 735          | 1,238        |
| Vessels and Equipment         | 977          | 1,954        |
| <b>Total</b>                  | <b>1,712</b> | <b>3,192</b> |

\*included in the line item "Vessels and equipment" in the Consolidated Statements of Financial Position.

*(Amounts in USD 1,000)*

|  |              |
|--|--------------|
| <b>Lease liability at 1 January 2022</b>   | <b>3,523</b> |
| Lease payments                             | -1,812       |
| Interest cost                              | 224          |
| Effect of exchange rate differences        | 26           |
| <b>Lease liability at 31 December 2022</b> | <b>1,961</b> |

| <i>(Amounts in USD 1,000)</i>  | 31.12.2022   | 31.12.2021   |
|--------------------------------|--------------|--------------|
| <b>Lease liabilities**</b>     |              |              |
| Current                        | 1,666        | 1,969        |
| Non-Current                    | 294          | 1,554        |
| <b>Total lease liabilities</b> | <b>1,961</b> | <b>3,523</b> |

\*\*included in the line item "other liabilities" for current and non-current liabilities respectively in the Consolidated Statements of Financial Position.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 9 – Financial Items

| <i>(Amounts in USD 1,000)</i>         | 2022             | 2021             | 2022             | 2021           |
|---------------------------------------|------------------|------------------|------------------|----------------|
|                                       | 4Q               | 4Q               | Jan-Dec          | Jan-Dec        |
|                                       | <i>Unaudited</i> | <i>Unaudited</i> | <i>Unaudited</i> | <i>Audited</i> |
| Interest expenses                     | -7,004           | -4,713           | -23,370          | -24,187        |
| Interest income                       | 2,273            | 1,182            | 4,245            | 3,240          |
| Net currency gain/(loss)              | -7,096           | -1,956           | 13,968           | -4,531         |
| Hedge accounting recycling            | -                | -                | -6,232           | -              |
| Dividend                              | -                | 1,546            | -                | 1,546          |
| Other financial income                | 1                | 70               | 54               | 388            |
| Other financial expenses              | -2,031           | -144             | -1,005           | -4,386         |
| <b>Restructuring effects</b>          |                  |                  |                  |                |
| Gain from debt converted to equity 1) | -                | -                | -                | 91,553         |
| <b>Net financial items</b>            | <b>-13,857</b>   | <b>-4,014</b>    | <b>-12,340</b>   | <b>63,623</b>  |

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

### Derecognition of financial liabilities

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

## 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 margin is the net of operating revenue and operating expenses. For 2022 operating revenues USD274.3 million less operating and administrative expenses at totally USD170.5 million equals operating margin at USD103.8 million. The Company considers the operating margin to be a key number when analyzing the fleets operating performance and the margin that can be applied to the finance of capital expenditures, debt service and other cash disbursements.

**Operating margin percentage** – Operating Margin, % is the nominal operating margin calculated as a percentage of operating revenue. For 2022 the operating margin at USD103.8 million equals 38% of the operating revenue at USD274.3 million. The operating margin percentage is used to compare, period by period, the development in relative margin from operations. The operating margin-% is also used for comparing segments' relative performance.

## OTHER DEFINITIONS

**Contract backlog** – the total, nominal value of future revenues from firm contracts, excluding optional periods. The contract backlog is categorized per year, and reflects coming years' operating revenues that are considered firm following contracts agreed with clients.

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

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

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

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

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

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

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