SIEM INDUSTRIES

2021

SIEM INDUSTRIES S.A.

ANNUAL REPORT

The Company

Siem Industries S.A. is a diversified industrial holding company that operates through autonomous affiliates. We currently hold interests in several industrial areas including the oil and gas services industry and renewable energy sector, ocean transportation of refrigerated cargoes and automobiles, industrial shipping lease financing and potash-mining.

Group Values

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

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SIEM INDUSTRIES

To our Shareholders: 9 May 2022

The Company made good progress in 2022. All operations are cash positive. Net income was $57 million or $3.80 per share attributable to shareholders as compared to a net loss of $420.3 million or ($27.93) per share for 2020.

During 2021 Subsea 7 merged its renewable activities with the Oslo listed company OHT ASA ("Offshore Heavy Transport"), retained 71% of the merged company, and renamed it Seaway7. The world energy picture has changed and the demand for renewable energy has never been stronger. This is expected to increase the demand for Seaway7 services in years to come.
The strong oil and gas prices drive demand for the Subsea7 offshore construction services and full employment of resources is likely. Challenges in the supply chain of this industry include rising prices, longer delivery time and scarcity of supply. COVID-19 was again costly last year and delayed operations materially. Subsea7 did however remain cash positive with an adjusted EBITDA of $521 million, and in March 2022 the board of directors of Subsea7 decided to adopt a regular dividend policy and a $100 million return to its shareholders in 2022.

Siem Offshore had a good year despite the COVID-19 related expenses and produced an EBITDA of $100 million. The financial restructuring was successfully completed in May last year. The bonds held by the Company were converted into Siem Offshore shares at NOK10 per share which is below the present market price. Our holding is now approximately 34%. The excellent operation of the high-end offshore support vessel fleet is widely recognized by clients and authorities. Market outlook is improving and several of the vessels are in good demand, making it possible to build contract backlog at profitable rates. The much needed consolidation in this industry particularly in Norway is however not happening. Competition keeps rates for most vessel at unsustainable levels. Debt levels of many competitors are above the value of the assets and its banks and other creditors hold the risk. In order to secure employment of their fleet, owners tend to assume contractual liabilities, risks and operational contractual terms which should belong with the clients.

The Company has 20% in a joint venture with Elliott through Siem Oil Service Invest ("SOSI") where one anchor handler was sold in the 4th quarter of 2021 and the sister vessel remains in lay up in Norway. The larger OCSV vessel Siem Day is employed at profitable rates for most of this year and with a strong market outlook.

Our shipping activities had improved results and consist of reefer and RoRo vessels, car carriers and a bulk vessel operation. 25 vessels are owned and 12 vessels are chartered in during the year. All vessels are employed at improved rates except for the chartered in bulk vessels which has not been successful. The bulk operation will be discontinued this year. The Company's owned vessel through Seven Yield, the RoPax vessel "Honfleur" is in its final stage of completion at a Norwegian yard, and will subsequently sail to Poland for finishing of certain interior items. The intention is to charter the vessel out long-term, or sell the vessel. The Honfleur is a state of the art, dual fuel LNG vessel which should have good employment prospects as the world opens up and pent-up demand for travel is released. The outlook for our shipping activities is good based on contracted revenue for several years ahead.

Our holding in Deusa, the potash mining and waste deposit operation in Germany, was increased to 60%. Deusa is on track.

British Solar Energy ("BSR") continues to develop solar parks in Britain and Australia. As reported earlier, the 70MW Bradenstoke solar park was sold in January 2021 at a profit. The current operation of BSR is profitable. Negotiations to sell our 83.6%-interest in BSR has been going on for some time and is expected to close in Q2 this year. Alternatively, we may make BSR a core business and increase the activities.

The €250 million convertible bond issued by the Company 5 years ago, and which was secured in parts by our Subsea7 shareholding, was fully redeemed in June 2021.
The Company's offices in Cayman Island and Oslo, Norway were closed during the year and the buildings sold at a profit. Our head office is in Luxembourg where we own the premises.

Throughout the Group, the organization of experienced people with the right attitude functions well. A big thank you to all for the efforts and results.

Yours sincerely

Kristian Siem
Chairman

DESCRIPTION OF BUSINESS

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

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

Press releases and financial reports issued by the Company may be obtained from the Company's website at www.siemindustries.com.

DESCRIPTION OF MAJOR INDUSTRIAL HOLDINGS

SUBSEA7 S.A.

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

At 31 December 2021, the Company beneficially-owned 69,449,377 shares of Subsea7, or approximately 23.2% of its issued and outstanding shares. The Company accounts for Subsea7 as an investment in associated company using the equity method.

Fiscal 2021 Discussion and Subsequent Events — Revenue for the year ended 31 December 2021 was $5.0 billion, an increase of $1.5 billion or 45% compared to 2020. The year-on-year increase was primarily driven by increased revenue in both the Renewable business unit, with increased activity on the Seagreen offshore wind project, UK and the Subsea and Conventional business unit, with increased activity in West Africa, the Gulf of Mexico, the Middle East, Brazil, Turkey and Australia. Adjusted EBITDA margin for the year ended 31 December 2021 were $521 million and 10% respectively, compared to $337 million and 10% in 2020.

Net operating income, excluding goodwill impairment charges for the year ended 31 December 2021 was $72 million, compared to net operating loss of $428 million in 2020. The main items contributing to the net operating income were:

- net operating income of $103 million in the Subsea and Conventional business unit, compared to net operating loss of $246 million in 2020 which included impairment charges related to property, plant and equipment and right-of-use assets of $294 million;
- a credit of $37 million in 2021 related to the Group's resizing program compared to a charge of $86 million in 2020;
- net costs of $27 million related to COVID-19 pandemic compared to net costs of $70 million in 2020

partly offset by:

- net operating loss of $59 million in the Renewables business unit, which reflected continued delays to projects in Taiwan, compared to net operating loss of $40 million in 2020.

During the year ended 31 December 2021, no goodwill impairment charges were recognized compared to $605 million in 2020. Net income was $36 million for the year ended 31 December 2021, compared to net loss of $1.1 billion in 2020. The net income in 2021 was primarily due to:

- increase in net operating income of $500 million;
- no goodwill impairment charges in 2021 compared with charges of $605 million in 2020;

- net gain of $44 million in 2021 within other gains and losses, which included net foreign currency gains of $36 million, compared to net loss of $18 million in 2020, which included foreign currency losses of $35 million

partly offset by;

- an increase of $31 million in taxation compared to 2020, mainly driven by the increase in income before tax combined with irrecoverable withholding taxes in certain jurisdictions.

The backlog of Subsea7 was $7.2 billion at year end 2021, compared to $6.2 billion at year end 2020, representing a 16.1% year-on-year increase. Subsea7 have preserved a strong financial and liquidity position through the cycles, and at 31 December 2021 it had cash and cash equivalents of $598 million (2020: $512 million), net debt of $55 million (2020: $(45) million) including $231 million (2020: $254 million) related to IFRS 16 lease liabilities, and an undrawn revolving multi-currency credit facility of $656 million (2020: $656 million). The facility was unutilized at 31 December 2021 and 31 December 2020. During the year ended 31 December 2021, Subsea7 made payments to its shareholders of $93 million, through a combination of share repurchases of $21 million and a dividend of $72 million. In 2020, Subsea7 made share repurchases of $10 million, but made no cash dividend to its shareholders.

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

In March 2022, Subsea7 announced that its board of directors had decided to adopt a regular dividend policy and approved a $100 million return to shareholders in 2022. This comprises of a regular cash dividend of NOK1.00 per share payable early May 2022, to be recommended for shareholder approval at the AGM on 12 April 2022, and share repurchases of approximately $70 million. At the AGM, the payment of the cash dividend was approved, and approx. $7.6 million will be paid to the Company. In 2020, the Company received no dividend from Subsea7.

In March 2021, the Company sold 4,000,000 shares of Subsea7 in the market at NOK90.9946 per share.

In September 2021, the Company acquired 108,000 shares of Subsea7 in the market at NOK74,8759 per share.

Following these purchases, the aggregate number of Subsea7 shares held by the Company is 69,449,377 or the equivalent of 23.2% of the Subsea7 issued and outstanding shares.

Part of the Company's shares in Subsea7 are pledged in relation to the Margin Loan.

The following financial highlights show results and amounts for Subsea7 for the years ended 31 December 2021 and 2020:

Subsea 7 Financial Highlights (in thousands):		*As of and for the Fiscal Periods Ended 31 December* *2021*	*2020*
Financial Performance:	Revenues	$ 5,010,000	$ 3,466,400
	Adjusted EBITDA	$ 520,900	$ 337,100
	Impairment of goodwill	$ -	$ (605,400)
	Tax expense	$ (64,300)	$ (33,300)
	Net income (loss) attributable to shareholders	$ 31,800	$(1,092,800)
Financial Position:	Assets	$ 6,988,300	$ 6,297,100
	Liabilities	$ 2,499,100	$ 2,042,000
Other notable:	Capital expenditures	$ 167,000	$ 183,000
	Backlog	$ 7,200,000	$ 6,200,000

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

At 29 April 2022 the quoted share price for Subsea 7 SA was NOK 78 per share equal to USD 585 million for the shares owned by the Company.

At 29 April 2022, the Company beneficially owned 69,449,377 shares of Subsea7 S.A.

SIEM OFFSHORE INC.

Siem Offshore Inc. ("Siem Offshore"; OSE Symbol: SIOFF) — Siem Offshore owns and operates one of the world's most modern fleet of high specification offshore support vessels.

At 31 December 2021, the Company owned a beneficial interest of 80,260,604 shares of Siem Offshore, or approximately 33.6% of its issued and outstanding shares.

Fiscal 2021 Discussion and Subsequent Events — At the end of 2021, Siem Offshore had 28 vessels in operation, including partially-owned vessels and vessels in layup, as compared to 31 vessels at the end of 2020. The fleet includes 6 mid-size and large-size platform supply vessels ("PSVs"), 4 offshore subsea construction support vessels ("OSCVs"; category includes multipurpose field and ROV support vessels, "MRSVs"), 8 large-capacity anchor-handling, tug and supply ("AHTS") vessels, 2 well-intervention vessels ("WIVs"), 1 Canadian-flagged AHTS-vessels, 1 scientific core-drilling vessel, 5 smaller Brazilian-flagged vessels and 1 partially owned WIV.

The total backlog of firm contracts for the fleet was $298 million at the end of 2021 as compared to $483 million at the end of 2020.

In May 2021, Siem Offshore concluded and implemented its restructuring with its lenders. The main terms of the restructuring agreed with the European secured lenders, the Brazilian banks, bondholders and shareholders included the following;

- Total equitization of approximately $269 million of debt, comprising of bond debt of $131 million, secured bank debt of $132 million and hedging liabilities of $6 million;
- The bondholders of SIOFF01 received a cash payment of $4 million, and the residual claim was converted to equity in Siem Offshore;
- The bondholders of SIOFF02 were converted to equity in Siem Offshore in its entirety; The Company held $74.3 million of this bond which were fully converted into Siem Offshore shares.
- Brazilian banks agreed to reduce debt service payments by approximately $45 million until end of 2027 and extension of maturity until 2034;
- The reinstated debt owed to the European secured lenders following the conversion will continue to be guaranteed by Siem Offshore and will be serviced in full, in part or by cash sweep only 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;

Following the equitization, the existing shareholders of Siem Offshore represented close to 4% and debt holders approximately 96% of the outstanding shares in Siem Offshore.

On 2nd of June 2021, reverse split was performed in the shares of Siem Offshore, in which 100 old shares was converted into 1 new share.

In March 2022 Siem Offshore Inc. announced a plan for a re-domiciling from Cayman Island to Norway, by establishing a new Norwegian holding company. The shareholders of Siem Offshore Inc. will receive a share-for-share offer in the new Norwegian holding company. The contemplated new structure will be better equipped to pursue new opportunities within the energy sector, including renewable energy. The offer is conditional on shareholder acceptance of no less than 95%, admitting of new holding company to Oslo Stock Exchange, and consent under the existing financing agreements of Siem Offshore Inc.

The COVID-19 pandemic situation, which has affected world economies and resulted in volatile global demand for Siem Offhore's oil related services and its ability to operate under normal conditions is still causing concerns and adding uncertainty to the activity and demand within the Offshore Support Vessel ("OSV") sector generally.

There were no impairment charges in 2021, but an impairment charge of $277 million against vessels was recorded in 2020.

The following financial highlights show results and amounts for Siem Offshore for the years ended 31 December 2021 and 2020:

Siem Offshore Financial Highlights (in thousands)		*As of and for the Year Ended 31 December* *2021*	*2020*
Financial Performance:	Operating revenue	$ 254,493	$ 244,843
	Operating margin	$ 100,585	$ 82,259
	Impairments of vessels, intangibles, other	$ -	$ (276,857)
	Tax benefit (expense)	$ 1,000	$ (2,673)
	Net income (loss) from discontinued ops	$ -	$ -
	Net income attributable to shareholders	$ 107,858	$ (298,886)
Financial Position:	Assets	$ 1,073,497	$1,185,828
	Liabilities	$ 733,200	$1,173,405
Other notable:	Capital expenditures	$ 27,736	$ 25,208

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

At 29 April 2022 the quoted share price for Siem Offshore Inc. was NOK 9.24 per share equal to $80 million for the shares owned by the Company.

At 29 April 2022, the Company beneficially owned 80,260,604 shares of Siem Offshore, or 33.6%.

STAR REEFERS INC. ("Star Reefers"; formerly Siem Shipping Inc.) — Star Reefers operates in the specialized reefer industry and is a leading global operator of refrigerated vessels.

At 31 December 2021, the Company owned 7,441,498 shares of Star Reefers, or approximately 84.0% of its issued and outstanding shares. The Company accounts for Star Reefers as an investment in subsidiary company and consolidates its financial statements.

Fiscal 2021 Discussion and Subsequent Events — Star Reefers directly controlled five vessels at the end of December 2021, with a total capacity of 3 million cbft and an average age of 13 years. Star Reefers' activity in the reefer segment is focused on the transportation of bananas and refrigerated cargo.

Star Reefers started 2021 with eight chartered-in vessels and redelivered three chartered in vessels to their owners during the year. An additional 2 vessels have been re-delivered to owners in 2022.

In 2021 the spot market rates increased by 90% compared to 2020. This was largely due to the COVID-19 pandemic causing port delays, congestion and a global shortage of reefer and dry container hence increasing the demand for specialised reefer tonnage. More than 90% of Star Reefers capacity operated under fixed time and voyage charters during 2021, and the remaining in the spot market. For 2022, Star Reefers has no exposure to the spot market and all reefer vessels are on charter to external third parties.

At present, Star Reefers and its operations are affected by the worldwide spread of the COVID-19 virus. This pandemic spread affects all international shipping. Star Reefers continually assess the current and future risks associated with COVID-19 on its business operations and has plans in place to mitigate, as far as practicable, any potential impact to its operations.

The following financial information shows Star Reefers results and amounts for the years ended 31 December 2021 and 2020.

Star Reefers Financial Highlights (in thousands)		*As of and for the Year Ended 31 December* *2021*	*2020*
Financial Performance:	Net operating revenues	$ 30,863	$ 35,506
	EBITDA	$ 6,852	$ 5,195
	Reversal of Impairments / (Impairments)	$ 6,010	$ (1,585)
	Net income (loss)	$ 14,111	$ (11,988)
Financial Position:	Assets	$ 9,316	$ 25,081
	Liabilities	$ 11,664	$ 41,541

For more information regarding Star Reefers, please visit its website at **www.star-reefers.com**.

At 29 April 2022, the Company owned 7,441,498 shares of Star Reefers, or 84.0%.

SIEM SHIPOWNING INC.

Siem Shipowning Inc. ("Siem Shipowning") — Siem Shipowning is an owner and operator of vessels engaged in international shipping operating in the reefer segment, the car carrier segment, bulk segment and ro-ro segment.

At 31 December 2021, the Company owned a beneficial interest of 7,451,498 shares of Siem Shipowning, or 84.1%.

Fiscal 2021 Discussion and Subsequent Events — One part of Siem Shipowning operates in the specialized reefer industry through operation of refrigerated vessels, directly controlling 14 reefer vessels with a total capacity of 8 million cbft per 31 December 2021. The activity of this segment is focused on the banana transportation.

Siem Shipowning also operates in the car carrier industry and at 31 December 2021 had four pure car-and-truck carrier ("PCTC") vessels in operation. All vessels were deployed on long-term contracts in 2021, which insulated Siem Shipowning from market fluctuations, however still benefitting from increased asset prices. Siem Shipowning agreed to sell three PCTCs during 2021, of which the MV *"Mosel Ace"* was sold and delivered to its new owner in 2021, the MV *"Siem Plato"* was sold and delivered to its new owner in 2022, and a last vessel sale is expected to be delivered to its new owner in the second half of this year.

Siem Shipowning also provides management and technical services to the PCTC-sector.

As a part of its on-going strategy to further diversify its operations, Siem Shipowning has entered the bulk carrier segment where it at year end had five handymax vessels on charter-in, of which two vessels were on fixed-term charters and three vessels traded in the spot market. In 2021, two handymax vessels were redelivered to its owners.

Siem Shipowning also operates within the Ro-Ro segment where it operates one bareboat vessel which has been chartered out to a third party.

At present, Siem Shipowning and its operations are affected by the worldwide spread of the COVID-19 virus. The COVID-19 pandemic affects all international shipping segments. Siem Shipowning continually assess the current and future risks associated with COVID-19 on its business operations and has plans in place to mitigate, as far as practicable, any potential impact to its operations.

The following financial information shows Siem Shipowning's results and amounts for the years ended 31 December 2021 and 2020.

Siem Shipowning Financial Highlights (in thousands)		*As of and for the Year Ended 31 December* 2021	2020
Financial Performance:	Net operating revenues	$ 128,345	$ 90,384
	EBITDA	$ 29,152	$ 28,963
	Net income (loss)	$ 10,910	$ 5,623
Financial Position:	Assets	$ 273,359	$ 310,086
	Liabilities	$ 124,858	$ 172,496

For more information regarding Siem Shipowning, please visit its website at **www.siemshipowning.com**.

At 29 April 2022, the Company owned 7,451,498 shares of Siem Shipowning, or 84.1%.

SIEM CAR CARRIERS AS

Siem Car Carriers AS ("SCC") — SCC operates global liner services, specializing in the movement of cars, roll-on roll-off (RO-RO), high, wide and heavy, break bulk and project cargo between North America, Europe, and Asia.

SCC is a wholly-owned subsidiary of the Company.

In 2019 SCC purchased the two group companies Seven Yield 7500 PCTC 1 AS and Seven Yield 7,500 PCTC 2 AS, which had shipbuilding contracts for two 7500 CEU LNG PCTC vessels the "Siem Confucius" (delivered March 2020) and "Siem Aristotle" (delivered October 2020). At the time of delivery from the shipyard these vessels were sold and chartered back on a 12-year Japanese Operating Lease arrangement with a Call Option ("JOLCO") through Seven Yield. The vessels are on a bareboat charter back to SCC for a 12-year period from Seven Yield with an option to purchase in year 7. Subsequently in 2021 the JOLCO was novated from Seven Yield to SCC directly, but in which Seven Yield remains as guarantor towards the JOLCO owners. Both vessels are utilised in the Atlantic service with Volkswagen Group and received the Volkswagen Group Award 2020 for sustainability in January 2021.

SCC also operates logistics services that involve car and RO-RO transportation solutions and capabilities on a worldwide basis through partnerships with car manufacturers, shipping lines and logistics companies. This extensive network is necessary for the operations in order to source cars and other cargo in an effort to keep the vessels filled from one voyage leg to the next.

At present, Siem Car Carriers and its operations are affected by the worldwide spread of the COVID-19 virus. The COVID-19 pandemic affects all international shipping segments. Siem Car Carriers continually assess the current and future risks associated with COVID-19 on its business operations and has plans in place to mitigate, as far as practicable, any potential impact to its operations.

The following financial information shows SCC's results and amounts for the years ended 31 December 2021 and 2020.

Siem Car Carriers Group Financial Highlights (in thousands)		As of and for the Year Ended 31 December 2021	2020
Financial Performance:	Net operating revenues	$ 123,821	$ 98,720
	EBITDA	$ 17,158	$ 2,694
	Net income (loss)	$ 3,713	$ (1,590)
Financial Position:	Assets	$ 201,767	$ 150,477
	Liabilities	$ 116,992	$ 137,833

For more information regarding Siem Car Carriers, please visit its website at **www.siemcarcarriers.com**

At 29 April 2022, the Company owned 100% of the shares of Siem Car Carriers AS.

SEVEN YIELD HOLDING PTE. LTD.

Seven Yield Holding Pte. Ltd. ("Seven Yield") — Seven Yield is a ship leasing company offering lease financing solutions to the industrial shipping segments.

Seven Yield, a Singapore company, is a wholly owned subsidiary of the Company.

Seven Yield has developed a diversified portfolio of shipping assets, which are engaged on long-term bareboat charters to financially-sound counterparties. The diverse nature of the fleet, across different shipping segments and counterparties enables Seven Yield to achieve attractive cost of capital and returns.

In December 2021, Seven Yield financed the MV "Liekut" vessel through a sale and lease back transaction; the vessel was initially fully financed with equity. The dual fuelled LNG Ropax was initially under the ownership of a wholly owned Luxembourg company, GR Shipping S.à r.l., but title was transferred to a wholly owned subsidiary of Seven Yield in December 2021.

As per 31 December 2021, Seven Yield had a fleet of 7 RoRo's on bareboat contracts, 1 dual fuelled LNG Ropax under a completion contract with a Norwegian yard and 2 Kamsermax bulk vessels on long term bareboat contracts under S&I Leasing, the joint venture company established with ITOCHU Corporation in late 2019 for the purpose of developing ship finance lease business in relation to conventional shipping segments such as bulk, tanker, gas carriers and container vessels. In addition, Seven Yield guarantees the two dual fuelled LNG PCTC vessels financed through a JOLCO and operated by Siem Car Carriers.

S&I Leasing is accounted for using the equity method.

The operations of the clients of Seven Yield are negatively affected by the world-wide spread of the COVID-19 as the pandemic affects all segments of international shipping. The negative effects have however not significantly influenced the operations of Seven Yield.

With banks reducing their exposure within all shipping segments, the prospects for maritime lease solutions as an alternative source of financing remains intact.

The following financial information shows Seven Yield results and amounts for the years ended 31 December 2021 and 2020.

Seven Yield Financial Highlights (in thousands)		As of and for the Year Ended 31 December 2021	2020
Financial Performance:	Net operating revenues	$ 39,725	$ 31,448
	EBITDA	$ 27,659	$ 27,653
	Net income (loss)	$ 4,732	$ 6,090
Financial Position:	Assets	$ 555,187	$ 552,322
	Liabilities	$ 375,916	$ 440,348

For more information regarding Seven Yield, please visit its website at **www.sevenyield.com**.

At 29 April 2022, the Company owned 100% of the shares of Seven Yield Holding Pte. Ltd.

SIEM EUROPE S.A R.L.

Siem Europe is wholly-owned by the Company and is a Luxembourg company that functions as a holding company for a number of the Company's investments including a 100%-interest in Siem Kapital AS, a 100% interest in Siem Capital UK Ltd. a 100%-interest in Grand Rue Finance S.à r.l., a 100%-interest in GR Shipping S.à r.l., a 100%-interest in Siem Sustainable Energy S.à r.l., a 14.94%-interest in Deusa International GmbH, a 83.6%-interest in BSR Group Holdings Ltd., and a 38%-interest in Grespo AB.

SIEM SUSTAINABLE ENERGY S.A R.L.

Siem Sustainable Energy S.à r.l *("SSE")* —SSE, a Luxembourg company, was established to own 33.6%-interest in Siem Offshore Inc. and 100% interest in Siem Renewables AS.

GRAND RUE FINANCE S.A R.L. (formerly VENN CAPITAL S.À R.L.)

Grand Rue Finance S.à r.l *("Grand Rue")* — Grand Rue, a Luxembourg company, was established to finance commercial real estate projects arranged by Venn Partners.

The projects funded by Grand Rue meet strict investment criteria to manage exposures arising from downturns in the economy and are backed by the underlying commercial real estate in the specific project.

In September 2015, Venn Partners helped to establish the Venn Commercial Real Estate Fund ("VeCREF") for certain counties located in the U.K. with the purpose to invest funds from public pension plans. The initial size of the fund was GBP160 million. Grand Rue's commitment was for GBP30 million, or 18.75% of the fund. Grand Rue transferred all but one of its commercial real estate notes into VeCREF. The total amount of notes transferred to VeCREF in 2015 was equivalent to $149.9 and Grand Rue received $107.1 million from the other fund participants with the difference representing Grand Rue's equity investment. At the end of December 2021, Grand Rue owns a 16.27% interest of VeCREF, and the fund is now in harvest, with full repayment expected by end of 2022.

BSR GROUP HOLDINGS LTD. AND BRADENSTOKE LTD.

BSR Group Holdings Ltd. ("BSR") — BSR, a UK company, providing engineering, procurement, and construction ("EPC") services to the solar power generation industry and has developed and built a number of solar park projects in excess of 5MWp.

BSR is owned 83.6% by the Company. Siem Europe initially acquired a 42.1%-interest in BSR at the end of September 2014 before increasing its shareholding to 83.6% in April 2021.

BSR is among the larger developers of large-scale solar projects in the U.K. and performs EPC-activities for solar parks which may be sold to third parties or remain owned and operated within the company. BSR also performs operations and maintenance activities after the solar parks go into operation.

The Company provided project financing to BSR for the construction of several solar parks, the most notable being the Owl's Hatch Solar Park with a 51.8MWp DC-capacity and Bradenstoke Solar Park with a 70MWp DC-capacity.

The Bradenstoke Solar Park was sold in January 2021, and a gain of $11.2 million has been recorded in the 2021 accounts.

The investment in BSR Group Holdings Ltd. was classified as discontinued operations in 2021.

Deusa International GmbH

Deusa International GmbH ("Deusa") — Deusa is a company based in Bleicherode, Germany, which mines and markets a number of salt based products, as well as using abandoned caverns for waste storage.

Deusa owns significant deposits of potash at its location in Germany and one of its two main operations consist of hot leaching extraction and processing of the potash and refining the raw materials into commercial fertilizer products. The other main business area is converting filter dust from power stations and industrial clients to harmless gypsum which is deposited in underground mining caverns. Following a merger with a neighboring facility NDH Entsorgungsbetreibergesellschaft mbH in Q3 2017, Deusa issued new shares reducing the percentage of interest of the Company from originally 49% to 44.3%. The Company exercised an option it had to increase its shareholding in Deusa to 60% during 2021.

Electromagnetic Geoservices ASA

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

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

During 2021, EMGS made two buybacks under its $32.5 million Senior Secured Convertible Bond, reducing the outstanding amount to $24.5 million. The Company received $2.4 million from the buyback.

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

The Company holds a 23.9%-interest in EMGS through its wholly owned subsidiary Siem Investments S.à r.l., in addition to $9.5 million nominal value of the $32.5 million convertible bond issued by EMGS with maturity in May 2025.

At 29 April 2022 the quoted share price for Electromagnetic Geoservices ASA was NOK 1.80 per share equal to $6.1 million for the shares owned by the Company.

SIEM OIL SERVICE INVEST HOLDINGS LTD.

The Company holds a 20%-interest in Siem Oil Service Invest Holdings Ltd. The company is the owner of one Anchor Handling Vessel and one Multi-Purpose Offshore Vessel. The Company's portion of Net loss for 2021 is $2.0 million.

Shareholder Matters

Nature of Trading Market

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

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

The Company will, from time-to-time, buy back Common Shares which have been offered for sale to the Company by its shareholders. The Company purchased 52,168 Common Shares in 2021.

DIVIDEND POLICY

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

CONTROL

The following table sets forth certain information, as of 29 April 2022 with respect to the only persons known to the Company who owned beneficially more than 10% of the Company's 14,994,196 issued and outstanding Common Shares and the number of Common Shares owned by the other Directors and Officers of the Company, as a group:

Name of Beneficial Owners or Identity of Group	*Shares Beneficially Owned*	*Percentage of Common Shares*
Kristian Siem	11,990,926	79.97%
Other Officers and Directors as a Group	98,329	0.01%

SELECTED FINANCIAL DATA

The following selected comparative financial data has been derived from the consolidated financial statements of the Company for the five years ended 31 December 2021. The fiscal years ended 31 December 2021 and 2020 should be read in conjunction with the consolidated financial statements of the Company (including the related notes) and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere herein.

	Years ended 31 December				
(in thousands, except per share amounts)	*Audited* 2021	*Audited* 2020	*Audited* 2019	*Audited* 2018	*Audited* 2017
FINANCIAL PERFORMANCE:					
Total income *(1)*	$ 334 403	$ 282 057	$ 630 678	$ 730 827	$ 764 909
Total expenses and other	$ (263 440)	$ (508 573)	$ (810 470)	$ (766 180)	$ (765 982)
Income (loss) before income tax expense	$ 57,563	$ (226 516)	$ (179 792)	$ (35 353)	$ (1 073)
Income tax (expense) benefit	$ (1 194)	$ (2 194)	$ 4 742	$ (5 064)	$ 13 378
Net income (loss) from continuing ops	$ 56,369	$ (228 710)	$ (175 050)	$ (40 417)	$ 12 305
Gain on discontinued operations attributable to Common Shares	$ 9,169	$ (291 021)	$ (124 497)	$ (5 762)	$ (25 824)
Net income (loss)	$ 65,538	$ (519 731)	$ (299 547)	$ (46 179)	$ (13 519)
Net income (loss) attributable to:					
Holders of Common Shares	$ 57,011	$ (420 308)	$ (265 788)	$ (29 231)	$ 68 570
Non-controlling interests	$ 8 527	$ (99 423)	$ (33 759)	$ (16 948)	$ (82 809)
Earnings (loss) per Common Share:					
Basic and Diluted:					
Net income (loss) from continuing ops	$ 3.19	$ (31.89)	$ (9.39)	$ (1.56)	$ 6.25
Net income (loss)	$ 3.80	$ (27.93)	$ (17.67)	$ (1.94)	$ 4.54
FINANCIAL POSITION:					
Working capital (1)	$ (50 844)	$ (587 813)	$ (21 327)	$ 223 553	$ 266 820
Total assets	$ 2 094,809	$ 3 371 651	$ 3 870 881	$ 4 086 787	$ 4 558 427
Interest-bearing debt 1)	$ 658 106	$ 1 892 213	$ 1 652 804	$ 1 580 533	$ 1 933 400
Shareholders' equity	$ 1 317 398	$ 1 212 171	$ 1 654 369	$ 1 920 941	$ 1 947 454
Weighted avg. no. shares outstanding	14 994	15 046	15 041	15 073	15 113
Ending no. of shares outstanding	14 994	15 046	15 041	15 041	15 108

(1) Interest-bearing debt includes Finance lease liability

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GOING-CONCERN

The Company's financial statements have been prepared under the assumption that the Company is a going-concern. This assumption is based on the level of cash and cash equivalents at the end of 2021, the availability of cash under revolving credit facilities, the liquidity and market value of the Company's investments and the forecast cash flows.

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

Several of the businesses of the Company are either directly or indirectly influenced by the price of oil and gas and associated demand for services within the oil and gas sector, as well as general economic activity. The COVID-19 pandemic affects all segments of international shipping, as well as demand for oil and gas related service activities, and creates increased uncertainty about future economic activity.

OVERVIEW

RESULTS OF OPERATIONS

FISCAL YEAR ENDING 31 DECEMBER 2021

In 2021 the Company reduced its percentage of interest in Siem Offshore Inc. from 83.7% to 33.6%. The reduction in the percentage of interest during 2021 was caused by the refinancing of the company where $ 269 million of debt were converted into equity. The Income Statement for 2020 are restated, where the investment in Siem Offshore Inc. is classified as Discontinued Operations.

Total revenues recorded during fiscal years 2021 and 2020 were $334,403,000 and $282,057,000, respectively. Operating expenses during fiscal years 2021 and 2020 were $246,267,000 and $203,370,000, respectively.

The share of profits (losses) of associates recorded during fiscal years 2021 and 2020 was $13,455,000 and $(268,161,000), respectively.

Interest income recorded during fiscal years 2021 and 2020 was $5,691,000 and $11,669,000, respectively.

Net gains (losses) on investments for fiscal years 2021 and 2020 were $5,475,000 and $(16,416,000), respectively.

Re-valuation gains (loss) of $16,195,000 and $73,801,000 were recorded in 2021 and 2020, respectively, with respect to the re-valuation of the financial derivative established in relation to the Exchangeable Bond. The re-valuation is subject to significant swings related to the volatility of the underlying Subsea 7 share price, currency exchange rates and time to maturity. The Exchangeable Bond were repaid at maturity in June 2021.

Depreciation and amortization expenses were $46,109,000 and $50,499,000 for 2021 and 2020, respectively.

Impairments of $6,010,000 and $(15,648,000) were recorded for 2021 and 2020, respectively

Interest expense was $27,290,000 and $35,567,000 for 2021 and 2020, respectively. The interest expense includes $14,138,000 and $22,252,000 for 2021 and 2020 respectively, related to the Exchangeable Bond. Upon issuance of the bonds, the optionality of the bonds is evaluated using an options pricing model such as the Black-Scholes Option Price Model. The model generates a value for the financial derivative and the remainder of the bond obligation is a long-term debt liability. The long-term debt liability is amortized such that the value debt liability will equal the bond obligation at maturity. The amortization amount is recorded as interest expense.

General and administrative expenses for fiscal years 2021 and 2020 were $16,078,000 and $17,958,000, respectively.

Currency exchange gains (losses) were $8,563,000 and $6,724,000 for 2021 and 2020, respectively. The Company held a significant amount of non-U.S.-denominated holdings in cash and monetary investments during 2021 and 2020 which is subject to fluctuations in the currency exchange rates.

Income tax expense (benefit) for fiscal years 2021 and 2020 was $(1,194,000) and $(2,194,000), respectively. Subsea7 is the largest taxpayer in the Siem Industries' group of companies; however, its significant tax expense is reflected within the net share of after-taxes results from associates and are therefore not specifically identified as tax expense in the Company's consolidated financial statements.

FINANCIAL CONDITION AND LIQUIDITY

The current ratios were 0.82 at 31 December 2021 as compared to 0.37 at the end of 2020. The interest-bearing debt-to-total assets ratios were 0.31 and 0.54 at 31 December 2021 and 2020, respectively. Included in the current liability as of 31 December 2020 is the carrying amount of the Exchangeable Bond of USD 314.1 million that was repaid in June 2021, and USD 43.7 million in bonds issued by Siem Offshore that was converted into equity in 2021, together with other long-term liabilities. Further information about financial condition and liquidity is presented in Note 18, Risk Management and Capital Management.

MARKET RISKS DISCLOSURES

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

INVESTMENT CONCENTRATION RISK

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

FORWARD-LOOKING STATEMENTS

Investors are cautioned that certain statements contained in this document, as well as some statements made by the Company in periodic press releases and some oral statements made by its management during presentations about the Company, are "forward-looking" statements. Forward-looking statements include statements which are predictive in nature, which depend upon or refer to future events or conditions, which include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", or similar expressions. In addition, any statements concerning future financial performance (including future revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future Company actions, which may be provided by management, are also forward-looking statements. Forward-looking statements are based on current expectations and projections about future events and are subject to risks, uncertainties, and assumptions about the Company, economic and market factors and the industries in which the Company conducts business, among other things. These statements are not guarantees of future performance and the Company has no specific intention to update these statements.

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

DIRECTORS AND OFFICERS

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

DIRECTORS

Name	*Position*	*Director Since*	*Present Term Expires*
Kristian Siem	Director and Chairman	1982	2023
Ivar Siem	Director	2007	2023
Karen Siem	Director	2019	2023
M.D. Moross	Director *(1,2)*	1995	2023
Barry W. Ridings	Director *(1,2,3)*	1993	2022
Louisa Siem	Director	2021	2023
Jorgen Westad	Director	2021	2023

(1) *Member of Audit Committee.*

(2) *Member of Compensation Committee.*

3) *The Director resigned from his position in 2021.*

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

Kristian Siem is chairman of Subsea 7 S.A., Star Reefers Inc. Siem Offshore Inc., BSR Group Holdings Ltd. and Siem Shipowning Inc., a director on the boards of Seven Yield Holding Pte. Ltd. and Frupor S.A. (Portugal).

Ivar Siem is chairman of American Resources, Inc. He is the brother of Kristian Siem.

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

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

M.D. Moross is a private investor and the father-in-law of Kristian Siem.

Barry W. Ridings is a Senior Advisor to Lazard Frères & Co. and a former vice-chairman of U.S. Investment Banking for Lazard Frères & Co. and chairman of LMDC Holdings; and also a director on the boards of iStar Inc., Siem Offshore Inc., and Republic Airways Holdings Inc..

Michael Delouche, an officer of the Company since 1991, was appointed President in 2003. Mike Delouche retired from his position in the Company in 2020 and was at the same time appointed as Honorary President for life.

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

COMPENSATION OF DIRECTORS AND OFFICERS

The Directors do not receive a director fees in 2021.

SIEM INDUSTRIES SA AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS

(Dollars in thousands, except per share amounts)			*For Years Ended 31 December* 2021 (Audited)		2020 (Restated & Audited)
TOTAL REVENUES AND OPERATING EXPENSES:					
Total revenues and lease income	*10,11,26*	$	334,403	$	282,057
Operating expenses	*7,10*		(246,267)		(203,370)
Operating margin			88,136		78,687
GAIN AND LOSSES AND OTHER INCOME					
Share of profits (losses) of associates	*5*		13,455		(268,161)
Interest income			5,691		11,669
Gains (losses) on investments and other assets, net	*12*		(5,475)		(16,416)
Gains (losses) on re-valuation of financial derivatives, net	*8*		17,140		73,801
Other income	*34*		33,838		15,782
Total gain and losses and other income			64,650		(183,325)
EXPENSES AND OTHER:					
Depreciation and amortization	*6,7,13,16, 26*		(46,109)		(50,499)
Impairment and reversal of impairment of vessels and investments	*5,6,16,26*		6,010		(15,648)
Interest expense	*8,16*		(27,290)		(35,567)
General and administrative expenses	*14,15,17,19,23,26*		(16,078)		(17,958)
Currency exchange gains (losses), net			8,563		6,724
Other expenses			(20,318)		(8,930)
Total expenses and other			(95,223)		(121,878)
Income (loss) before income tax expense			57,563		(226,516)
Income tax (expense) benefit	*9*		(1,194)		(2,194)
Income (loss) from continuing operations			56,369		(228,710)
Income (loss) on discontinued operations	*21*		9,169		(291,021)
Net income (loss)		$	65,538	$	(519,731)
Net income (loss) attributable to:					
Holders of Common Shares		$	57,011	$	(420,308)
Non-controlling interests	*28*	$	8,527	$	(99,423)
Earnings (Loss) per Common Share:					
Basic / Diluted:					
Attributable to Holders of Common Shares for net income (loss) from continuing operations		$	3.19	$	(31.89)
Attributable to Holders of Common Shares for net income (loss) from discontinuing operations		$	0.61	$	3.95
Attributable to Holders of Common Shares for net income (loss)		$	3.80	$	(27.93)
Weighted avg. no. of Common Shares outstanding for period			14,994,196		15,046,364

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Dollars in thousands)		*For Years Ended 31 December* 2021		2020
Net income (loss)	$	65,538	$	(519,731)
Items that may be reclassified to the income statement in subsequent periods:				
Currency exchange differences	$	(23,668)	$	4,466
Share of other comprehensive income of associates		1,660		1,360
Recycling of Currency Translation Adjustment from deconsolidation of subsidiary		14,076		-
Recycling of Cash Flow Hedge		12,589		-
Cash flow hedge		-		(13,239)
Pension re-measurement		-		(1,073)
Items that will not be reclassified to the income statement in subsequent periods:				
Other		-		(3,650)
Total comprehensive income (loss)	$	70,195	$	(531,867)
Total comprehensive income (loss) attributable to:				
Holders of Common Shares from discontinued operations	$	8,859	$	59,462
Holders of Common Shares from continuing operations	$	48,152	$	(479,770)
Non-controlling interests	$	8,527	$	(99,423)

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

SIEM INDUSTRIES S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Dollars in thousands)			31 December 2021		31 December 2020
ASSETS:			*(audited)*		*(audited)*
Current assets:					
Cash and cash equivalents	3	$	51,181	$	129,188
Accounts receivable	22		30,092		65,110
Accrued interest receivable			5,394		122
Trading securitites	4,25		9,563		8,344
Inventories			10,524		15,944
Financial derivative	25		5,099		0
Notes, loans, finance lease and other receivables	4,11,25		44,715		19,253
Due from shareholders and affiliated companies			0		0
Prepaid expenses and other current assets			15,825		29,757
Assets held-for-sale	6,21,33		59,316		83,681
Total current assets			231,710		351,401
Restricted cash	3		26,640		58,032
Notes, loans, finance lease and other r	4,25		137,724		213,163
Investments in associates	5,25		955,519		902,515
Vessels, property and equipment, net	6,7,16,26		720,020		1,721,193
Deferred tax asset	9		11,699		16,825
Other assets and long-term receivables			11,497		108,522
Total non-current assets			1,863,098		3,020,250
Total Assets		$	2,094,809	$	3,371,651

LIABILITIES AND EQUITY:					
Current liabilities:					
Accounts payable	18	$	16,692	$	57,176
Accrued interest payable			541		16,796
Due to affiliates	19		0		286
Current maturities and short-term notes	8,25		134,882		647,292
Finance lease liability	6,8,16		13,042		31,661
Financial derivatives	8,25		0		16,195
Other accrued costs and short-term liabilities	8,16,19,27		104,937		112,568
Net liabilities directly related to assets held-for-sale	21,33		11,461		57,239
Total current liabilities			281,554		939,213
Non-Current liabilities					
Long-term debt and notes payable	8,25		305,836		1,039,850
Finance lease liability	8,16		136,805		124,084
Financial derivatives	8,25		611		1,992
Other liabilities	14,35		52,604		54,340
Total Non-Current liabilities			495,857		1,220,266
Total Liabilities			777,411		2,159,480
Shareholders' equity:					
Common shares, $0.25 par value, 100,000,000 shares authorized, 14,994,196 and 15,046,364 shares issued and outstanding, respectively	20		3,749		3,762
Additional paid-in capital			107,459		102,905
Retained earnings			1,292,273		1,197,734
Currency translation reserves			11,955		6,290
Other reserves			(137,108)		(89,455)
Total shareholders' equity			1,278,327		1,221,237
Non-controlling interests	28		39,071		(9,066)
Total Equity			1,317,398		1,212,171
Total Liabilities and Equity		$	2,094,809	$	3,371,651

SIEM INDUSTRIES S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (AUDITED)

	Attributable to Common Shares							
	Common Shares		Additional		Currency			
(in thousands, except number of shares)	*Number*	*Share Capital*	*Paid-in Capital*	*Retained Earnings*	*Translation Reserves*	*Other Reserves*	*Non-Controlling Interests*	*Total*
Balances at 31 December 2018	15,041,314	$ 3,760	$ 105,405	$ 1,897,783	$ 1,583	$ (87,590)	$ 130,011	2,050,952
Net income (loss)	0	0	0	(265,787)	0	0	(33,759)	(299,546)
Currency translation differences	0	0	0	0	(9,410)	0	0	(9,410)
Share of other comprehensive income (loss)	0	0	0	0	0	0	0	0
of associates	0	0	0	0	0	5,696	0	5,696
Other	0	0	0	3,499	(3,499)	0	0	0
Total comprehensive income (loss)	0	0	0	(262,288)	(12,909)	5,696	(33,759)	(303,260)
Subsidiaries purchase and retirement of Company shares	0	0	(2,498)	0	0	0	(508)	(3,006)
Other	0	0	0	35	0	5,392	(5,637)	(210)
Total transactions with owners	0	0	(2,498)	35	0	5,392	(6,145)	(3,216)
Balances at 31 December 2019	15,041,314 $	3,760 $	102,907 $	1,635,530 $	(11,326) $	(76,502) $	90,107	1,744,476
Reclassification of currency translation adjustment 01.01.2020	0	0	0	(13,150)	13,150	0	0	0
Net income (loss)	0	0	0	(420,308)	0	0	(99,423)	(519,731)
Currency translation differences	0	0	0	0	4,466	0	0	4,466
Share of other comprehensive income (loss) of associates	0	0	0	0	0	1,360	0	1,360
Other	5,050	2	(2)	(4,338)	0	0	251	(4,087)
Pension remeasurement	0	0	0	0	0	(1,072)	0	(1,072)
Cash flow hedge	0	0	0	0	0	(13,239)	0	(13,239)
Total comprehensive income (loss)	0	0	0	(437,358)	17,616	(12,951)	(99,172)	(531,866)
Other	0	0	0	(438)	0	0	0	(438)
Total transactions with owners	0	0	0	(438)	0	0	0	(438)
Balances at 31 December 2020	15,046,364 $	3,762 $	102,905 $	1,197,734 $	6,290 $	(89,455) $	(9,066)	1,212,171
Net income (loss)	0	0	0	57,011	0	0	8,527	65,538
Currency Translation Adjustment recycled to Income Statement	0	0	0	0	11,777	0	2,299	14,076
Currency translation differences	0	0	0	0	(19,803)	0	(3,865)	(23,668)
Cash flow hedge recycled to Income Statement	0	0	0	0	10,575	0	2,014	12,589
Share of other comprehensive income (loss) of associates	0	0	0	0	1,660	0	0	1,660
Total comprehensive income (loss)	0	0	0	57,011	4,209	0	8,975	70,195
Reclassification of NCI 01.01.2021	0	0	0	(871)	0	0	7,388	6,517
Reclassification of Additional Pai-In Capital 01.01.2021	0	0	4,928	(4,928)	0	0	0	0
Reclassification of Currency Translation Adjustment 01.01.2021	0	0	0	(1,014)	1,014	0	0	0
Reclassification of Other reserves from deconsolidation of subsidiary	0	0	0	47,654	0	(47,654)	0	0
Deconsolidation of subsidiary	0	0	0	0.00	0	0	35,397	35,397
Total amount of reclassification and deconsolidation of subsidiaries	0	0	4,928	40,841	1,014	(47,654)	42,785	41,914
Step acquisition of subsidiary	0	0	0	0	0	0	(5,385)	(5,385)
Increase in minority interests from acquisition of subsidiary	0	0	0	0	0	0	1,763	1,763
Other	0	0	0	0	442	0	0	442
Purchase and retirement of Company shares	0	(13)	(374)	(3,313)	0	0	0	(3,700)
Total transactions with owners and others	0	(13)	(374)	(3,313)	442	0	0	(3,258)
Balances at 31 December 2021	14,994,196 $	3,749 $	107,459 $	1,292,273 $	11,955 $	(137,108) $	39,071	1,317,398

SIEM INDUSTRIES S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)	Notes	For Years Ended 31 December 2021 (Audited)	2020 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)		$ 65,538	(519,731)
Adjustments to reconcile net income (loss)			
to net cash provided by (used in) operating activities:			
Depreciation and amortization	6,7,16	46,109	125,466
Share of profits of associates	5	(13,455)	267,317
Currency translation adjustment recycled to income statement	34	26,665	0
Losses (Gains) on investments and other assets, net	12	5,475	15,760
Losses (Gains) on re-valuation of financial derivatives, Exchangeable Bonds	8	(16,195)	(73,490)
Losses (Gains) on re-valuation of financial derivatives, Other		(945)	0
Losses (gain) from revaluation of finance lease agreement		(8,908)	
Net gain from retained investment in the Offshore Support Vessel segment	34	(44,053)	0
Loss from deconsolidatin of subsidiary		0	0
Accretion of interests on long term debt	8	5,623	38,281
Interest expenses on finance leases		2,561	
Provision expenses		5,992	(2,141)
Impairment of vessels and investments	6,16	(6,010)	292,505
Reversal of provision discontinued operations	21	0	(60,225)
Deferred compensation expense (reversal) for performance unit plan	14	2,333	806
Currency exchange losses (gains)		(2,666)	3,497
Other		0	5,546
Changes in working capital:			
(Increase) Decrease in:			
Accounts receivable, other		(19,918)	6,852
Accrued interest receivable		(5,272)	(122)
Trading securities		1,400	4,474
Inventories		5,420	3,317
Prepaid expenses and other current assets		13,932	5,590
Increase (Decrease) in:			
Accounts payable		(40,484)	(7,316)
Accrued interest payable		(16,255)	9,042
Due to affiliates		(286)	(2,469)
Other accrued costs and short-term liabilities		58,411	(15,882)
Other		5,143	(28,203)
Net cash provided by (used in) operating activities		70,154	68,874
Net cash generated from discontinued operations:		(18,417)	10,504
Net cash inflow from operating activities		**51,736**	**79,378**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to notes receivable and other investments	4	(2,192)	(12,972)
Proceeds from repayment of notes receivable and other investments	4	37,127	7,832
Net cash from investment/disposal in associates	5	26,421	3,514
Distributions from associates	5	18,891	0
Reclass net assets held-for-sale	21	0	0
Proceeds from sales of vessels, shipping-related assets and other	6	17,247	18,208
Capital expenditures for vessels, shipping-related assets and other	6,7	(42,836)	(66,095)
Net cash provided by (used in) investing activities		54,658	(49,513)
Net cash generated from investing activities - discontinued operations		51,459	52,648
Net cash outflow generated from investing activities		**106,117**	**3,135**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Buyback and retire Common Shares of subsidiary of Company		(3,700)	0
Proceeds from long-term debt and notes payable	8	471,470	102,162
Repayment of long-term debt and notes payable	8	(638,140)	(173,702)
Repayment of finance lease liability	16	(14,107)	(14,735)
Net cash provided by (used in) financing activities		(184,477)	(86,275)
Net cash generated from financing activities - discontinued operations		(51,383)	(359)
Net cash used in financing activities		**(235,860)**	**(86,634)**
Net increase (decrease) in cash and cash equivalents		(78,007)	7,256
Net increase (decrease) in cash and cash equivalents - restricted cash	3	(31,392)	(11,377)
Cash and cash equivalents, beginning of period		187,220	191,341
Effect of exchange rate changes on cash		0	0
Total cash and cash equivalents, including restricted cash, end of period	3	77,821	187,220

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Cash paid during period for:	Interest	19,106	61,025
	Taxes	1,194	2,072

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

(1) GENERAL INFORMATION

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

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

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

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

At 31 December 2021, the Company held beneficial ownerships in the following major holdings:

Subsea7 S.A. (**"Subsea7"**, OSE-ticker: SUBC), holding 69,449,377 shares, or 23.2% (2020:24.4%) of the issued shares and of the company. Subsea 7 is a publicly-traded Luxembourg company and one of the world's leading subsea engineering and construction contractors;

Siem Offshore Inc. (**"Siem Offshore"**; OSE-ticker SIOFF), holding 80,260,604 shares, or 33.6% (2020: 83.7%), of the issued shares and of the company. The reduction in the percentage of interest during 2021 was caused by the refinancing of the company where USD 269 million of debt were converted into equity. The company is accounted for under the equity method. The income statement related to Siem Offshore for 2021 prior to the deconsolidation on the 26 May has been classified as discontinued operations. Siem Offshore is a publicly-traded Cayman Islands company and a leading offshore support vessel provider, that at year-end had a fleet of 28 vessels (2020: 31 vessels);

Star Reefers Inc., (**"Star Reefers"**) holding 7,441,498 shares or 84.0% (2020: 83.9%) of the issued shares and of the company. Star Reefers is a Cayman Islands company that at year-end controlled a fleet of 5 reefer vessels (2020: 8 vessels) engaged in the refrigerated transportation of fruits and other perishable products;

Siem Shipowning Inc., (**"Siem Shipowning"**); holding 7,451,498 shares, or 84.1% (2020: 83.9%) of the issued shares and of the company. Siem Shipowning is a Cayman Island company that is an owner and operator of vessels engaged in the international shipping in the reefer, car carrier and RoRo (roll-on/roll-off) and bulk segment, that at year-end controlled a fleet of 23 owned and chartered-in pure-car-and-truck carrier ("PCTC") vessels, reefer/vessels, bulk-carrier and RoRo-vesssels (2020: 23 vessels);

Siem Car Carriers AS (**"SCC"**), holding 100% (2021: 100%) of the shares in a Norwegian company, that provides logistics services that involve car and RO-RO (roll-on/roll-off) transportation solutions and capabilities on a worldwide basis through partnerships with car manufacturers, shipping lines and logistics companies;

Seven Yield Holding Pte. Ltd. (**"Seven Yield"**), holding 100% (2020: 100%) of the shares in a Singapore based leasing company, which provides lease financing to the industrial shipping industry across a diversified portfolio of shipping assets and counterparts;

Siem Europe S.à r.l. (**"Siem Europe"**), holding 100% (2020: 100%) interest in a Luxembourg company whose wholly-owned subsidiaries, **Grand Rue Finance S.à r.l.** (**"Grand Rue"**) has provided funding to a number of subsidiaries of the Company;

Deusa International GmbH (**"Deusa"**), holding 60.0% (2020: 44.3%) of the issued shares in a German company whose operations include the production of potash which is used for fertilizer production, bischofite for the construction industry, magnesium chloride for de-icing and other related products.;

BSR Group Holdings Limited (**"BSR"**), holding 83.6% (2020: 42.1%) of the issued shares in a U.K. company engaged in the engineering, procurement and construction of solar parks in the U.K. The investment in the company is consolidated from 1 January 2021 and are presented as a discontinued operations in 2021.

Siem Oil Service Invest Holdings Limited (**"SOSI"**), holding 20% (2020: 20%) of the issued shares in a U.K. company that is positioned to opportunistically acquire distressed oil-related assets.

In December 2019, the Company entered into an agreement to sell its 44%-interest in Venn Partners. The financial close of the transaction was concluded in March 2020, and a gain of $6.7 million was recorded in the consolidated financial accounts of the Company in the first half of 2020.

The 83.6%-interest in BSR Group Holdings Ltd. and 100%-interest in Day OCV Pte. Ltd. are classified as Non-Current Asset-Held-for-Sale as per 31 December 2021. In 2020 the 100% interest in Bradenstoke Ltd. and Day OCV Pte. Ltd. were classified as Non-Current Asset-Held-for-Sale.

In January 2021, the Company sold its 100%-interest in Bradenstoke Solar Park Ltd. and recognized a gain of USD 11.2 million under the line "Net Income (loss) from Discontinued Operations".

The COVID-19 pandemic, which has affected world economies and resulted in uncertainties about future exploration, offshore field developments and subsea maintenance due to postponements and/or cancellations of planned projects, is still causing concerns, and add uncertainty to future demand and activity within the oil and gas sector, although the price of oil and gas have recovered significantly from its lows in 2020. Further, the pandemic spread has affected all international shipping markets and shipping operations. The Company is pro-actively handling the situation on all levels of its organization to ensure safety of its personnel and minimal disruption of operations.

The financial accounts for the Company for 2021 are based on the going concern assumption, and was approved by the Board of Directors on the 13 May 2022.

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

- Reversal of impairment of vessels within the Reefer segment by $6.0 million, and Other income related to renegotiated charter-hire rates of by $8.9 million. For further information see Note 6, Vessels, Property and Equipment and note 16 Leases.
- Gain of $16.2 million from the changes in the fair value of the financial derivative that was incorporated in the Exchangeable Bond facility that was repaid in June 2021.
- Gain from disposal of shares in Bradenstoke Ltd. of $11.2 million. For further information see comments one page 68 under the section "Discontinued Operations".

  Gain from retained investment in in the Offshore Support Vessel segment ("OSV-segment") of $22 million, recognized prior to the deconsolidation of the segment on the 26 of May 2021. For further information see comments in Note 34 Other Income on page 88.
- General operational disruption in demand and increased uncertainty within the oil and gas service sector and international shipping due to the COVID-19 pandemic.

ULTIMATE OWNER

At 31 December 2021, Kristian Siem owned personally 11,990,926 shares, or 79.97% of the issued and outstanding shares, of the Company's Common Stock (31 December 2020: 11,990,926 or 79.97%).

(2) *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

BASIS OF PREPARATION

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

The preparation of financial statements requires the use of certain critical estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the fiscal year and the reported amounts.

NEW STANDARDS EFFECTIVE FOR FISCAL 2021

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

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The Group has not early adopted any other standard, interpretation and amendment that has been issued but is not yet effective.

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

These amendments had no impact on the consolidated financial statements.

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

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

- Amendments to IAS 1: Classification of Liabilities as Current or Non-Current
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37
- IFRS 9 – Financial Instruments – Fees in the "10 per cent" test for derecognition of financial liabilities

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

FAIR VALUE MEASUREMENT

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

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

- *Level 1* inputs are unadjusted quoted prices observed in active markets for identical assets or liabilities that the entity can access at a specific measurement date;
- *Level 2* inputs are inputs, other than quoted prices observed included in Level 1 that are observable for the assets or liability, either directly or indirectly; and
- *Level 3* inputs are unobservable inputs for the asset or liability

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

- Disclosure for valuation methods, significant estimates and assumptions – Note 2, Summary of Significant Accounting Policies
- Financial instruments (including those carried at amortised cost) – Note 4, Financial Assets
- Derivatives – Note 8, Long Term Debt
- Exchangeable bond with embedded derivative – Note 8, Long Term Debt

ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

Valuation and Recognition of Exchangeable Bond and Financial Derivative.

Significant management judgment is required to estimate the fair value of the embedded financial derivative related to the Exchangeable Bond. The written option to convert the loan to shares in Subsea 7 involves complex assumptions on how to factor in various currencies and which currency to measure volatility in the share price in addition to general assumptions for an option pricing model.

Impairment of Vessels.

Management needs to assess whether indications exist that may require an impairment of the value of a vessel. The Company has applied the same accounting principles for owned vessels and Right-of-Use vessels. Such indications may include adverse market conditions, significant changes in charter-hire contracts, day-rates, operating expenses or external broker estimates. When such indications exist, an impairment test is performed in accordance with Company policy. As of 31 December 2021 and 31 December 2020, external indicators indicated that the fair value of the vessels may had been reduced and impairment testing was carried out in accordance with IAS 36 "*Impairment of vessels*". Each vessel is deemed to be a cash generating unit and each vessel is therefore tested separately for possible impairment. External experts have presented broker values for each vessel owned by the Company. Fair value less cost to sell is based either on an average of the broker estimates, reduced by brokers' sales commission, or value is use calculations.

Value-in-Use Calculations of Vessels.

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

The weighted average cost of capital ("WACC") is used as a discount rate when the value-in-use is estimated. The capital structure applied in the model reflects a normalized capital structure for the industry, representing the rate of return that the Company is expecting to pay to the lenders and equity providers of capital for cash flows that have similar risks. Cash flows are calculated after tax and discounted with an after-tax discount rate. The nominal WACC used in the value-in-use calculations is 5.7% to 7.5% (2020: 5.7% to 10.75%).

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

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

Impairment of other Non-Financial Assets.

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

ACCOUNTING PRINCIPLES APPLIED BY THE COMPANY

Initial Recognition and Measurement of Financial Assets

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not recorded at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Credit losses are provided for under the expected credit loss model.

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

On initial recognition of an equity investment that is not held for trading, the Company irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

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

Subsequent Measurement of Financial Assets

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

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

Financial Assets at Amortized Cost (Debt Instruments)

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

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

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

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

Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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

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

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

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

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

Impairment of Financial Assets and Construction Contract Assets

The implementation of IFRS 9 resulted in a change from an incurred loss impairment model to an expected credit loss (ECL) model and required the Company to record allowances for expected credit losses. The expected credit loss model is applied to all financial assets measured at amortized cost.

Impairment of Debt Instruments at Amortized Cost

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. As a starting point ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Impairment of accounts receivables

For accounts receivables the Company applies the following model:

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, postponement and nonpayment.

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

Financial Liabilities – Initial Recognition and Measurement

Financial liabilities includes the following categories:

- Trade and other payables
- Financial liabilities measured at amortized cost
- Contingent consideration
- Derivative financial instruments designated as hedging instruments in an effective hedge
  Other financial instruments.

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

Financial liabilities - Subsequent Measurement

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

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

Financial liabilities measured at amortized cost

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

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

Derivatives designated as hedging instruments - Embedded Derivatives

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

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

Other financial instruments

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

De-recognition of Financial Liabilities

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

Non-Substantial Modifications of Financial Liabilities

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

Offsetting of Financial Instruments

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

Derivative Financial Instruments and Hedge Accounting

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

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

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

Hedge Accounting

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

There are no hedge accounting applied for the year ended 31 December 2021. The Company applied hedge accounting for the years ended 31 December 2020 in one of its subsidiaries that was deconsolidated in May 2021.

Hedges of a Net Investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as OCI while any gains or losses relating to the ineffective portion are recognized in the income statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in a separate component of equity is reclassified via OCI to the income statement as part of the gain or loss on disposal.

CONSOLIDATION OF SUBSIDIARIES AND ACCOUNTING FOR INVESTMENTS IN ASSOCIATES

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

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

Subsidiaries

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

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

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

Associates

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

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

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

Changes in the equity of the associates or joint venture due to items in Other Comprehensive Income is recognized in Other Comprehensive Income of the Company on an aggregate basis. Other changes in the equity of the associate or joint venture is analyzed for potential dilution or anti-dilution effects and accounted for accordingly.

Changes in ownership interests

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

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

BUSINESS COMBINATIONS

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

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where the changes qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration that are classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognized.

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

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

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

GOODWILL AND BARGAIN PURCHASE

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

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

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

INTANGIBLE ASSETS OTHER THAN GOODWILL

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

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

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

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

PROPERTY AND EQUIPMENT AND POSSIBLE IMPAIRMENT

Property and equipment consist primarily of vessels engaged in the support of the offshore oil and gas industry and vessels designed for the ocean-transport of refrigerated goods ("reefer vessels" or "vessels") and the ocean-transport of cars and high and heavy units ("car carriers"). Vessels and related shipping assets are stated at historical cost, which includes costs directly attributable to the acquisition, less accumulated depreciation. The carrying value of vessels and related shipping assets are based on estimates, assumptions and judgments relative to capitalized costs, useful lives and residual values reflecting both historical experience and expectations of future industry conditions and operations.

The level of annual depreciation of vessels is based on the categorization of the vessel into nine different components and the calculated residual value.

The vessels within the Company are divided into the following nine components and economic lives:

Component	*Percentages of Total*	*Economic Lifetime*
Offshore support vessels		
Hull	27%	30 years
Cargo equipment	17%	30 years
Marine equipment	10%	15 years
Crew equipment	9%	15 years
Engine	18%	30 years
Engine system	6%	30 years
Combined severage system	13%	30 years
Docking		2.5 years
Equipment		3 years
Reefer vessels		30 years
Car carrier vessels		30 years
Roll-on / Roll-off vessels		30 years

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

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

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

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

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

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

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

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

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

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

NEWBUILD CONTRACTS

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

DECOMMISSIONING COSTS

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

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

NON-CURRENT ASSETS CLASSIFIED AS HELD-FOR-SALE

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

LEASES

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

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

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies on page 32 and 33, Property, Plant and Equipment and Possible Impairments.

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

FOREIGN CURRENCY TRANSLATION

Functional and Presentation Currency

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

	Percentage Change	*2021*	*2020*
Currency:			
USD/NOK	3.3%	8.8194	8.5326
USD/GBP	1.3%	1.3479	1.3648
USD/EUR	7.7%	1.1326	1.2271
USD/BRL	7.2%	5.5694	5.1972

Transactions and Balances

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

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

Subsidiaries

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

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

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, certificates of deposit and all highly liquid investments purchased with original maturities of three months or less.

ACCOUNTS RECEIVABLE

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

INVENTORIES

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

LOANS AND NOTES PAYABLE AND DEFERRED FINANCING COSTS

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

EXCHANGEABLE BONDS

The Exchangeable Bonds were initially recognised in two separate components: (1) the present value of the liability; and (2) the market value of the exchange option, classified as a financial derivative. The liability was subsequently measured at amortized cost and subsequent changes in the fair value of the exchange option were recognized in profit or loss.

An embedded derivative is separated from the host contract and accounted for as a derivative if, among other criteria, the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract. Accordingly, the financial derivatives related to the redeemable right should be valued at the date of closing using the Black-Scholes Option Pricing Model. The option held by the Company to call the exchangeable bond after 5 years is considered closely related to the host contract and is therefore not separated from the host contract and valued on a separate basis.

In accordance with IFRS, the Company recorded gains when the value of the financial derivative declines and increased interest expense with respect to the financial liability based on the amortized difference between the net present value of the obligation and the expected redemption amount by bondholders.

For further information, see Note 8, Long Term Debt.

EMPLOYEE BENEFITS

Share-Based Compensation

According to IFRS 2, all share-based payment transactions must be recognized in the financial statements using a fair value measurement basis.

Performance Unit Plan

The parent company has maintained a Performance Unit Plan for its officers, directors and others who contribute to the success of the Company since 1987. Compensation expense is measured at the end of each period as the amount by which the calculated market-adjusted net asset value of the Company's Common Stock covering a grant of performance units exceeds the value specified under the plan and is charged to expense over the periods that the recipient of the grant performs the related services. The Company has the option to satisfy the redemption of the performance units in either cash or Common Shares. This plan reflects IAS 19 treatment.

Pension Obligations

Siem Offshore and Siem Shipowning maintain defined benefit plans for their respective employees in Norway and UK. A defined benefit plan defines the amount of pension benefit that an employee will receive on retirement which is usually dependent on one or more factors such as age, years of service and compensation. The pension scheme is financed through contributions to insurance companies or pension funds. The liability recognized by the Company in the financial statements is the net present value of the future obligations of the pension plan as determined which is determined annually by an independent actuary. Net pension expenses are recorded as salary-related expenses in the income statement. The estimated net funds are recorded as noncurrent assets in the statement of financial position. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

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

REVENUE RECOGNITION

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

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:

Revenue from Voyage Charter

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

Operating Lease Revenue

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

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

Certain contracts include mobilization fees payable at the start of the contract. Mobilization fees are recognized on astraight 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.

Revenues for time charter services are recognized over time as the service is rendered. 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 a cost to fulfil asset and expensed over the lease term.

Finance Lease Revenues

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

Revenue from Potash Production

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

Service contracts, Management Services and Crew-Services

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

Interest income

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

Dividend Income

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

INCOME TAXES

Siem Industries migrated its tax residency from the Cayman Islands to Luxembourg as of 4 December 2020. As of this date the Company is subject to corporate income tax and net wealth tax on its global income in Luxembourg in accordance with Luxembourg tax legislation. The migration was carried out to align its compliance requirements with internal reporting and business operations. The Cayman Islands has implemented substance requirements by putting into force a new Economic Substance Law applying to companies incorporated/resident in the Cayman Islands. The Company decided to migrate out of the Cayman Islands to satisfy the Economic Substance Law, and to transfer its principal establishment and central administration to Luxembourg. The Company transferred its corporate seat and registered office from the Cayman Islands to Luxembourg in 2021.

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

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

CONTINGENT LIABILITIES AND PROVISIONS

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

NET EARNINGS, OR NET INCOME, PER COMMON SHARE

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

GOING CONCERN

The company's consolidated financial statements have been prepared under the assumption that the Company is a going concern.

(3) CASH AND CASH EQUIVALENTS

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

(in thousands)	*2021*	*2020*
Total cash and cash equivalents and restricted cash	$77,820	$187,220
Less: Restricted cash – bank loans and guarantees	($0)	($26,232)
Less: Restricted cash – Other	($26,640)	($31,801)
Cash and cash equivalents - currents assets	$51,181	$129,188

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

The "noncurrent assets held-for-sale" includes $4.4 million in cash at the end of 2021 (2020: $13.4 million).

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

(in thousands)	*2021*	*2020*
Cash and cash equivalents denominated in following currencies:		
USD	$28,708	$110,086
NOK	375	19,301
EUR	47,618	31,116
GBP	700	6,086
BRL	0	3,388
Other	419	17,244
Total cash and cash equivalents	$77,820	$187,220

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

(4) FINANCIAL ASSETS

Financial Assets at Fair Value through Profit or Loss

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

(in thousands)	*2021*	*2020*
Listed equity securities, net fair value	$9,563	$8,344

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

(in thousands)	*2021*	*2020*
Trading securities:		
Balance, 1 January	$8,344	$12,818
Purchases	641	881
Proceeds from sales	(2,041)	(1,334)
Gains (losses), Note 12	2,674	(4,028)
Currency exchange gains (losses), see Note 16	(56)	8
Trading securities, 31 December	$9,563	$8,344

The trading securities are classified as Level 1 financial instruments.

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

Notes, Loans and Other Receivables

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

(in thousands)	*2021*	*2020*
Notes, loans and other receivables:		
Listed securities:		
Floating rate notes	$7,478	$13,470
Unlisted securities:		
Notes receivable, various rates	$44,909	$59,637
Finance lease receivables	$130,052	$153,799
Notes, loans and other receivables:	$182,439	$232,416

Notes, loans and other receivables:		
Current	$44,715	$19,253
Non-current	$137,724	$213,163

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

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

(in thousands)	*2021*	*2020*
Notes, loans and other receivables:		
Balance, 1 January	$232,416	$218,834
Additions and purchases	2,192	12,972
Proceeds from maturities and repayments	(37,127)	(7,832)
Gains (losses) on investments, net, see Note 12 and 16	6,970	(1,848)
Currency exchange gains (losses),	(18,550)	4,317
Reclassification	0	5,510
Other	(3,462)	563
Notes, loans and other receivables	$182,439	$232,416

(5) INVESTMENTS IN ASSOCIATES AND OTHER COMPANIES

DESCRIPTION OF MAJOR INDUSTRIAL HOLDINGS

SUBSEA 7 S.A.

Subsea 7 S.A. ("Subsea 7"; OSE Symbol: SUBC) — Subsea 7 is a global leader in the delivery of offshore projects and services for the evolving energy industry.

At 31 December 2021, the Company beneficially-owned 69,449,377 shares of Subsea 7, or approximately 23.2% of its issued and outstanding shares. The Company accounts for Subsea 7 as an investment in associated company using the equity method.

Fiscal 2021 Discussion and Subsequent Events — Revenue for the year ended 31 December 2021 was $5.0 billion, an increase of $1.5 billion or 45% compared to 2020. The year-on-year increase was primarily driven by increased revenue in both the Renewable business unit, with increased activity on the Seagreen offshore wind project, UK and the Subsea and Conventional business unit, with increase activity in West Africa, the Gulf of Mexico, the Middle East, Brazil, Turkey and Australia. Adjusted EBITDA margin for the year ended 31 December 2021 were $521 million and 10% respectively, compared to $337 million and 10% in 2020. Net operating income, excluding goodwill impairment charges for the year ended 31 December 2021 was $72 million, compared to net operating loss of $428 million in 2020. The main items contributing to the net operating income were:

- net operating income of $103 million in the Subsea and Conventional business unit, compared to net operating loss of $246 million in 2020 which included impairment charges related to property, plant and equipment and right-of-use assets of $294 million;
- a credit of $37 million in 2021 related to the Group's resizing programme compared to a charge of $86 million in 2020;
- net costs of $27 million related to COVID-19 pandemic compared to net costs of $70 million in 2020

partly offset by:

- net operating loss of $60 million in the Renewables business unit, which reflected continued delays to projects in Taiwan, compared to net operating loss of $40 million in 2020.

During the year ended 31 December 2021, no goodwill impairment charges were recognized compared to $605 million in 2020.
Net income was $36 million for the year ended 31 December 2021, compared to net loss of $1.1 billion in 2020.

The net income in 2021 was primarily due to:

- increase in net operating income, of $500 million, excluding goodwill impairment charges;
- no goodwill impairment charges in 2021 compared with charges of $605 million in 2020;
- net gain of $44 million in 2021 within other gains and losses, which included net foreign currency gains of $36 million, compared to net loss of $18 million in 2020, which included foreign currency losses of $35 million.

partly offset by;

- an increase of $31 million in taxation compared to 2020, mainly driven by the increase in income before tax combined with irrecoverable withholding taxes in certain jurisdictions.

The backlog of Subsea 7 was $7.2 billion at the end of 2021, compared to $6.2 billion at year end 2020, representing a 16.1% year on year increase. Subsea 7 have preserved a strong financial and liquidity position through the cycles, and at 31 December 2021 it had cash and cash equivalents of $598 million (2020: $512 million), net debt of $55 million (2020: $(45) million) including $231 million (2020: $254 million) related to IFRS 16 lease liabilities, and an undrawn revolving multi-currency credit facility of $656 million (2020: $656 million). The facility was unutilized at 31 December 2021 and 31 December 2020. During the year ended 31 December 2021, Subsea 7 made payments to its shareholders of $93 million, through a combination of share repurchases of $21 million and a dividend of $72 million. In 2020, Subsea 7 made share repurchases of $10 million, but made no cash dividend to its shareholders.

The priorities of Subsea 7 to invest in the business, make sound investments and cost control, coupled with maintaining its investment grade credit profile, have resulted in solid performance through the cycle and enabled the company to adapt as the needs and expectations of the stakeholders have evolved.

In March 2022, Subsea 7 announced that its board of directors had decided to adopt a regular dividend policy and approved a $100 million return to shareholders in 2022. This comprises of a regular cash dividend of NOK1.00 per share payable early May 2022, to be recommended for shareholder approval at the AGM on 12 April 2022, and share repurchases of approximately $70 million. At the AGM, the payment of the cash dividend was approved, and approximately $7.6 million will be paid to the Company. In 2020, the Company received no dividend from Subsea 7.

In March 2021, the Company sold 4,000,000 shares of Subsea 7 in the market at NOK90.9946 per share.

In September 2021, the Company acquired 108,000 shares of Subsea 7 in the market at NOK74,8759 per share.

Following these transactions, the aggregate number of Subsea 7 shares held by the Company is 69,449,377 or the equivalent of 23.2% of the Subsea 7 issued and outstanding shares.

Part of the Company's shares in Subsea 7 are pledged in relation to the Margin Loan.

The following financial highlights show results and amounts for Subsea 7 for the years ended 31 December 2021 and 2020:

Subsea 7 Financial Highlights (in thousands):		*As of and for the Fiscal Periods Ended 31 December* *2021*	*2020*
Financial Performance:	Revenues	$ 5,010,000	$ 3,466,400
	Adjusted EBITDA	$ 520,900	$ 337,100
	Impairment of goodwill	$ -	$ (605,400)
	Tax expense	$ (64,300)	$ (33,300)
	Net income (loss) attributable to shareholders	$ 31,800	$ (1,092,800)
Financial Position:	Assets	$ 6,988,300	$ 6,297,100
	Liabilities	$ 2,499,100	$ 2,042,000
Other notable:	Capital expenditures	$ 167,000	$ 176,900
	Backlog	$ 7,200,000	$ 6,200,000

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

At 29 April 2022 the quoted share price for Subsea 7 SA was NOK 78 per share equal to $585 million for the shares owned by the Company.

At 29 April 2022, the Company beneficially owned 69,449,377 shares of Subsea 7 S.A.

SIEM OFFSHORE INC.

Siem Offshore Inc. ("Siem Offshore"; OSE Symbol: SIOFF) — Siem Offshore owns and operates one of the world's most modern fleet of high specification offshore support vessels.

At 31 December 2021, the Company owned a beneficial interest of 80,260,604 shares of Siem Offshore, or approximately 33.6% of its issued and outstanding shares.

Fiscal 2021 Discussion and Subsequent Events — At the end of 2021, Siem Offshore had 28 vessels in operation, including partially-owned vessels and vessels in layup, as compared to 31 vessels at the end of 2020. The fleet includes 6 mid-size and large-size platform supply vessels ("PSVs"), 4 offshore subsea construction support vessels ("OSCVs"; category includes multipurpose field and ROV support vessels, "MRSVs"), 8 large-capacity anchor-handling, tug and supply ("AHTS") vessels, 2 well-intervention vessels ("WIVs"), 1 Canadian-flagged AHTS-vessels, 1 scientific core-drilling vessel, 5 smaller Brazilian-flagged vessels and 1 partially owned WIV.

The total backlog of firm contracts for the fleet was $298 million at the end of 2021 as compared to $483 million at the end of 2020.

In May 2021, Siem Offshore concluded and implemented its restructuring with its lenders. The main terms of the restructuring agreed with the European secured lenders, the Brazilian banks, bondholders and shareholders included the following;

- Total equitization of approximately $269 million of debt, comprising of bond debt of $131 million, secured bank debt of $132 million and hedging liabilities of $6 million;

- The bondholders of SIOFF01 received a cash payment of $4 million, and the residual claim was converted to equity in Siem Offshore;

- The bondholders of SIOFF02 was converted to equity in Siem Offshore in its entirety;

- Brazilian banks agreed to reduce debt service payments by approximately $45 million until end of 2027 and extension of maturity until 2034;

- The reinstated debt owed to the European secured lenders following the conversion will continue to be guaranteed by Siem Offshore and will be serviced in full, in part or by cash sweep only 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 convents and general undertakings.

Following the equitization, the existing shareholders of Siem Offshore represented close to 4% and debt holders approximately 96% of the outstanding shares in Siem Offshore.

On 2nd of June 2021, reverse split was performed in the shares of Siem Offshore, in which 100 old shares was converted into 1 new share.

The investment in Siem Offshore has been fully consolidated until 26 May 2021, and presented under discontinued operations as long as the interest in the company were reduced from 83.7% to 33.6% in the debt restructuring that was concluded on the 26 May 2021. The investment in Siem Offshore has been accounted for as an equity investment from 26 May 2021.

In March 2022 Siem Offshore Inc. announced a plan for a re-domiciling from Cayman Island to Norway, by establishing a new Norwegian holding company. The shareholders of Siem Offshore Inc. will receive a share-for-share offer in the new Norwegian holding company. The contemplated new structure will be better equipped to pursue new opportunities within the energy sector, including renewable energy. The offer is conditional on shareholder acceptance of no less than 95%, admitting of the new holding company to Oslo Stock Exchange, and consent under the existing financing agreements of Siem Offshore Inc.

The COVID-19 pandemic situation, which has affected world economies and resulted in volatile global demand for Siem Offhore's oil related services and its ability to operate under normal conditions is still causing concerns and adding uncertainty to the activity and demand within the Offshore Support Vessel ("OSV") sector generally.

No vessels were impaired in 2021, but an impairment charge of $277 million against vessels was recorded in 2020.

The following financial highlights show results and amounts for Siem Offshore for the years ended 31 December 2021 and 2020:

Siem Offshore Financial Highlights (in thousands)		*As of and for the Year Ended 31 December 2021*	*2020*
Financial Performance:	Operating revenue	$ 254,493	$ 244,843
	Operating margin	$ 100,585	$ 82,259
	Impairments of vessels, intangibles, other	$ -	$ (276,857)
	Tax benefit (expense)	$ 1,000	$ (2,673)
	Net income (loss) from discontinued ops	$ -	$ -
	Net income attributable to shareholders	$ 107,858	$ (298,886)
Financial Position:	Assets	$ 1,073,497	$ 1,185,828
	Liabilities	$ 733,200	$ 1,173,405
Other notable:	Capital expenditures	$ 27,736	$ 25,208

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

At 29 April 2022 the quoted share price for Siem Offshore Inc. was NOK 9.24 per share equal to $80 million for the shares owned by the Company.

At 29 April 2022, the Company beneficially owned 80,260,604 shares of Siem Offshore, or 33.6%.

GRAND RUE FINANCE S. À R.L. (formerly VENN CAPITAL S.À R.L.)

Grand Rue Finance S.à r.l *("Grand Rue")* — Grand Rue, a Luxembourg company, was established to finance commercial real estate projects arranged by ARA Venn (formerly Venn Partners).

In September 2015, ARA Venn helped to establish the Venn Commercial Real Estate Fund ("VeCREF") for certain counties located in the U.K. with the purpose to invest funds from public pension plans. The initial size of the fund was GBP160 million. Grand Rue's commitment was for GBP30 million, or 18.75% of the fund. Grand Rue transferred all but one of its commercial real estate notes into VeCREF. The total amount of notes transferred to VeCREF was equivalent to $149.9 million and Grand Rue received $107.1 million from the other fund participants with the difference representing Grand Rue's equity investment. At the end of December 2021, Grand Rue owns a 16.27% interest of VeCREF, and the fund is now in harvest, with full repayment expected by the end of 2022.

BSR GROUP HOLDINGS LTD

BSR Group Holdings Ltd. ("BSR") — BSR, a UK company, provides engineering, procurement, and construction ("EPC") services to the solar power generation industry and has developed and built a number of solar park projects in excess of 5MWp.

Siem Europe initially acquired a 42.1%-interest in BSR at the end of September 2014 before increasing its shareholding to 83.6% in March 2021. The investment in BSR Group has been fully consolidated from March 2021, and presented as discontinued operations as per 31 December 2021.

BSR is among the larger developers of large-scale solar projects in the U.K. and also has a presence in the Australian martket. BSR performs EPC-activities for solar parks which may be sold to third parties or remain owned and operated within the company. BSR also performs operations and maintenance activities after the solar parks go into operation.

The Company provided project financing to BSR for the construction of several solar parks, the most notable being the Owl's Hatch Solar Park with a 51.8MWp DC-capacity and Bradenstoke Solar Park with a 70MWp DC-capacity.

The Bradenstoke Solar Park was sold in January 2021, and the gain of $11.2 million has been reflected in the 2021 accounts.

ELECTROMAGNETIC GEOSERVICES ASA

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

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

During 2021, EMGS made two buybacks under its $32.5 million Senior Secured Convertible Bond, reducing the outstanding amount to $24.5 million. The Company received $2.4 million under the buyback.

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

The Company holds a 23.9%-interest in EMGS through its wholly owned subsidiary Siem Investments, in addition to $8.4 million of the $32.5 million convertible bond issued by EMGS with maturity in May 2025.

At 29 April 2022 the quoted share price for Electromagnetic Geoservices ASA was NOK 1.80 per share equal to $6.1 million for the shares owned by the Company.

At 29 April 2022, the Company beneficially owned 31,327,467 shares of Electromagnetic Geoservices ASA or 23.9%.

The associates are incorporated in the following countries:

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

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

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

			Summary of Investments in Associates (in thousands)	
Year Ended	*Associate*	*Percentage Ownership*	*Share of Profits (Losses)*	*Investments in*
31-Dec-21	Subsea 7	23.2%	$7,911	$805,543
	SOSI	20.0%	(1,965)	6,959
	EMGS	23.9%	0	0
	S&I Leasing	50.0%	534	6,710
	Siem Offshore	33.6%	4,707	117,283
	Other		3	3,809
	Total amount of associated companies		$11,190	$940,304
	Other companies:			
	VeCREF:	16.3%	2,265	15,216
	Total amount of associated companies and other companies:		$13,455	$955,519

31-Dec-20				
	Subsea 7	24.4%	($266,174)	$855,558
	Venn Partners	0%	0	0
	BSR	42.1%	451	15,135
	SOSI	20.0%	(4,998)	7,298
	EMGS	23.9%	0	1
	S&I Leasing	50.0%	35	2,960
	Accociated companies of Siem Offshore		0	2,197
	Other		(9)	542
	Total amount of associated companies:		($270,699)	$883,691
	Other companies:			
	VeCREF:	16.3%	2,534	18,824
	Total amount of associated companies and other companies:		($268,161)	$902,515

Other companies are recorded at fair value through profit or loss.

The activity in investments in associates and other ccompanies during the fiscal years ended 31 December follows:

(in thousands)	*2021*	*2020*
Investments in associates:		
Balance, 1 January	$902,515	$1,177,319
Additions to investments	120.243	10,609
Share of profits (losses) of associates	13,455	(267,317)
Disposals	(48,240)	(16,259)
Dividends or distributions by associates	(18,895)	0)
Share of associates' other comprehensive income	1,660	1,363
Cumulative translation adjustments	(0)	(3,196)
Currency exchange gains (losses), net, see Note 12	0	0
Other	(15,219)	(4)
Investments in associates, 31 December	$955,519	$902,515

$112.6 million of the toal additions to investments in 2021 is related to the investment in Siem Offshore Inc. that was deconsolidated as of 26 May 2021 and subsequently reflected as an investment in an associated company owned by 33.6% of the Company. The amount in "Other" includes the adjustment related to BSR Group Holdings Ltd. that has been consolidated in 2021.

(6) VESSELS, PROPERTY AND EQUIPMENT

Summaries of the vessels and related shipping assets and property, equipment and other at 31 December are presented below (the Vessels and Related Assets includes Vessels-under-Construction).

	2021		*2020*	
(in thousands)	*Vessels and Related Assets*	*Property, Equipement and Other*	*Vessels and Related Assets*	*Property, Equipement and Other*
Cost:				
Balance, 1 January	$3,235,186	$180,491	$3,036,188	$150,501
Adjustments	10,265	245	0	0
Capital expenditures	35,109	7,728	190,646	20,981
Disposals	(135,871)	(2,271)	(17,937)	(271)
Reclass to Held-for-Sale	(34,761)	0	(0)	0
Additions Right of use Asset	0	0	113,837	0
Reclass/transfer between asset groups	(0)	0	(80,388)	9,175
Deconsolidation of subsidiaries	(2,287,457)	(11,460)	0	0
Reclassification of carrying amount of Right of use Assets	110,621	0	0	0
Translation adjustment and other	(30,794)	453	(7,160)	105
Cost, 31 December	902,298	175,186	3,235,186	180,491
Accumulated depreciation/impairment:				
Balance, 1 January	($1,617,927)	($107,634)	($1,260,016)	($98,873)
Adjustments, 1 January	(10,115)	(245)	0	(128)
Depreciation, see Note 13	(34,408)	(9,615)	(38,835)	(8,846)
Disposals and eliminations	8,767	1,627	17,865	43
Deconsolidation of subsidiaries	1,401,967	8,355	0	0
Impairment	(5,203)	0	(278,442)	0
Reversal of impairment	6,010	0	0	0
Reclass to Held-for-Sale	3,373	0	(186)	0
Reclass/transfer between asset groups	(13,665)	0	(68,315)	0
Translation adjustment and other	2,984	3,929	10,002	170
Accum. depreciation, 31 December	(258,218)	(103,583)	(1,617,927)	(107,634)
Net book value, 31 December	$644,080	$71,603	$1,617,259	$72,857
Property, equipment and other, net	71,603		72,857	
Deferred drydocking costs, see Note 7	4,337		31,076	
Vessels, property and equipment, net	$720,020		$1,721,193	

Carrying amount of vessels pledge as guarantee for long-term debt is $470 million in 2021 ($1,485 million in 2020).

Right-of-Use Asset

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

	31 December 2021	31 December 2020
Right of Use Assets at 1 January	$140,630	$45,490
Additions:	0	113,837
This year's depreciation:	(15,107)	(13,601)
The year's impairment:	6,010	(1,585)
Derecognition of subsidiary	(3,234)	0
Remeasurement renegotiated lease-term 31 December	(14,136)	(3,511)
Total Right of Use Asset 31 December	114,163	140,630

Vessel under construction

Vessel under construction is included in the column Vessels and Related Assets above, and has a carrying amount of $174 million in 2021 ($132 million in 2020).

Subsequent to year end, a subsidiary of the Company received a variation cost claim from a shipyard in addition to the contract price in respect of a vessel under construction. The subsidiary has disputed the claim since under the contract, the subsidiary is only required to pay the contract price on completion and delivery of the vessel. Discussion with the shipyard is ongoing and if no agreement is reached, the matter will be dealt with by arbitration. As resolution proceedings are still at very early stage, it is not practicable to disclose the estimated financial effects because any liability, if at all, cannot be measured with sufficient reliability.

Details of the impairments recognized by the following amounts at the end of 2021 and 2020:

	Year Ended 31 December	
(in thousands)	*2021*	*2020 (Restated)*
Impairments:		
Vessels: Reefer, RoRo and Car Carriers Vessel segment	(6,010)	1,585
Shipbuilding contracts		-
Long term receivables and projects	0	8,697
Impairment related to investment in associated company	0	5,366
Impairment in other investments	0	0
Reversal of impairment		0
Impairments, net	$ (6,010)	$15,648

Impairment testing

There were no impairment charges on vessels in 2021. Star Reefers recorded reversal of impairments of $6.0 million in 2021 (impairment charge of $1.6 million in 2020), with respect to its older, less efficient refrigerated vessels. Star Reefers' operation in the specialized refrigerated transportation of fruits and other products has experienced significant competition from the regular container lines as the container lines offer lower rates in an effort to build market share and generate activity for vessels in the overbuilt container lines.

Based on its testing, Siem Offshore recorded an impairment of $276.9 million in 2020 to write down its offshore support vessels to their recoverable amounts. The recoverable amount was based on the higher of fair value less cost of disposal and value-in-use calculation with each vessel treated separately. The market for offshore support vessels has been soft over the last 6 to 7 years because of overcapacity arising from speculative newbuild programs in recent years and as a result of the prolonged downturn in offshore oil and gas sector and associated reduces activity and thus demand for offshore support vessels. The impairments in 2020 affected 15 vessels. The Income Statement for 2020 is restated in order to reflect the deconsolidation of Siem Offshore Inc. Net impairment charge for the Offshore Support Vessel segment is included in Net Income (loss) from Discontinued Operations in the Income Statement for 2020.

An impairment charge of $0.8 million is reflected in Siem Shipowning's financial accounts for 2021. At the same time a reversal of impairment from previous years of $0.8 million is recorded in the financial accounts for 2021. Net effect in 2021 is nil. No impairment chanrges or reversal of impairment is recorded in the financial accounts for 2020.

There are no impairment indicators in Seven Yield Holding Pte. Ltd. in 2021 or 2020.

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

	Nominal WACC		**Nominal WACC**	
Business segments	**2021**		**2020**	
	Minimum	**Maximum**	**Minimum**	**Maximum**
Offshore Support Vessels	No vessels	No vessels	8.90%	10.05%
RoRo Vessels	5.70%	5.70%	5.70%	5.70%
Scientific Core Vessel	No vessels	No vessels	8.90%	10.05%
Refer Vessels	7.5%	7.5%	8.2%	8.2%
Car Carrier Vessels	7.5%	7.5%	7.5%	7.5%

For the vessels within the reefer, RoRo and car carrier vessel segment, an increase in the WACC rate of 1% would have no impact on the impairment assessment of vessels. In 2020 an adverse movement in the WACC rate of 1% would increase the impairment of vessels by $16.7 million.

(7) DEFERRED DRYDOCKING COSTS

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

	Year Ended 31 December	
(in thousands)	*2021*	*2020 (Restated)*
Deferred drydocking costs:		
Balance, 1 January	$25,486	$23,078
Additions	1,742	4,887
Disposals and other	(1,794)	187
Amortization, see Note 13	(2,086)	(2,218)
Impairment, see Note 6	0	0
Deconsolidation of subsidiaries	(19,011)	0
Transfers	0	(448)
Deferred drydocking costs, 31 December, see Note 6	$4,337	$25,486

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

(8) LONG-TERM DEBT

A summary of long-term debt and notes payable, net of unamortized financing fees and excluding Siem Offshore's debt which is separately shown, at 31 December is presented below:

		Year Ended 31 December	
(in thousands)	*Interest Rate*	2021	2020
USD-denominated long-term debt and notes payable:	Floating		
Vessel Financings and notes payable		$58,870	$112,204
GBP-denominated long-term debt and notes payable	Fixed	3,891	0
NOK-denominated long-term debt and notes payable, USD-equivalents:	Floating		
Margin loan facility		141,744	-
EUR-denominated long-term debt and notes payable, USD-equivalents:			
Exchangeable Bonds	Fixed	0	314,146
Vessel Financings	Floating	220,712	266,105
Margin loan facility	Floating	0	(925)
Deusa bank loan		15,801	6,961
EUR-denominated long-term debt and notes payable		236,513	586,287
Siem Offshore credit facilities, USD-equivalents, no figures in 2021 due to deconsolidation:			
Secured loans		0	863,928
Public bond issues		0	59,833
CIRR loans		0	45,946
Other loans		0	38,533
Siem Offshore credit facilities		0	1,008,240
Long-term debt and notes payable, net of unamortized financing fees		$441,007	$1,706,731
Less unamortized financing fee		($289)	($3,394)
Long-term debt and notes payable, net of unamortized financing fees		$440,718	$1,703,337

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

(in thousands)	*2021*	*2020*
Long-term debt and notes payable:		
Current *)	$134,882	$663,487
Non-current	$305,836	$1,039,850
Long-term debt and notes payable net of unamortized financing fees	$440,718	$1,703,337

*) The amount in 2020 includes $16,195 as carrying amount of financial derivative incorporated into the Exchangeable Bond that was repaid on 2 June 2021.

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

(in thousands)	*2021*	*2020*
Current maturities and short term notes:		
Current portion of long term debt and notes payable **):	$202,422	$647,292
Current portion of finance lease liability:	$13,042	$31,661
Current maturities and short term notes	$215,464	$678,953

**) Notes payable in 2021 includes current maturities that expires in 2022 and other short term notes that expires in 2022. In 2020 the amount excludes $16,195 as carrying amount of financial derivative incorporated into the Exchangeable Bond that matureed on 2 June 2021.

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

Years Ended 31 December	*Principal Maturities*	*Interest Payments*	*Debt Service*
2022	$135,124	$6,851	$141,975
2023	140,795	3,935	144,730
2024	53,610	2,386	55,996
2025	21,016	1,370	22,386
2026	19,816	947	20,763
2027 and thereafter	70,357	1,680	72,037
Long-term debt and interest payments:	$440,718	$17,169	$457,887

Exchangeable Bonds

At the end of May 2016, the Company placed a EUR250,000,000- 2.25% Senior Secured Exchangeable Bond ("Exchangeable Bond") which were exchangeable into shares of Subsea 7 at an Exchange Price of EUR 9.3053 per Subsea 7 share. Interests were paid semi-annually at the rate of 2.25% p.a. The Exchangeable Bond were secured by the pledge of 48,546,044 shares of Subsea 7 of which 24,273,022 of the shares pledged were subject to adjustment based upon the occurrence of certain events, such as the payment of dividends by Subsea7.

Under IFRS, the existence of an exchange provision required that a portion of the Exchangeable Bond be valued and recorded as a Financial Derivative and the remaining portion was recorded as a long-term debt liability. The alternative interest rate on the Exchangeable Bond at inception was 5.88%.

The amount of the long-term debt liability is amortized from the recorded value to the nominal value of the Exchangeable Bond over the period from the date of the issue of the bonds to the date of maturity. The amortization is recorded as interest expense and the debt liability increases by such amount.

The Financial Derivative is re-valued at the end of each reporting period using the Black-Scholes Option Pricing Model and changes in the amount of the Financial Derivative are recorded as a gains (losses) on re-valuation of Financial Derivatives. Changes in value may be significant and are a product, amongst other factors, of the volatility of the market prices of Subsea 7 shares.

The separate components of the Exchangeable Bond and changes to the amount and valuation are shown below in USD-equivalents, excluding the deferred financing costs.

(in thousands)	*Long-Term Debt Liability*	*Value of Financial Derivatives*
EUR250 Million Exchangeable Bonds, 31 December 2016	$196,428	$122,019
Exchange (gain) loss	27,690	17,718
Re-valuation (gain) loss	-	(23,184)
Amounts and valuation of EUR Bonds, 31 December 2017	$224,118	$116,553
Amortization of long-term debt liability	33,698	-
Exchange (gain) loss	(10,023)	(4,358)
Re-valuation (gain) loss	-	(71,245)
Amounts and valuation of EUR Bonds, 31 December 2018	$247,793	$40,951
Amortization of long-term debt liability	14,126	-
Exchange (gain) loss	(5,049)	(3,347)
Re-valuation (gain) loss	-	53,331
Amounts and valuation of EUR Bonds, 31 December 2019	$256,870	90,935
Amortization of long-term debt liability	15,766	-
Exchange (gain) loss	25,315	(1,250)
Re-valuation (gain) loss	-	(73,490)
Amounts and valuation of EUR Bonds, 31 December 2020	$297,951	$16,195

Repayment of Exchangeable Bond at maturity date in July 2021

The Exchangeable Bond was repaid at par value of EUR 250,000,000 in June 2021. A gain of $16.2 million from the changes in the fair value of the financial derivative that was incorporated in the Exchangeable Bond facility was recognized in the Income Statement at maturity. Interest expenses amortized on the loan in 2021 is $5.6 million, and are recognized in the Income Statement together with interests paid of $2.9 million and currency loss of $0.7 million.

Fair Market Value of Exchangeable Bond

The fair market value of the Exchangeable Bond as per 31 December 2020 was 97.13% of principal amount, based on the latest completed transaction in October 2020.

A risk free rate of (0.75)%, a share price of Subsea 7 of $8.078 per share, an implicit volatility of the share price of Subsea 7 of 38.65%, an exercise price of the option of $9.3053 and an expected remaining option life of 5 months share price has been applied in the assessment of the fair market value of the embedded derivative. A 1% change of the voliatility of the share price of Subsea 7 SA will change the fair market value of the embedded financial derivative by $1.1 million. A change of the interest rate of 100 bps will change the market value of the embedded derivative by $0.5 million.

Vessel financings

The subsidiaries of the Company has entered into vessel financing facilities with standard security packages including but not limited to, first priority mortgages over the vessels, assignment of earnings and insurances and share pledges in vessel-owning subsidiaries. A majority of the vessel financings are on floating rate basis and as per 31 December 2021, the vessel financings were denominated in either USD or EUR. In addition to vessel specific covenants, the vessel financings of the subsidiaries include covenants related to equity, free cash, leverage and credit.

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

Siem Offshore Portfolio of Loans

Siem Offshore issued two high-yield unsecured bonds, where the first bond was for NOK600 million ("SIOFF01") with initial maturity in 2018 and the second bond was for NOK700 million ("SIOFF02") with initial maturity in 2019. Following the severe downturn in the offshore oil and gas industry, Siem Offshore negotiated with its secured lenders and reached agreement on a finance plan. One of the provisions was an extension of the maturity for each of SIOFF01 and SIOFF02 for 33 months, and subsequently an agreement was reached with the bondholders and SIOFF01 was extended to mature in 2020 and SIOFF02 was extended to mature in 2023. In April 2018, the bondholders of SIOFF02 approved that NOK700 million of old bonds were exchange for NOK560 million of a new SIOFF02 convertible bond. The SIOFF01 bondholders were given the opportunity to participate in the new SIOFF02 bonds. A total of NOK250 million of SIOFF01 bonds were exchanged for NOK200 million of the new SIOFF02 convertible bonds. The remaining NOK350 million of SIOFF01 bonds would mature in October 2020.

The terms of the NOK760 million of new SIOFF02 convertible bonds included a conversion right for the bondholders into new shares of Siem Offshore at NOK3 per share, a fixed interest rate of 2.75%p.a., a term of 5½ years to mature in late-2023 and a call option by Siem Offshore at 120% of par value of bonds.

The new SIOFF02 convertible bonds included an embedded call option and a put option in the form of a conversion right and, in accordance with IFRS, the obligation was segregated into a financial derivative in reflection of the options and a long-term liability and recorded at their respective fair values. The two options are closely-related and were accounted for as a net liability from 31 December 2018. The fair value of the liability portion of the convertible bond was determined using a market interest rate for an equivalent non-convertible bond until extinguished on conversion or maturity of the bonds. The debt liability component was subsequently stated at amortized cost with the amortization recorded as interest expense. The financial derivatives were marked-to-market using the Black-Scholes Option Pricing Model at each reporting date and the changes to fair value are reported as revaluation gains or losses. The financial derivative was recognized as a financial liability or included in shareholders equity depending on the features of the bond and the conversion option. As long as the Siem Offshore shares are quoted in NOK and the functional currency of Siem Industries remains the USD, the convertible bond did not meet the "fixed-for-fixed" criteria and the changes in the fair value of the conversion right were reflected as a financial derivative and not as an equity instrument.

Over the years the Company made several buybacks in the market of the bonds issued by Siem Offshore Inc. at prices which are at a discount to the bonds' nominal value. Since Siem Offshore's financial statements are fully consolidated within the Company's consolidated financial statements, IFRS requires certain treatment with respect to the purchases and sales of these bonds which are deemed to be intercompany transactions. Therefore, the Company's purchases of Siem Offshore bonds have been treated as debt buybacks in the consolidated financial statements and are de-recognized immediately at the date of purchase for consolidation reporting purposes.

A financial restructuring process of Siem Offshore Inc. was initiated in 2020 and following negotiations with the lending banks and bond holders the financial restructuring was successfully concluded and implemented on 26 May 2021. Long term debt such as principal loans, PIK-interests and derivatives to banks, held by different companies within Siem Offshore Inc. group was restructured. The restructuring included easing of financial covenants, and a debt conversion of USD 269 mill. A conversion of debt into equity shall be recognized at fair value according to IFRS 9 Financial Instruments, and any less-values should be recognized as a debt forgiveness through the income statement. A total gain of $92 million was reflected by Siem Offshore Inc. in the second quarter of 2021 under Finance Income as a gain from the financial restructuring. Due to the buybacks of bonds issued by Siem Offshore Inc. in previous years, the gain reflected by the Company was $44.1 million. For further information see Note 34 Other Income. The investment in Siem Offshore has been accounted for under the equity method after the financial restructuring was implemented on the 26 May 2021.

The Company has agreed with with Skandinaviska Enskilda Banken AB into a Margin Loan Facility Agreement up to NOK 1,500 million (the "SEB Margin Loan"), available in two tranches, Tranche A in the amount of NOK 1,000 million (available up to 31 May 2023) and Tranche B in the amount of NOK 500 million (NOK 250 million was repaid in December 2021, then the remaining available up to 31 July 2022). The SEB Margin Loan is secured by collateral such as Subsea 7 S.A.'s shares, balance on the cash account.

In 2020, Bradenstoke Solar Park Ltd. entered into a GBP35 million term facility agreement with a first class commercial bank. The term facility was secured by first ranking security in the 70MWp Bradenstoke solar park and was repaid in full when the 100%-interest in Bradenstoke Solar Park Ltd. was sold in January 2021. Bradenstoke Solar Park Ltd. was recoqnized as Discontinued Operations per 31 December 2020.

The fair value of long-term debt at 31 December 2021 approximates its carrying value. Taking into consideration the variable rate structure of the Company's long-term debt, the fair value of long-term debt at 31 December 2020 approximates its carrying value with the exceptions for the Company's Exchangeable Bond and Siem Offshore's SIOFF02. The fair value of the Company's Exchangeable Bond is at EUR267.9 million which is equivalent to $328.8 million. In the Company's financial statements, the total amount outstanding is less than whole amount of the SIOFF02 convertible bond obligation because of the Company's purchases of SIOFF02 which are considered to be debt buybacks in consolidation. For the Company's consolidated financial statements at 31 December 2020, the fair value for SIOFF01 bonds is NOK127.1 million or $13.6 million, and for SIOFF02 convertible bonds is NOK731.5 million, or $78.1 million.

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

(in thousands)		*2021*	*2020*
Cash and cash equivalents, restricted cash,	$	77,820	$ 187,221
Borrowings, repayable within one year		(134,882)	(663,487)
Borrowings, repayable after one year		(305,836)	(1,039,850)
Net debt at 31 December	$	(362,898)	(1,516,116)
Cash and cash equivalents, restricted cash,	$	77,820	187,221
Total debt – fixed interest rates		(3,891)	(373,979)
Total debt – variable interest rates		(436,827)	(1,329,158)
Net debt at 31 December	$	(362,898)	$ (1,516,116)

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

The Group and its subsidiaries were in compliance with their respective loan covenants at the end of 2021 and 2020.

The activity in long-term debt, including current maturities and financial derivatives related to convertible bonds during the fiscal years ended 31 December is presented below:

(in thousands)	*2021*	*2020*
Balance 1 January	$1,703,337	$1,602,520
Drawdowns	471,470	102,162
Repayments:	(638,140)	(173,702)
Total cash movements:	(166,670)	(71,540)
Amortization of financial liability:	5,961	38,281
Reclassifications:	1,121	90,256
Effect of deconsolidation:	(1,078,009)	0
Currency exchange (gains) losses:	(9,976)	44,857
Amortization of financing fees:	4,335	(466)
Reclassification of loans to Discontinued Operations:	0	0
Other:	(19,381)	(571)
Total non-cash movements:	(1,095,949)	172,357
Total 31 December:	$440,718	$1,703,337

(in thousands)	*2021*	*2020*
	Financial lease liability	Financial lease liability
Balance 1 January:	$ 155,745	$50,284
Drawdowns:	$40,545	$113,837
Repayment and buybacks:	(14,108)	(14,735)
Total cash movements:	26,437	99,102
Derecognition:	(7,517)	0
Revaluation:	(24,818)	5,610
Other:	0	749
Total non-cash movements:	(32,335)	0)
Finance lease liability, 31 December:	$ 149,847	$155,745

(9) INCOME TAXES

Siem Industries migrated its tax residency from the Cayman Islands to Luxembourg as of 4 December 2020. As of this date the Company is subject to corporate income tax and net wealth tax on its global income in Luxembourg in accordance with Luxembourg tax legislation. The migration was carried out to align its compliance requirements with internal reporting and business operations. The Cayman Islands has implemented substance requirements by putting into force a new Economic Substance Law applying to companies incorporated/resident in the Cayman Islands. The Company decided to migrate out of the Cayman Islands to satisfy the Economic Substance Law, and to transfer its principal establishment and central administration to Luxembourg. In July 2021 the Company transferred its corporate seat and registered office from the Cayman Islands to Luxembourg.

Currently, Luxembourg levies a corporate income tax of 24.94%. There is no stamp tax duty in Luxembourg. The Company is also subject to net wealth tax computation on an annual basis. A minimum net wealth tax of EUR4,815 applies to all corporate entities having their statutory seat or central administration in Luxembourg.

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

Tax Expense (Benefit), in thousands	*2021*	*2020 (Restated)*
Current	$1,194	$2.194
Deferred	0	0
Tax expense (benefit)	$1,194	$2,194

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

The deferred taxes at 31 December, are reflected below:

in thousands	*2021*	*2020*
Deferred tax liabilities (assets):		
Operating assets	(801,742)	199,568
Receivables	(15,084)	(2,576)
Deferred capital gains	(220,872)	(17,266)
Provisions and accruals	(11,658)	(134,986)
Temporary differences	(1,026,040)	44,740
Net operating loss carryforwards	(593,595)	(1,099,228)
Basis for deferred tax liabilities (assets)	(1,619,635)	(1,054,772)
Valuation allowance	1,607,936	1,037,897
Net deferred tax liabilities (assets)	($11,699)	($16,825)

A significant portion of the income tax detail presented in the tables above in 2020 was attributed to Siem Offshore, including net operating loss carried forward of approximately $1.0 billion.

Siem Shipowning Inc. has recorded $9.3 million (2020: $9.3 million) of deferred tax assets at the end of 2021 related to losses carried forward, which it believes are probable of recovery and utilized through future earnings. The remaining deferred tax asset in 2020 of $7.5 million was recorded by Siem Offshore Inc.

Siem Offshore Inc. was deconsolidated as per 26 May 2021.

The effective tax rate in Norway is 22% (2020: 22%), 25% (2020: 25%) in the Netherlands and 21% (2020:21%) in UK.

(10) OPERATING REVENUES AND EXPENSES

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

	Year Ended 31 December	
(in thousands)	*2021*	*2020 (Restated)*
Operating revenue and finance lease revenue:		
Reefer vessels and Car Carriers	250,004	194,979
Potash production	60,606	63,524
RoRo vessels	23,683	20,170
Other	110	3,384
Operating revenues	$334,403	$282,057

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

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

	Year Ended 31 December	
(in thousands)	*2021*	*2020 (Restated)*
Operating expenses		
Vessel operating and crew expenses	$124,160	$116,994
Time charter expenses	86,789	41,425
Potash production	35,318	47,710
Other		(2,759)
Operating expenses	$246,267	$203,370

(11) LEASES - THE GROUP AS LESSOR

Lease Arrangements as Lessor

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

At year-end 2021, the Company had 6 lease arrangements (2020: 8 lease arrangements) as lessor entered into by Seven Yield, 2 lease arrangements (2020:0) entered into by Siem Car Carriers Group of which 3 (2020: 3) were classified as finance leases and 5 (2020: 5) were classified as operating leases, and Other operating lease arrangements entered into by Star Reefers.

Operating Leases as Lessor

Leases in which a significant portion of the risks and rewards of ownership are retained by owner are classified as operating leases. The leased assets are included in the balance sheet together with other vessels owned by the Company. Direct costs that are incurred in the establishment of an operating lease are included in the leased asset's carrying amount and are expensed over the term of the lease on the same basis as the corresponding charter hire income.

Finance Leases as Lessor

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

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

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

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

Subleases – classified as operating leases

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

Income from subleasing the vessels recognised during the financial year 2021 was nil (2020: $5,545).

Impairment of Finance Lease Receivables as Lessor.

At the end of each reporting period the Company assesses whether the financial lease receivables are credit-impaired. Impairment is assessed using the expected credit loss method for financial assets ("ECL"). Twelve month ECLs are used for the finance lease receivables if there are no indication of a significantly increase in the credit risk since the initial recognition of the finance lease receivables. If there is a significant increase in credit risk, the expected credit loss is estimated for the entire lease term. The assessment of whether there is a significant increase in credit risk is based on a total assessment of the counterparty. Events that may lead to a significant increase in credit risk are delayed payments, breach of covenants, decrease in equity, negative development in working capital and significant decrease in the share price for listed entities.

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

	Year Ended 31 December	
(in thousands)	*2021*	*2020 (Restated)*
Operating lease revenue:		
Ordinary operating lease income	182,613	131,603
Contingent charter hire	-	-
Mobilization fee, advances and deferred revenue	-	-
Total operating lease revenue	$182,613	$131,603
Finance lease revenue:		
Ordinary finance lease income	7,753	8,175
Contingent charter hire	-	-
Mobilization fee, advances and deferred revenue	-	-
Total finance lease revenue	$7,753	$8,175

Operating Leases.

Future minimum lease payments under non-cancellable operating lease arrangements as a lessor is as follows as per 31 December 2021:

	Year Ended 31 December	
(in thousands)	*2021*	*2020 (Restated)*
Total operating lease payments:		
Within 1 year	39,349	37,688
After 1 year but before 2 years	27,961	32,670
After 2 years but before 3 years	21,401	22,452
After 3 years but before 4 years	5,940	16,769
After 4 years but before 5 years		11,106
After 5 years		64,662
Total operating lease payments:	$94,651	$185,347

Finance Leases.

Future gross minimum lease payments under finance lease arrangements as a lessor as per 31 December 2021 and 31 December 2020:

	Year Ended 31 December	
(in thousands)	*2021*	*2020*
Gross finance lease receivable		
Within 1 year	50,815	20,923
After 1 year but before 2 years	12,154	55,055
After 2 but before 3 years	12,187	13,168
After 3 but before 4 years	12,154	13,204
After 4 years but before 5 years	12,154	13,168
After 5 years	57,564	75,535
Unguaranteed residual value	-	-
Gross finance lease receivable	157,027	191,053
Unearned finance income	(26,975)	(37,254)
Total finance lease receivables	$130,052	$153,799

Total finance lease receivables as a lessor as per 31 December 2021 and 31 December 2020:

Within 1 year	44,117	12,895
After 1 year but before 2 years	7,990	47,798
After 2 but before 3 years	8,432	8,656
After 3 but before 4 years	8,851	9,146
After 4 years but before 5 years	9,315	9,589
After 5 years	51,348	65,715
Unguaranteed residual value	-	-
Total finance lease receivable	$130,052	$153,799

Short-term lease receivables of $44,117,000 (2020: $12,895,000) are included in “Notes, loans, finance lease and other receivables” in current assets for 2021 and 2020, respectively.

Consolidated Statement of Financial Position (in thousands)	31 December 2021	31 December 2020
Finance lease receivables		
Current:	44,117	12,895
Non-Current:	85,935	140,904
Lease receivables at 31 December:	130,052	153,799

(12) GAINS (LOSSES) FROM INVESTMENTS AND SALES OF PROPERTY AND EQUIPMENT

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

(in thousands)	*Year Ended 31 December* 2021	2020 (Restated)
Gains (losses) on investments, net:		
Financial assets at fair value through profit or loss, see Note 4	2,674	(4,028)
Gain (loss on disposal of shares in associated companies)	(9,305)	0
Notes, loans and other receivables, see Note 4	(783)	(1,848)
Sales of vessels	(3,038)	(9,884)
Sale of properties and others	5,249	0
Other	(272)	(656)
Gains (losses) on investments and other assets, net	$(5,475)	$(16,416)

(13) DEPRECIATION AND AMORTIZATION

A summary of the depreciation and amortization is presented below:

(in thousands)	*Year Ended December* 2021	2020 (Restated)
Depreciation and amortization:		
Depreciation, see Note 6	$44,023	$47,681
Amortization, drydock and other, see Note 7	2,086	2,818
Amortization, intangibles and other	(0)	(0)
Depreciation and amortization	$46,109	$50,499

(14) PERFORMANCE UNIT PLAN

A summary of the performance unit awards which have been granted and are currently outstanding is presented below:

	Number of Performance Units Awarded and Outstanding	
Name	Granted June 2005 at $48.21 per Unit	Granted April 2007 at $121.00 per Unit
Kristian Siem	115.000	0
M.D. Moross	7.000	0
Barry W. Ridings	7.000	0
Ivar Siem	0	28.000

Performance units have been awarded pursuant to provisions of the Company's 2005 Performance Unit Plan (the “2005 Plan”), as amended, by the Compensation Committee of the Board of Directors.

The Company may elect to make payments in either cash or Common Shares. If the Company makes payment in Common Shares and there is no liquid market for such shares, then the Company is obligated either to provide a market for the Common Shares within 9 months of the new share issue or to redeem or purchase the Common Shares for the cash amount that would have been paid had the original payment been made in cash.

The 2005 Plan expired on 31 December 2014 and no additional performance units can be granted. The Compensation Committee will continue to administer the outstanding units until such units are converted into Common Shares, redeemed for cash at the option of the Compensation Committee or forfeited.

The Company will continue to record compensation expense with respect to the Plan with respect to the remaining outstanding units. This expense is determined using the number of units which have vested and the higher of the market value of Common Shares as traded on a regulated exchange or 80% of the adjusted net asset value per Common Share at the end of the reporting period.

During 2021, the Company reversed previously recorded compensation liability with the reversal recorded against compensation expense in the amount of ($2,333,000). During 2020, the Company recorded an increase in copmpensation liability in the amount of $806,000 in general and administrative expenses.

Accrued expenses as per 31 December 2021 is $0.474 million.

An aggregate 24,975 units granted under the 2005 Plan have been forfeited.

(15) PENSION PLANS

Siem Offshore maintains a defined benefit pension plan for its employees in Norway. Benefits under the defined benefit pension plans are based primarily on the participant’s age, years of service and level of compensation at the assumed time of retirement. Siem Offshore’s costs are shown below for the year ended 31 December 2020. Due to deconsolidation in 2021, there is no figures in 2021:

Components of Pension Cost (in thousands)	*2021*	*2020*
Service cost	-	1,144
Interest expense on pension liabilities	-	138
Expected return on plan assets	-	(130)
Social contribution and administrative expenses	-	38
Impact of curtailment/settlement	-	939
Net pension cost (benefit)	$0	$2,129

The development in the benefit obligation is as follows (in thousands)	*2021*	*2020*
At January 1	$(8,231)	($6,536)
Present value of current years benefit earned	-	(1,144)
Interest expense	-	(138)
Deconsolidation of subsidiary	8,231	0
Payroll tax of employer contribution, assets	-	155
Benefits paid	-	37
Remeasurement loss (gain)	-	(373)
Exchange differences	-	(232)
At December 31	$0	($8,231)

The development in the fair value of plan assets is as follows (in thousands)	*2021*	*2020*
At January 1	$0	$6,058
Expected return on plan assets	7,130	130
Deconsolidation of subsidiary	(7,130)	(0)
Employer's contribution	-	1,258
Payroll tax of employer contribution, assets	-	(155)
Benefits paid	-	(37)
Remeasurement loss (gain)	-	(328)
Exchange differences	0	202
At December 31	$0	$7,130

Status of Plan Funding (in thousands)	*2021*	*2020*
Fair value of plan assets	-	7,130
Estimated defined benefit obligation	-	(8,231)
Net pension plan assets (obligations)	-	(1,101)
Unrecognized actuarial gains (losses)	-	1
	-	(1,100)

Siem Shipowning's wholly-owned U.K. subsidiary, Siem Shipping UK Ltd., maintains a defined contribution pension plan that covered 20 employees in 2021 and 24 employees in 2020. Under this plan, Siem Shipping UK Ltd. contributes a fixed percentage of the employee's base salary. The percentage is dependent on the number of years employed and the employee's position within Siem Shipowning. Total contributions are recorded as general and administrative expenses when incurred and were approximately $196,000 and $188,000 for 2021 and 2020, respectively.

Certain information concerning pension assets and benefit obligations related to foreign subsidiaries has not been presented since the information is not readily available and is immaterial.

(16) LEASES

The statement of financial position shows the following amounts relating to Right of Use Assets and Lease liability as of 31 December 2021 :

	31 December 2021	*31 December 2020*
Right of Use Assets at 1 January	$140,630	$45,490
Additions:	0	113,837
This year's depreciation:	(15,107)	(13,601)
The year's impairment:	6,010	(1,585)
Derecognition of subsidiary	(3,234)	0
Remeasurement renegotiated lease-term 31 December	(14,136)	(3,511)
Total Right of Use Asset 31 December	114,163	140,630

	31 December 2021	*31 December 2020*
Lease liability at 1 January	$155,745	$50,284
Drawdowns:	40,545	113,837
Reclassification	(2,429)	0
Revaluation	(1,774)	0
Derecognition of subsidiary	(5,088)	
Lease payments:	(14,108)	(8,407)
Other adjustment	0	31
Remeasurement renegotiated lease-term 31 December	(23,044)	0
Total Finance lease liability 31 December	149,847	155,745

Consolidated Statement of Financial Position (in thousands)	*31 December 2021*	*31 December 2020*
Vessel	114,163	135,859
Land and buildings	0	4,771
Total Right of use assets	114,163	140,630

Consolidated Statement of Financial Position (in thousands)	*31 December 2021*	*31 December 2020*
Lease liabilities		
Current:	13,042	31,661
Non-Current:	136,805	124,084
Lease liabilities at 31 December 2020:	149,847	155,745

Amounts recognized in the statement of profit and loss:

Consolidated Income Statement (in thousands)	*2021*	*2020 (Restated)*
Depreciation and amortization	15,107	13,601
Impairment:	(6,010)	1,585
Net remeasurement gain	(8,908)	0
Interest expenses:	2,941	2,812
Net effect:	3,130	17,998

Amounts recognized in the statement of cash flows

Consolidated Income Statement (in thousands)	*2021*	*2020*
Total cash outflows for leases:	(14,107)	(14,735)
Net effect:	(14,107)	(14,735)

Lease modifications

During 2021, the Company has renegotiated charter rates and redelivery dates for the remaining chartered-in vessels. The renegotiated terms is treated as a lease modification. The remeasurement effect of the lease liability is accounted for as an adjustment to the right-of-use asset down to zero book value and the remaining amountof the remeasurement is included as Other Income of $8.9 million.

Charter commitments

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

	Year Ended 31 December	
(in thousands)	*2021*	*2020*
Charter expenses:		
Time charter expenses, see Note 10	$86,789	$41,425
Other	-	-
Total charter expenses	$86,789	$41,425
Minimum lease payments		
2021		23,776
2022	36,017	26,440
2023		2,926
2024		-
2025		-
Total finance lease payments	$36,017	$53,142

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.

(17) COMMITMENTS, GUARANTEES AND CONTINGENCIES

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

Siem Europe – During 2017 and 2018, Siem Europe provided counter-guarantees and indemnities to banks and insurers who had provided refund guarantees to owners for contracted instalments on their newbuilds under construction at FSG. At the end of 2019, a total EUR49,682,500 of counter-guarantees were outstanding of which EUR33,162,500 expired in July 2020, and was settled through a short term loan facility of Euro 34 million. Due to the termination of one newbuilding contract at FSG with subsequent owner request for refundment under the refund guarantee, the remaining EUR16,520,000 of counter-guarantees and indemnities was called by an insurance company and settled by Siem Europe. In March 2021, Siem Europe repaid and cancelled the Euro 34 million facility, which was the last liability related to the initial counter-guarantees and indemnities provided to banks and insurers of FSG.

As of year-end 2021 the Company had no major guarantee's outstanding.

(18) RISK MANAGEMENT AND CAPITAL MANAGEMENT

Liquidity Risk

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

(in thousands, except for ratios)	*2021*	*2020 (Restated)*
Liquidity ratios and metrics:		
Net cash provided by operating activities (see Statements of Cash Flows) 1)	$109,768	$79,378
Working capital 2)	$(49,843)	($587,813)
Current ratio (current assets divided by current liabilities)	0.82	0.37
Quick ratio (current cash plus accounts receivable plus trading securities divided by current liabilities)	0.32	0.22
Leverage and capitalization ratios:		
Equity multiplier (total assets divided by total equity)	1.59	2.78
Debt-to-equity ratio (non-current liabilities divided by shareholders' equity)	0.38	1.01
Interest-bearing debt to total asset ratio	0.28	0.56
Debt-to-capitalization ratio (non-current liabilities divided by non-current liabilities plus total equity)	0.27	0.50

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

2) Included in short term liability as of 31 December 2020 is the carrying amount of the Exchangeable Bond of $314.1 million (including the carrying amount of the financial derivative) and $43.7 million in bonds issued by Siem Offshore that was converted into equity in 2021.

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

(in thousands)	*Less than 12 Months*	*Greater than 12 Months*	*Total Contractual Maturities*
Accounts payable, other accrued costs and short-term liabilities	$121,629	-	$121,629
Debt service, comprised of principal maturities and interest payments	141,975	315,912	457,887
Total contractual maturities of financial liabilities	$263,604	$315,912	$579,516

Foreign Exchange Risk

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

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

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

Interest Rate Risk

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

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

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

The Company's long-term debt and notes payable are presented in sufficient detail in Note 8, Long Term Debt to provide an indication of the Company's sensitivity to interest rate changes.

Credit Risk

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

Bunker Hedging

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

(19) RELATED PARTY AND INTRA-GROUP TRANSACTIONS

Subsea7

Subsea7 makes payments to the Company in relation to chairman and director fees for the services provided by Mr. Siem as its chairman and reimbursements of expenses for office, travel and communication. Payments were made to the Company in relation to the services provided by the chairman and reimbursement of other support services and costs incurred by the Company totalling $0.5 million (2020: $0.5 million). Dividends totalling $16.6 million (2020: $nil) were paid to the Company.

Siem Offshore

Siem Offshore makes payments to the Company in relation to chairman fees for the services provided by Mr. Siem for consultation on financings and corporate development and reimbursements of expenses for office, travel and communication.

Star Reefers

Star Reefers makes payments to the Company in relation to the chairman fees for the services provided by Mr. Siem for consultation on financings and corporate development and reimbursements of expenses for office, travel and communication.

Siem Shipowning

Siem Shipowning similarly makes payments to the Company in relation to chairman fees for the services provided by Mr. Siem for consultation on financings and corporate development and reimbursements of expenses for office, travel and communication.

Electromagnetic Geoservices

The Company holds a 23.9%-interest in Electromagnetic Geoservices through its wholly owned subsidiary Siem Investments, in addition to $9.5 million of the $32.5 million convertible bond issued by Electromagnetic Services with maturity in May 2025.

Compensation of Directors and Officers

The Company recorded aggregate fees or compensation for the services of its officers during fiscal years 2021 and 2020 of approximately $1.4 million and $1.2 million, respectively. Directors are not entitled to a director's fee. In 2020 a fee of $18,000 were paid together with reimbursements of expenses incurred on behalf of the Company.

Specific agreements for the services of certain other directors and officers are as follows:

Management Services Agreement ("MSA"), Years 2020-2024 — A 5-year MSA was agreed between the Company and a separate management company. The management company has procured the services of Mr. Siem who has continued as Chairman. The MSA requires the Chairman to devote a minimum 50% of his professional time, skill and labor to perform his duties for, and promote the interests of, the Company. In previous years the annual compensation consists of a base compensation in the amount of $600,000- plus additional compensation equal to 5% of the audited net income in excess of $5 million. The parties agreed to terminate the agreement on the 31 December 2020.

The fees payable under the MSA for 2021 and 2020 were nil and $600,000-, respectively.

Management Services Agreement — Prior to his retirement Mr. Delouche seconded to the Company under a separate management services agreement which provides for reimbursement for certain compensation and office expenses incurred by him. The regular compensation reimbursements for fiscal year 2021 and 2020 were nil and approximately $395,000, respectively.

In March 2021, Siem Europe entered into an agreement with a company partly owned by Mr. Kristian Siem which effectively increased its interest in BSR from 42.1% to 83.6%. The transfer of shares were made at arm's length.

Notes Payable to Shareholder

Mr. Siem, the Company's Chairman and the largest individual owner of the Company's shares had loans outstanding to the Company in NOK, EUR, GBP and USD at the end of 2021 for approximately USD67,539,000 under a short-term credit facility agreement. The interest rate on the loans was 2.25% p.a. during 2021. In 2022, The Company received approximately an additional USD10,000,000- in loans under the same short-term credit facility agreement. In March 2022, the unsecured short-term credit facility agreement was extended, and the interest rate increased to 3.75% p.a.

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

(in thousands)	*2021*	*2020*
Due from (to) associates and other related parties:		
Loan and accrued interest payable	($67,539)	($23,700)
Net fees payable in relation to MSA and other	($0)	($9,717)
Total due from (to) associates and other related parties	($67,539)	($33,417)

(20) CAPITALIZATION AND CAPITAL ACCOUNTS

Capital Management

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

The Company purchases Common Shares from time to time from its shareholders who have offered to sell such shares to the Company. Any Common Shares that are purchased by the Company are retired and cancelled. The Company purchased 52,168 Common Shares during 2021 and nil during 2020.

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

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

In May 2021, Siem Offshore concluded and implemented its restructuring with its lenders. The main terms of the restructuring agreed with the secured lenders, bondholders and shareholders included conversion of debt of approximately $269 million, comprising of bond debt of $131 million, secured bank debt of $132 million and hedging liabilities of $6 million. The conversion of debt to equity caused a reduction in the Company's percentage of interest in Siem Offshore from 83.7% to 33.6%. The Income Statement for the Company for 2020 have been restated in order to present the investment in Siem Offshore as a discontinued operations. The activity of Siem Offshore in 2021 prior to the deconsolidation in May 2021 has also been presented as a discontinued operations.

The investment in BSR has been made available for sale during 2021, and has been classified as discontinued operations in 2021.

Bradenstoke Solar Park Ltd. was in 2020 classified as discontinued operations and its assets was reclassified to assets held-for-sale in the consolidated statement of financial position and its revenues and expenses recorded as net income (losses) from discontinued operations. The 100%-interest in Bradenpark Solar Park Ltd was sold in January 2021.

XAct Global was a start-up that commenced its activities in 2017. The purpose of XAct Global was to develop software to provide inexpensive precise positioning for vessels on the water and rolling equipment such as cars, trucks, tractors and other on land. The Company provided seed capital to the start-up. Although progress was made on the product, the progress was insufficient. The Company terminated further funding of XAct Global and deemed it to be discontinued operations and reclassified its net assets to assets held-for-sale in the 2021 and 2020 consolidated balance sheet and its revenues and expenses recorded as net income (losses) from discontinued operations for 2021 and 2020. XAct Global was dissolved in March 2022.

Siem Investments established Day OCV Pte. Ltd., a wholly-owned Singapore company, for the purpose to acquire ownership of the "Siem Day", an offshore subsea construction vessel ("OSCV"), following an agreement reached with the owner and the Export-Import Bank of Malaysia Berhad ("Ex-Im Bank"). In December 2019 the Siem Investments entered into a debt settlement agreement with Ex-Im Bank, reducing the loan on the vessel from $82.7 million to $45.5 million, of which $2 million of the remaining loan was considered as a contingent liability that have to be repaid to Ex-Im Bank if a charter contract for the vessel for a period of at least 12 months has been entered into prior to 31 December 2021. The remaining loan of $2 million are included in net income from discontinued operations in 2021 as a debt forgivenss as long as Day OCV Pte. Ltd. have not entered into a charter contract for at least 12 months as of 31 December 2021.

The financial performances related to the discontinued operations for 2021 are presented individually for Seven Yield Renewables, (SYR), BSR Group (BSR), Day OCV (Day), XAct Global (Xact) and Siem Offshore Inc (SIOFF):

($ in thousands)	*BSR Group*	*Day OCV*	*Xact Global*	*Seven Yield Renewables*	*Siem Offshore Inc*	***Total***
Total revenues and operating expenses:						
Total revenues	39 375	-			100 322	139 697
Operating expenses	(31 684)	-			(54 112)	(85 796)
Operating margin	7 691	-	-	-	46 210	53 901
Other income:						
Interest income	-	-	-	-	1 072	1 072
Gains (losses) on sale of investments	-	-	-	10 474	(475)	9 999
Other income	218	2 000	-	-	-	2 218
Total other income	218	2 000	-	10 474	597	13 288
Expenses and other:						
Depreciation and amortization	(406)	-	-	-	(26 900)	(27 306)
Interest expense	(50)	-	-	-	(14 536)	(14 586)
General and administrative expenses	(5 614)	(77)	5	(7)	(8 150)	(13 844)
Currency exchange gains (losses)	-	(51)	-	773	(2 696)	(1 974)
Total expenses and other	(6 070)	(128)	5	765	(52 282)	(57 710)
Income (losses) before taxes	1 838	1 872	5	11 239	(5 475)	9 479
Income tax (expense) benefit	323	-	-	-	(633)	(310)
Net income (losses) after taxes from discontinued operations	2 161	1 872	5	11 239	(6 108)	9 169
Gain (loss) on sale of discontinued operations	-	-	-	-		-
Net income (losses) from discontinued operations	2 161	1 872	5	11 239	(6 108)	9 169

The financial performances related to the discontinued operations for 2020 are presented individually for Seven Yield Renewables Ltd. (including the wholly owned subsidiary Bradenstoke Solar Park Ltd.), Day OCV, XAct Global and Siem Offshore Inc:

($ in thousands)	*FSG*	*Day OCV*	*Xact Global*	*Seven Yield Renewables*	*Siem Offshore Inc*	**Total**
Total revenues and operating expenses:						
Total revenues	-	153		8 197	243 500	251 850
Operating expenses	-	(1 193)		(1 929)	(142 984)	(146 106)
Operating margin	-	(1 040)	-	6 268	100 516	105 744
Other income:						
Interest income	-	-	-	-	302	302
Gains (losses) on sale of investments	-	-	-	-	1 175	1 175
Other income	-	-	-	1	1 661	1 662
Total other income	-	-	-	1	3 138	3 139
Expenses and other:						
Depreciation and amortization	-	-	-	(3 246)	(74 944)	(78 190)
Impairment on investments	-	-	-	-	(276 857)	(276 857)
Interest expense	-	(36)	-	(2 718)	(46 743)	(49 497)
General and administrative expenses	-	-	(8)	-	(23 484)	(23 492)
Currency exchange gains (losses)	-	-	-	-	(29 437)	(29 437)
Total expenses and other	-	(36)	(8)	(5 964)	(451 465)	(457 473)
Income (losses) before taxes	-	(1 076)	(8)	305	(347 811)	(348 590)
Income tax (expense) benefit	-	-	-	-	(2 673)	(2 673)
Net income (losses) after taxes from discontinued operations	-	(1 076)	(8)	305	(350 484)	(351 263)
Gain (loss) on sale of discontinued operations	60 225	-	-	17		60 242
Net income (losses) from discontinued operations	60 225	(1 076)	(8)	322	(350 484)	(291 021)

Impairment losses on notes receivables in 2019 was netted against the gain from the deconsolidation of FSG. In 2020 amounts previously written off have been credited against the same line item.

The assets and liabilities related to the Discontinued Operations for 2021 are presented individually for Seven Yield Renewables Ltd. (SYR) (including the wholly owned subsidiary Bradenstoke Solar Park Ltd (BSR), Day OCV (Day) and XAct Global (Xact) and asset held for sale Siem Shipowning (SSO).

($ in thousands)	*SYR*	*BSR*	*Day OCV*	*Xact*	*SSO*	*Total*
Assets:						
Cash	43	2,065	2,335			4,443
Accounts receivable and other	-	1,791	4			1,795
Prepaid expenses and other current assets	-	5,090	56			5,146
Vessels and related equipment, net	-	-	-		32,605	32,605
Property and equipment, net	-	14,346	-			14,346
Other assets and long-term receivables	-	981	-			981
Assets held-for-sale	43	24,273	2,395	0	32,605	59,316
Liabilities:						
Accounts payable, accrued and other	-	1,900				1,900
Other accrued costs and short-term liabilities	-	157				157
Long-term debt and current maturities	-	768				768
Other non-current liabilities	-	8,636				8,636
Liabilities directly related to assets held-for-sale	-	11,461	0	0	0	11,461
Net assets held-for-sale $	43	12,812	2,395	0	32.605	47,855

Net assets held-for-sale in Siem Shipowning Inc. refers to two PCTC-vessels acquired in 2020 that are sold with delivery date in January 2022 and second half of 2022.

The assets and liabilities related to the Discontinued Operations for 2020 are presented individually for Seven Yield Renewables Ltd. (including the wholly owned subsidiary Bradenstoke Solar Park Ltd.), Day OCV and XAct Global:

($ in thousands)	*FSG*	*Seven Yield Renewables*	*Day* OCV	*Xact Global*	*Total*
Assets:					
Cash	0	9,092	4,253	46	13,391
Accounts receivable and other	0	97	-	-	97
Prepaid expenses and other current assets	0	723	504	-	1,227
Vessels and related equipment, net	0	-	-	-	-
Property and equipment, net	0	65,897	-	-	65,897
Other assets and long-term receivables	0	3,069	-	-	3,069
Assets held-for-sale	0	78,878	4,757	46	83,681
Liabilities:					
Accounts payable, accrued and other	0	131	7	-	138
Other accrued costs and short-term liabilities	0	6,253	-	4	6,257
Long-term debt and current maturities	0	47,741	2,000	-	49,741
Other non-current liabilities	0	1,104	-	-	1,104
Liabilities directly related to assets held-for-sale	0	55,229	2,007	4	57,239
Net assets held-for-sale $	0	23,649	2,750	42	26,442

(22) CREDIT RISK AND CONCENTRATION RISK

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

The exposure to credit risk for trade and other short term receivables is measured on an ongoing basis and credit evaluations are performed for customers identified to be risky. The Company's debtors are mainly major oil companies, offshore service companies and European ferry companies, which are considered to be creditworthy third parties. Historically, the loss percentage has been low, and we have not experienced any increases in counterparty risk. The need for provisions are continually assessed and, on 31 December 2021, the provision for certain accounts receivable which may not be paid in full was $0 million for the Company (2020: $5.4 million).

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

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, The Company considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.
These receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company considers a financial asset as in default (as defined in the relevant contractual agreement) if the counterparty fails to make contractual payments when they fall due, and writes off the financial asset when a debtor fails to make contractual payments greater than 120 days past due. Where receivables are written off, the company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss. Further in order to mitigate risk, the underlying lease contracts are generally structured such that the lessee pay an advance prior or at commencement of contract, implicit payback period is relatively steep such that book value is comfortably above projected book value during the duration of the contract and implicit asset value risk is low, purchase obligation or put option close to scrap at the end of the period is the norm, monthly payment of hire in advance ensures early warning of credit risk, as well as parent company guarantee's supporting the credit of the contract by covering all liabilites under each lease agreement, including any purchase obligations. At 31 December 2021, the Company have assessed the financial assets as performing, counterparties having low risk of default and does not have any past due amounts.

The tables below present the concentration risks for 2021 and 2020:

	2021		*2020*	
(in thousands)	*Amount*	*% of Total*	*Amount*	*% of Total*
Accounts receivables, 31 December:				
1 to 5 largest	$24,151	80.3%	$46,721	71.8%
6 to 10 largest	4,152	13.8%	13,638	20.9%
Others	1,789	5.9%	3,503	5.4%
Provisions for bad debt	0	0%	1,248	1.9%
Total accounts receivables	$30,092		$65,110	

	2021	*2020*
(in thousands)	*Amount*	*Amount*
Provisions for bad debt:		
Opening balance, 1 January	$526	$1,369
Realized losses	(1)	(73)
Reversal of provisions previous years	(525)	0
Provisions current year	0	4,095
Currency translation difference	(0)	(40)
Total provisions for bad debt	$0	$5,356

Due to deconsolidation of daughter the closing balance 2020 varies from opening balance 2021.

	2021		2020	
(in thousands)	*Amount*	*% of Total*	*Amount*	*% of Total*
Aging of Accounts Receivable, 31. Dec.				
Not Due	$15,669	52.1%	$46,721	71.8%
Due up to 1 month	9,719	32.3%	13,638	20.9%
Due 1 to 4 months	3,579	11.9%	3,503	5.4%
Due more than 4 months	1,125	3.7%	1,248	1.9%
Total accounts receivables	$30,092		$65,110	

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

	2021		2020	
(in thousands)	*Amount*	*% of Total*	*Amount*	*% of Total*
Currency				
USD	18,517	61.5%	39,205	58.0%
NOK	16	0.1%	2,774	4.4%
EUR	9,090	30.2%	14,372	23.6%
GBP	942	3.1%	1,256	2,0%
CAD	0	0%	1,888	3.0%
AUD	0	0%	2,707	4.3%
BRL	0	0%	2,908	4.7%
CNY	1.527	5.1%	0	0 %
Total accounts receivable	30,092		65,110	

(23) FEE TO THE AUDITORS

The following fee for audit services and consultancy services has been recognized in 2021 and 2020:

	2021	*2020*
Audit Services:	$769,000	$606,000
Tax Consultancy Services:	$92,000	$129,000
Other Services:	$6,000	$55,000
Total fees:	$867,000	$790,000

(24) CASH FLOW INTEREST RISK AND FAIR VALUE

The Company is exposed to changes in interest rates, which may affect the Company's financial results. These risks are mainly related to the Company's long term borrowings with floating interest rates. Further details of the Company's borrowings are set out in Note 8, Long Term Debt. The Company has no significant interest-bearing assets other than cash and cash equivalents and therefore the Company's income and operating cash flows are substantially independent of changes in market interest rates. Cash and cash equivalents are invested for short maturity periods, generally from 1 day to 3 months, which mitigates some of the potential interest rate risk.

The following sensitivity tables for 2021 and 2020 demonstrate the impact on the Company's profit (loss) before tax and equity from a potential shift in interest rates, all other variables held constant:

		-1 % Movement		*+1% Movement*	
At 31 December 2021	*Carrying Amount*	*Profit (Loss)*	*Equity*	*Profit (Loss)*	*Equity*
Financial assets:					
Cash and cash equivalents	$51,181	($512)	($512)	$512	$512
Impact on financial assets before taxes		(512)	(512)	512	512
Financial liabilities:					
Borrowings	$440,718	$4,407	$4,407	($4,407)	($4,407
Impact on financial liabilities before taxes		4,407	4,407	(4,407)	(4,407
Total increase (decrease) before taxes		$3,892	$3,892	($3,892)	($3,892)

		-1 % Movement		*+1% Movement*	
At 31 December 2020	*Carrying Amount*	*Profit (Loss)*	*Equity*	*Profit (Loss)*	*Equity*
Financial assets:					
Cash and cash equivalents	$129,188	($1,292)	($1,292)	$1,292	$1,292
Impact on financial assets before taxes		(1,292)	(1,292)	1,292	1,292
Financial liabilities:					
Borrowings	$1,703,337	$17,033	$17,033	($17,033)	($17,033)
Impact on financial liabilities before taxes		17,033	17,033	(17,033)	(17,033)
Total increase (decrease) before taxes		$15,741	$15,741	($15,741)	($15,741)

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, but which now include the cash and cash equivalents and the borrowings classified as noncurrent assets-held-for-sale:

		-1 % Movement		*+1% Movement*	
At 31 December 2021	*Carrying Amount*	*Profit (Loss)*	*Equity*	*Profit (Loss)*	*Equity*
Financial assets:					
Cash and cash equivalents	$55,624	($556)	($556)	$556	$556
Impact on financial assets before taxes		(556)	(556)	556	556
Financial liabilities:					
Borrowings	$440,718	$4,407	$4,407	($4,407)	($4,407
Impact on financial liabilities before taxes		$4,407	$4,407	($4,407)	($4,407)
Total increase (decrease) before taxes		$3,851	$3,851	($3,851)	($3,851)

		-1 % Movement		*+1% Movement*	
At 31 December 2020	*Carrying Amount*	*Profit (Loss)*	*Equity*	*Profit (Loss)*	*Equity*
Financial assets:					
Cash and cash equivalents	$142,579	($1,426)	($1,426)	$1,426	$1,426
Impact on financial assets before taxes		(1,426)	(1,426)	1,426	1,426
Financial liabilities:					
Borrowings	$1,753,078	$17,531	$17,531	($17,531)	($17,531)
Impact on financial liabilities before taxes		$17,531	$17,531	($17,531)	($17,531)
Total increase (decrease) before taxes		$16,105	$16,105	($16,105)	($16,105)

(25) FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

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

Because of the short term to maturity, the value of cash and cash equivalents entered into the Statements of Financial Position is almost the same as the fair value of these. Accordingly, the values of accounts receivable and accounts payables are almost the same as their fair values since they are entered on “normal” conditions.

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

The following tables display the book value and the fair value of financial assets and obligations, where the fair value measurement are categorized within the following three levels:

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

	2021		
(thousand USD)	*Book Value*	*Fair Value*	*Fair Value Measurement*
Financial assets:			
Cash and cash equivalents	$51,181	51,181	Level 1
Accounts receivable	30,092	30,092	Level 3
Accrued interest receivables	5,394	5,394	Level 3
Trading Securities	9,563	9,563	Level 1
Derivative financial instruments	5,099	5,099	Level 2
Notes, loans, and other receivables	182,439	182,439	Level 3
Restricted cash	26,640	26,639	Level 1
Other long term receivables	23,195	23,195	Level 3
Total financial assets	**333,603**	**333,603**	
Financial liabilities:			
Accounts payable	$16,692	16,692	Level 3
Other current liabilities	104,937	104,937	Level 3
Borrowings	440,718	440,718	Level 3
Finance lease liability	149,847	149,847	Level 3
Derivative financial instruments	611	611	Level 2
CIRR loan	0	0	Level 2
Other noncurrent liabilities	52,604	52,604	Level 3
Total financial liabilities	**765,409**	**765,409**	

(thousand USD)	2020 Book Value	Fair Value	Fair Value Measurement
Financial assets:			
Cash and cash equivalents	$129,188	129,188	Level 1
Accounts receivable	65,110	65,110	Level 3
Trading Securities	8,344	8,344	Level 1
Derivative financial instruments	5,510	5,510	Level 2
Notes, loans, and other receivables	226,906	226,906	Level 3
Restricted cash	58,032	58,032	Level 1
Other long term receivables	125,347	125,347	Level 3
Total financial assets	**618,437**	**618,437**	
Financial liabilities:			
Accounts payable	$57,176	57,176	Level 3
Other current liabilities	79,436	79,436	Level 3
Borrowings	1,703,337	1,703,337	Level 3
Finance lease liability	155,745	155,745	Level 3
Derivative financial instruments	16,195	16,195	Level 2
CIRR loan	45,946	45,946	Level 2
Other noncurrent liabilities	54,340	54,340	Level 3
Total liabilities	2,143,387	2,143,387	

(26) SEGMENT INFORMATION

Primary Reporting Format – Operating Segments. For purposes of operating segment reporting, the Company has segregated its operations into Offshore Support Vessels, Reefer Vessels and Car Carriers, Potash-production, RoRo vessels, Scientific Core-Drilling and Corporate and Other:

(in thousands)	*Year Ended 31 December* *2021*	*2020 (Restated)*
Operating revenue by business area:		
Offshore support vessels	$0	$0
Reefer vessels and car carriers	247,502	194,979
Potash production	60,606	63,524
RoRo vessels	23,684	20,170
RoPax vessels	0	0
Scientific core-drilling vessel	0	20
Corporate and other	2,611	3,384
Operating revenue from continuing operations	334,403	282,057
Revenue from discontinued operations	143,992	251,850
Revenue from continuing and discontinued operations	$478,395	$533,907

(in thousands)	*Year Ended 31 December* *2021*	*2020 (Restated)*
Depreciation and amortization by business area:		
Offshore support vessels	$0	$0
Reefer vessels and car carriers	19,329	28,686
Potash production	9,458	8,033
RoRo vessels	17,166	13,594
RoPax vessels	0	0
Scientific core-drilling vessel	0	0
Corporate and other	156	186
Depreciation and amortization from continuing operations	46,109	50,499
Depreciation and amortization from discontinued operations	27,306	78,190
Depreciation and amortization from continuing/ discontinued operations	$73,415	$128,689

(in thousands)	*Year Ended 31 December* *2021*	*2020 (Restated)*
Impairment by business area:		
Offshore support vessels	$0	$0
Reefer vessels and car carriers	(6,010)	1,585
Potash production	0	0
RoRo vessels	0	0
RoPax vessels	0	0
Scientific core-drilling vessel	0	0
Imapirment and reversal of impairment of long term receivables	0	8,697
Impairment of investment in associated company	0	5,366
Impairment and reversal of impairment from continuing operations	(6,010)	15,648
Impairment from discontinued operations	0	0
Impairment from continuing and discontinued operations	$(6,010)	$15,648

The reversal of impairment on long term receivables is recogniced in the Income Statement under the line “Gain (losses) on investments and other assets, net.

	Year Ended 31 December	
(in thousands)	*2021*	*2020 (Restated)*
Operating margin by business area:		
Offshore support vessels	$0	$0
Reefer vessels and car carriers	52,506	42,995
Potash production	12,950	15,814
RoRo vessels	22,680	19,878
RoPax vessels	0	0
Scientific core-drilling vessel	0	0
Corporate and other	0	0
Operating margin from continuing operations	88,136	78,687
Operating margin from discontinued operations	58,196	108,505
Operating margin from continuing and discontinued operations	$146,332	$187,192

	Year Ended 31 December	
(in thousands)	*2021*	*2020 (Restated)*
Capital expenditures by business area:		
Offshore support vessels	$0	$0
Reefer vessels and car carriers	213	47,666
Potash production	7,786	20,943
RoRo vessels	0	0
RoPax vessels	34,719	131,031
Scientific core-drilling vessel	0	0
Corporate and other	5	38
Capital expenditures from continuing operations	42,723	199,678
Capital expenditures from discontinued operations	0	11,949
Capital expenditures from continuing and discontinued operations	$42,723	$211,627

	Year Ended 31 December	
(in thousands)	*2021*	*2020 (Restated)*
Book value for tangible assets, excluding assets held-for-sale, by business area:		
Offshore support vessels	$0	$924,768
Reefer vessels and car carriers	253,884	210,737
Potash production	68,472	65,957
RoRo vessels	220,634	368,689
RoPax vessel	173,729	131,926
Scientific core-drilling vessel	0	12,222
Corporate and other	3,301	6,894
Book values from continuing operations	720,020	1,721,193
Book values from discontinued operations	949	65,897
Book value from continuing and discontinued operations	$720,969	$1,787,090

The figures in tables "Capital expenditures by business area" and "Book value of tangible assets, including asset held-for-sale, by business area" are restated where the investments in the Offshore Support Vessel segment that was deconsolidated in May 2021 are moved from the separate lines above to the line "Capital expenditures from discontinued operations" and "Book value from discontinued operations".

The Chairman of the Board of Directors is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Geographical Segments.

The Company business operations are worldwide with constantly changing geographical markets. Therefore, a presentation is not included.

(27) PROVISIONS

(All figures are in thousands)

At 1 January 2020	*Restructuring Obligations*	*Legal claims*	*Total amount*
Carrying amount 1 January 2020:	**0**	17,292	17,292
Charges (credited) to profit or loss			-
Additional provisions recognized:	0		
Unused amounts reversed:			
Amounts used during the year:	0	(2,141)	(2,141)
Carrying amount as of 31 December 2020:	0	15,151	15,151
Provision acquired through business combinations:			-
Charges (credited) to profit or loss			-
Additional provisions recognized:		200	200
Effect of deconsolidation::	0	(15,151)	(15,151)
			-
Carrying amount as of 31 December 2021:	0	200	200

A provision of $15 million was recorded in 2020 for possible legal claims related to contracts and labour cases in one of the subsidiaries of the Company. The subsidiary of the Company was deconsolidated in May 2021.

(28) NON- CONTROLLING INTEREST

	Siem Offshore		Deusa		Star Reefers / Siem Shipowning		BSR Group		Total	
Summarised Balance Sheet	*31.Dec.21*	*31. Dec.20*	*31. Dec.21*	*31. Dec.20*	*31. Dec.21*	*31. Dec.20*	*31. Dec.21*	*31. Dec.20*	*31. Dec.21*	*31. Dec.20*
Current Assets	0	155,621	40,032	43,874	33,940	42,837	23,292	0	97,264	242,332
Current Liabilities	0	315,994	7,818	4,311	65,466	58,059	10,896	0	84,180	378,364
Current Net Assets	**0**	**(160,373)**	**32,214**	**39,563**	**(31,526)**	**(15,222)**	**12,396**	**0**	**13,084**	**(46,939)**
Assets held for sale	0	0	0	0	32,605	0	0	0	32,605	0
Non-Current Assets	0	1,030,207	68,814	51,743	153,887	286,713	981	0	223,682	1,368,663
Non-Current Liabilities	0	857,412	67,931	57,889	6,469	152,119	768	0	75,168	1,067,420
Non-Current Net Assets	**0**	172,795	883	(6,146)	147,418	134,594	213	0	148,514	301,243
Net Assets	**0**	**12,422**	**33,097**	**33,417**	**148,497**	**119,372**	12,608	0	194,202	165,211
Accumulated NCI	**0**	**(57,106)**	**13,239**	**19,505**	**23,760**	**28,992**	**2,073**	**0**	**39,071**	**(9,066)**

	Siem Offshore		Deusa		Star Reefers / Siem Shipowning		BSR Group		Total	
Summarised Statement of comprehensive income	*31.Dec.21*	*31.Dec.20*	*31.Dec.21*	*31.Dec.20*	*31.Dec.21*	*31.Dec.20*	*31.Dec.21*	*31.Dec.20*	*31.Dec.21*	*31.Dec.20*
Revenue	0	243,500	60,606	63,524	135,341	97,497	39,375	0	235,322	404,521
Profit for the period	**0**	**(298,866)**	**1,357**	**4,905**	**27,521**	**(6,363)**	**1,885**	**0**	**30,763**	**(300,324)**
Profit attributable to NCI	0	(100,412)	543	2,175	4,422	(1,027)	310	(719)	5,275	(33,755)
Other comprehensive income	0	0	0	0	0	0	0	0	0	0
Total comprehensive income	**0**	**(100,412)**	**1,357**	**4,905**	**27,521**	**(6,363)**	**1,885**	**(379)**	**30,763**	**(99,044)**
Total comprehensive income attributable to NCI	3,251	(100,412)	543	2,730	4,422	(1,022)	310	(719)	8,527	(99,423)
Dividends paid to NCI		0		0		0		0		0

	Siem Offshore		Deusa		Star Reefers / Siem Shipowning		BSR Group		Total	
Summarised cash flows	**31.Dec.21**	**31.Dec.20**	**31.Dec.21**	**31.Dec.20**	**31.Dec.21**	**31.Dec.20**	**31.Dec.21**	**31.Dec.20**	**31.Dec.21**	**31.Dec.20**
Cash flow from operating activities	0	39,704	11,232	0	40,883	30,001	1,976	0	54,091	69,705
Cash flow from investing activities	0	(18,591)	(7,701)	0	(213)	5,025	0	0	(7,914)	(13,566)
Cash flow from financing activities	0	(21,043)	8,841	0	(18,460)	(31,555)	0	0	(9,619)	(52,598)
Net increase/ (decrease) in cash and Cash Equivalents	**0**	**70**	12,372	0	**22,210**	**3,471**	1,876	0	**36,558**	**3,541**

(29) SUBSEQUENT EVENTS

- In January 2022, Seven Yield acquired the PCTC MV "Suzuka Express". The vessel was re-named MV "Siem Copernicus" and immediately entered a 4-year bareboat contract with Siem Car Carries. Siem Car Carriers has a long-term time charter with a tier 1 car manufacturer.
- As at the date of approval for publication of the consolidated financial statements of the Company, the geopolitical situation associated with the war in Ukraine and the implemented system of sanctions does not have a substantial impact on the operations of the Company, while the risk of interruptions to the Company's operational continuity in this regard continues to be considered as low. The Company does not engage in direct, significant transactions with entities from Russia, Belarus or Ukraine and has no vessels trading into these countries. The Company observes indications of shortages of experienced crew and escalation of crew costs due to shortages of Ukrainian and Russian crew. Drilling campaigns in Russia will probably go ahead without European tonnage thus more vessel availability during the summer season. The possible increase in the near-term in prices of fuels and energy carriers could be a primary factor generating higher basic operating costs of the Company. The availability of resources and materials is currently at a stable level. It cannot however be ruled out that a continuation of this armed conflict over an extended period of time as well as the system of economic sanctions could have a negative impact on suppliers and lead to interruptions in the continuity of supply chains for the Company, caused among others by logistical restrictions and availability of materials on international markets, e.g., of fuels and energy. The Company continually assesses the situation and is putting plans in place to mitigate the potential effects the conflict has on the business.
- In March 2022, Subsea 7 announced that its board of directors had decided to adopt a regular dividend policy and approved a $100 million return to shareholders in 2022. This comprises of a regular cash dividend of NOK1.00 per share payable early May 2022, and approved at the AGM in April 2022, and share repurchases of approximately $70 million.
- In March 2022 Siem Offshore Inc. announced a plan for a re-domiciling from Cayman Island to Norway, by establishing a new Norwegian holding company. The shareholders of Siem Offshore Inc. will receive a share-for-share offer in the new Norwegian holding company. The contemplated new structure will be better equipped to pursue new opportunities within the energy sector, including renewable energy. The offer is conditional on shareholder acceptance of no less than 95%, admitting of new holding company to Oslo Stock Exchange, and consent under the existing financing agreements of Siem Offshore Inc.
- Subsequent to year end, a subsidiary of the Company received a variation cost claim from a shipyard in addition to the contract price in respect of a vessel under construction. The subsidiary has disputed the claim since under the contract, the subsidiary is only required to pay the contract price on completion and delivery of the vessel. Discussion with the shipyard is ongoing and if no agreement is reached, the matter will be dealt with by arbitration. As resolution proceedings are still at very early stage, it is not practicable to disclose the estimated financial effects because any liability, if at all, cannot be measured with sufficient reliability.

(30) COVID-19

The Company and its operations are affected by the worldwide spread of the COVID-19 virus, but the negative market sentiment we have experienced over the last couple of years in some of the segments where the Company is operating has to a large degree turned. Trade, transportation and economic activity have picked up as society has eased on COVID-19 related restrictions, and so has global demand for oil.

The world supply and demand of oil and its market price remains volatile and the oil price has a direct impact on the offshore activities which the Company serves. The recent increase in the oil price, now trading above $100 per barrel, and the recently announced increased capital expenditure by oil majors on exploration and field development, is expected to lead to higher activity in the offshore industry.

Operations within our subsidiaries have put plans in place to mitigate, as far as practicable, any potential impact to their businesses from COVID-19. The review of the impact on the businesses included an assessment of customers, suppliers, impact on cashflows and working capital, daily operations and longer-term plans.
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. Conducting crew changes within the agreed timeframes has been difficult due to worldwide travel restrictions; a lack of workers has affected the company's ability to carry out repair and refurbishment work at shipyards; cargo operations have been hampered. The Company is working with its unions and crews to secure safe and reliable operations of its vessels, and interacting closely with several clients and partners regarding the COVID-19 situation.
For shore-based staff the IT infrastructure is ideally suited to enabling staff to work remotely with all members of staff having the required equipment to be able to carry out their work from home.

The Company has assessed, and are continually assessing, the current and future risks associated with COVID-19 on its business, in order to pro-actively manage the situation.

(31) NUMBER OF EMPLOYEES IN THE COMPANY

The average number of employees in the Company was 409 for 2021 (2020: 1,378), including onshore and offshore employees. There are no employees in the parent company in 2021 or 2020. The reduction in number of employees from 2020 to 2021 is caused by the deconsolidation of Siem Offshore Inc. in May 2021.

(32) CURRENCY SENSITIVITY ANALYSIS

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

2021:

Currency sensitivity analysis (in thousands)	*10% change in exchange rate against USD (stronger USD)*	*10% change in exchange rate against USD (weaker USD)*
Long term liabilities:	38,214	(38,214)
Cash holdings:	(4,703)	4,703
Accouns receivables:	(924)	924
Net effect on income statement:	32,587	(32,587)

The table below presents the effect on the assessment of fair value for shares in listed companies from a 10% change in the currency exchange rate between USD and NOK.

Currency sensitivity analysis (in thousands)	*10% change in exchange rate against USD (stronger USD)*	*10% change in exchange rate against USD (weaker USD)*
Subsea 7 SA:	45,229	(45,229)
Net effect on assessment of fair value:	45,229	(45,229)

2020:

Currency sensitivity analysis (in thousands)	*10% change in exchange rate against USD (stronger USD)*	*10% change in exchange rate against USD (weaker USD)*
Long term liabilities:	63,969	(63,969)
Cash holdings:	(1,658)	1,658
Accouns receivables:	(2,239)	2,239
Net effect on income statement:	60,072	(60,072)

The table below presents the effect on the assessment of fair value for shares in listed companies from a 10% change in the currency exchange rate between USD and NOK.

Currency sensitivity analysis (in thousands)	*10% change in exchange rate against USD (stronger USD)*	*10% change in exchange rate against USD (weaker USD)*
Subsea 7 SA:	64,609	(64,609)
Net effect on assessment of fair value:	64,609	(64,609)

(33) BUSINESS COMBINATION AND ACQUISITION OF NON-CONTROLLING INTERESTS

On the 17 March 2021, the Company increased its interest in BSR Group Holdings Ltd. from 42.1% to 83.6%. BSR is among the larger developers of large-scale solar projects in the U.K. and performs EPC-activities for solar parks which may be sold to third parties or remain owned and operated within the company. BSR also performs operations and maintenance activities after the solar parks goes into operatioin.

The non-controlling interests has been measured based on book equity in the acquired company.

Assets acquired and liabilities assumed
The fair values of the identifiable assets and liabilities of BSR Group Holdings Ltd. as at the date of acquisition were:

	Fair value recognized on acquisition
Assets	USD 000'
Non-Current Assets	1,726
Inventories	2,736
Accounts receivables	25,173
Cash and cash equivalents	1,680
Total amount:	**29,589**
Liabilities	
Trade payables	20,447
Long term liabilities	355
Total amount:	**20,802**
Total identifiable net assets at fair value:	**8,787**

Exchange rate differences arising on the acquisition are recogniced in Other Comprehensive Income. There are no goodwill identified in the transaction. The investment in BSR Group Holdings Ltd. is recorded as an associated company in 2020. A loss of $4.6 million is recognized in the fair value revaluation of BSR Group Holdings Ltd. when the company became a subsidiary of the Company in 2021.

The investment in BSR Group Holdings Ltd. is classified as discontinued operations in 2021.

The percentage of interest in DEUSA International Ltd. has been increased from 44.34% to 60% in 2021. The investment was full consolidated in 2020 as long as the Company were deemed to have control over DEUSA International Ltd.

34) OTHER INCOME

A summary of other income is presented below:

	2021	*2020*
Remeasurement gain lease liability:	8,908	0
Reversal of prior year impairment:	6,122	0
Reversal of deferred credit:	0	8,124
Gain on retained investment	44,053	0
Recycling Currency Translation Adjustment	-26,665	0
Other income	1,420	7,658
Other income:	**33,838**	**15,782**

*** Deconsolidation of subsidiary and gain on retained investment**
On May 26, 2021 the group concluded that in accordance with IFRS it no longer has control of Siem Offshore Inc., the 83%-owned subsidiary that operates within the OSV segment. As a result of the deemed loss of control the Group no longer consolidated Siem Offshore Inc.'s financial position and performance from May 26, 2021.

May 26, 2021, is regarded as the date when the Group "ceased to control" of Siem Offshore Inc. as a result of the control reassessment and the financial restructuring of the group. In accordance with IFRS 10, income and expenses from Siem Offshore Inc. are being recognized in the Group's consolidated financial statements until May 26, 2021 as discontinued operations, when Siem Industries ceased to control Siem Offshore Inc. After deconsolidation, the retained investment in Siem Offshore Inc. is accounted for as an equity investment. Comparative figures in the consolidated income statements have been revised to reflect Siem Offshore Inc. as a discontinued operations. For further information on discontinued operation, please see Note 21.

Gain/Loss from deconsolidation and gain on retained investment
On May 26, 2021, the Group derecognized all assets and liabilities related to Siem Offshore Inc. In addition, the Group derecognized the equity value attributable to noncontrolling interests in Siem Offshore Inc. of $(51.01) million. Gain/loss from deconsolidation of Siem Offshore Inc. is considered immaterial. At the same date, the investment in Siem Offshore is accounted for as an equity investment. The gain on retained investment accounted for in accordance with the equity method is $ 22 million (IAS 28.32 (b)), which is the difference between the fair value of Siem Industries' retained investment less the share of net assets in Siem Offshore Inc. on the date of deconsolidation.

35) PROVISION FOR REMOVING COSTS

A provision of $52.1 million is recogniced in 2021 ($50.9 million in 2020) as provision for the closure of disused mining shafts and caverns in DEUSA International GmbH.

Audit report

To the Shareholders of
Siem Industries S.A.

Report on the audit of the consolidated financial statements

Our qualified opinion

In our opinion, except for the possible effects of the matter described in the "Basis for qualified opinion" section of our report, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Siem Industries S.A. (the "Company") and its subsidiaries (the "Group"), as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2021;
- the consolidated income statements for the year then ended;
- the consolidated statements of comprehensive income for the year then ended;
- the consolidated statements of changes in equity for the year then ended;
- the consolidated statements of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for qualified opinion

As further detailed in Note 34, in 2021 the Company has deconsolidated its subsidiary, Siem Offshore Inc., and recognised a gain amounting to 17 mln USD as a result of the deconsolidation. The gain is included in Other income caption of the consolidated income statements. Moreover, the Group recorded a transaction amounting to 48 mln USD which increased the Retained earnings and the Other reserves captions of the consolidated statements of changes in equity. We were not provided with nor have we been able to obtain sufficient appropriate audit evidence to assess the accuracy of the above mentioned amounts. Consequently, we were unable to determine whether any adjustments to these amounts and related impact on the consolidated income statements, consolidated statement of financial position, consolidated statements of comprehensive income or consolidated statements of changes in equity were necessary.

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report.

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

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the consolidated management report but does not include the consolidated financial statements and our audit report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the “Basis for qualified opinion” section above, we were unable to obtain sufficient appropriate evidence about the gain amounting to 17 mln USD recognised in the consolidated income statements in relation to the deconsolidation of the subsidiary Siem Offshore Inc., and the transaction amounting to 48 mln USD which increased the Retained earnings and the Other reserves captions of the consolidated statements of changes in equity. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of the Board of Directors for the consolidated financial statements

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

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

Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit 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 the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

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

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 20 May 2022

Electronically signed by:
Andrei Chizhov

Andrei Chizhov

SIEM INDUSTRIES

Subsidiaries and Associates

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

Directors

Kristian Siem, Chairman
M.D. Moross
Ivar Siem
Karen Siem
Louisa Siem
Jørgen Westad

Registered Office

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Grand Duchy of Luxembourg

Executive Office

Siem Industries S.A.
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Grand Duchy of Luxembourg

Other Offices

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L-1660 Luxembourg
Grand Duchy of Luxembourg

Siem Industries S.A. Website

www.siemindustries.com