

**Annual Accounts**  
for the year ended December 31, 2021

**Siem Industries S.A.**  
Société Anonyme

36-38, Grand Rue  
L-1660 Luxembourg  
RCS Luxembourg B250175  
(With an issued share capital of USD 3,748,549)

**Siem Industries S.A.**

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**Annual Accounts Helpdesk :**

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RCSL Nr. : B250175

Matricule : 2020 2206 582

eCDF entry date :

**BALANCE SHEET**

**Financial year from** <sup>01</sup> 01/01/2021 **to** <sup>02</sup> 31/12/2021 (in <sup>03</sup> USD )

Siem Industries S.A.

36-38, Grand-Rue  
L-1660 Luxembourg

**ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
<b>B. Formation expenses</b>	1107 _____	107 _____	108 _____
<b>C. Fixed assets</b>	1109 _____	109 <u>800.103.277,32</u>	110 <u>733.601.097,07</u>
I. Intangible assets	1111 _____	111 _____	112 _____
1. Costs of development	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 _____	116 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 _____	118 _____
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 _____	124 _____
II. Tangible assets	1125 _____	125 _____	126 _____
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

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	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131	132
4. Payments on account and tangible assets in the course of construction	1133	133	134
<b>III. Financial assets</b>	1135	<b>3</b>	<b>800.103.277,32</b>
1. Shares in affiliated undertakings	1137	137	136
2. Loans to affiliated undertakings	1139	139	138
3. Participating interests	1141	141	140
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143	142
5. Investments held as fixed assets	1145	145	144
6. Other loans	1147	147	146
<b>D. Current assets</b>	1151	<b>33.801.587,43</b>	<b>70.611.252,68</b>
<b>I. Stocks</b>	1153	151	152
1. Raw materials and consumables	1155	153	154
2. Work in progress	1157	155	156
3. Finished goods and goods for resale	1159	157	158
4. Payments on account	1161	159	160
<b>II. Debtors</b>	1163	<b>4</b>	<b>15.232.318,72</b>
1. Trade debtors	1165	163	164
a) becoming due and payable within one year	1167	165	166
b) becoming due and payable after more than one year	1169	167	168
2. Amounts owed by affiliated undertakings	1171	169	170
a) becoming due and payable within one year	1173	171	172
b) becoming due and payable after more than one year	1175	173	174
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	175	176
a) becoming due and payable within one year	1179	177	178
b) becoming due and payable after more than one year	1181	179	180
4. Other debtors	1183	181	182
a) becoming due and payable within one year	1185	183	184
b) becoming due and payable after more than one year	1187	185	186

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	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____	197 <u>18.569.268,71</u>	198 <u>13.787.973,50</u>
<b>E. Prepayments</b>	1199 _____	199 <u>4.382,44</u>	200 <u>1.262,50</u>
<b>TOTAL (ASSETS)</b>		201 <u>833.909.247,19</u>	202 <u>804.213.612,25</u>

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**CAPITAL, RESERVES AND LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
	1301	588.868.634,49	438.932.603,37
I. Subscribed capital	1303 <u>5</u>	3.748.549,00	3.761.591,00
II. Share premium account	1305 <u>6</u>	107.459.205,25	107.833.078,70
III. Revaluation reserve	1307		
IV. Reserves	1309		
1. Legal reserve	1311 <u>7</u>		
2. Reserve for own shares	1313		
3. Reserves provided for by the articles of association	1315		
4. Other reserves, including the fair value reserve	1429		
a) other available reserves	1431		
b) other non available reserves	1433		
V. Profit or loss brought forward	1319 <u>8</u>	324.024.849,13	347.006.223,81
VI. Profit or loss for the financial year	1321 <u>8</u>	153.636.031,11	-19.668.290,14
VII. Interim dividends	1323		
VIII. Capital investment subsidies	1325		
<b>B. Provisions</b>	1331	5.453,47	
1. Provisions for pensions and similar obligations	1333		
2. Provisions for taxation	1335	5.453,47	
3. Other provisions	1337		
<b>C. Creditors</b>	1435 <u>9</u>	235.085.803,04	346.556.844,14
1. Debenture loans	1437		307.113.562,84
a) Convertible loans	1439		307.113.562,84
i) becoming due and payable within one year	1441		307.113.562,84
ii) becoming due and payable after more than one year	1443		
b) Non convertible loans	1445		
i) becoming due and payable within one year	1447		
ii) becoming due and payable after more than one year	1449		
2. Amounts owed to credit institutions	1355	141.734.083,04	
a) becoming due and payable within one year	1357	28.503.362,40	
b) becoming due and payable after more than one year	1359	113.230.720,64	

The notes in the annex form an integral part of the annual accounts

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Matricule : 2020 2206 582

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361 _____	361 _____	362 _____
a) becoming due and payable within one year	1363 _____	363 _____	364 _____
b) becoming due and payable after more than one year	1365 _____	365 _____	366 _____
4. Trade creditors	1367 _____	367 <u>435.161,71</u>	368 <u>776.094,44</u>
a) becoming due and payable within one year	1369 _____	369 <u>435.161,71</u>	370 <u>776.094,44</u>
b) becoming due and payable after more than one year	1371 _____	371 _____	372 _____
5. Bills of exchange payable	1373 _____	373 _____	374 _____
a) becoming due and payable within one year	1375 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1377 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1379 _____	379 <u>20.207.527,27</u>	380 <u>1.225.047,54</u>
a) becoming due and payable within one year	1381 _____	381 <u>20.207.527,27</u>	382 <u>1.225.047,54</u>
b) becoming due and payable after more than one year	1383 _____	383 _____	384 _____
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385 _____	385 _____	386 _____
a) becoming due and payable within one year	1387 _____	387 _____	388 _____
b) becoming due and payable after more than one year	1389 _____	389 _____	390 _____
8. Other creditors	1451 _____	451 <u>72.709.031,02</u>	452 <u>37.442.139,32</u>
a) Tax authorities	1393 _____	393 <u>40.186,80</u>	394 <u>132.514,25</u>
b) Social security authorities	1395 _____	395 _____	396 _____
c) Other creditors	1397 _____	397 <u>72.668.844,22</u>	398 <u>37.309.625,07</u>
i) becoming due and payable within one year	1399 _____	399 <u>72.668.844,22</u>	400 <u>37.309.625,07</u>
ii) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
<b>D. Deferred income</b>	1403 <u>2.2.4</u>	403 <u>9.949.356,19</u>	404 <u>18.724.164,74</u>
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>		405 <u>833.909.247,19</u>	406 <u>804.213.612,25</u>

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**PROFIT AND LOSS ACCOUNT**

**Financial year from** <sup>01</sup> 01/01/2021 **to** <sup>02</sup> 31/12/2021 (in <sup>03</sup> USD )

Siem Industries S.A.

36-38, Grand-Rue  
L-1660 Luxembourg

	Reference(s)	Current year	Previous year
<b>1. Net turnover</b>	1701 _____	701 _____	702 _____
<b>2. Variation in stocks of finished goods and in work in progress</b>	1703 _____	703 _____	704 _____
<b>3. Work performed by the undertaking for its own purposes and capitalised</b>	1705 _____	705 _____	706 _____
<b>4. Other operating income</b>	1713 _____ <b>10</b>	713 _____ <b>402.403,98</b>	714 _____ <b>1.744.595,36</b>
<b>5. Raw materials and consumables and other external expenses</b>	1671 _____ <b>11</b>	671 _____ <b>-2.545.152,24</b>	672 _____ <b>-1.424.021,24</b>
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____	603 _____ <b>-2.545.152,24</b>	604 _____ <b>-1.424.021,24</b>
<b>6. Staff costs</b>	1605 _____ <b>12</b>	605 _____ <b>126.003,96</b>	606 _____ <b>-473.248,90</b>
a) Wages and salaries	1607 _____	607 _____ <b>118.587,39</b>	608 _____ <b>-446.603,82</b>
b) Social security costs	1609 _____	609 _____ <b>7.416,57</b>	610 _____ <b>-26.645,08</b>
i) relating to pensions	1653 _____	653 _____ <b>-629,65</b>	654 _____
ii) other social security costs	1655 _____	655 _____ <b>8.046,22</b>	656 _____ <b>-26.645,08</b>
c) Other staff costs	1613 _____	613 _____	614 _____
<b>7. Value adjustments</b>	1657 _____ <b>13</b>	657 _____ <b>974.047,76</b>	658 _____ <b>20.694.767,33</b>
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____ <b>-198.108,11</b>	660 _____ <b>-396.216,24</b>
b) in respect of current assets	1661 _____	661 _____ <b>1.172.155,87</b>	662 _____ <b>21.090.983,57</b>
<b>8. Other operating expenses</b>	1621 _____ <b>14</b>	621 _____ <b>-27.438,09</b>	622 _____ <b>-805.728,23</b>



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	Reference(s)		Current year		Previous year
<b>9. Income from participating interests</b>	1715	<u>15</u>	715 <u>139.842.180,52</u>	716	<u>50.721.796,99</u>
a) derived from affiliated undertakings	1717		717 <u>123.215.751,60</u>	718	<u>50.721.796,99</u>
b) other income from participating interests	1719		719 <u>16.626.428,92</u>	720	
<b>10. Income from other investments and loans forming part of the fixed assets</b>	1721	<u>16</u>	721 <u>6.092.069,03</u>	722	<u>25.365.226,08</u>
a) derived from affiliated undertakings	1723		723 <u>3.548.877,36</u>	724	<u>18.491.067,70</u>
b) other income not included under a)	1725		725 <u>2.543.191,67</u>	726	<u>6.874.158,38</u>
<b>11. Other interest receivable and similar income</b>	1727	<u>17</u>	727 <u>11.553.358,69</u>	728	<u>20.380.430,44</u>
a) derived from affiliated undertakings	1729		729 <u>1.957.944,47</u>	730	<u>15.307.977,74</u>
b) other interest and similar income	1731		731 <u>9.595.414,22</u>	732	<u>5.072.452,70</u>
<b>12. Share of profit or loss of undertakings accounted for under the equity method</b>	1663		663	664	
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	1665	<u>18</u>	665 <u>57.999.585,02</u>	666	<u>-87.079.659,29</u>
<b>14. Interest payable and similar expenses</b>	1627	<u>19</u>	627 <u>-60.775.574,05</u>	628	<u>-48.756.948,68</u>
a) concerning affiliated undertakings	1629		629 <u>-1.645.461,09</u>	630	<u>-5.507.961,27</u>
b) other interest and similar expenses	1631		631 <u>-59.130.112,96</u>	632	<u>-43.248.987,41</u>
<b>15. Tax on profit or loss</b>	1635	<u>20</u>	635	636	
<b>16. Profit or loss after taxation</b>	1667		667 <u>153.641.484,58</u>	668	<u>-19.632.790,14</u>
<b>17. Other taxes not shown under items 1 to 16</b>	1637	<u>21</u>	637 <u>-5.453,47</u>	638	<u>-35.500,00</u>
<b>18. Profit or loss for the financial year</b>	1669		669 <u>153.636.031,11</u>	670	<u>-19.668.290,14</u>

## **Siem Industries S.A.**

Notes to the Annual Accounts as at December 31, 2021

### **1. General information**

Siem Industries S.A. (hereafter the 'Company') transferred its principal establishment and central administration from the Cayman Islands to the Grand Duchy of Luxembourg on December 4, 2020 by way of continuation of the Company, and changed its name from Siem Industries Inc. into Siem Industries S.A..

The Company was incorporated on October 13, 1980 and is organised under the laws of Cayman Islands and as from December 4, 2020, is as well organized under the laws of Luxembourg.

The registered office of the Company is established at 36-38, Grand Rue L-1660 Luxembourg.

The Company's financial year starts on January 1 and ends on December 31 of each year.

The objects of the Company are:

(i) the acquisition, and as the case may be, the disposal of, participations, in Luxembourg or abroad, in any companies or enterprises or other assets, in any form whatsoever and the management of such participations. The Company may in particular acquire by subscription, purchase and exchange or in any other manner, and as the case may be, sell, transfer or otherwise dispose of, any fixed assets, stock, shares and other participation securities, bonds, debentures, certificates of deposit and other debt instruments and more generally, any securities and financial instruments issued by any public or private entity. It may participate in the creation, development, management, control, sale or transfer of any company or enterprise. It may further invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any nature or origin;

(ii) the borrowing in any form. It may issue notes, bonds and any kind of debt and equity securities. The Company may lend funds including, without limitation, the proceeds of any borrowings, to its subsidiaries, affiliated companies and any other companies. The Company may also give guarantees and pledge, transfer, encumber or otherwise create and grant security over all or some of its assets to guarantee its own obligations and those of any other company, and, generally, for its own benefit and that of any other company or person. For the avoidance of doubt, the Company may not carry out any regulated activities of the financial sector without having obtained the required authorisation;

(iii) the using of any techniques and instruments to efficiently manage its investments and to protect itself against credit risks, currency exchange exposure, interest rate risks and other risks;

(iv) the amalgamation or the entering into partnership, joint venture or any joint purse or profit-sharing arrangement and co-operate in any way or assist or subsidise any company, firm or person, and purchase or otherwise acquire and undertake all or any part of the business, property and liabilities of any person, body or company carrying out any business which this Company is authorised to carry out or possess any property suitable for the purposes of the Company;

(v) the carrying out any commercial, financial or industrial operations and any transactions with respect to real estate property, including, without limitation, the acquisition and management of a portfolio of real estate rights, or movable property which, directly or indirectly, favour or relate to its corporate object; and

(vi) to do any acts and enter into any contracts, agreements, deeds or instruments in furtherance of or in connection with the objects set forth above.

The Company is managed by a Board of Directors composed of:

- Mr Kristian SIEM
- Mrs Karen SIEM
- Mr Ivar SIEM
- Mr Barry W. RIDINGS - resigned on April 22, 2022
- Mr M.D. MOROSS
- Mrs Louisa SIEM - appointed on July 29, 2021
- Mr Jorgen WESTAD - appointed on July 29, 2021

The Company also prepares consolidated financial statements, which are published according to the provisions of the Luxembourg law and are available at [www.siemindustries.com](http://www.siemindustries.com).

## **Siem Industries S.A.**

Notes to the Annual Accounts as at December 31, 2021

### **2. Summary of significant accounting policies**

#### **2.1. Basis of preparation**

The Annual Accounts have been prepared in accordance with Luxembourg legal and regulatory requirements on a going concern basis and under the historical cost convention.

Accounting policies and valuation rules are, besides the ones laid down by the Law of December 19, 2002, as amended, determined and applied by the Board of Directors.

The preparation of the Annual Accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise a judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the Annual Accounts in the period in which the assumptions changed. The Board of Directors believes that the underlying assumptions are appropriate and that the Annual Accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that effect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **2.2. Significant accounting policies**

The main valuation rules applied by the Company are the following:

##### ***2.2.1. Financial assets***

Shares in affiliated undertakings, participating interests, loans to these undertakings, securities held as fixed assets and other loans are valued at purchase price or nominal value (loans and claims) including the expenses incidental thereto.

In the case of durable depreciation in value according to the opinion of the Management, value adjustments are made in respect of fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. The value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

##### ***2.2.2. Current debtors***

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

##### ***2.2.3. Derivative financial instruments***

The Company may enter into derivative financial instruments such as option, swaps, futures or foreign exchange contracts. The Company records initially derivative financial instruments at cost.

At each balance sheet date, unrealised losses are recognised in the profit and loss account whereas gains are accounted for when realised. In the case of hedging of an asset or a liability which is not recorded at fair value, unrealised gains or losses are deferred until the recognition of the realised gains or losses on the hedged item.

Commitments relating to options, swaps, futures, foreign contracts transactions are recorded in the off-balance sheet accounts.

##### ***2.2.4. Foreign currency translation***

The Company maintains its books and records in USD.

Monetary items are converted at the exchange rates effective at the balance sheet date whereas non-monetary items are converted at the exchange rate effective at the time of the transaction. The realised and unrealised exchange losses are recorded in the profit and loss account. The unrealised exchange gains are recorded as deferred income, whereas the realised exchange gains are recorded in the profit and loss account at the moment of their realisation.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and solely the net unrealised losses are recorded in the profit and loss account whereas the unrealised exchange gains are recorded as deferred income until the moment of their realisation.

##### ***2.2.5. Provisions***

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

## Siem Industries S.A.

Notes to the Annual Accounts as at December 31, 2021

### 2.2.6. Debts

Debts are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown in the profit and loss account when the debt is issued.

Debts are recorded under subordinated debts when their status is subordinated to unsecured debts.

### 3. Financial assets

#### 3.1 Shares in affiliated undertakings and participating interests

The movement of the period is as follows:

	Shares in affiliated undertakings USD	Participating interests USD	Total USD
<b>Gross book value - opening balance</b>	<b>783 161 517</b>	<b>240 238 994</b>	<b>1 023 400 511</b>
Additions for the period	75 492 993	3 909 943	79 402 936
Disposals for the period	(65 075 605)	(12 480 505)	(77 556 109)
<b>Gross book value - closing balance</b>	<b>793 578 905</b>	<b>231 668 432</b>	<b>1 025 247 337</b>
<b>Accumulated value adjustments - opening balance</b>	<b>(385 976 999)</b>	-	<b>(385 976 999)</b>
<b>Accumulated value adjustments - closing balance</b>	<b>(385 976 999)</b>	-	<b>(385 976 999)</b>
<b>Net book value - closing balance</b>	<b>407 601 906</b>	<b>231 668 432</b>	<b>639 270 338</b>
<b>Net book value - opening balance</b>	<b>397 184 518</b>	<b>240 238 994</b>	<b>637 423 512</b>

The carrying amount of each investment is as follows:

Undertaking's name (legal form)	Registered in	Ownership %		Carrying amount	
		2021	2020	2021	2020
Subsea 7 S.A.	Luxembourg	23,15%	24,30%	219 309 032	227 879 594
Siem Europe S.à r.l.	Luxembourg	100,00%	100,00%	156 598 108	156 598 108
Seven Yield Holding Pte. Ltd	Singapore	100,00%	100,00%	168 248 699	92 803 359
Siem Investments S.à r.l. (formerly Siem Investments Inc.)	Luxembourg	100,00%	100,00%	35 388 925	100 464 529
Star Reefers Inc. (formerly Siem Shipping Inc.)	Cayman Islands	84,10%	83,90%	2 333 940	2 310 113
Siem Shipowning Inc.	Cayman Islands	84,10%	83,90%	43 915 967	43 892 140
Siem Oil Service Invest Holdings Ltd	United Kingdom	20,00%	20,00%	12 359 400	12 359 400
Deep Seas Insurance Ltd	Cayman Islands	100,00%	100,00%	1 116 268	1 116 268
<b>Total</b>				<b>639 270 338</b>	<b>637 423 512</b>

The net equity and profit and loss account of the undertakings are as follows:

Undertaking's name	Last balance sheet date	Audited	Net equity at the balance sheet date of the company concerned	Profit or loss of the last financial year
Subsea 7 S.A.	31/12/2021	Yes	USD 4,183,800,000	USD 43,100,000
Siem Europe S.à r.l.	31/12/2021	No	EUR 123,219,517	EUR (10,728,482)
Seven Yield Holding Pte. Ltd	31/12/2021	Yes	USD 179,270,041	USD 4,734,481
Siem Investments S.à r.l. (formerly Siem Investments Inc.)	31/12/2021	No	USD 34,655,148	USD 16,887,626
Star Reefers Inc. (formerly Siem Shipping Inc.)	31/12/2021	Yes	USD (2,348,000)	USD 14,111,628
Siem Shipowning Inc.	31/12/2021	Yes	USD 148,501,000	USD 10,910,578
Siem Oil Service Invest Holdings Ltd	31/12/2021	Yes	USD 40,113,761	USD (9,774,198)
Deep Seas Insurance Ltd	31/12/2021	No	USD 901,622	USD (90,794)

## Siem Industries S.A.

Notes to the Annual Accounts as at December 31, 2021

### Subsea 7 S.A.

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

In May 2021, the Company purchased 306,000 shares of Subsea 7 in the market at NOK81,08 per share following the exercise of an existing put option (see note 3.3).

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

In December 31, 2021, the aggregate number of Subsea 7 shares held by the Company is 69,449,377 or the equivalent of 23,15% of the Subsea 7 issued and outstanding shares.

Part of the Company's shares in Subsea 7 were pledged in relation to the Exchangeable Bond. These shares may serve as collateral under the SEB Margin Loan (see note 9).

### Seven Yield Holding Pte. Ltd.

In November 2021, the Company subscribed to the share capital increase for an aggregate amount of USD 25,445,340.

In December 2021, the Company subscribed to the share capital increase for an aggregate amount of USD 50,000,000.

### Siem Investments S.à r.l.

On June 30, 2021, the Company, as shareholder of Siem Investments S.à r.l., approved the distribution of dividend of USD 80,993,636, consisting of payment of result brought forward of USD 71,943,083 and partial repayment of the Special equity reserve account connected to shares ("SInv SPERA") of USD 9,050,553.

On December 23, 2021, the board of managers of Siem Investments S.à r.l. resolved to make a dividend distribution in species of USD 72,922,530 to the Company, which USD 16,897,478 as an interim dividend and USD 56,025,052 as partial repayment of the SInv SPERA. The Company approved on December 24, 2021 the distribution in species, and gave its consent to the partial repayment of the SInv SPERA.

## 3.2 Loans held as fixed assets

The movement of the period is as follows:

	Loans Siem Europe S.à r.l.	Loans to other affiliated undertakings	Other loans	Bonds to affiliated undertakings	Total
	USD	USD	USD	USD	USD
<b>Gross book value - opening balance</b>	<b>81 970 231</b>	-	<b>60 795 004</b>	<b>68 935 551</b>	<b>211 700 786</b>
Additions for the period	67 529 495	199 843 677	-	667 170	268 040 342
Disposals for the period	(139 875 398)	(84 551 236)	-	(72 252 642)	(296 679 276)
Foreign exchange variations	(9 624 328)	(1 260 753)	(4 165 004)	2 649 921	(12 400 164)
<b>Gross book value - closing balance</b>	-	<b>114 031 688</b>	<b>56 630 000</b>	-	<b>170 661 688</b>
<b>Accumulated value adjustments - opening balance</b>	-	-	<b>(60 795 003)</b>	<b>(53 274 622)</b>	<b>(114 069 625)</b>
Reversals for the period	-	-	4 165 004	53 274 622	57 439 626
<b>Accumulated value adjustments - closing balance</b>	-	-	<b>(56 629 999)</b>	-	<b>(56 629 999)</b>
<b>Net book value - closing balance</b>	-	<b>114 031 688</b>	<b>1</b>	-	<b>114 031 689</b>
<b>Net book value - opening balance</b>	<b>81 970 231</b>	-	<b>1</b>	<b>15 660 929</b>	<b>97 631 161</b>

Bonds to affiliated undertakings were bonds issued by Siem Offshore Inc. (an indirect subsidiary of the Company) in NOK under the denomination "SIOFF02", bearing interest at 2.75% and repayable in 2023. During 2020, Siem Offshore Inc. sought to restructure its liabilities and obtained an agreement with most of its creditors, including the bondholders. This agreement included, amongst others, the deferral of all interest payment and conversion of the SIOFF02 bonds (including accrued and unpaid interest) into shares in Siem Offshore Inc. during 2021.

In April 2021, the Company sold the entire SIOFF02 bonds, including accrued coupon, to a related party at NOK 165,101,953 (equivalent USD 20 million). It was agreed between the parties that the consideration be payable under a Seller Credit facility (the "SCF"), bearing interest at 3% and payable in full at latest December 31, 2025.

In December 24, 2021, the Company novated the SCF, including the accrued interest, to Siem Europe S.à r.l. against (i) repayment in full of a USD Loan granted by Siem Europe S.à r.l. to the Company in May 2021 and (ii) partial repayment of the Revolving credit facility granted by Siem Europe S.à r.l. to the Company in December 2021.

## Siem Industries S.A.

Notes to the Annual Accounts as at December 31, 2021

In December 22, 2021, Siem Europe S.à r.l., as lender, novated a secured loan (the "**Secured Loan**") it had against its fully owned subsidiary GR Shipping S.à r.l. for EUR 157,116,660 (*EUR 149,411,565 as principal and EUR 7,705,095 as accrued interest*) to Siem Industries S.A. The consideration was satisfied by (i) repayment in full of loan granted by the Company to Siem Europe S.à r.l., (ii) repayment in full of the working capital facility granted by the Company to Siem Europe S.à r.l. and (iii) a drawdown under the Revolving credit facility granted by Siem Europe S.à r.l. to the Company in December 2021.

In December 22, 2021, GR Shipping S.à r.l., with the consent of the Company as lender, novated the Secured Loan to a new borrower SY Newship 1 Pte. Ltd., an indirect subsidiary of Seven Yield Holding Pte. Ltd.

In December 24, 2021, the Company assigned USD 65,322,585 (*EUR 57,802,482,05*) of the Secured Loan to Seven Yield Holding Pte. Ltd. as final settlement of the share capital increases (*see note 3.1*).

In December 24, 2021, the Company received as part of a distribution in species from Siem Investments S.à r.l. a credit facility it has granted to its subsidiary Deusa International GmbH ("**Deusa**") for EUR 9,805,861 (*EUR 9,572,259 as principal and EUR 233,602 as accrued interest*), bearing interest at 3 month EURIBOR + 3,5% and repayable on June 30, 2032. On December 29, 2021, Deusa partially repaid the loan for EUR 500,000.

The other loans are comprised of a loan granted to Flensburger Schiffbau-Gesellschaft mbH & Co. KG ("**FSG**") for EUR 50,000,000 and EUR 8,600,000 (*equivalent USD 9,355,276*) cash collateral provided to an insurance company as guarantee under a shipbuilding contract of FSG had, which has been impaired to USD 1 because of the insolvency of FSG. In 2020, the insurance called the guarantee and the cash collateral was used to settle it. The Company had to recover this amount from FSG, hence has booked this amount in Debtors under Current account with FSG (*see note 4*).

### 3.3 Derivative financial instruments

The derivative financial instruments are call and put options related to Subsea 7 shares.

As at December 31, 2020, the balance of put options was comprised of 173,000 underlying shares with maturity date of May 21, 2021 and of 1,520,000 underlying shares with maturity date of May 23, 2021. The aggregate book value was NOK -13,673,750, equivalent to USD -1,453,576. The Company exercised the put options in May 2021.

As at December 31, 2021, the Company does not have any call and/or put options.

### 3.4 Investments held as fixed assets

On December 24, 2021, the Company received as part of a distribution in species from Siem Investments S.à r.l. the following two bonds (the "**Bonds**"):

- 111,103 unsecured convertible bonds issued by Electromagnetic Geoservices ASA ("**EMGS**"), a subsidiary of Siem Investments S.à r.l. with face value of USD 100 each, received at an aggregate price of USD 8,332,725 (the "**EMGS Bonds**"). The EMGS bonds were repayable in May 2023 but has been extended by 2 years to May 2025 by a decision of the bondholders dated February 2022. As at December 31, 2021, the EMGS bonds bear interest at 3 months LIBOR + 5,5%.
- unsecured bonds issued by a Non affiliated undertaking with face value of EUR 35,000,000 received at a price equal to the face value. The bonds are repayable in May 2023 and bear interest at 7,75%.

On December 28, 2021, the Company sold 15,633 EMGS Bonds at 75% of the face value in the framework of a bonds buy back programme initiated by EMGS. As at December 31, 2021, the Company owns 95,470 EMGS Bonds valued at 75% of the face value.

## Siem Industries S.A.

Notes to the Annual Accounts as at December 31, 2021

### 4. Debtors

Amounts due and payable for the accounts shown under "Debtors" are as follows :

	Within one year	After more than	31/12/2021	31/12/2020
	USD	one year USD	USD	USD
Guarantee fees	-	-	-	18 667
Reimbursement of costs from Subsea 7 S.A.	-	-	-	58 500
Suppliers - advance paid	22 784	-	<b>22 784</b>	3 949
Working capital facility to Siem Europe S.à r.l. (interest rate = 1.5%; maturity date = 31/12/2025; maximum facility amount = EUR 75,000,000)	-	-	-	3 075 286
Accrued interest on Interest Bearing Loan to Siem Europe S.à r.l.	-	-	-	570 984
Commitment fee due on the Revolving Credit Facility to Siem Offshore Inc.	466 667	-	<b>466 667</b>	416 667
Coupon SIOFF 02	-	-	-	310 728
Sellers Credit Facility to SY RoRo 4 Pte. Ltd. (amount = EUR 42,103,315; maturity date = upon refinancing)	-	-	-	51 664 947
Coupon on Bonds	5 217 210	-	<b>5 217 210</b>	-
Accrued interest on Secured Loan	8 814 303	-	<b>8 814 303</b>	-
Accrued interest on loan to FSG	4 693 344	-	<b>4 693 344</b>	5 084 937
Impairment on accrued interest on loan to FSG	(4 693 343)	-	<b>(4 693 343)</b>	(5 084 935)
Current account to FSG	9 355 276	-	<b>9 355 276</b>	10 135 840
Impairment on current account to FSG	(9 355 275)	-	<b>(9 355 275)</b>	(10 135 839)
Current accounts to affiliated undertakings	692 051	-	<b>692 051</b>	400 694
Other receivables	19 301	-	<b>19 301</b>	302 855
<b>Total</b>	<b>15 232 319</b>	-	<b>15 232 319</b>	<b>56 823 279</b>

(1) The Company agreed to provide a Revolving Credit Facility to Siem Offshore Inc. up to an amount of USD 12,000,000, bearing interest at 3 month LIBOR + 3.5% on drawn amount and commitment fee of 1.25% on undrawn amount, with maturity date in January 2023. During 2021, no amount was drawn.

(2) EUR 7,720,013 (equivalent USD 10,122,755) of the Sellers Credit Facility to SY RoRo 4 Pte. Ltd. were netted-off against the subscription of the Company to the share capital increase of Seven Yield Holding Pte. Ltd. occurred in November 2021. The remaining balance was fully repaid.

### 5. Subscribed capital

As at December 31, 2020, the subscribed share capital amounted to USD 3,761,591 and is divided into 15,046,364 common shares fully paid up with a nominal value per unit of USD 0.25.

In January 2021, the Company purchased 52,168 of its own shares and thereafter reduced the subscribed share capital by USD 13,042 by cancellation of 52,168 shares.

As at December 31, 2021, the subscribed capital amounts to USD 3,748,549 and is divided into 14,994,196 common shares fully paid up with a nominal value per unit of USD 0.25.

The authorised capital amounts to USD 30,500,000 divided into 100,000,000 common shares of USD 0.25 nominal value each, 5,000,000 preferred shares of USD 1.00 nominal value each and 50,000,000 Redeemable preferred shares of USD 0.01 nominal value each.

### 6. Share premium account

The movements on the "Share premium and similar premiums" item during the period are as follows:

	Special equity reserve account connected to the shares USD
Share premium and similar premiums - opening balance	107 833 079
Movements of the period	(373 874)
<b>Share premium and similar premiums - closing balance</b>	<b>107 459 205</b>

In January 2021, the Company purchased 52,168 of its own shares and cancelled them thereafter. The movements of the period relate to the portion of the Special equity reserve account connected to these shares.

## Siem Industries S.A.

Notes to the Annual Accounts as at December 31, 2021

### 7. Legal reserve

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of the annual net income until this reserve equals 10% of the subscribed share capital. The reserve may not be distributed.

### 8. Movements for the period on the reserves and profit/loss items

	Legal reserve	Profit or loss brought forward	Profit or loss for the financial period	Interim dividends
	USD	USD	USD	USD
<b>As at December 31, 2020</b>	-	<b>347 006 223</b>	<b>(19 668 290)</b>	-
Movements for the period				
- Allocation of previous year's result	-	(19 668 290)	19 668 290	-
- Profit or loss for the year	-	-	153 636 031	-
- Other movements	-	(3 313 084)	-	-
<b>As at December 31, 2021</b>	-	<b>324 024 849</b>	<b>153 636 031</b>	-

The other movements relate to the portion of result brought forward related to the 52,168 shares of the Company purchased and thereafter cancelled (see notes 5 & 6).

### 9. Creditors

Amounts due and payable for the accounts shown under creditors are as follows :

	Within one year	After more than one year	31/12/2021	31/12/2020
	USD	USD	USD	USD
Exchangeable Bond	-	-	-	306 774 815
Amortization of costs related to the issuance of the Exchangeable Bond	-	-	-	(198 108)
SEB Margin loan	28 503 021	113 230 721	<b>141 733 742</b>	-
Accrued interest on Exchangeable Bond	-	-	-	536 856
Loan from Siem Kapital AS	-	-	-	625 463
Revolving credit facility from Siem Europe S.à r.l. (interest rate = 1.5%; maturity date = 31/12/2025; maximum facility amount = EUR 75,000,000)	20 199 512	-	<b>20 199 512</b>	-
Accrued interest on revolving credit facility from Siem Europe S.à r.l.	8 015	-	<b>8 015</b>	-
Suppliers	154 906	-	<b>154 906</b>	623 933
Suppliers - Invoices to receive	280 255	-	<b>280 255</b>	152 162
Current account from affiliated undertakings	-	-	-	1 225 048
Loans from Kristian Siem	67 539 841	-	<b>67 539 841</b>	33 107 861
Current accounts from entities linked to Kristian Siem	5 119 004	-	<b>5 119 004</b>	2 945 729
VAT payable	40 187	-	<b>40 187</b>	132 514
Other payables	10 341	-	<b>10 341</b>	630 573
<b>Total</b>	<b>121 855 083</b>	<b>113 230 721</b>	<b>235 085 803</b>	<b>346 556 844</b>

In 2016, the Company placed a EUR250,000,000- 2.25% Senior Secured Exchangeable Bond ("Exchangeable Bond") which are exchangeable into shares of Subsea 7 at an Exchange Price of EUR 9.3053 per Subsea 7 share. Interests are paid semi-annually at the rate of 2.25% p.a. The Exchangeable Bond are secured by the pledge of 48,546,044 shares of Subsea 7 of which 24,273,022 of the shares pledged are subject to adjustment based upon the occurrence of certain events, such as the payment of dividends by Subsea 7. The Exchangeable Bond was fully repaid at maturity on June 2, 2021.

The Company entered 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 on November 30, 2021, then the remaining originally available up to 30 April 2022 but extended to July 31, 2022 by an amendment letter signed on April 29, 2022). The SEB Margin Loan is secured by collateral such as Subsea 7 S.A.'s shares, balance on the cash account, other shares listed on a stock exchange or other financial instruments to be agreed in writing between the parties.

Mr. Siem, the Company's Chairman and the largest individual owner of the Company's shares had loans outstanding to the Company at the end of 2021 for NOK 139,000,000, EUR 24,083,979, GBP 759,000 and USD 22,233,733, plus accrued interest, or approximately the equivalent of \$67,539,841 under a short-term credit facility agreement. The interest rate on the loans is 2.25% p.a..



**Siem Industries S.A.**

Notes to the Annual Accounts as at December 31, 2021

**10. Other operating income**

	31/12/2021	31/12/2020
	USD	USD
Guarantee fees	-	7 167
Board remuneration fee	(198 000)	647 500
Reimbursement/recharge of costs	600 286	1 089 929
Other operating income	118	-
<b>Total</b>	<b>402 404</b>	<b>1 744 595</b>

**11. Raw materials and consumables and other external expenses**

	31/12/2021	31/12/2020
	USD	USD
Office expenses	-	(13 756)
Office rent	(13 521)	(9 239)
IT related costs	(6 865)	(3 798)
Bank charges and arrangement fee	(658 748)	(127 193)
Legal fees	(538 130)	(253 335)
Notaries fees	(2 224)	(3 949)
General corporate assistance fees	(773 372)	(670 948)
Advisory fees	(186 860)	(129 026)
Audit fees	(359 514)	(106 510)
Travel expenses	(869)	(106 267)
Other external expenses	(5 050)	-
<b>Total</b>	<b>(2 545 152)</b>	<b>(1 424 021)</b>

The Company paid a total of NOK 4,500,000 (*equivalent to USD 538,632*) of arrangement fee to SEB in relation to the Margin loan provided.

**12. Staff**

The Company employed an average of 0,33 full time person during the financial period broken down by category as follows:

	31/12/2021	31/12/2020
	USD	USD
Employees	0,33	1,00

**13. Value adjustments**

	31/12/2021	31/12/2020
	USD	USD
Amortization of costs incurred in the issuance of the Exchangeable Bond	(198 108)	(396 216)
Value adjustments / accrued interests on certain Interest Bearing Loans to Siem Europe S.à r.l.	-	32 331 991
Value adjustments / accrued interests on loan to FSG	391 592	(1 105 169)
Value adjustments / current account to FSG	780 564	(10 135 839)
<b>Total</b>	<b>974 048</b>	<b>20 694 767</b>

**Siem Industries S.A.**

Notes to the Annual Accounts as at December 31, 2021

**14. Other operating expenses**

	31/12/2021	31/12/2020
	USD	USD
License fee	(3 412)	(4 582)
Management fee*	-	(600 000)
Unrecoverable VAT	(84 217)	(109 208)
Board remuneration fee **	75 000	(73 974)
Other expenses	(14 808)	(17 963)
<b>Total</b>	<b>(27 438)</b>	<b>(805 727)</b>

\* 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. 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. This agreement was initially renewed for a further 5 years during 2020 but has finally been terminated effective as from December 31, 2020.

\*\* The board of directors decided to not pay any board fee to the directors starting as from the year 2020.

**15. Income from participating interests**

	31/12/2021	31/12/2020
	USD	USD
Dividend from Subsea 7 S.A.	16 626 429	-
Dividend from Seven Yield Holding Pte. Ltd.	4 693 508	-
Dividend from Siem Investments S.à r.l.	88 840 561	50 721 797
Realized gain on sale of Subsea 7 shares	29 681 682	-
<b>Total</b>	<b>139 842 181</b>	<b>50 721 797</b>

**16. Income from other investments and loans forming part of the fixed assets**

	31/12/2021	31/12/2020
	USD	USD
Interest on Interest Bearing Loans to Siem Europe S.à r.l.	3 027 294	5 572 366
Interest on the MFA to Siem Europe S.à r.l.	-	12 005 422
Interest on Working Capital Facility to Siem Europe S.à r.l.	65 466	913 280
Interest on the other loans	522 751	3 286 662
Interest on SIOFF02	861 183	1 739 652
Interest on Bonds	161 799	-
Realized gain on put options expired/terminated	1 453 576	1 847 843
<b>Total</b>	<b>6 092 069</b>	<b>25 365 225</b>

**17. Other interest receivable and similar income**

	31/12/2021	31/12/2020
	USD	USD
SEB Margin loan interests	-	1 042
Bank accounts interests	717	16 615
Realised foreign exchange gain	11 239 713	18 906 703
Other income	312 928	1 456 070
<b>Total</b>	<b>11 553 359</b>	<b>20 380 430</b>

**Siem Industries S.A.**

Notes to the Annual Accounts as at December 31, 2021

**18. Value adjustments in respect of financial assets and of investments held as current assets**

	31/12/2021	31/12/2020
	USD	USD
Value adjustments on shares in Siem Europe S.à r.l.	-	(330 044 953)
Value adjustments on certain Interest Bearing Loans to Siem Europe S.à r.l.	-	288 195 016
Value adjustments on Bonds SIOFF 02	53 274 622	(49 213 349)
Value adjustments on loan to FSG	4 724 963	(5 279 963)
Value adjustments on cash collateral paid to the insurance company	-	9 263 589
<b>Total</b>	<b>57 999 585</b>	<b>(87 079 660)</b>

**19. Interest payable and similar expenses**

	31/12/2021	31/12/2020
	USD	USD
Loss on Bonds SIOFF 02	(52 589 075)	-
Interest on the Exchangeable Bond	(2 890 456)	(6 537 180)
Interest on SEB margin loan	(1 829 439)	(382 129)
Interest on loans from Kristian Siem	(1 022 675)	(221 793)
Interest on loans from affiliated undertakings	(499 587)	-
Interest on loans from non-affiliated undertakings	(46 427)	-
Bank accounts interest	(19 028)	(12 936)
Realized loss on call and put options	-	(4 460 957)
Foreign exchange losses	(1 878 887)	(36 386 385)
Realized loss on sale of shares in Subsea 7	-	(749 949)
Other	-	(5 619)
<b>Total</b>	<b>(60 775 574)</b>	<b>(48 756 949)</b>

**20. Tax on profit or loss**

The Company has received the approval of the Luxembourg tax authorities to consolidate with Siem Investments S.à r.l., Momentum Investments S.à r.l., Siem Europe S.à r.l., Grand Rue Finance S.à r.l., Siem Europe Properties S.à r.l. and Siem Sustainable Energy S.à r.l. their respective income tax liabilities. Tax amounts relating to the Municipal Business Tax and to the Corporate Income Tax are computed on the basis of the consolidated result of the entities included in the scope of the tax consolidation.

**21. Other taxes not shown under items 1. to 16.**

	31/12/2021	31/12/2020
	USD	USD
Net wealth tax	(5 453)	-
Withholding tax on board remuneration fee from Subsea 7 S.A.	-	(35 500)
<b>Total</b>	<b>(5 453)</b>	<b>(35 500)</b>

**22. Emoluments granted to the members of the management and supervisory bodies and commitments in respect of retirement pensions for former members of those bodies**

The Company recorded aggregate fees or compensation for the services of its officers during fiscal years 2021 and 2020 of approximately \$nil and \$1.2 million, respectively. Before 2020, Directors, out of Mr Siem, were entitled to a director's fee of \$18,000 per annum and reimbursements of expenses incurred on behalf of the Company. In accordance with the MSA (see note 14), the annual compensation of Mr Siem consisted 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.

## Siem Industries S.A.

Notes to the Annual Accounts as at December 31, 2021

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

Name	Number of Performance Units awarded and outstanding	
	Granted June 2005 at \$48.21 per Unit	Granted April 2007 at \$121.00 per Unit
Kristian Siem	115 000	
M.D. Moross	7 000	
Barry W. Ridings	7 000	
Ivar Siem		28 000

Performance units have been awarded pursuant to provisions of the Company's 2005 Performance Unit Plan (the "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 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 assess the compensation expense with respect to the Plan with respect to the remaining outstanding units. This assessment 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 assessed a decrease in compensation liability in the amount of \$2,332,744 in general and administrative expenses. During 2020, the Company assessed an increase in compensation liability in the amount of \$806,000.

Therefore, the commitment arising from the Plan as at December 31, 2021 is assessed at USD 474,416.

### 23. Related party transactions

The Company has taken the advantage of the exemption under the law of 19 December 2002, Article 65 which does not require the disclosure of transactions with wholly-owned members of the Group.

Subsea 7 S.A. 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 \$nil (2020: \$0.5 million). Dividends totalling \$16,6 million (2020: \$nil) were paid to the Company.

Siem Offshore Inc., Star Reefers Inc. and Siem Shipowning Inc. make 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

The transactions with Mr Siem have been set out in the notes 9, 14 and 21.

## **Management report**

### *PRINCIPAL ACTIVITIES AND BUSINESS REVIEW*

Siem Industries S.A. operates as a diversified industrial holding company with its major holdings in the oil and gas service industry through its direct interests in Subsea7 S.A., and indirect interest in Siem Offshore Inc. and Electromagnetic Geoservices ASA, in the shipping industry through its direct holdings in Siem Shipowning Inc., Star Reefers Inc., and Seven Yield Holding Pte. Ltd. and indirectly holding in Siem Car Carriers AS, in the renewable energy industry BSR Group Holdings Ltd., and in other areas through its holdings in Siem Investments S.à r.l., and Siem Europe S.à r.l.

The Company's central administration and effective place of management is in Luxembourg City in the Grand Duchy of Luxembourg under the corporate form of a public company limited by shares (société anonyme). Siem Industries S.A. had dual residence in the Cayman Islands, which ended in July 2021.

Press releases and financial reports issued by the Company may be obtained from the Company's website at [www.siemindustries.com](http://www.siemindustries.com).

During 2021 Subsea 7 merged its renewable activities with the Oslo listed company OHT ASA and retained 71% of the merged company, which was renamed Seaway7. The world energy picture has changed and the demand for renewable energy is becoming stronger. This is expected to increase the demand for Seaway7 services in years to come. Subsea 7 faced challenges in the supply chain including rising prices, longer delivery time and scarcity of supply. COVID-19 resulted in increased costs again and delays in operations.

Siem Offshore had a good year despite the COVID-19 related expenses and a financial restructuring was successfully completed in May 2021.

Activities in the shipping subsidiaries showed improved results in 2021.

The holding, through Siem Investments S.à r.l. and Siem Europe S.à r.l., in Deusa International GmbH, the potash and waste deposit operation in Germany, was increased to 60% in 2021. Deusa International GmbH is performing in a satisfactory manner and was not severely affected by COVID-19.

BSR Group Holdings Ltd. continued to develop solar parks in Britain and Australia and is profitable.

### *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 €250 million convertible bond issued by the Company five years ago was fully redeemed in June 2021.

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's subsidiaries 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. At present, these businesses and their operations are also negatively affected by the ongoing war in Ukraine. This creates increased uncertainty, but also opportunities.

### *RESULTS OF OPERATIONS*

During 2021, the Company recorded a profit of USD 153,636,031 whereas in 2020, the Company recorded a loss of \$(19,668,290).

The profit is mainly driven by distribution received from Siem Investments S.à r.l. (\$88.8 millions) and Subsea 7 S.A. (dividend of \$16.6 millions and realized gain on disposal of some shares of \$29.6 millions).

In 2020, the losses were mainly driven by value adjustments of \$(41,849,937) on shares and loans assets provided to Siem Europe related to FSG and to Siem Offshore Inc and of \$(49,213,349) related to the bonds SIOFF02 issued by Siem Offshore Inc.

On the Balance sheet side, the fixed assets increased from \$733,601,097 to \$800,103,277 mainly because of increase of investments in Seven Yield Holding Pte. Ltd.

The current assets reduced by \$41,590,960 compared to 2020 mainly because of repayment of the loan from SY RoRo 4 Pte. Ltd.

The liabilities reduced by \$111,471,041 compared to 2020 thanks to, amongst others, repayment of the exchangeable bonds using internal proceeds and bank loan.

### *BUYBACK OF OWN SHARES*

During the financial year, the Company bought back 52,168 shares and cancelled them thereafter by reducing the share capital by USD 13,042.

### *RESEARCH AND DEVELOPMENT*

During the financial year, the Company did not carry out any such activities.

### *BRANCHES*

During the financial year, the Company did not set up any branches.

## *RISK MANAGEMENT AND INTERNAL CONTROL*

The Board of Directors carries out an annual review of the Group's most important areas of exposure to risk and its internal control arrangements, having regard to the changing nature of risk and the Group's ability to cope with them. The Group adopts internal controls appropriate to its business activities and geographical spread.

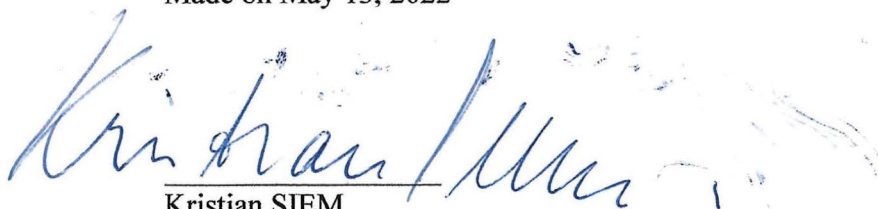
The Group has in place clearly defined lines of responsibility and limits of delegated authority. Comprehensive procedures provide for the appraisal, approval, control and review of capital expenditure. The Executive Management Team meets with functional senior management on a regular basis to discuss particular issues, including key operational and commercial risks, legal matters, financial matters and other areas of relevance for the financial reporting procedures. The Group has a comprehensive annual planning and management reporting process. A detailed annual budget is prepared in advance of each year and supplemented by forecasts updated on a quarterly basis during the course of the year. Financial results are reported quarterly to the Executive Management Team and the Board of Directors and compared to budget, forecasts, and prior year results.

## *FUTURE DEVELOPMENTS*

The Company's business strategy continues to be based on developing its activities in the oil and gas service industry, the shipping industry and the renewable energy industry. The recovery in the oil price and rebound in demand has stimulated demand across the Company's holdings. Following increased economic activity as COVID-19 restrictions on trade are diminished, trading conditions are improving for car carrier and reefer shipping companies. This is to a certain extent counter-balance by the effects of the war in Ukraine.

Operational challenges will remain due to the ongoing war in Ukraine.

Made on May 13, 2022



Kristian SIEM  
Director



Jørgen WESTAD  
Director



## **Audit report**

To the Shareholders of  
**Siem Industries S.A.**

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### **Our opinion**

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of Siem Industries S.A. (the “Company”) as at 31 December 2021, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

#### *What we have audited*

The Company’s annual accounts comprise:

- the balance sheet as at 31 December 2021;
- the profit and loss account for the year then ended; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

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### **Basis for opinion**

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 annual accounts” section of our report.

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

We are independent of the Company 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 annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

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### **Other information**

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report but does not include the annual accounts and our audit report thereon.

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





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

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#### **Responsibilities of the Board of Directors for the annual accounts**

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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#### **Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the annual accounts**

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts 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 annual accounts.

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 annual accounts, 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual accounts 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 Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 20 May 2022

Andrei Chizhov