



# SIEM INDUSTRIES

## PRESS RELEASE

For Immediate Release

**SIEM INDUSTRIES S.A.**

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### **SIEM INDUSTRIES S.A. ANNOUNCES RESULTS FOR THE 1<sup>ST</sup> HALF ENDED 30 JUNE 2022**

LUXEMBOURG, 25 AUGUST 2022 – SIEM INDUSTRIES S.A. (the “Company”) announces its unaudited results for the first half year ended 30 June 2022 that have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as discussed below.

#### COMPARATIVE CONSOLIDATED FINANCIAL PERFORMANCE

*Six Months Ended 30 June 2022.* Net income (loss) attributable to Common Shares for the six months ended 30 June 2022 is \$29.9 million, (2021: \$89.3 million), or \$1.99 per share (2021: \$5.95 per share), with particular positive contribution from improved operating margin and gain from disposal of a vessel within the car carrier segment. Net Income for six months ended 30 June 2021 was strongly influenced by the debt forgiveness of \$48.7 million recognized by Siem Offshore and the gain of \$51.7 million from the revaluation of financial derivative embedded in the exchangeable bond that was fully redeemed in June 2021. The discontinued operations reflect the operations of BSR Group Holdings Ltd. that was sold in July 2022. In 2021 discontinued operations mainly reflected the sale of 100% interest in Bradenstoke Solar Park Limited.

Operating income and operating expenses for the six months were \$171.2 million and \$109.9 million respectively (2021: \$292.5 million and \$196.9 million, respectively). The operating income and operating expenses for the first six months of 2021 includes operating income and operating expenses for Siem Offshore Inc. for 5 months, with \$104.6 million and \$81 million respectively. From June 1<sup>st</sup> 2021, Siem Offshore was accounted for in accordance with the equity method as a result of reduced shareholding to approximately 33.6% following the restructuring of Siem Offshore.

The share of profits (losses) of associates for the six months was \$16.0 million (2021: \$0.9 million).

Net gains (losses) on investments during the six months were \$8.6 million (2021: \$46.3 million).

Net re-valuation gains (losses) of \$2.7 million (2021: \$51.7 million) were recorded for the six months on the re-valuation of the financial derivatives.

Depreciation expense for the six months was \$20.2 million (2021: \$50.5 million). Impairment of vessels and investments was \$0 million for the six months (2021: \$10.7 million).

Interest expense for the six months was \$11.9 million (2021: \$26.3 million). General and administrative expenses were \$9.5 million (2021: \$17.9 million). The net currency exchange gains (losses) for the six months were \$(6.2) million (2021: \$10 million).

## CONSOLIDATED FINANCIAL POSITION

The Company held \$62.5 million of cash and cash equivalents at 30 June 2022 (30 June 2021: \$64.9 million), which included \$23.7 million of restricted cash (30 June 2021: \$28.1 million).

Shareholders' equity was \$1.30 billion at 30 June 2022 (30 June 2021: \$1.25 billion). There were 14,994,196 Common Shares issued and outstanding at 30 June 2022 and 30 June 2021.

In January 2022, Siem Shipowning Inc., a subsidiary of the Company, concluded the sale and delivery of the PCTC MV "Siem Plato" to its new owner.

In January 2022, Seven Yield Holding Pte. Ltd ("Seven Yield"), a wholly owned subsidiary of the Company, 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 Carriers. Siem Car Carriers has a long-term time charter with a tier-1 car manufacturer.

In February 2022, the charterer of the MV "Tulipa Seaways" declared its purchase option to acquire the vessel at the end of its current 5-year bareboat contract. The transaction is expected to be completed within the third quarter this year.

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. The shareholder distribution comprises of a regular cash dividend of NOK1.00 per share which was paid in May 2022, and share repurchases of approximately \$70 million.

In May 2022, a subsidiary of the Company entered into a settlement agreement with a shipyard for the disputed cost claims related to the construction of the Dual Fuel LNG Ropax vessel MV "Honfleur", and simultaneously took delivery of the vessel. The vessel continues to seek employment globally.

### **Subsequent Events to end June 2022;**

In July 2022, Seven Yield entered into a 7-year bareboat contract for the RoRo MV "Gardenia Seaways" for operations in the Mediterranean Sea. The contract commenced in direct continuation of its former 5-year bareboat contract which ended in July 2022.

In July 2022, Siem Europe S.à r.l., a wholly owned subsidiary of the Company, sold its entire 83.6% shareholding in BSR Group Holdings Ltd. ("BSR"). Parts of the consideration for the shares in BSR is deferred, and the Company is estimating to record a gain of between \$35-40 million in its accounts for second half of 2022 plus a further potential earnout profit of up to \$12 million.

In August 2022, the RoRo MV "Leevsten" was fixed for a 3-year time charter contract for operations in the Mediterranean Sea. The contract is in direct continuation of its existing employment which runs until January 2023.

The war in Ukraine have so far not had any material effects on the operations of the Company. The Company has no vessels trading into Russia or Ukraine. The Company observes indications of shortage of experienced crew and escalation of crew costs due to shortages of Ukrainian and Russian crew. The Company continuously assess the situation and are putting plans in place to mitigate potential effects the conflict has on the business.

#### OPERATIONS AND INVESTMENTS IN ASSOCIATES

At 30 June 2022, the Company reports its investments in Subsea 7 S.A. (OSE Symbol: SUBC), Siem Offshore Inc. (OSE Symbol: SIOFF), Electromagnetic Geoservices ASA (OSE Symbol: EMGS), and Siem Oil Service Invest Holdings Ltd. in accordance with the equity method of accounting. The detail financial statements of the Company's investments in Seven Yield Holding Pte. Ltd., Star Reefers Inc., Siem Shipowning Inc., Siem Car Carriers AS, Deusa International GmbH, Siem Europe S.à r.l., Siem Investments S.à r.l., Deep Seas Insurance Limited and BSR Group Holdings Ltd. ("BSR") are incorporated within the Company's consolidated financial statements, where BSR Group Holdings Ltd. are classified as discontinued operations.

Subsea 7 is a seabed-to-surface engineering, construction and services contractor for the offshore energy industry. At 30 June 2022, the Company owned a beneficial interest in 69,449,377 Subsea7 S.A. shares, or approximately 23.2% of Subsea 7's issued and outstanding shares. For more information on Subsea 7, please visit [www.subsea7.com](http://www.subsea7.com).

Siem Offshore's owned fleet totalled 28 vessels that are operating in the offshore support vessel segment at the end of the period, with an additional 3 vessels under ship-management services. At 30 June 2022, the Company owned a beneficial interest of 80,255,763 Siem Offshore shares, or approximately 33.6%. For more information on Siem Offshore, please visit [www.siemoffshore.com](http://www.siemoffshore.com).

Seven Yield is a ship-leasing company offering lease-financing solutions to the industrial shipping segments. Its portfolio is comprised of seven RoRos, of which one is agreed sold, two LNG PCTCs, one Dual Fuel LNG Ropax, in addition to three 50% owned vessels, two bulk carriers and one PCTC. The Company owns 100% of Seven Yield. For more information, please visit [www.sevenyield.com](http://www.sevenyield.com).

Star Reefers operates and controls a modern fleet of three chartered-in reefer vessels which are engaged in the transportation of refrigerated fruit. At 30 June 2022, the Company owned an interest of 7,441,498 Star Reefers shares, or 84.0% of Star Reefers. For more information, please visit [www.starreefers.com](http://www.starreefers.com).

Siem Shipowning owns ten older reefer vessels engaged in the transportation of refrigerated fruit, 3 PCTC vessels, of which one is agreed sold, with operations in the car carrier industry and operates one RoRo vessel. At 30 June 2022, the Company owned an interest of 7,466,498 Siem Shipowning shares, or 84.3% of Siem Shipowning. For more information, please visit [www.siemshipowning.com](http://www.siemshipowning.com).

Siem Car Carriers operates a fleet of six PCTC vessels. In addition, Siem Car Carriers arranges for the transportation of cars, trucks and heavy equipment and other products using owned and chartered-in

vessel capacity. The Company owns 100% of Siem Car Carriers. For more information, please visit [www.siemcarcarriers.com](http://www.siemcarcarriers.com).

Deusa International 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. The Company owns 60% of Deusa International. For more information, please visit [www.deusa.de](http://www.deusa.de).

BSR Group Holdings Ltd. (“BSR”) (commonly referred to as British Solar Renewables) is among the largest developers of large-scale solar parks in the UK, providing engineering, procurement, and construction (“EPC”) as well as operations and maintenance services to the solar power generation industry and has developed and built a number of solar park projects in the UK and Australia. For more information, please visit [www.britishrenewables.com](http://www.britishrenewables.com). BSR was divested in July 2022.

EMGS is the owner of proprietary electromagnetic technology which supports the offshore exploration for oil and gas and provides services for survey, design, data acquisition, processing and interpretation. At 30 June 2022, the Company owned a beneficial interest of 23.9% in EMGS. For more information, please visit [www.emgs.com](http://www.emgs.com).

#### RISKS AND UNCERTAINTIES AND MARKET OUTLOOK

The principal risks and uncertainties confronting the Company reflect primarily the risks and uncertainties confronting its subsidiaries, Star Reefers, Siem Shipowning, Seven Yield, DEUSA International and BSR, and its associates, Subsea 7, Siem Offshore and EMGS.

SIEM INDUSTRIES S.A. is a diversified industrial holding company that operates through autonomous affiliates. The Company currently holds interests in the oil and gas services industry and renewable energy sector, ocean transportation of refrigerated cargoes and automobiles, potash-mining and maritime lease finance. For further information relating to the Company, please visit [www.siemindustries.com](http://www.siemindustries.com).

## RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the summary consolidated financial information for the fiscal year ended 30 June 2022 that is presented in this report has been prepared in accordance with IAS 34 “Interim Financial Reporting” and gives a true and fair view of the Company’s consolidated financial position at 30 June 2022 and the results of its operations for the period then ended as a whole. We also confirm, to the best of our knowledge, that this report includes a fair review of important events that have occurred during the fiscal year and their impact on the summary financial statements.

For and on behalf of the Board of Directors of

### **SIEM INDUSTRIES S.A.**

/s/ Kristian Siem

Kristian Siem, Chairman

/s/ Glenn Pettersen

Glenn Pettersen, Group CFO

**SUMMARY CONSOLIDATED INCOME STATEMENTS (UNAUDITED)**  
 PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

| <i>(Dollars in thousands, except per share amounts)</i>                                      | Six Months Ended 30 June |                    | Fiscal year      |
|--|--------------------------|--------------------|------------------|
|  | 2022                     | 2021               | 2021             |
|  | <i>(unaudited)</i>       | <i>(unaudited)</i> | <i>(audited)</i> |
| <b>OPERATING INCOME AND OPERATING EXPENSES:</b>  |                          |                    |                  |
| Operating and lease income   | \$ 171,209               | \$ 292,455         | \$ 334,403       |
| Operating expenses   | (109,932)                | (196,862)          | (246,267)        |
| Operating margin   | 61,278                   | 95,593             | 88,136           |
| <b>OTHER INCOME</b>  |                          |                    |                  |
| Share of profits of associates   | 16,116                   | 910                | 13,455           |
| Interest income  | 1,833                    | 3,017              | 5,691            |
| Gains (losses) on investments and other assets, net  | 8,599                    | 46,260             | (5,475)          |
| Gains (losses) on re-valuation of financial derivatives, net                                 | 2,711                    | 51,734             | 17,140           |
| Other income   | 987                      | (6,964)            | 33,838           |
| Total other income   | 30,247                   | 94,956             | 64,650           |
| <b>EXPENSES AND OTHER:</b>   |                          |                    |                  |
| Depreciation and amortization  | (20,155)                 | (50,538)           | (46,109)         |
| Impairment and reversal of impairment of vessels and investments                             | -                        | (10,656)           | 6,010            |
| Interest expense   | (11,925)                 | (26,331)           | (27,290)         |
| General and administrative expenses  | (9,485)                  | (17,892)           | (16,078)         |
| Currency exchange gains (losses), net  | (6,229)                  | 9,961              | 8,563            |
| Other expenses   | 393                      | (4,949)            | (20,318)         |
| Total expenses and other   | (47,401)                 | (100,405)          | (95,223)         |
| Income (loss) before income tax expense  | 44,123                   | 90,145             | 57,563           |
| Income tax (expense) benefit   | (3,496)                  | (1,010)            | (1,194)          |
| Income (loss) from continuing operations   | 40,627                   | 89,134             | 56,369           |
| Income (loss) on discontinued operations attributable to Holders of Common Shares            | (5,729)                  | 10,990             | 9,169            |
| Net income (loss)  | \$ 34,898                | \$ 100,124         | \$ 65,538        |
| <b>Net income (loss) attributable to:</b>  |                          |                    |                  |
| Holders of Common Shares   | \$ 29,863                | \$ 89,278          | \$ 57,011        |
| Non-controlling interests  | \$ 5,035                 | \$ 10,847          | \$ 8,527         |
| <b>Earnings (Loss) per Common Share:</b>   |                          |                    |                  |
| Basic / Diluted:   |                          |                    |                  |
| Attributable to Holders of Common Shares for net income (loss) from continuing operations    | \$ 2.37                  | \$ 5.22            | \$ 3.19          |
| Attributable to Holders of Common Shares for net income (loss) from discontinuing operations | \$ (0.38)                | \$ 0.73            | \$ 0.61          |
| Attributable to Holders of Common Shares for net income (loss)                               | \$ 1.99                  | \$ 5.95            | \$ 3.80          |
| Weighted avg. no. of Common Shares outstanding for period                                    | 14,994,196               | 14,994,196         | 14,994,196       |

\* The operating income and operating expenses for the first six months of 2021 includes operating income and operating expenses for Siem Offshore Inc. for 5 months, with \$104.6 million and \$81 million respectively. From June 1st 2021, Siem Offshore was accounted for in accordance with the equity method as a result of reduced shareholding to approximately 33.6% following the restructuring of Siem Offshore.

**SUMMARY CONSOLIDATED BALANCE SHEETS (UNAUDITED)**  
 PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

| <i>(Dollars in thousands)</i>   | 30 June<br>2022     | 30 June<br>2021     | 31 December<br>2021 |
|---|---------------------|---------------------|---------------------|
|   | <i>(unaudited)</i>  | <i>(unaudited)</i>  | <i>(audited)</i>    |
| <b>ASSETS:</b>  |                     |                     |                     |
| <b>Current assets:</b>  |                     |                     |                     |
| Cash and cash equivalents   | \$ 38,799           | \$ 36,763           | \$ 51,181           |
| Accounts receivable   | 25,191              | 25,903              | 30,092              |
| Accrued interest receivable   | 6,899               | 4,232               | 5,394               |
| Trading securities  | 9,704               | 8,934               | 9,563               |
| Inventories   | 7,825               | 15,197              | 10,524              |
| Financial derivative  | 6,695               | 5,358               | 5,099               |
| Notes, loans, finance lease and other receivables   | 41,302              | 13,189              | 44,715              |
| Prepaid expenses and other current assets   | 16,660              | 24,807              | 15,825              |
| Noncurrent assets held-for-sale   | 79,975              | 2,595               | 59,316              |
| <b>Total current assets</b>   | <b>233,050</b>      | <b>136,979</b>      | <b>231,710</b>      |
| Restricted cash   | 23,678              | 28,136              | 26,640              |
| Notes, loans, finance lease and other receivables   | 140,781             | 200,197             | 137,724             |
| Investments in associates   | 954,862             | 922,020             | 955,519             |
| Vessels, property and equipment, net  | 708,414             | 819,191             | 720,020             |
| Deferred tax asset  | 8,959               | 12,055              | 11,699              |
| Other assets and long-term receivables  | 14,036              | 29,178              | 11,497              |
| <b>Total non-current assets</b>   | <b>1,850,731</b>    | <b>2,010,777</b>    | <b>1,863,098</b>    |
| <b>Total Assets</b>   | <b>\$ 2,083,781</b> | <b>\$ 2,147,757</b> | <b>\$ 2,094,809</b> |
| <b>LIABILITIES AND EQUITY:</b>  |                     |                     |                     |
| <b>Current liabilities:</b>   |                     |                     |                     |
| Accounts payable  | \$ 9,562            | \$ 24,119           | \$ 16,692           |
| Accrued interest payable  | 744                 | 614                 | 541                 |
| Due to affiliates   | 77,828              | 59,239              | 0                   |
| Current maturities and short-term notes   | 62,779              | 63,114              | 134,882             |
| Finance lease liability   | 12,922              | 20,956              | 13,042              |
| Other accrued costs and short-term liabilities  | 18,897              | 19,371              | 104,937             |
| Net liabilities directly related to assets held-for-sale  | 43,749              | 27                  | 11,461              |
| <b>Total current liabilities</b>  | <b>226,482</b>      | <b>187,440</b>      | <b>281,554</b>      |
| <b>Non-Current liabilities</b>  |                     |                     |                     |
| Long-term debt and notes payable  | 285,539             | 430,199             | 305,836             |
| Finance lease liability   | 186,168             | 167,407             | 136,805             |
| Financial derivatives   | 0                   | 1,253               | 611                 |
| Other liabilities   | 46,808              | 65,634              | 52,604              |
| <b>Total Non-Current liabilities</b>  | <b>518,516</b>      | <b>664,493</b>      | <b>495,857</b>      |
| <b>Total Liabilities</b>  | <b>744,998</b>      | <b>851,933</b>      | <b>777,411</b>      |
| <b>Shareholders' equity:</b>  |                     |                     |                     |
| Common shares, \$0.25 par value, 100,000,000 shares authorized,<br>14,994,196 shares issued and outstanding, respectively | 3,749               | 3,749               | 3,749               |
| Additional paid-in capital  | 107,459             | 107,833             | 107,459             |
| Retained earnings   | 1,216,075           | 1,123,984           | 1,292,273           |
| Currency translation reserves   | (25,629)            | 6,710               | 11,955              |
| Other reserves  | 491                 | 3,844               | (137,108)           |
| <b>Total shareholders' equity</b>   | <b>1,302,145</b>    | <b>1,246,120</b>    | <b>1,278,328</b>    |
| <b>Non-controlling interests</b>  | <b>36,639</b>       | <b>49,704</b>       | <b>39,071</b>       |
| <b>Total Equity</b>   | <b>1,338,783</b>    | <b>1,295,824</b>    | <b>1,317,398</b>    |
| <b>Total Liabilities and Equity</b>   | <b>\$ 2,083,781</b> | <b>\$ 2,147,757</b> | <b>\$ 2,094,809</b> |