



**Siem Offshore Inc.  
Presentation Second Quarter 2021**



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# Highlights Second Quarter 2021

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## Financial Highlights:

- USD 66.4 million in revenue
- USD 26.4 million in EBITDA, equivalent to 40 % margin
- Positive EBITDA from all vessel segments
- Revenue and EBITDA positively impacted from utilization and market rates
- Cash position of USD 105 million, an increase of USD 2 million from Q4 2020
- Contract Backlog at end of Q2 amounts to USD 390 million
- Successfully completed and implemented the financial restructuring plan

## Operational Highlights:

- Average utilization of 89% for the SIOFF fleet in 2Q, excluding vessels in lay-up
- Safe and efficient operations in all regions
- COVID-19 still a large challenge and lead to increased operating cost across the fleet

# Highlights Second Quarter 2021

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## Contracts

- Siem Spearfish awarded a 110-day firm contract with options
- Siem Dorado awarded a 40-day contract with options
- Siem Dorado awarded a 55-day contract with options in Guyana
- Siem Pearl awarded a 3-month firm contract with options in Irish Sea
- Sold and delivered the two large AHTS vessels Siem Diamond and Siem Garnet

## Subsequent Events

- Siem Topaz awarded a 6-month extension
- OSCV contract awarded for minimum 300-days

# Financial Review Second Quarter 2021



# Financial Review Second Quarter 2021

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- Solid backlog and strong operational performance secured USD 26.4 million in operating margin in the second quarter.
- All segments are performing according to or above expectations and delivers positive operating margin.
- Successfully sold two AHTS vessels generating surplus cash after debt repayment. Surplus cash has been used for debt repayment of the remaining 8 AHTS vessels.
- Restructuring Plan Implemented 26 May 2021.
- On 30 June 2021, the fleet consists of 28 offshore vessels (Q2 2020: 33)
- Five vessels were in lay-up by the end of the quarter (Q2 2020: six)

## Key Financial Numbers

- Revenue MUSD 66.4 (Q2 2020: MUSD 64.5)
- EBITDA MUSD 26.4 (Q2 2020: MUSD 24.4)
- Operating Profit (Loss) MUSD 11.3 (Q2 2020: MUSD (240.9))
- Net Profit (Loss) MUSD 103.0 (Q2 2020: MUSD (275.2))

# Income Statement Second Quarter and First Half

	2Q	2Q	1H	1H	Jan-Dec
<i>(Amounts in USD millions)</i>	2021	2020	2021	2020	2020
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
Operating revenue	66,4	64,5	122,7	117,2	244,8
Operating expenses	(35,2)	(35,5)	(65,9)	(72,7)	(143,0)
Administrative expenses	(4,8)	(4,6)	(9,7)	(9,8)	(19,6)
<b>Operating margin [1]</b>	<b>26,4</b>	<b>24,4</b>	<b>47,1</b>	<b>34,8</b>	<b>82,3</b>
<b>Operating margin %</b>	<b>40 %</b>	<b>38 %</b>	<b>38 %</b>	<b>30 %</b>	<b>34 %</b>
<b>Operating profit (loss)</b>	<b>11,3</b>	<b>(240,9)</b>	<b>16,0</b>	<b>(266,0)</b>	<b>(270,9)</b>
<b>Net financial items</b>	<b>91,9</b>	<b>(34,5)</b>	<b>78,6</b>	<b>(33,5)</b>	<b>(77,8)</b>
<b>Net profit (loss)</b>	<b>103,0</b>	<b>(275,2)</b>	<b>93,4</b>	<b>(299,1)</b>	<b>(350,5)</b>
Attributable to non-controlling interest	(1,2)	(38,4)	(3,0)	(42,6)	(51,6)
<b>Result Attributable to shareholders</b>	<b>104,2</b>	<b>(236,8)</b>	<b>96,5</b>	<b>(256,4)</b>	<b>(298,9)</b>
Earnings per share [2]	1,08	(25,33)	1,80	(27,43)	(31,97)
Average nos. of shares outstanding (000's)	96 659	9 347	53 727	9 347	9 347

[1] Operating revenue less operating expenses

[2] Net profit (loss) / Average number of shares outstanding. 2020 number of shares has been restated reflecting reverse split 100:1 in May 2021

# Segments Operating Revenue and Margin

<i>(Amounts in USD million)</i>	2Q-2021				2Q-2020			
	Operating revenue	Operating expenses	Operating margin	Operating margin %	Operating revenue	Operating expenses	Operating margin	Operating margin %
PSVs	8,9	(6,1)	2,8	31 %	9,1	(5,4)	3,7	41 %
OSCVs and WIVs	29,3	(12,5)	16,8	57 %	29,6	(11,6)	18,0	61 %
AHTS vessels	12,8	(11,2)	1,6	13 %	10,3	(11,1)	(0,7)	-7 %
Brazilian fleet	3,9	(1,7)	2,2	56 %	3,6	(2,2)	1,4	39 %
Canadian fleet	3,6	(1,0)	2,6	72 %	4,5	(1,9)	2,7	59 %
Scientific Core drilling	7,5	(3,2)	4,3	58 %	6,9	(3,8)	3,1	45 %
Other, I/C eliminations	0,4	0,5	0,9		0,4	0,4	0,8	
<b>Total OSV Segment</b>	<b>66,4</b>	<b>(35,2)</b>	<b>31,2</b>	<b>47 %</b>	<b>64,5</b>	<b>(35,5)</b>	<b>29,0</b>	<b>45 %</b>
G&A		(4,8)	(4,8)			(4,6)	(4,6)	-
<b>Total</b>	<b>66,4</b>	<b>(40,0)</b>	<b>26,4</b>	<b>40 %</b>	<b>64,5</b>	<b>(40,1)</b>	<b>24,4</b>	<b>38 %</b>

<i>(Amounts in USD million)</i>	Jan-Jun 2021				Jan-Jun 2020			
	Operating revenue	Operating expenses	Operating margin	Operating margin %	Operating revenue	Operating expenses	Operating margin	Operating margin %
PSVs	21,4	(12,2)	9,2	43 %	17,5	(11,8)	5,7	33 %
OSCVs and WIVs	49,0	(21,3)	27,7	56 %	51,0	(20,3)	30,7	60 %
AHTS vessels	22,6	(21,2)	1,4	6 %	16,8	(24,2)	(7,4)	-44 %
Brazilian built vessels	7,9	(3,5)	4,4	56 %	8,3	(4,4)	3,8	46 %
Canadian fleet	6,4	(1,9)	4,5	70 %	8,3	(3,9)	4,4	53 %
Scientific core drilling	0,8	0,8	1,6	202 %	14,0	(9,0)	5,1	36 %
Other, I/C eliminations	14,5	(6,6)	7,9		1,4	0,9	2,3	
<b>Total OSV Segment</b>	<b>122,7</b>	<b>(65,9)</b>	<b>56,8</b>	<b>46 %</b>	<b>117,2</b>	<b>(72,7)</b>	<b>44,6</b>	<b>38 %</b>
G&A		(9,7)	(9,7)			(9,8)	(9,8)	-
<b>Total</b>	<b>122,7</b>	<b>(75,6)</b>	<b>47,1</b>	<b>38 %</b>	<b>117,2</b>	<b>(82,5)</b>	<b>34,8</b>	<b>30 %</b>

# Restructuring Plan Implemented 26 May 2021

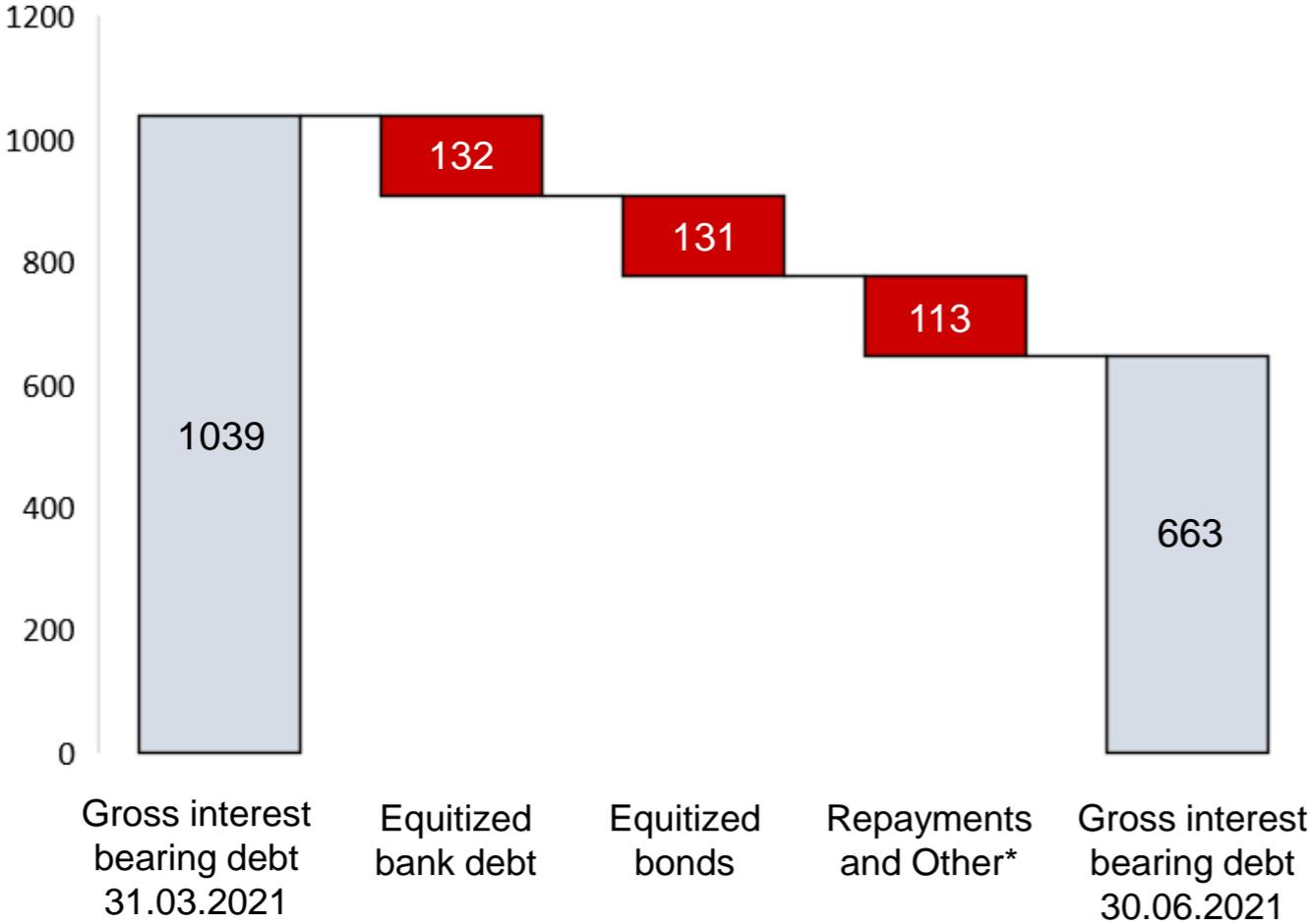
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- USD 269 million of bonds, secured bank debt and negative mark-to-market on financial hedges were converted to equity in Siem Offshore Inc. at NOK 0.1 per share.
- USD 92 million of the debt to equity conversion recognized as debt forgiveness through the profit and loss statement.
- 22,950,466,494 new shares issued to bondholders and secured creditors.
- A reverse split of shares 100:1 was implemented in May 2021.
- Existing equity were diluted to 4% of outstanding shares.
- Converted debt represents 96% of outstanding shares.
- No bond debt in SIOFF post restructuring.
- Siem AHTS Pool AS: Minority shareholder converted shareholder loan of USD 39 million into equity and contributed with USD 10 million in cash for debt repayment.
- No debt maturity until 31 December 2024.
- Annual cash interest and fixed debt amortization on remaining debt significantly reduced due to flexible amortization schedule and possibility to PIK interest for some vessels.
- Revised financial covenants and general undertakings at reduced levels.

# Considerably reduction in interest bearing debt in Q2

Interest bearing debt is reduced by USD 376 million (36%) in Q2.

(Amounts in USDm)



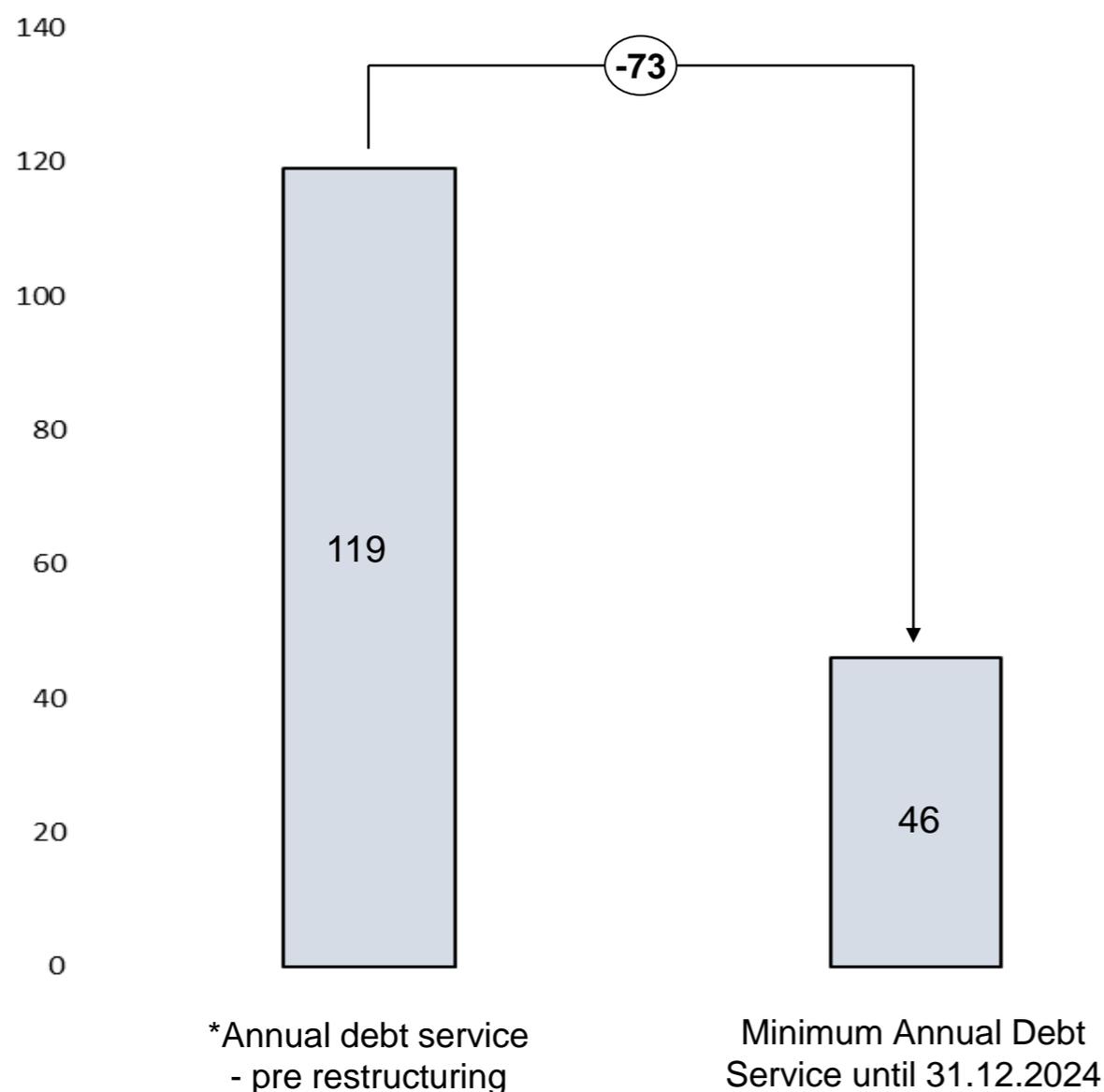
- Equitized bank debt: USD 132 million
- Equitized bonds: USD 131 million
- Repayment and Other: USD 113 million

\*includes \$39m in elimination of minority shareholder loans, \$10m debt repayment from minority shareholder, \$4m cash repayment of SIOFF 01, other debt repayments and PIK interest.



# Minimum annual debt service is reduced by USD 73 million (61%) since pre restructuring

(Amounts in USDm)

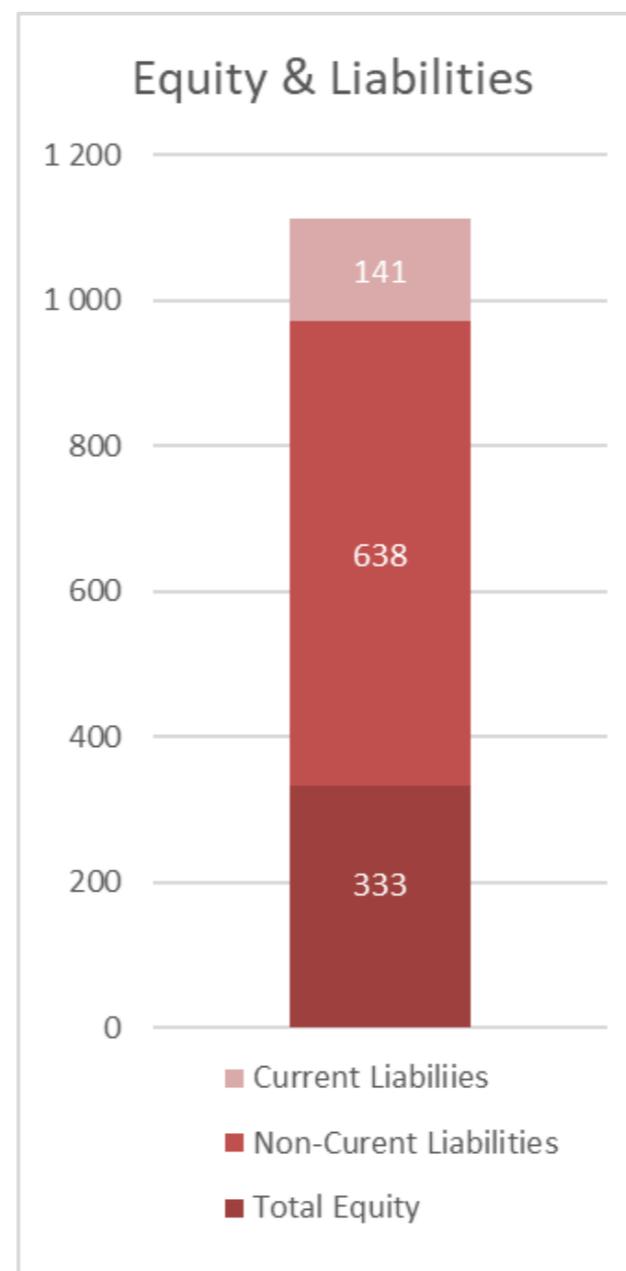
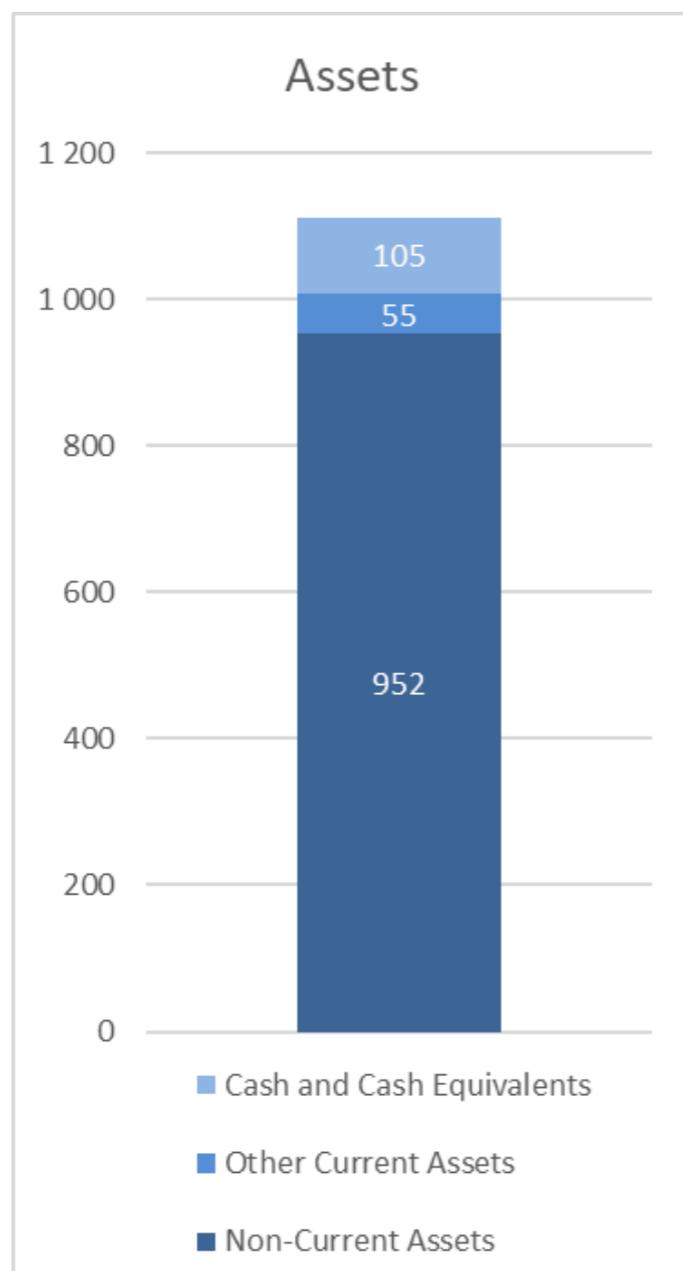


\*Annual debt service original – assumes debt is rolled at maturity and the average annual interest payment 2022-2024

- A flexible debt service structure on remaining debt gives SIOFF room to navigate even in continued rough markets.
- Minimum annual debt service is reduced by USD 73 million (61%) since pre restructuring.
- Cash sweep mechanisms ensure that excess cash is used to repay more debt.
- Cash sweep based on 30 June 2021 is estimated at USD 28 million and will be paid in September.
- Based on the existing backlog, SIOFF expect to repay additional debt through the cash sweep mechanisms going forward.

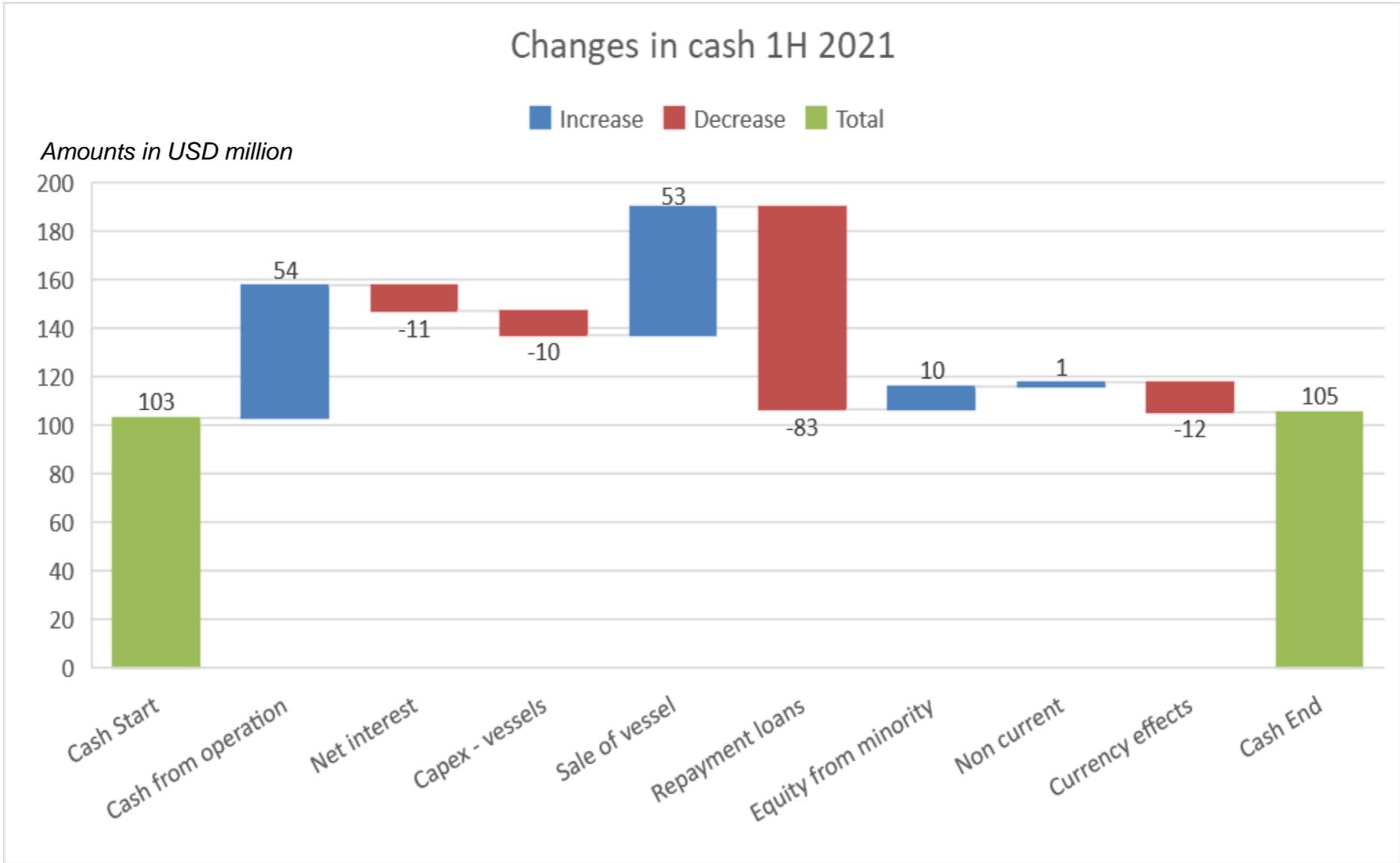
# Financial Position as of 30 June 2021

(Amounts in USDm)



- Book equity is USD 333 million, book equity ratio is 31 % after adjusting CIRR as asset and liability (2020 Q4: USD 12 million, 1%)
- Cash and cash equivalents of USD 105 million
- Gross interest bearing debt of USD 663 million
- Net interest bearing debt is USD 558 million post restructuring

# Cash Flow 1H 2021



# Employment and Contract Backlog



# The Fleet – Modern and High-End

## The Siem Offshore Fleet – 28 vessels in operation

### OSV Segment



- 28 000 BHP, bollard pull ~300te
- Average age of 11 years



- ROV & crane, moonpool
- Average age of 8 years



- PSVs ~ 3,500–5,500 dwt.
- Average age of 7 years



- OSRV, FSV, FCV.



- Canadian flagged vessel.
- Harsh-weather fleet.
- Age 5 years



- Well Intervention Vessels
- Average age of 5 years

### Other Segment



A scientific core sampling research vessel with designed to explore ocean's seabed in order to investigate the origin and the evolution of the Earth

DP, non-riser drilling/core vessel



1 x Well-stimulation vessel.

Vessel Managements:

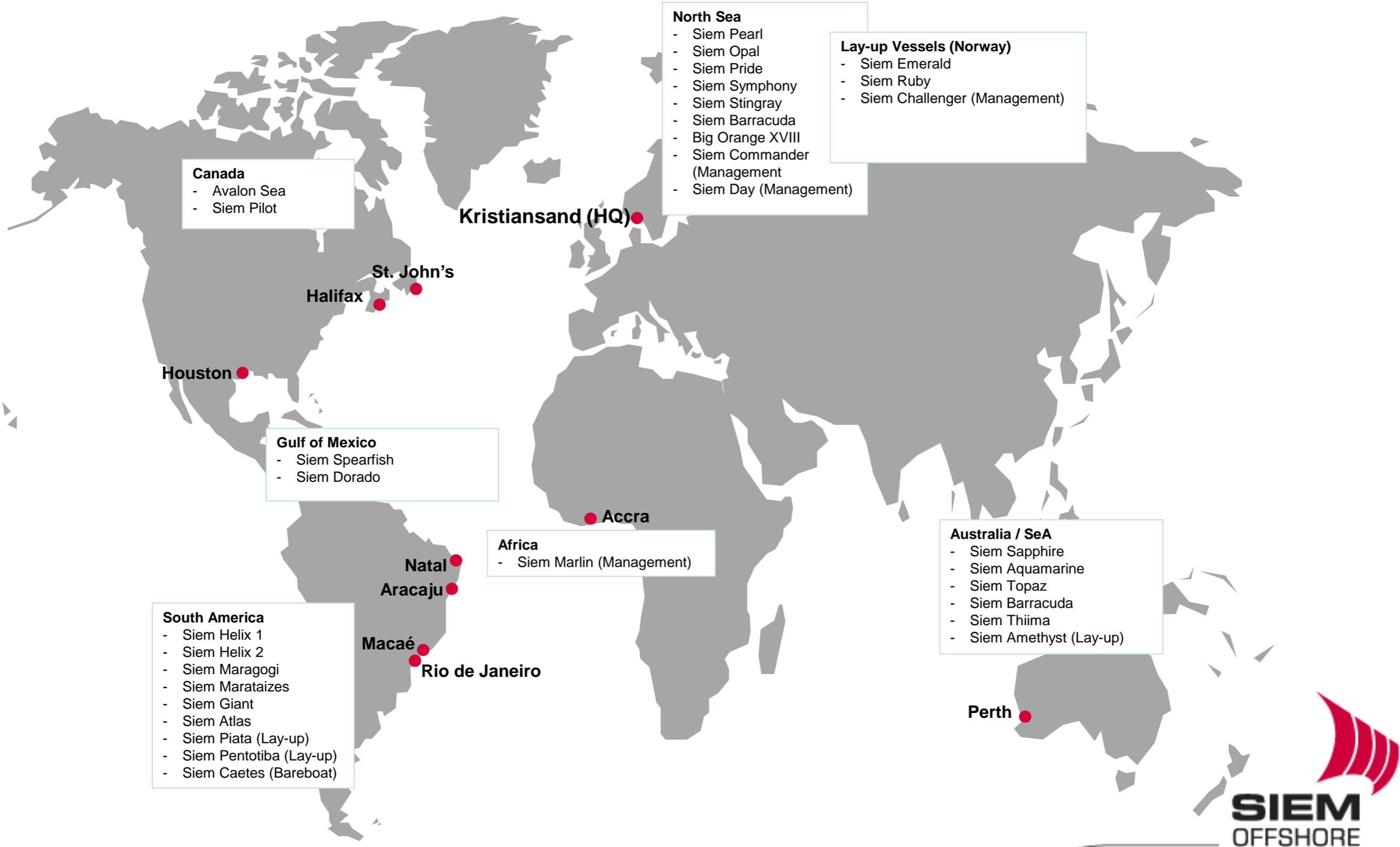
Three offshore vessels owned by Siem Industries related companies  
One offshore vessel for a third party client



1) 78% owned, 2) 41% owned

# Geographical Footprint

- Siem Offshore has Local Presence in Key Markets as of August 2021



# OSV Segments

## Vessel employment

Lay-up per 30 June 2021:

- Siem Emerald
- Siem Amethyst
- Siem Ruby
- Siem Pendotiba
- Siem Piata

Bareboat

- Siem Caetes is on a three-year bareboat contract

Vessel	Type	Ownership	2021			2022			
			2Q	3Q	4Q	1Q	2Q	3Q	4Q
Siem Atlas	PSV	100 %	Contract	Contract	Contract	Contract	Contract		
Siem Giant	PSV	100 %	Contract	Contract	Contract	Contract	Contract		
Siem Symphony	PSV	100 %	Contract	Contract	Contract	Contract			
Siem Pride	PSV	100 %	Contract						
Siem Thiima	PSV	100 %	Contract	Contract	Contract				
Siem Pilot	PSV	100 %	Contract	Contract					
Siem Dorado	OSCV	100 %	Contract	Contract					
Siem Barracuda	OSCV	100 %	Contract	Contract					
Siem Spearfish	OSCV	100 %	Contract	Contract	Contract				
Siem Stingray	OSCV	100 %	Contract	Contract	Contract				
Siem Helix 1	WIV	100 %	Contract						
Siem Helix 2	WIV	100 %	Contract						
Siem Pearl	AHTS	78 %							
Siem Emerald	AHTS	78 %	Lay-up						
Siem Sapphire	AHTS	78 %	Contract	Contract	Contract	Contract			
Siem Aquamarine	AHTS	78 %	Contract	Contract	Contract	Contract			
Siem Ruby	AHTS	78 %	Lay-up						
Siem Topaz	AHTS	78 %	Contract	Contract	Contract	Contract			
Siem Amethyst	AHTS	78 %	Lay-up	Lay-up	Lay-up				
Siem Opal	AHTS	78 %	Lay-up						
Avalon Sea	AHTS	100 %	Contract						
Siem Maragogi	OSRV	100 %	Contract						
Siem Marataizes	OSRV	100 %	Contract						
Siem Caetes	FSV	100 %	Contract						
Siem Piatã	FCV	100 %	Lay-up						
Siem Pendotiba	FCV	100 %	Lay-up						
Joides Resolution	SCDV	100 %	Contract						
Big Orange XVIII	WSV	41 %	Contract	Contract	Contract	Contract			



Contract

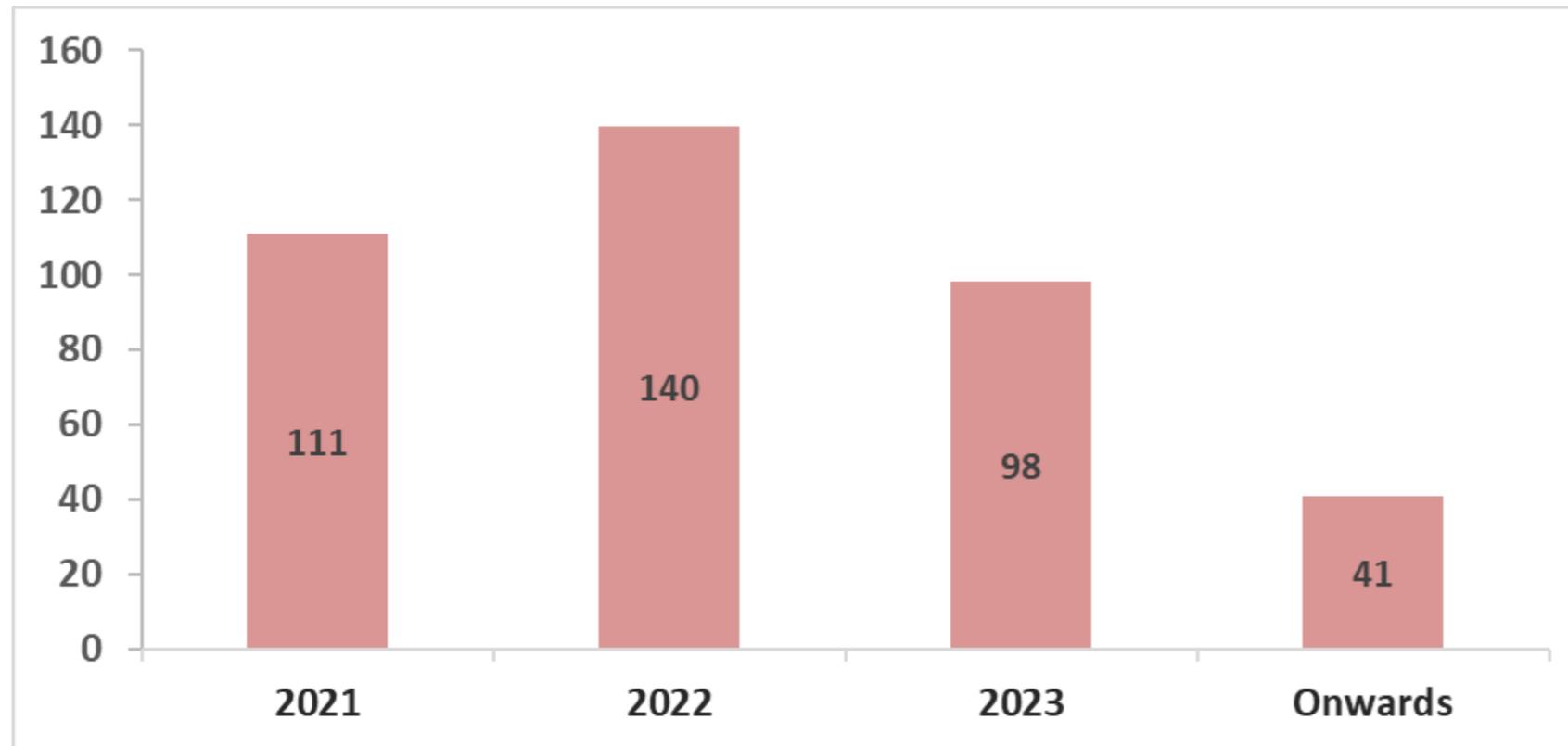


Lay-up



# Contract Backlog

USD 390 million of Firm Contract Backlog as of 30 June 2021



Firm contract backlog for the OSV segment and the Joides Resolution of USD 390 million

- 2021: USD 111 million
- 2022: USD 140 million
- 2023: USD 98 million
- 2024 and onwards: USD 41 million

# Market – Second Quarter 2021

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The second quarter was more or less as expected, with increasing activity towards the summer season. The North Sea AHTS market showed improvement compared to recent years, however reduced Russian demand for North Sea tonnage compared to previous years' summer campaigns negatively impacted the supply side. The PSV market had higher utilization with a corresponding increase in rates, and the main OCV season commenced earlier than in previous years, which also resulted in improving rates for the vessel category compared to previous years. It should be noted that our OCVs through their extensive track record within the offshore renewables market, are benefiting from improved demand in both the fossil and renewable energy segments.

The company sold two of its large AHTS vessels to a non-competing entity towards the end of the quarter, which is positive for the longer term and high-end market supply situation.

The quarter experienced a continued upward trend in the oil price. Although this creates positive expectations for the medium to long term demand, the short-term effects are limited with regards to immediate increase in demand for our services.

# Outlook

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After years of decline in exploration activity, offshore field developments and subsea maintenance campaigns, it's still too early to estimate the exact timing of the return to a sustainable market although the growing demand within renewable energy affects certain segments positively. At the same time, the short-term expectation is that Q3 will improve compared to 2020. The level of activity for the coming winter season is still unclear, but there are more market requirements for the next year than we have experienced in previous years, especially for the OSCV segment for operations in Brazil and West Africa.

We still believe that consolidation is a necessity to re-establish a sustainable market balance, and as such we withhold our statement from 2020 whereby in the current challenging economic situation, all parties involved must show a common interest in creating a sustainable market.

We believe that the Company is well-positioned to compete with its peers due to its modern fleet, quality backlog, strong operating record, positive reputation and its proven ability to provide employment on a global scale.

# Summary

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- The company continued to deliver positive EBITDA from all vessel segments
- First class operations with an excellent QHSE performance
- Firm contract backlog
- Continued to strengthen our position within the renewable segment.
- Restructuring agreement implemented which gives the company a runway until end of 2024
- Successfully sold two AHTS at book value
- We believe in an increasing demand for oil in the next decade, which in turn will keep oil prices stable and increasing willingness to invest.
- Maintenance on the subsea infrastructures has been 'neglected' for years - higher activity is expected within IMR/Subsea segment.
- COVID 19 is still a challenge.
- Consolidations will create a better market balance, especially within the AHTS and OCV segment where there are fewer vessels and owners.

*Despite the unclear market forecast, SIOFF is well positioned worldwide to make the best contribution from what the market can offer to ensure utilization with good and safe operations.*

# Q&A



Presented by  
Bernt Omdal - CEO  
Vidar Jerstad- CFO