

SEA1 OFFSHORE INC.
REPORT FOR FIRST QUARTER 2024

On 15 May 2024 – Sea1 Offshore Inc. (the “Company”; Oslo Stock Exchange: SEA1) announces results for first quarter ended 31 March 2024.

SELECTED FINANCIAL INFORMATION

	2024	2023	2023
<i>(Amounts in USD millions)</i>	1Q	1Q	Jan-Dec
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
Operating revenues	83.2	76.5	336.0
EBITDA	32.9	37.0	164.5
EBITDA, %	40%	48%	49%
Operating profit (loss)	14.7	20.1	163.3
Net profit (loss)	11.6	30.4	173.1
Net profit (loss) attributable to shareholders	11.8	31.0	174.5
Net cash flow before debt repayment	-2.8	31.9	113.9
Net interest bearing debt	366.0	445.4	365.1
Repayment of interest bearing debt	19.6	19.3	112.1
Firm Contract Backlog	898.9	429.7	319.5
Total Equity	534.2	381.3	529.2
Cash and Cash equivalents	76.8	106.5	97.3

HIGHLIGHTS FOR THE FIRST QUARTER

- From 31 December 2023 to 31 March 2024, the firm contract backlog increased by USD 579 million , of which USD 507 million is related to the remaining vessels following the transaction with Siem referred to below under subsequent events.
- Signed agreements for the Well Intervention Vessels “Siem Helix 1” and “Siem Helix 2”. The new contracts will commence on 1 January 2025 and 1 January 2026 and replace the existing contracts. The new contracts have a duration of 6 years for each vessel, with subsequent options of up to 5 years. The firm contract backlog effective from 1 January 2025 for these two vessels is USD 608 million. Following the firm contract period, there are options with a total contract value of USD 475 million. In total USD 1.1 billion if all options are exercised.
- Entered into a one-year firm contract plus one year option for the OSCV “Siem Spearfish” with PXGEO at substantially higher day-rates.
- Awarded a contract extension for the MPSV “Siem Dorado” securing utilization for a period reaching towards the end of Q4 2024, with PXGEO, at a higher day-rate than previous contracts.
- Awarded a contract extension for the PSV “Siem Giant” and the PSV “Siem Atlas” with TotalEnergies EP Brasil. The new duration for “Siem Giant” is 3 years firm with options up to 4 more years and for “Siem

Atlas” the new duration is 9 months firm with options until the end of Q2 2027. Both these vessels operating in Brazil will commence the contracts in June 2024 in direct continuation of present contracts.

- Entered into a contract for the AHTS “Siem Ruby” to an International Oil Major for a period covering the remainder of 2024.

SUBSEQUENT EVENTS

- Signed a new contract for the Oil Spill Response Vessel “Siem Marataizes” operating in Brazil with a duration of 4 years with commencement 2Q 2024.
- The Company agreed to sell 9 of its vessels (3 AHTS, 4 PSV and 2 Subsea vessels (OSCV) as of 1 April 2024 to the major shareholder Siem Sustainable Energy S.a r.l and related companies ("Siem") in exchange for 35.7% of the Company's shares. Siem will assume USD 117.5 million of existing vessel debt as part of the transaction. The transaction is expected to generate a gain. Further details can be found in the transaction agreement which was attached to the notice for the 2024 Annual General Meeting. Siem will cease to be a shareholder in the Company and Kristian Siem did not offer himself for election at the annual shareholders meeting held on 7 May 2024. The vessels will be transferred to Siem as soon as practical and before 1 July 2024. Siem will resume risk and reward for these vessels from 1 April 2024. These transactions are pending the completion of certain closing conditions.
- The Annual General Meeting of the Company was held on 7 May 2024. All proposed resolutions were approved. Following the AGM resolutions the Directors of the Company are: Christen Sveaas, Celina Midelfart, Fredrik Platou and Ørjan Svanevik.
- Following the Annual General Meeting, the new Board convened and elected Christen Sveaas as Chairman of the Board of Directors.
- Secured a medium-term contract (200 days firm + 28 days of options) for the AHTS “Siem Emerald” in South America for a major offshore construction company. The contract will commence end of May.

MARKET AND OUTLOOK

The first quarter was as expected, with relatively low activity at the start and then increasing towards the end and the beginning of the summer season. The North Sea spot market was, as is usual during the winter months, characterized by limited utilization within the AHTS and PSV segment. The PSV market in particular was more difficult than we had expected. The AHTS market is expected to continue to be volatile also going forward. The subsea segment was very tight and the competition between renewable projects and traditional oil and gas campaigns is starting to produce results in terms of improved utilization, also in the winter season.

The activity around the world continues to strengthen, backed by an oil price level providing incentives for further investments. For almost all OSV segments, there is an increase in numbers of multi-year contracts hitting the market. This is a strong signal that charterers are positioning themselves strategically to reduce the risk of not having control over capable assets to carry out already booked projects and planned campaigns in the coming years. The long-term outlook for our OSV fleet continues to strengthen due to increased need for adequate and secure energy supply. The renewable energy segment is also under parallel pressure to increase production, in line with the long-term

energy supply transition goal for a more sustainable energy production perspective. The Company is competitively well-positioned with its modern fleet, solid balance sheet, quality backlog, strong operating record, positive reputation and its proven ability to provide employment on a global scale both within the fossil and renewable energy segments.

RESULTS AND FINANCE

Income Statements (1Q 2024 over 1Q 2023)

Operating revenues were USD 83.2 million (2023: USD 76.5 million). EBITDA (previously referred to as operating margin, see APM definitions) was USD 32.9 million (2023: USD 37.0 million). The increase in revenues from 1Q 2023 was mainly caused by uplift in charter rates and increased demand in the AHTS-segment. Decrease in EBITDA is mainly due to 3 vessels in dry-dock for Class-renewal in Q1 2024 for the Subsea-segment, resulting in lower revenues and increased operating expenses. Q1 2023 operating expenses and EBITDA was positively affected at USD 3.7 million from a reversal of bad debt reserves related to the 2019 sale of “Siem Marlin”, following receipt of USD 12 million down-payment in Q1 2023. The operating expenses increased from Q1 2023 by further USD 6.8 million due to dry-docking (around USD 1.1 million), changes in area of operation (around USD 3.4 million), insurance cases, high inflation and timing of repair & maintenance (around USD 2.3 million). Administrative expenses were USD 5.6 million (2023: USD 5.2 million).

Operating profit/(loss) was USD 14.7 million (2023: USD 20.1 million) after depreciation and amortization expenses of USD 18.2 million (2023: USD 16.9 million).

Net financial items were USD -3.0 million (2023: USD 9.9 million) and include a net revaluation gain/(loss) of non-USD currency items of USD 3.3 million (2023: USD 9.3 million), of which USD 4.5 million was unrealized (2023: USD 9.5 million). The financial expenses were USD 8.6 million (2023: USD 2.3 million). The financial expenses in Q1 2023 were positively affected from the reversal of impairment related to receivables at USD 5.8 million related to receivables to the 2019 sale of “Siem Marlin” as also commented above. Non-USD currency items are held to match short- and long-term liabilities in similar currencies.

The net profit/(loss) attributable to shareholders was USD 11.8 million (2023: USD 31.0 million), representing USD 0.05 per share (2023: USD 0.13 per share).

Statements of Financial Position and Cash Flows

Shareholders' equity was USD 539.4 million before non-controlling interest on 31 March 2024 (31 December 2023: USD 534.3 million), equivalent to USD 2.26 per share (2023: USD 2.24 per share). Non-controlling interest is USD -5.3 million. Total book equity ratio was 49.7 % (31 December 2023: 48.7 %). Net cash flow from operating activities for the first three months 2024 was USD 17.0 million and the cash position on 31 March 2024 was USD 76.8 million. Cash flow from investing activities was USD -20.6 million due to dry-docking and periodic maintenance, mainly related to the 10-year class-renewals of the 3 OSCV vessels “Siem Spearfish”, “Siem Stingray” and “Siem Barracuda”.

The gross interest-bearing debt was equivalent to USD 442.8 million. In the first three months 2024, the Company made principal repayments of USD 19.6 million. In the same period, the Company made interest payments of USD 7.6 million.

The weighted average cost of debt for the Company was approximately 7.2% p.a. on 31 March 2024 (31 March 2023: 6.2%). The Company has no debt-related derivatives such as interest rate swaps and cross currency swaps. 39% of interest-bearing debt has fixed interest rate.

On 31 March 2024 USD 189 million was classified as current debt. This includes USD 156 million of outstanding debt under certain facilities that mature in December 2024. The Company is experiencing interest from various funding sources, including the bond and bank market, and the December 2024 maturities are expected to be refinanced during the year.

The share capital is USD 238.852 million, representing a total of 238,852,052 shares with a nominal value of USD 1.00 per share. Following the completion of the transaction with Siem, the total number of shares outstanding is expected to be 153,544,315, each with a nominal value of USD 1.00 per share.

The Fleet

On 31 March 2024, the fleet totaled 26 vessels (2023: 28 vessels), including partly owned vessels. No vessels were in lay-up at the end of the quarter (2023: 2). In addition to the owned fleet of 26 vessels, the Company performs ship-management services for 3 vessels. The overall fleet utilization in the quarter was 87% (2023: 89%), excluding vessels in lay-up. Following the sales transaction of 9 vessels as referred to under Subsequent Events (3 AHTS, 4 PSV and 2 Subsea OCSV vessels) the Company will own and operate a fleet of 17 vessels. The Company will in addition perform ship management services for 12 vessels as the Company will continue to manage the 9 vessels under industry standard ship management agreements for a minimum period of one year.

Vessel overview per 31 March 2024, including future ownership and employment:

Vessel name	Segment	Sea1 Vessels	Siem Vessels	Client
Siem Dorado	Subsea	x		PXGeo Equipment Ltd
Siem Spearfish	Subsea	x		PXGeo Crewing Pte Ltd.
Siem Helix 1	Subsea	x		Helix International
Siem Helix 2	Subsea	x		Helix International
Joides Resolution	Subsea	x		Texas A&M Research Foundation
Siem Barracuda	Subsea		x	Ailes Marines SAS
Siem Stingray	Subsea		x	Subsea 7
Siem Atlas	PSV	x		Total E&P Brasil
Siem Giant	PSV	x		Total E&P Brasil
Siem Pilot	PSV		x	Woodside Energy
Siem Pride	PSV		x	Okea ASA
Siem Symphony	PSV		x	N/A-Spot vessel
Siem Thiima	PSV		x	Woodside Energy
Siem Amethyst	AHTS	x		Inpex
Siem Aquamarine	AHTS	x		Inpex
Siem Emerald	AHTS	x		N/A-Spot vessel
Siem Ruby	AHTS	x		Equinor
Siem Sapphire	AHTS	x		Woodside Energy
Avalon Sea	AHTS	x		ExxonMobil
Siem Opal	AHTS		x	N/A-Spot vessel
Siem Pearl	AHTS		x	N/A-Spot vessel
Siem Topaz	AHTS		x	DFO (Helix Robotics)
Siem Maragogi	FC&OSRV	x		Petrobras, Brazil
Siem Marataizes	FC&OSRV	x		Petrobras, Brazil
Siem Pia�	FC&OSRV	x		Starsea (Bare-Boat agreement)
Siem Pendotiba	FC&OSRV	x		Asteomar (Bare-Boat agreement)

Results for the First Quarter 2024

Platform Supply Vessels (PSVs)

The Company had 6 PSVs in the fleet at the end of the quarter (2023: 6). The PSVs recorded operating revenues of USD 10.4 million and had 92% utilization (2023: USD 9.9 million and 94%). The operating margin before administrative expenses for the PSVs was USD 1.8 million (2023: USD 2.6 million).

Subsea Vessels

The Company had 4 Offshore Subsea Construction Vessels (OSCVs), 2 Well-Intervention Vessels (WIVs) and 1 Scientific Core-drilling vessel at the end of the quarter (2023: 4 OSCVs, 2 WIVs and 1 Scientific core-drilling vessel). The Subsea vessels earned operating revenues of USD 43.3 million and had 85% utilization (2023: USD 44.1 million and 97%). The operating margin before administrative expenses was USD 25.6 million (2023: USD 28.0 million). The revenues and operating margin decreased from 2023 due to 3 vessels in dry dock for Class Renewal in Q1 2024.

Anchor-Handling Tug Supply (AHTS) Vessels

The Company had 8 large AHTS vessels and 1 small AHTS vessel at the end of the quarter (2023: 8 + 1). The AHTS fleet earned operating revenues of USD 25.3 million and had 80% utilization (2023: USD 19.0 million and 78%). The operating margin before administrative expenses was USD 9.8 million (2023: USD 6.5 million). No vessels were in lay-up at the end of the quarter (2023: 0 vessel). The revenues and operating margin increased from 2023 due to increased charter rates and utilization.

Other Vessels

The Company had a fleet of 4 smaller Fast Crew & Oil Spill Recovery Vessels at the end of the quarter (2023: 5). No vessels were in lay-up at the end of the quarter (2023: 2 vessels). The fleet earned operating revenues of USD 3.8 million and had 99% utilization (2023: USD 3.2 million and 93%). The operating margin before administrative expenses for the fleet was USD 1.1 million (2023: USD 0.8 million).

Health, Safety, Environment & Quality (HSEQ)

The Company has not experienced any serious injuries nor any serious environmental incidents in the first quarter of 2024.

The quarterly safety campaign has focused on the psychological wellbeing of seafarers. The Healthy Marine Minds campaign was rolled out globally and was well received by the crews and clients.

The increased frequency of long-term contracts gives opportunities for closer cooperation between the Company and our partners – to provide a safe workplace for all our employees and subcontractors.

A two-day Officers conference was successfully arranged in Kristiansand and all top-five officers from the vessels were invited to the conference.

Lessons Learned following incidents are shared with the whole fleet and clients. This is done in order to learn and share experiences across the organization.

The Company is committed to carrying out its business in an ethical manner and in strict compliance with applicable laws wherever we operate. We have further earned the trust of our clients, business partners, suppliers, and other stakeholders by acting consistently and reliably in accordance with these principles. Mandatory Anti-Bribery and Sanctions training is carried out annually.

Environmental, Social and Governance

Environmental, Social and Governance (ESG) is a high priority for the Company. Sea1 Offshore continuously strives to meet and exceed expectations from its stakeholders on all areas, including sustainability.

Environment

For fleet emissions, the Company reports on the Carbon Intensity Indicator (CII), a proxy that measure grams CO₂ total tailpipe emission per hour in operation. The CII was end of Q4 2023 at 133.1g/kWh, and as per Q1 2024 at 131.8g/kWh, slightly above target compared to the goal of 50% reduction in 2030 compared to 2008 levels. This goal has been set by the Company in line with recommendations given by the Norwegian Shipowners Association.

In the quarter, there was no oil spill to sea or other environmental incidents.

As part of the Company's ambition towards reaching 50% emission reduction target in 2030, several projects and studies are ongoing on alternative fuel and new energy technology onboard.

Social

The company's main KPI on safety, Total Recordable Injury Frequency (TRIF), was 0.0 for the quarter (excl four vessels in Brazil). The target is below 2.4.

In the quarter there were zero Lost Time Incidents (LTI), now 20 months since last LTI.

At end of the quarter, the relative share of female staff was 39% onshore and 6% offshore.

As per our Human Rights policy, the Company is committed to the principles of non-discrimination and equal opportunity, regardless of gender, nationality, beliefs, or other factors.

Governance

The company is aligned with the requirements in the Norwegian Transparency Act (Norwegian: "Åpenhetsloven"). Further work will be to perform specific audits of high-risk activities and publish relevant results from such.

For the new regulation on sustainability reporting, EU's Corporate Sustainable Reporting Directive (CSRD), where Sea1 Offshore is classified as a large and listed company, it will become eligible with effect from fiscal year 2024. To meet the requirements of the CSRD, coordination work and preparation for data collection are ongoing.

No governance incidents or whistleblower reports were registered during the quarter.

In the quarter a total of 21 internal and external audits, vettings, class surveys, and port state controls (excl four vessels in Brazil) have been satisfactorily completed.

Contract Backlog

The firm total contract backlog on 31 March 2024 was USD 899 million, an increase of 579 million since 31 December 2023, mainly due to the new contracts for “Siem Helix 1” and “Siem Helix 2”. Excluding the 9 vessels reported to be sold, the firm net contract backlog is USD 827 million, in addition to options of USD 594 million, allocated as below:

<i>(Amounts in USD millions)</i>	2024	2025	2026 and onwards	Total
Firm Backlog	168	114	544	827
Options Backlog	7	59	528	594
Total Backlog including options	175	173	1 072	1 421

On behalf of the Board of Directors of Sea1 Offshore Inc.

15 May 2024

Christen Sveaas, Chairman

Celina Midelfart, Director

Fredrik Platou, Director

Ørjan Svanevik, Director

Bernt Omdal, Chief Executive Officer

CONSOLIDATED INCOME STATEMENT

		2024	2023	2023
	Note	1Q	1Q	Jan-Dec
<i>(Amounts in USD 1,000)</i>		<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
Operating revenues	4	83,171	76,455	336,026
Operating expenses	8	-44,621	-34,250	-149,239
Administrative expenses	8	-5,631	-5,240	-22,301
EBITDA	4	32,920	36,965	164,486
Depreciation and amortization	4,5,8	-18,206	-16,879	-68,023
Reversal of impairment of vessels	4,5	-	-	66,966
Gain/(loss) on sales of fixed assets	5	-	-	-178
Operating profit/(loss)		14,713	20,085	163,251
Financial income	9	2,290	2,843	11,053
Financial expenses	8,9	-8,595	-2,263	-29,711
Net currency gain/(loss) on revaluation	9	3,298	9,333	8,963
Net financial items		-3,007	9,913	-9,695
Result from associated companies		-3	276	550
Profit/(loss) before taxes		11,703	30,275	154,106
Tax benefit/(expense)	7	-123	114	19,027
Net profit/(loss)		11,580	30,389	173,133
<i>Attributable to non-controlling interest</i>		-191	-561	-1,381
Attributable to shareholders of the Company		11,771	30,950	174,515

STATEMENT OF COMPREHENSIVE INCOME

Net profit (loss)	11,580	30,389	173,133
Other comprehensive income / (expense)			
Items that will not be reclassified to the Income Statement:			
Pension re-measurement gain/(loss)	-	-	-739
Items that may be subsequently reclassified to the Income Statement:			
Cash flow hedges	-644	1,405	5,297
Currency translation differences	-5,956	-9,866	-7,893
Total comprehensive profit /(loss) for the period	4,981	21,928	169,799
<i>Attributable to non-controlling interest</i>	-191	-561	1,381
Attributable to non-controlling interest	5,171	22,489	171,180
Weighted average number of outstanding shares(000's)	238,852	238,852	238,852
Earnings/(loss) per share (basic and diluted)	0.05	0.13	0.73

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>(Amounts in USD 1,000)</i>	Note	31.03.2024	31.12.2023
ASSETS		<i>Unaudited</i>	<i>Audited</i>
Non-current assets			
Vessels and equipment	5,8	844,039	845,148
Capitalized project cost	5	1,498	1,533
Investment in associates and other long-term receivables		31,814	31,788
CIRR loan deposit ¹⁾		10,319	13,759
Deferred tax asset	7	27,567	27,586
Total non-current assets		915,236	919,814
Current assets			
Trade receivables and other current assets		81,942	69,830
Cash and cash equivalents	6	76,836	97,325
Total current assets		158,778	167,155
Total Assets		1,074,014	1,086,969
EQUITY			
Share capital		238,852	238,852
Other reserves ²⁾		300,580	295,408
Total Shareholders' equity		539,432	534,261
Non-controlling interest		-5,275	-5,085
Total Equity		534,157	529,176
LIABILITIES			
Non-current liabilities			
Borrowings	6	253,462	249,861
CIRR loan ¹⁾		10,319	13,759
Other non-current liabilities	8	18,515	18,775
Total non-current liabilities		282,296	282,395
Current liabilities			
Current portion of borrowings	6	189,363	212,525
Accounts payable and other current liabilities	7,8	68,199	62,872
Total current liabilities		257,561	275,398
Total liabilities		539,858	557,792
Total Equity and Liabilities		1,074,014	1,086,968

1) Commercial Interest Reference Rate

2) Share premium reserves have been included in Other reserves

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	2024	2023	2023
(Amounts in USD 1,000)	1Q	1Q	Jan-Dec
	Unaudited	Unaudited	Audited
Cash flow from operating activities			
Net profit/(loss)	11,580	30,389	173,133
Interest expense	8,253	7,722	34,209
Interest income	-2,290	-844	-11,059
Currency hedge recycling	-	-	1,329
Tax benefit/(expense)	123	-114	-19,027
Results from associated companies	3	-276	-550
Loss/(gain) on sale of assets	-	-	178
Reversal of impairment related to vessels and long-term receivables	-	-5,770	-72,737
Depreciation and amortization	18,206	16,879	68,023
Unrealized currency gain/(loss)	-4,516	-9,531	-12,546
Changes in short-term receivables, payables and other accruals	-6,786	-294	-5,920
Other changes	-1,210	1,282	2,324
Cash flow from operating activities	23,363	39,443	157,356
Interest paid	-7,601	-4,500	-28,761
Interest received	1,467	574	8,450
Taxes paid	-269	-308	579
Net Cash flow from operating activities	16,960	35,209	137,624
Cash flow from investing activities			
Capital expenditure in vessels and equipment	-20,565	-9,619	-33,492
Proceeds from sale of fixed assets	-	-	16
Change in other non-current receivables	-	5,960	5,960
Dividend from associated companies	-	-	2,578
Cash flow from investing activities	-20,565	-3,659	-24,937
Cash flow from financing activities			
Contribution from non-controlling interests	1,092	874	3,109
Paid leases	-289	-447	-1,847
Changes in other non-current liabilities	-	-51	-
Repayment of long-term borrowings	-19,551	-19,329	-112,145
Cash flow from financing activities	-18,748	-18,954	-110,883
Net change in cash and cash equivalents	-22,353	12,597	1,804
Cash and cash equivalents, beginning of period	97,325	94,949	94,949
Effect of exchange rate differences	1,864	-1,029	571
Cash and cash equivalents, end of period	76,836	106,517	97,325

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

<i>(Amounts in USD 1,000)</i>	Total no. of shares	Share capital	Share premium reserves	Other reserves	Retained earnings	Share- holders' equity	Non- Contr. interest	Total equity
Equity at 1 January 2023	238,852,052	238,852	163,160	-38,931	-	363,081	-3,703	359,377
Net profit/(loss) for the period	-	-	-	-	30,950	30,950	-561	30,389
Cash flow hedge	-	-	-	1,405	-	1,405	-	1,405
Currency translation differences	-	-	-	-9,866	-	-9,866	-	-9,866
Equity at 31 March 2023	238,852,052	238,852	163,160	-47,392	30,950	385,570	-4,264	381,306

<i>(Amounts in USD 1,000)</i>	Total no. of shares	Share capital	Share premium reserves	Other reserves	Retained earnings	Share- holders' equity	Non- Contr. interest	Total equity
Equity at 1 January 2023	238,852,052	238,852	163,160	-38,931	-	363,081	-3,703	359,377
Net profit/(loss) for the period	-	-	-	-	174,515	174,515	-1,381	173,133
Pension re-measurement	-	-	-	-	-739	-739	-	-739
Cash flow hedge	-	-	-	5,297	-	5,297	-	5,297
Currency translation differences	-	-	-	-7,893	-	-7,893	-	-7,893
Equity at 31 December 2023	238,852,052	238,852	163,160	-41,527	173,775	534,260	-5,085	529,176

<i>(Amounts in USD 1,000)</i>	Total no. of shares	Share capital	Share premium reserves	Other reserves	Retained earnings	Share- holders' equity	Non- Contr. interest	Total equity
Equity at 1 January 2024	238,852,052	238,852	163,160	-41,527	173,775	534,260	-5,085	529,176
Net profit/(loss) for the period	-	-	-	-	11,771	11,771	-191	11,580
Cash flow hedge	-	-	-	-644	-	-644	-	-644
Currency translation differences	-	-	-	-5,956	-	-5,956	-	-5,956
Equity at 31 March 2024	238,852,052	238,852	163,160	-48,126	185,546	539,432	-5,275	534,156

NOTES TO THE FINANCIAL STATEMENTS

Note 1 – Basis of Preparation

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

The consolidated financial information for the period 1 January to 31 March 2024 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The consolidated interim financial information should be read in conjunction with the audited annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with IFRS standards.

Note 2 – Accounting Policies

The accounting policies applied are consistent with those of the audited annual financial statements for the year ended 31 December 2023 and with new standards, amendments to standards and interpretations that have become effective in 2024.

Note 3 –Key Risks

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

3.1 Interest Risk

The Company is exposed to changes in interest rates as approximately 61% of the long-term interest-bearing debt was subject to floating interest rates at the end of March 2024. The remaining portion of the debt is subject to fixed interest rates.

3.2 Currency Risk

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

3.3 Inflation Risk

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

NOTES TO THE FINANCIAL STATEMENTS

3.4 Liquidity Risk

On 31 March 2024 USD 189 million was classified as current debt. This includes USD 156 million of outstanding debt under certain facilities that mature in December 2024. The Company is experiencing interest from various funding sources, including the bank market, and the December 2024 maturities are expected to be refinanced during the year. See Annual Report 2023 note 12 for further details.

3.5 Commercial and operational risk

The Company is exposed to commercial risk as it operates in the cyclical oil and gas service markets and in the offshore renewables market with significant volatility in charter rates. Operational risk is related to availability of experienced crew and technical incidents with vessels and equipment. The Company is exposed to credit risk related to counter parties' ability to meet their financial obligations.

NOTES TO THE FINANCIAL STATEMENTS

Note 4 – Segment Reporting

	2024	2023	2023
<i>(Amounts in USD 1,000)</i>	1Q	1Q	Jan-Dec
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
Operating revenue by segments			
Platform Supply Vessels	10,386	9,918	48,419
Subsea Vessels	43,346	44,098	186,981
Anchor Handling Tug Supply Vessels	25,337	18,977	85,031
Fast Crew & Oil Spill Recovery Vessels	3,806	3,155	14,272
Other/Intercompany elimination	296	307	1,323
Total operating revenue	83,171	76,455	336,026
Operating margin by segments			
Platform Supply Vessels	1,759	2,602	17,919
Subsea Vessels	25,592	27,991	123,932
Anchor Handling Tug Supply Vessels	9,762	6,483	34,394
Fast Crew & Oil Spill Recovery Vessels	1,110	796	4,273
Other/Intercompany elimination	327	4,332	6,270
Total operating margin by segments	38,550	42,205	186,787
Administrative expenses	-5,631	-5,240	-22,301
Total EBITDA	32,920	36,965	164,486
Depreciation by segments			
Platform Supply Vessels	-3,178	-2,485	-10,069
Subsea Vessels	-9,419	-9,018	-35,592
Anchor Handling Tug Supply Vessels	-4,720	-4,329	-18,264
Fast Crew & Oil Spill Recovery Vessels	-723	-715	-2,730
Other/Intercompany elimination	-166	-333	-1,369
Total depreciation by segments	-18,206	-16,879	-68,023
Reversal of vessel impairment by segments			
Platform Supply Vessels	-	-	4,966
Subsea Vessels	-	-	62,000
Total reversal of vessel impairment by segments	-	-	66,966

NOTES TO THE FINANCIAL STATEMENTS

Note 5 - Vessels, Equipment and Project Cost

<i>(Amounts in USD 1,000)</i>	Land and buildings	Vessels and equipment	Capitalized project cost	Total
Purchase cost at 1 January 2024	7,778	2,195,007	8,170	2,210,955
Capital expenditure	-	20,565	-	20,565
The period's disposal at cost	-1,821	-9,845	-	-11,667
Effect of exchange rate differences	-58	-9,728	-132	-9,917
Purchase cost at 31 March 2024	5,898	2,195,999	8,039	2,209,936
Accumulated depreciation at 1 January 2024	-3,408	-881,745	-6,637	-891,791
Accumulated impairment at 1 January 2024	-	-472,484	-	-472,484
The period's depreciation	-130	-18,041	-35	-18,206
The period's disposal of accumulated depreciation	1,821	9,845	-	11,667
Effect of exchange rate differences	35	6,248	132	6,415
Accumulated depreciation and impairment at 31 March	-1,682	-1,356,177	-6,541	-1,364,399
Net book value at 31 March 2024	4,216	839,822	1,498	845,537

The balance of capitalized project costs relates to specific contracts. The costs are amortized over the economic life.

The Company did not identify any indicators of impairments/reversal of impairments for vessels at the end of Q1 2024.

NOTES TO THE FINANCIAL STATEMENTS

Note 6 – Interest-Bearing Debt

<i>(Amounts in USD 1,000)</i>	31.03.2024	31.12.2023
	<i>Unaudited</i>	<i>Audited</i>
Total cash and cash equivalents	76,836	97,325
Current portion of borrowings	-189,363	-212,525
Non-current portion of borrowings	-253,462	-249,861
Gross interest-bearing debt	-442,824	-462,386
Net interest-bearing debt	-365,989	-365,061

The interest-bearing debt is denominated in currencies as follows: USD 95% and NOK 5%. The cash position is denominated in USD at 48%, NOK at 24%, BRL at 25% (Brazil only allows bank deposits in BRL) and other currencies at 3%. Restricted funds were USD 5.7 million.

The long-term interest bearing-debt per 31 March 2024 includes a shareholder's loan from the minority shareholder in Siem AHTS Pool AS at USD 9.1 million. The loan is subordinated to other financial debt and any debt servicing is contingent on lending bank's approval.

All bank debt in Brazil (USD 101.3 million), has long dated tenors (2030-2035), and fixed interest rates at weighted average of 3.6% p.a.

For further information related to refinancing and key risks, see note 3.

Note 7 – Taxes

The Company is subject to taxes in several jurisdictions where significant judgement is required in calculating the tax provision for the Company. There are several transactions for which the ultimate tax cost is uncertain and for which the Company makes provisions based on internal estimates, tax treaties and tax regulations in countries of operation and appropriate external advice. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the tax charge in the period in which the outcome is determined. The Company holds a significant balance of losses carried forward and other tax positions that may be offset against future tax positions, provided that the Company earns taxable profits and that current tax regulations are maintained. As the timing and valuation of the tax positions are uncertain, the Company has included only a minor share of its potential deferred tax asset in the Balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

Note 8 - Leases

The Company has entered into various operating leases for office premises, office machines and communication satellite equipment for the vessels. The lease period for the lease agreements varies and most of the leases contain an option for extension. The interest rates in the calculation of net present values are in the range of 9%-13% depending on the base currency, the nature of the lease and the length of the leasing agreement.

Consolidated Statements of Financial Position:

(Amounts in USD 1,000)

Right of use assets at 1 January 2024	5,680
The period's depreciation	-193
Effect of exchange rate differences	-23
Right of use assets at 31 March 2024	5,464

The balance sheet shows the following amounts relating to leases:

<i>(Amounts in USD 1,000)</i>	31.03.2024	31.12.2023
Right of use assets*		
Office premises	4,210	4,363
Vessels and Equipment	1,254	1,317
Total	5,464	5,680

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

(Amounts in USD 1,000)

Lease liability at 1 January 2024	5,709
Lease payments	-253
Interest cost	131
Effect of exchange rate differences	-23
Lease liability at 31 March 2024	5,564

<i>(Amounts in USD 1,000)</i>	31.03.2024	31.12.2023
Lease liabilities**		
Current	915	918
Non-Current	4,649	4,791
Total lease liabilities	5,564	5,709

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

NOTES TO THE FINANCIAL STATEMENTS

Note 9 – Financial Items

	2024	2023	2023
<i>(Amounts in USD 1,000)</i>	1Q	1Q	Jan-Dec
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
Interest income	2,191	2,839	11,028
Other financial income	99	4	25
Total financial income	2,290	2,843	11,053
Interest expenses	-8,253	-7,722	-34,209
Reversal of impairment related to Seller's credit Siem Marlin	-	5,771	5,771
Other financial expenses	-342	-312	-1,274
Total financial expenses	-8,595	-2,263	-29,711
Net currency gain/(loss)	3,298	9,333	10,292
Hedge accounting recycling	-	-	-1,329
Total currency gain/ (loss) on revaluation	3,298	9,333	8,963
Net financial items	-3,007	9,913	-9,695

The net effect of currency items in the Income Statement and in the Statement of Other Comprehensive Income, including currency translation differences and currency hedges, was USD -3.3 million in 1Q 2024.

ALTERNATIVE PERFORMANCE MEASUREMENT (APM)

The Company has identified several APMs that are consistently applied for the reporting periods. The APMs are supplementary to the Financial Statements that are disclosed in compliance with IFRS. The APMs are disclosed to give a broader understanding of the operations, financial position, and associated risk of the Company.

EBITDA - EBITDA (Earnings before interest, taxes, depreciation and amortization, previously referred to as operating margin) is the net of operating revenue and operating and administrative expenses. For 2023 operating revenues USD 336.0 million less operating and administrative expenses at totally USD 171.5 million equals EBITDA at USD 164.5 million. The Company considers the EBITDA to be a key number when analyzing the fleets operating performance and the margin that can be applied to the finance of capital expenditures, debt service and other cash disbursements.

EBITDA percentage – EBITDA, % is the nominal EBITDA calculated as a percentage of operating revenue. For 2023 the EBITDA at USD 164.5 million equals 49% of the operating revenue at USD 336.0 million. The EBITDA percentage is used to compare, period by period, the development in relative EBITDA from operations. The EBITDA-% is also used for comparing segments' relative performance.

Operating Margin – Operating margin is the net of operating revenue and operating expenses, before administrative expenses. The figure is used for analyzing vessel segments. For 2023 operating revenues USD 336.0 million less operating expenses at totally USD 149.2 million equals Operating margin of USD 186.8 million. The Company considers the Operating margin to be a key number when analyzing the fleets operating performance and the margin that can be applied to the finance of capital expenditures, debt service and other cash disbursements.

Equity Ratio – Total Equity (including Non-controlling interest) relative to Total Equity and Liabilities.

OTHER DEFINITIONS

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

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

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

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

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

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

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

Sea1 Offshore Inc.

c/o Siem Offshore AS

Nodeviga 14
4610 Kristiansand
Norway

Postal address:

P.O. Box 425
N-4664 Kristiansand S, Norway

Telephone:

+47 38 60 04 00

E-mail:

info@siemoffshore.com

www.sea1offshore.com



@Sea1 Offshore