



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 980 464 989  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: CGG MARINE RESOURCES NORGE AS  
Forretningsadresse: Lilleakerveien 6A  
0283 OSLO

### Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Forenklet IFRS

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Jørgen Kristensen  
Dato for fastsettelse av årsregnskapet: 26.06.2020

### Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert  
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 16.09.2022



### Resultatregnskap

Beløp i: USD	Note	2019	2018
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Revenue	16	15 447 000	23 758 000
<b>Sum inntekter</b>		<b>15 447 000</b>	<b>23 758 000</b>
<b>Kostnader</b>			
Expences of services rendered		32 000	16 366 000
Depreciation of tangible assets	15	0	6 192 000
Net loss sale of assets		0	350 000
Other operating expences net		13 920 000	3 352 000
<b>Sum kostnader</b>		<b>13 952 000</b>	<b>26 260 000</b>
<b>Driftsresultat</b>		<b>1 495 000</b>	<b>-2 502 000</b>
<b>Finansinntekter og finanskostnader</b>			
Interest and other financial income	3	186 000	1 851 000
Interest cost and similar cost		-490 000	-1 027 000
Impairment equipment	15	0	-7 161 000
Impairment long-term intercompany loan	10	30 733 000	-17 229 000
Impairment loss on participating interests	4	-8 000 000	-13 070 000
<b>Sum finansinntekter</b>		<b>22 429 000</b>	<b>-36 636 000</b>
<b>Netto finans</b>		<b>22 429 000</b>	<b>-36 636 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>23 924 000</b>	<b>-39 138 000</b>
Income tax expence	8	-1 074 000	118 000
<b>Ordinært resultat etter skattekostnad</b>		<b>24 998 000</b>	<b>-39 256 000</b>
<b>Årsresultat</b>		<b>24 998 000</b>	<b>-39 256 000</b>
<b>Overføringer og disponeringer</b>			
Transferred form other equity	6	24 998 000	-39 256 000
<b>Sum overføringer og disponeringer</b>		<b>24 998 000</b>	<b>-39 256 000</b>



### Balanse

Beløp i: USD	Note	2019	2018
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Vessels	15	0	6 928 000
Equipment	15	0	209 000
<b>Sum varige driftsmidler</b>		<b>0</b>	<b>7 137 000</b>
<b>Finansielle anleggsmidler</b>			
Participating interests in affiliated enteties	4	42 000 000	50 000 000
<b>Sum finansielle anleggsmidler</b>		<b>42 000 000</b>	<b>50 000 000</b>
<b>Sum anleggsmidler</b>		<b>42 000 000</b>	<b>57 137 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Receivables group companies		4 884 000	2 458 000
Other receivables		19 000	0
Cash advance to affiliated entity		20 753 000	0
<b>Sum fordringer</b>		<b>25 656 000</b>	<b>2 458 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	5	2 000	22 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>2 000</b>	<b>22 000</b>
<b>Sum omløpsmidler</b>		<b>25 658 000</b>	<b>2 480 000</b>
<b>SUM EIENDELER</b>		<b>67 658 000</b>	<b>59 617 000</b>

### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital



## Balanse

Beløp i: USD	Note	2019	2018
<b>Innskutt egenkapital</b>			
Share capital	6	2 502 000	2 502 000
Overkurs	6	0	29 117 000
<b>Sum innskutt egenkapital</b>		<b>2 502 000</b>	<b>31 619 000</b>
<b>Opptjent egenkapital</b>			
Other equity	9	57 925 000	0
<b>Sum opptjent egenkapital</b>		<b>57 925 000</b>	<b>0</b>
<b>Sum egenkapital</b>		<b>60 427 000</b>	<b>31 619 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Onerous contract liability		117 000	19 871 000
<b>Sum avsetninger for forpliktelser</b>		<b>117 000</b>	<b>19 871 000</b>
<b>Annen langsiktig gjeld</b>			
<b>Sum langsiktig gjeld</b>		<b>117 000</b>	<b>19 871 000</b>
<b>Kortsiktig gjeld</b>			
accounts payable		3 347 000	715 000
Cash advance from affiliated entity	7	0	7 412 000
Other current liabilities		3 767 000	0
<b>Sum kortsiktig gjeld</b>		<b>7 114 000</b>	<b>8 127 000</b>
<b>Sum gjeld</b>		<b>7 231 000</b>	<b>27 998 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>67 658 000</b>	<b>59 617 000</b>



## Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 29.09.2011	Vår dato 14.10.2011
Telefon 22078139	Deres referanse Marianne Lefdal	Vår referanse 2011/951234

CGG VERIT AS SERVICES (NORWAY) AS  
Carl Konows gate 34  
5162 LAKSEVÅG

## Dispensasjon fra kravet om årsregnskap og årsberetning på norsk språk for CGG Veritas

Det vises til deres brev av 29. september 2011 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk. Søknaden gjelder for følgende selskaper;

Wavefield Inseis AS	org. nr. 983 811 310
CGG Marine Resources Norge AS	org. nr. 980 464 989
CGG Veritas Services (Norway) AS	org. nr. 987 264 020
Exploration Vessels Resources AS	org. nr. 953 047 225
Exploration Investment Resources II AS	org. nr. 984 670 303
Exploration Vessel Resources II AS	org. nr. 996 311 341
Multifield Geophysics AS	org. nr. 990 886 482
CGG Veritas International SA (NUF)	org. nr. 985 625 794
CGG Veritas Services Norge (NUF)	org. nr. 985 846 855

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

### Bakgrunn

Selskapene er direkte eller indirekte eiet 100 % av det franske børsnoterte selskapet CGG Veritas SA med unntak for Multifield Geophysics AS som er eiet med 90,9 % og CGG Veritas International SA og CGG Veritas Services Norge som er norskregistrerte utenlandske foretak. Konsernspiss er det franske selskapet Compagnie Générale de Géophysique - Veritas. Konsernet er en av verdens største leverandører av geofysiske tjenester samt utstyr til bruk i geofysikkindustrien. Konsernet opererer i mange sektorer globalt, der engelsk er det klart dominerende språket og det daglige arbeidsspråket derfor også er engelsk. Morselskapets aksjonærer er i all hovedsak utenlandske personer eller selskaper, og morselskapet henvender seg jevnlig til potensielle investorer som er basert i utlandet. All kommunikasjon med konsernets primære kunder og kreditorer foregår på engelsk. Den norske versjonen av årsregnskapet utarbeides kun for å tilfredsstille regnskapsloven.

Postadresse Postboks 9200 Grønland 0134 Oslo	Besøksadresse Se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a> Org. nr: 996250318	Sentralbord 800 80 000 Telefaks 22 17 08 60
For elektronisk henvendelse se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a>		



### Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

*"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering om det skal gis dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

I denne vurderingen har Skattedirektoratet lagt vekt på at selskapene er eiet av et fransk selskap og aksjonærene forstår ikke norsk språk. Morselskapet henvender seg jevnlig til potensielle investorer som er basert i utlandet. Videre er det vektlagt at selskapets virksomhet er utpreget internasjonal og arbeidsspråket er engelsk.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Rune Tystad  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Torstein Kinden Helleland



Statsautoriserte revisorer  
Ernst & Young AS

Dronning Eufemias gate 6, NO-0191 Oslo  
Postboks 1156 Sentrum, NO-0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA  
Tlf: +47 24 00 24 00

www.ey.no  
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## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of CGG Marine Resources Norge AS

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of CGG Marine Resources Norge AS, which comprise the balance sheet as at 31 December 2019, the statements of other comprehensive income, cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2019 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act §3-9 and regulations on simplified IFRS as set by The Norwegian Department of Finance.

#### Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, 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.

#### Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act §3-9 and regulations on simplified IFRS as set by The Norwegian Department of Finance, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 ISAs 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 financial statements. As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's 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 financial statements, including the disclosures, and whether the financial statements 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.

Penneo Dokumentnøkkel: 3MBS4-7BKGF-ENIEO-080IW-P25QK-ZEQ3M



## Report on other legal and regulatory requirements

### Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

### Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 26 June 2020  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Asbjørn Rødal  
State Authorised Public Accountant (Norway)

Pemneo Dokumentnøkkel: 3MBS4-7BKGF-ENIEO-080IW-P2SQK-ZEQ3M



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## Asbjørn Rødal

Statsautorisert revisor

På vegne av: Asbjørn Rødal

Serienummer: 9578-5999-4-4255051

IP: 81.166.xxx.xxx

2020-06-26 09:50:22Z



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CGG Marine Resources Norge AS

Org nr. 980 464 989

Oslo (Norway)

Financial Report 2019



## Annual report

### **1 Operations and locations**

CGG Marine Resources Norge AS (the "Company") is a limited liability company, registered in Norway. All issued shares of the Company are held by CGG S.A, Paris (France). CGG S.A. together with its subsidiaries and associates forms the CGG Group ("CGG" or "Group"). The Company has its seat in Oslo, Norway.

CGG is a global geoscience technology leader providing a comprehensive range of data, products, services and equipment that supports the discovery and responsible management of the Earth's natural resources.

CGG is listed on the Euronext Paris (ISIN Code FR000013181864).

The Company is a holding company. The Company's shares are pledged in the framework of the Group's financing agreements.

### **2 Significant events**

The Company is heavily impacted by the global market situation in the Marine seismic acquisition market. This market has proven to be more difficult over the past year as the global oil industry is reducing their spending on Exploration & Production. This leads to postponements and cancellation of projects combined with a strong focus on reducing prices.

### **3 Going concern assumption**

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 2019 and the Group's long-term strategic forecasts, and as of the date of signing these financial statements, CGG and the guarantor subsidiaries (including CGG Marine Resources Norge AS) are no longer under Chapter 11 process in the US. However, CGG S.A. is still under *Sauvegarde* proceeding in France.

### **4 Future development**

The Company has as of January 2020 sold its shares in the joint venture Global Seismic Shipping AS. After the sale, the Company is an empty holding company.

### **5 Comments related to the financial statements**

The net profit decreased from a loss of USD 39.3 million in 2018 to a profit of USD 24.9 million in 2019.

Total cash flow from operating activities was USD -14.6 million in 2019- compared to USD 14.2 million in 2018.

The Company's liquidity reserve as of 31 December 2019 amounted to USD 2 thousand compared to USD 22 thousand in 2018. The Company has access to cash through the CGG cash pooling and has at year end 2019 a receivable of USD 20.7 million to this pool compared to a payable of USD 7.4 million in 2018.

Total assets at year-end 2018 were USD 59.6 million, compared to USD 62.7 million in 2019. The equity ratio was 53 % as of 31 December 2018, compared to 89 % in 2019.

The Company has not directly taken part in any activities related to research and development in 2018 or



2019.

## **6 Risk analysis**

### General

During the normal course of business, the Company uses various financial instruments that expose the Company to interest rate, liquidity, exchange rate, credit and fair value risks. These relate to financial instruments that are reported on the balance sheet. If the counterparty fails to meet its payment obligations to the Company, the resulting losses are limited to the fair value of the instruments in question. The contract value or principal amount of the financial instruments serve only as an indication of the extent to which such financial instruments are used, and not of the value of the credit or market risks.

### Interest rate risk

The Company has no loan and is not exposed to changes in interests.

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay its liabilities on time. This risk is mitigated by having immediate access to funds within the Group.

### Exchange rate risk

The Company's financing is denominated in USD. Exposure to exchange rates risk can arise in cases where the Company would need to settle a current tax liability, which is denominated in NOK.

### Credit risk

As a holding company, the Company is not exposed to credit risk.

### Fair value risk

The fair value of most of the financial instruments stated on the balance sheet, including current assets as well as current liabilities and ownership in subsidiaries approximates their carrying amounts.

## **7 The working environment and the employees**

There were no employees in the Company at the end of 2018 or 2019.

## **8 Environmental report**

The Company is a holding company, with no operational activity.

However, the Company owns shares in companies which own or operate seismic vessels. These vessels are sophisticated and modern vessels with high technical standards. Operational routines are optimized with the technical concepts to prevent damage and accidents on personnel, environment and equipment. Operation of seismic vessels will always have some emission and the risk of unfortunate incidents cannot be eliminated.

The fuel and lubricants are under the responsibility of the charterer which is operating the vessel.

## **9 Gender equality**



The Group aims to be a workplace with equal opportunities and has included in its policies regulations to prevent gender discrimination regarding salary, promotion and recruiting. The Board consists of one woman who holds the position as chairman.

## **10 Events after the balance sheet date**

As of January 2020 the Company has sold all its shares in Global Seismic Shipping AS to CGG Services SAS. The sale price of the shares was MUSD 42, so there were no profit or loss related to this transaction.

In the first quarter of 2020, the Covid-19 crisis which impacted the overall raw material demand, combined with the inability to date of oil suppliers to reach consensus to reduce production, caused significant drop in Brent oil price. This evolutive situation which may negatively affect the activity is scrutinized. It had no impact on the 2019 accounts.

## **11 Allocation of profit**

The Board proposes that the profit for the year ended 31 December 2019, USD 24.9 million is allocated to other equity.

26 June 2020

  
\_\_\_\_\_  
Marianne Lefdal  
Chairman of the Board/ Managing Director



## Statement of comprehensive income

<b>(US Dollar thousand)</b>	<b>Notes</b>	<b>2019</b>	<b>2018</b>
Revenue	16	15 447	23 758
<b>Total operating revenue</b>		<b>15 447</b>	<b>23 758</b>
Expenses of services rendered		(32)	(16 366)
Depreciation of tangible assets	15		(6 192)
Net Loss on sale of assets		-	(350)
Other operating expenses, net		(13 920)	(3 352)
<b>Total operating expenses</b>		<b>(13 952)</b>	<b>(26 260)</b>
<b>Operating result</b>		<b>1 495</b>	<b>(2 502)</b>
Interest and other financial income	3	186	1 851
Interest costs and similar costs		(490)	(1 027)
Impairment equipment	15	-	(7 161)
Impairment long-term intercompany loan	10	30 733	(17 229)
Impairment loss on participating interests	4	(8 000)	(13 070)
Loss on sale of shares	4	-	-
<b>Financial result</b>		<b>22 429</b>	<b>(36 635)</b>
<b>Profit before taxation</b>		<b>23 924</b>	<b>(39 137)</b>
Income tax expense	8	1 074	(119)
<b>Income for the year</b>		<b>24 998</b>	<b>(39 256)</b>
Other comprehensive income for the year			-
<b>Total comprehensive income for the year</b>		<b>24 998</b>	<b>(39 256)</b>
<b>Allocation of total comprehensive income</b>	6		
Transferred from other equity		24 998	(39 256)
<b>Total allocations and equity transfers</b>		<b>24 998</b>	<b>(39 256)</b>



## Statement of financial position as at 31. December

<b>(US Dollar thousand)</b>	<b>Notes</b>	<b>2019</b>	<b>2018</b>
<i>Tangible assets</i>			
Vessels	15	0	6 928
Equipment	15	0	209
<b>Total tangible assets</b>		<b>0</b>	<b>7 137</b>
<i>Financial non-current assets</i>			
Participating interests in affiliated entities	4	42 000	50 000
<b>Total financial non-current assets</b>		<b>42 000</b>	<b>50 000</b>
<b>Total non-current assets</b>		<b>42 000</b>	<b>57 137</b>
Long term receivables from affiliated entity	10	0	0
<i>Current assets</i>			
Receivable group companies		4 884	2 458
Other receivables		18	0
Cash advance to affiliated entity		20 753	0
Cash and cash equivalents	5	2	22
<b>Total current assets</b>		<b>25 656</b>	<b>2 481</b>
<b>Total current assets</b>		<b>25 656</b>	<b>2 481</b>
<b>TOTAL ASSETS</b>		<b>67 656</b>	<b>59 617</b>
<b>SHAREHOLDERS EQUITY AND LIABILITIES</b>			
<i>Shareholders equity</i>			
Share capital (10,0000 shares at NOK 30,000)	6	2 502	2 502
Share premium	6	0	29 118
<b>Total paid-in capital</b>		<b>2 502</b>	<b>31 619</b>
Other equity	9	57 925	0
<b>Total shareholders equity</b>		<b>60 427</b>	<b>31 619</b>
<i>Liabilities</i>			
<i>Provisions for liabilities and charges</i>			
Onerous contract liability		117	19 871
<b>Total provisions for liabilities and charges</b>		<b>117</b>	<b>19 871</b>
<i>Current liabilities</i>			
Accounts payable		3 345	715
Cash advance from affiliated entity	7	0	7 412
Deferred tax		0	0
Other current liabilities		3 767	0
<b>Total current liabilities</b>		<b>7 112</b>	<b>8 126</b>
<b>Total liabilities</b>		<b>7 229</b>	<b>27 997</b>
<b>TOTAL SHAREHOLDERS EQUITY AND LIABILITIES</b>		<b>67 656</b>	<b>59 617</b>
		0	0

26 June 2020

Marianne Lefdal  
Chairman of the Board / Managing Director



## Cash Flow Statement

<b>(US Dollar thousand)</b>	<b>2019</b>	<b>2018</b>
<b>Operating activities</b>		
Income/loss for the year	23 924	(39 138)
Depreciation	-	6 192
Income taxes expense	-	115
Impairment loss	(22 733)	30 299
Loss/gain on sale of assets	-	350
Increase/decrease in accounts receivable	(2 426)	17 098
Increase/decrease in accounts payable	2 630	(226)
Changes in other receivables and other liabilities	19 611	(482)
<b>Net cash provided by operating activities</b>	<b>21 006</b>	<b>14 228</b>
<b>Investing activities</b>		
Proceeds from sale of assets	-	24 886
Purchase of assets	7 137	(228)
Change in long term receivables	-	1 466
<b>Net cash consumed by investing activities</b>	<b>7 137</b>	<b>26 125</b>
<b>Financing activities</b>		
Changes in cash advance from affiliated entity	(28 165)	(40 458)
<b>Cash provided by financing activities</b>	<b>(28 165)</b>	<b>(40 458)</b>
<b>Net change in cash equivalents</b>	<b>(22)</b>	<b>(105)</b>
Cash equivalents at 01.01	22	128
Cash equivalents as at 31.12	<u>2</u>	<u>22</u>



## CGG Marine Resources Norge AS

### Notes to the Financial Statements

#### Note 1 Description of Company and operations

CGG Marine Resources Norge AS (the "Company") is a limited liability company, registered in Norway. All issued shares of the Company are held by CGG SA, Paris (France). CGG SA together with its subsidiaries and associates forms the CGG Group ("CGG" or "Group"). The Company has its seat at Oslo (Norway).

CGG is a global geoscience technology leader providing a comprehensive range of data, products, services and equipment that supports the discovery and responsible management of the Earth's natural resources.

CGG is listed on the Euronext Paris (ISIN Code FR000013181854).

The Company is a holding company. The Company's shares are pledged in the framework of the Group's financing agreements.

#### Note 2 Summary of significant accounting policies

##### General

The financial statements have been prepared in accordance with Simplified IFRS. In summary these Simplified IFRS require the application of the (de-) recognition and measurement requirements of IFRS and the application of the presentation and disclosure requirements in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting policies. Simplified IFRS, unlike IFRS (IAS 10 par. 12 and 13), provides the option to treat management's decision after the reporting date regarding tax group contribution as well as the declaration of dividends as adjusting events. This simplification has been used in the preparation of these financial statements.

The financial statements are presented in USD, the Company's functional and reporting currency.

The Company's ultimate shareholder CGG SA prepares consolidated financial statements in accordance with International Financial Reporting Standards. These consolidated financial statements are available at [www.cgg.com](http://www.cgg.com) and are deposited at the Chamber of Commerce in Paris (France) and at Lilleakerveien 6 A, 0283 Oslo (Norway). In accordance with the Norwegian Accounting Act the Company can choose not to prepare its own consolidated financial statements, and has chosen not to.

##### Basis of preparation

The financial statements have been prepared under the historical cost convention. Unless mentioned otherwise, assets and liabilities are stated at nominal value, income and expenses are determined and reported on an accrual basis.

##### Classification of assets and liabilities

Assets intended to serve the Company beyond the current period are presented as non-current. All other assets (including the portion of long-term receivables due within one year) are presented as current.

Non-current liabilities include amounts due beyond one year.

##### Foreign currency

Transactions denominated in currencies other than USD are recorded at the closing rate of the preceding month. Monetary assets and liabilities denominated in currencies other than USD are revalued at year-end exchange rates and any resulting unrealised exchange gains and losses are included in income.

##### Estimates

The preparation of financial statements in accordance with simplified IFRS requires management to make estimates, assumptions and judgment that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. As a holding company the main assets in the company is ownership in subsidiaries. The value of these ownerships are first checked against equity in the subsidiaries and then value in use.

##### Revenue

Revenues are recognised when they can be measured reliably, and when it is likely that the economic benefits associated with the transaction will flow to the entity, which is at the point that such revenues have been realised or are considered realisable. Implementation of IFRS 15 for the group have no impact on the revenue recognition for the company, as it has no revenue that is covered by this accounting standard.

##### Tangible assets

Tangible assets are carried at historical cost less accumulated depreciation and impairment charges. Tangible assets include vessels (hull, capitalised dry-dock and rigging expenditures) and equipment (maritime equipment mounted to the vessel). Capitalised dry-dock and rigging expenditures include expenditures that are directly attributable to the project.

Depreciation is recorded on a straight-line basis:



Hull and capitalised rigging expenditures	30 years
Capitalised dry-dock rigging expenditures	30 months
Marine equipment	8-15 years

Tangible assets are tested for impairment if there are any indicators and written down to lower recoverable amounts in the event of a non-temporary diminution of value.

#### Participating interests

Participating interests are recorded at cost or at lower recoverable values. If the equity at yearend defend the recorded value of the participating interest from last year no additional assessment done. If equity is lower a detailed value in use calc is prepared based on future operational activity.

#### Account receivables

Accounts receivable are stated at nominal value less an allowance for non-recoverable amounts.

#### Bank deposits

Bank deposits are deposits held at call with banks.

#### Taxation

Taxes on income are recognised in the same period as the revenue and the expenses to which these relate. Taxes on income are determined in the lawful currency of the jurisdiction the Company is subject to tax (pre-dominantly NOK).  
Tax related to equity transactions e.g. group contribution, is recognised directly in equity.  
Deferred taxation is provided for using the asset and liability method of accounting for income taxes based on provisions of enacted tax laws. Recognition is given to deferred tax asset and liability for the expected future consequences of events that have been recognised in either the financial statements or tax returns. Expected future events are taken into consideration in estimating these tax consequences.  
A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax asset is reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Deferred tax asset and deferred tax liability are presented net in the statement of financial position.

#### Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event for which it is probable that an outflow of resources embodying economic benefits (that can be reliably determined) will be required to settle the obligation.

#### Contingent liabilities

Contingent liabilities are disclosed in these financial statements unless occurrence is remote.

#### Cash flow statement

The cash flow statement is prepared using the indirect method.  
As a holding-company in Norway the cash related operational activity are limited. Cash related to purchase and financing of ownership of shares in subsidiaries will be the main activity.

#### Events after the reporting period

Events providing evidence of conditions that existed at the end of the reporting period and occurring after the reporting period and before authorisation of the financial statements through the management board are reflected in the financial statements.

#### Merger

With effective date January 1, 2018 the Company merged with the affiliated entity Exploration Vessel Ressources II AS, org. nr 996 311 341. The merger was accounted under the pooling of interests method since both entities are under common control. The comparative figures are not restated to reflect the merger as of 01.01.2018.



**Note 3 Financial items, net**

<b>(US Dollar thousand)</b>	<b>2019</b>	<b>2018</b>
Guarantee fee charged to affiliated entity (see note 14)	-	-
Group interest income	166	1 851
Foreign currency gains	20	-
<b>Total interest and similar income</b>	<b>186</b>	<b>1 851</b>
Interest expense to affiliated entity (see note 10 and 11)	-	-
Interest costs	(490)	(1 027)
Impairment equipment	-	(7 161)
Impairment long-term intercompany loan	30 733	(17 229)
Loss on sale of shares	-	-
Impairment loss on participating interests	(8 000)	(13 070)
<b>Financial items, net</b>	<b>22 429</b>	<b>(36 636)</b>



## Note 4 Participating interest in joint ventures

The historic cost and key financial figures for the joint venture are as follows as follows (50%):

(USD Dollar thousand)	Historical cost	Ownership share	Net Book Value	Income	Equity
31.Dec.2018					
Global Seismic Shipping AS	63 070	50 %	42 000	0	95 674
Total	<u>63 070</u>				<u>95 674</u>

As of 31.12.2019 the company recognized an impairment of its shares in Global Seismic Shipping AS of MUSD 8.

In 2018 the company Merged with its subsidiary Exploration Investment Ressources AS

In June, 2019, CGG S.A. ("CGG") signed a binding term-sheet with Shearwater GeoServices Holding AS (Shearwater) for a strategic partnership for marine seismic acquisition services and creation of a new streamer technology company. The partnership for marine seismic acquisition services embedded, amongst others :

- o Shearwater's acquisition of all the shares in Global Seismic Shipping AS ("GSS"), the 50/50 joint venture between Eidesvik Offshore ASA and CGG Marine Resources Norge AS (fully owned subsidiary of CGG). GSS, through subsidiaries, own five high-end seismic vessels and two legacy vessels with associated bank debt. Shearwater also agreed to acquire the streamers owned by the CGG group, which were associated with GSS's five high-end seismic vessels;
- o A five-year services contract (the "Capacity Agreement") under which CGG committed to using Shearwater acquisition services for 730 vessel days annually in average over five years with flexibility in term of actual annual utilization, in order for CGG to access strategic capacity for future multi-client projects.

(For more details about these transactions, please refer to section 1.1.4.1 of the Universal Registration Document of CGG for 2019)

The closing of Shearwater's acquisition of the shares in GSS and the streamers and the entry into force of the Capacity Agreement, took place on January 8, 2020 (the "Marine Closing"). The agreements for the new streamer technology company remain under negotiation.

The Marine Closing's impact on the Company is described in Note 17.

## Note 5 Bank deposits

The Company has no restrictions on its bank deposits.

## Note 6 Shareholders' equity

The share capital of the Company as at 31 December 2019 is NOK 20,000,000 (USD 2,501,618) and consists of 100 shares with a nominal value of NOK 200,000 per share. All shares have equal rights.

(US Dollar thousand)	Share capital	Share premium	Other paid-in capital	Other equity	Total equity
<b>Balance at 1 January 2018</b>	2 502	212 709		(147 721)	67 490
Group contribution received					-
Dividend					-
Capital increase					-
Result for the year				(39 256)	(39 256)
Equity effect from merger				3 386	3 386
<b>Balance at 31 December 2018</b>	2 502	212 709	0	-183 591	31 619
Group contribution received				3 809	3 809
Dividend					-
Capital increase					-
Result for the year				24 998	24 998
Reclassification		(212 709)		212 709	-
<b>Balance at 31 December 2019</b>	2 502	-	-	57 926	60 427



## Note 7 Cash advance payable to affiliated entity

The Company entered into a cash advance agreement with CGG SA., Massy (France) allowing the Company to invest or to draw from this facility. Interest is settled quarterly at LIBOR+ 3% for amounts drawn and LIBOR for amounts invested.

## Note 8 Taxation

(US Dollar thousand)	2 019	2 018		
Current income tax :				
Income/(loss) before taxation	23 924	(39 256)		
Received group contribution	4 884			
Permanent differences - Investment impairment	8 000	13 070		
Change in losses carried forward	7 768	4 480		
Change in temporary differences	(44 360)	12 810		
Translation differences	(216)	8 896		
Taxable profit/(loss)	0	-		
<b>Income tax payable for current period 23% (24%)</b>	-	-		
<b>Group contribution</b>				
Group contribution received before tax	4 884	-		
Tax effect on group contribution	(1 074)	-		
<b>Group contribution received after tax</b>	3 810	-		
<b>Income Tax expense</b>				
Tax effect received group contribution	(1 074)	-		
Change in deferred tax	-	-		
<b>Income tax expense</b>	(1 074)	-		
<b>Reconciliation from nominal to effective income tax rate</b>				
Profit/(loss) before tax	23 924	(39 256)		
Tax effect group contribution	(1 074)			
Expected income tax expense at 22% (23%)	5 263	(9 029)		
<b>Deviation</b>	(6 338)	9 029		
<b>Explanations of deviations:</b>				
Permanent difference - Investment impairment	1 760	3 006		
Translation differences	-48	2 046		
Valuation allowance	(8 050)	3 977		
<b>Total</b>	(6 338)	9 029		
<b>Specification of temporary differences</b>	<b>2 019</b>		<b>2 018</b>	
	Benefit	Liability	Benefit	Liability
Tangible assets	7 019		4 052	
Gain/loss account	1 737		2 194	
Discount on loan	-		30 024	
Restructuring provision	117		17 526	
Losses	48 259		40 918	
Interest	7 947		8 031	
<b>Total</b>	65 079		102 745	
Valuation allowance	(65 079)		(102 745)	
<b>Net deferred benefit/liability in the balance sheet 22% (2017: 23%)</b>	-		-	

## Note 9 Audit fees

Remuneration to Ernst & Young AS and their associates is USD 32.946 (2018: USD 34.100). All amounts are exclusive VAT.



## Note 10 Related party transactions

Other companies in the Group are classified as related parties. In the ordinary course of business the Company enters into transactions with affiliated and associated companies (see notes 3 and 7). These transactions are at arms' lengths terms.

The Company is included in the VAT group registration of CGG Services (Norway) AS, in Oslo (Norway).

On April 20, 2017 the company entered into a USD 30 million term loan agreement with affiliated entity CGG Services (Norway) AS. Interest rate is 1 % per annum and the loan fully matures 1. May 2027. The loan was settled in 2019 at full value including interests. Total received payment was MUSD 30.7

## Note 11 Staff

As at 31 December 2018 and 2019, the Company had no employees. The Company is not required to have an occupational pension plan.

## Note 12 Board remuneration

No member of the Board of Directors of the Company received any remuneration in the capacity as a member of the Board of Director.

## Note 13 Financial risk

### General

During the normal course of business, the Company uses various financial instruments that expose the Company to interest rate, liquidity, exchange rate, credit and fair value risks. These relate to financial instruments that are reported in the balance sheet. If the counterparty fails to meet its payment obligations to the Company, the resulting losses are limited to the fair value of the instruments in question. The contract value or principal amount of the financial instruments serve only as an indication of the extent to which such financial instruments are used, and not of the value of the credit or market risks.

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay its liabilities on time. This risk is mitigated by having immediate access to funds within the Group.

### Exchange rate risk

The Company's financing as well as revenues are denominated in USD. Exposure to exchange rates risk can arise in cases where the Company would need to settle a current tax liability, which is denominated in NOK.

### Credit risk

The Company has very limited exposure to credit risk as under the terms of the rental agreements with affiliated entities, monthly rental fees are due within 30 days.

### Fair value risk

The fair value of most of the financial instruments stated on the balance sheet, including current assets as well as current liabilities and ownership

## Note 14 Exchange rates

Rates of exchange ("RoE) are as follows:

NOK / US Dollar	01 Jan. 2018	Average 2018	01 Jan. 2019	Average 2019	31 Dec. 2019
	8,2050	8,1338	8,6885	8,8037	8,7997



**Note 15 Tangible assets**

(US Dollar thousand)	Vessels	Equipment	Total
<i>Historical cost</i>			
Balance at 31 Dec. 2017			-
Merger	105 913	41 734	147 647
Capital expenditures	211	17	228
Retirements and sales	(55 585)	(40 626)	(96 211)
Balance at 31 Dec. 2018	50 539	1 125	51 664
Capital expenditures	15	-	15
Retirements and sales	-50 554	-1 125	-51 679
Balance at 31 Dec. 2019	-	-	-
<i>Accumulated depreciation</i>			
Balance at 31 Dec. 2017			-
Merger	80 033	26 065	106 098
Disposal			-
Depreciation	6 022	170	6 192
Retirements and sales	(42 444)	(25 319)	(67 763)
Balance at 31 Dec. 2018	43 611	916	44 527
Depreciation	6 021	171	6 192
Retirements and sales	(49 632)	(1 087)	(50 719)
Balance at 31 Dec. 2019	-	-0	-0
<i>Carrying amount 31 Dec.</i>			
2018	6 928	209	7 137
2019	0	0	0

**Note 16**

Revenue was generated in the following countries and business segments:

(US Dollar thousand)	2019	2018
Norway	15 447	23 758
Total	15 447	23 758

  

(US Dollar thousand)	2019	2018
Equipment rental	15 447	23 758
Total	15 448	23 758

**Note 17 Events after the end of the reporting period**

In the first quarter of 2020, the Covid-19 crisis which impacted the overall raw material demand, combined with the inability to date of oil suppliers to reach consensus to reduce production, caused significant drop in Brent oil price. This evolutive situation which may negatively affect the activity is scrutinized. It had no impact on the 2019 accounts.

In January 2020, in the perspective of the Marine Closing with Shearwater (see Note 5), the Company has sold all its shares in Global Seismic Shipping AS to CGG Services SAS. The sale price of the shares was MUS\$ 42, so there were no profit or loss related to this transaction.

