



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 918 591 664
Organisasjonsform: Aksjeselskap
Foretaksnavn: GLOBAL SEISMIC SHIPPING AS
Forretningsadresse: Damsgårdsveien 135
5160 LAKSEVÅG

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Hilde Marie Bjerga
Dato for fastsettelse av årsregnskapet: 26.08.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 24.07.2022



Resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Operating revenue	3		
Other operating revenue	3		
Gain on sale of fixed assets	3		
Kostnader			
Personell expenses	4		
Depreciation	8		
Cost of sales	13	63 213	
Administration expenses	4	22 035	30 357
Sum kostnader		85 248	30 357
Driftsresultat		-85 248	-30 357
Finansinntekter og finanskostnader			
Annen renteinntekt	5, 8, 13	2 783 944	
Exchange loss (-) / gains (+)	5	306	-1
Sum finansinntekter		2 784 250	-1
Rentekostnad til foretak i samme konsern	12		
Other financial expenses	5, 7		80 342 756
Exchange loss (-) /gain (+)	5, 15		
Sum finanskostnader			80 342 756
Netto finans		2 784 250	-80 342 757
Ordinært resultat før skattekostnad		2 699 002	-80 373 114
Ordinært resultat etter skattekostnad		2 699 002	-80 373 114
Årsresultat		2 699 002	-80 373 114
Årsresultat etter minoritetsinteresser		2 699 002	-80 373 114
Totalresultat		2 699 002	-80 373 114
Overføringer og disponeringer			



Resultatregnskap

Beløp i: USD	Note	2020	2019
To other equity		2 699 002	-80 373 114
Sum overføringer og disponeringer	11	2 699 002	-80 373 114



Balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	6		
Machinery and equipment	8		
Finansielle anleggsmidler			
Investering i datterselskap	7	17 997 077	17 997 077
Lån til foretak i samme konsern	12	23 526 313	
Other long term receivables	8	75 745 444	
Sum finansielle anleggsmidler		117 268 834	17 997 077
Sum anleggsmidler		117 268 834	17 997 077
Omløpsmidler			
Varer			
Fordringer			
Other short-term receivables		3 615	7 578
Receivables to group companies	8, 12		
Sum fordringer		3 615	7 578
Cash and cash equivalents	9		
Sum omløpsmidler		3 615	7 578
SUM EIENDELER		117 272 449	18 004 655
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	10, 11	224 163	117 265
Overkurs	11	222 415 669	126 022 567
Sum innskutt egenkapital		222 639 833	126 139 833



Balanse

Beløp i: USD	Note	2020	2019
Opptjent egenkapital			
Udekket tap	11	105 551 883	108 250 885
Sum opptjent egenkapital		-105 551 883	-108 250 885
Sum egenkapital		117 087 950	17 888 948
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Obligasjonslån	12		
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		2 084	
Liabilities to group companies	12	182 415	115 707
Sum kortsiktig gjeld		184 499	115 707
Sum gjeld		184 499	115 707
SUM EGENKAPITAL OG GJELD		117 272 449	18 004 655



To the General Meeting of Global Seismic Shipping AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Global Seismic Shipping AS, which comprise the statement of financial position as at 31 December 2020, the profit and loss account and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

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 as required by laws and regulations, and we have fulfilled our other ethical responsibilities 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

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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State authorised public accountants, members of The Norwegian Institute of Public Accountants, and
authorised accounting firm*



Independent Auditor's Report - Global Seismic Shipping AS



Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

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 the proposed 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 produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

(2)



Independent Auditor's Report - Global Seismic Shipping AS



Bergen, 26 August 2021
PricewaterhouseCoopers AS

Jon Haugervåg
State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Haugervåg, Jon	BANKID_MOBILE	2021-08-26 21:40

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- The original document(s)
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ANNUAL REPORT 2020

Global Seismic Shipping AS

Damsgårdsvein 135
5160 Laksevåg

Business org.no 918 591 664 MVA

Contents:

Report of Board of Directors
Financial Statement
Auditor's report



Global Seismic Shipping AS Board of Directors' Report 2020

Global Seismic Shipping AS is a limited liability company registered in Norway. The company is the parent company of Geo Vessels AS and Oceanic Seismic Vessels AS. The parent company and its subsidiaries primary activity is to own and charter seismic vessels to entities operating as seismic service providers. The company is owned 100% by Shearwater GeoAssets AS and has been a part of the Shearwater GeoServices Group ("Shearwater") from January 8th 2020. The group's corporate office is in Bergen.

Global Seismic Shipping AS purchased streamer sets and equipments from its shareholder in 2020 and have entered a five-year lease agreement with its subsidiaries, Geo Vessels AS and Oceanic Seismic Vessels AS.

Financial review

Profit before tax in 2020 is USD 2.7 mill. compared with USD -80.4 mill. in 2019. Net operating income in 2020 totals to USD -0.1 mill. compared with USD 0.0 mill. in 2019. The negative change in net operating income is mainly due to recharge of corporate service fee from Shearwater GeoServices Norway AS.

In 2020 financial items are positive by USD 2.8 mill. compared to USD -80.3 mill. previous year. Financial items in 2020 consist mainly of interest income from finance lease. In 2019 the company recognised an impairment of USD -80.3 mill.

The company's liquidity was USD 0.0 mill. as at 31.12.2020 (2019: USD 0.0 mill.). Cash flow from operating activities in 2020 was negative USD -0.08 mill. (2019: -80.38). There was no cash flow from investment activities in 2020 and 2019. Lease receivables from finance lease are not to be settled in cash according to the Nordea facility agreement. The streamer purchase was settled by vendor credit, which was subsequently converted into equity. Net cash flow from financing activities was positive USD 0.08 mill. (2019: 0.04 mill).

Future prospects

The company's operation is exposed to the development in the markets for oil and gas exploration and - production. Business activity in the Shearwater group in the first half of 2020 reflected improved market rates as demand for seismic data rebounded in 2019 after several years depressed E&P (Exploration and Production) activity following the oil price collapse in 2014. The positive trend was however disrupted by the Covid-19 pandemic and as OPEC and Russia failed to agree on oil production quotas. The corresponding negative impact on commodity markets and subsequent reductions in E&P investments is expected to lead to a significant decline in demand for seismic services in the second half of the year.

Despite the challenging market conditions, Shearwater group continued to secure new contracts with E&P clients to a large extent prioritising production related seismic over exploration surveys. Going into 2021, this trend has continued, and market activity has started to recover amid and the roll-out of vaccination programs and rebounding oil prices.

Longer-term, the global economic activity will recover from Covid-19 and drive increased demand for oil and gas which together with more focus on enhanced oil recovery will require the E&P sector to resume and increase exploration and development investments. This provides a positive outlook for the seismic market. Still, the seismic market recovery is from historically low levels reflecting years of reduced exploration across the E&P industry.

We would like to emphasise the inherent uncertainty that exist when it comes to predicting future events and conditions.

Going concern

Based on the above report of profit and loss for the company, the Board of Directors confirms that the financial statements for 2020 are prepared on the assumption of going concern and that there is basis for adopting this principle in accordance with section 3-3 of the Norwegian Accounting Act. This assumption is based on the forecasts for 2021 and the Company's long-term strategic forecast.

Financial risk

The majority of the company's revenue is in USD. The company's expenses are mainly in NOK and USD. There is limited exposure to other currencies.

The company's streamers have in 2020 been leased to Shearwater companies, thus the credit risk is considered moderate to low.



The risk of not being able to meet the Company's obligations when due, is considered low due to the five-year lease agreement.

The company operates and invests in market segments which are largely dependent on global trends in demand for oil and gas and is hence exposed to market risks. However, long term lease agreement to Shearwater companies reduces this risk to a moderate level.

Employees

The company has no employees. Shearwater GeoServices Norway AS, a company in the Shearwater GeoServices group, held the function as Company Manager from January 2020.

Environment

Shearwater group's and therein the company's, seeing as it is now part of Shearwater group, 'Focus on Zero' initiative will continue to develop with the organisation going forward. The "safe" component of the new campaign remains the same: to "focus our intentions and behaviours on consistently striving towards Zero Harm, Zero Loss and Zero Rework." This includes, but is not limited to, focus on zero uncontrolled release of harmful substances to the natural environment.

Allocation of net income

The financial statement shows a negative net income of USD 2,699,002,- which is proposed transferred to uncovered loss.

Bergen, 26.08.2021

Board of Directors in Global Seismic Shipping AS

Irene Waage Basili
chairman of the board/
managing director

Andreas Hveding Aubert
member of the board



Global Seismic Shipping AS
Profit and Loss account (in USD)

OPERATING REVENUE AND EXPENSES	NOTE	2020	2019
Cost of sales	13	63,213	0
Administration expenses	4	22,035	30,357
Total operating expenses		85,248	30,357
Net operating income		-85,248	-30,357
FINANCIAL ITEMS			
Other interest income	5, 8, 13	2,783,944	0
Other financial expenses	5, 7	0	80,342,756
Exchange loss (-) / gains (+)	5	306	-1
Net financial income and expenses		2,784,250	-80,342,757
Operating result before tax		2,699,002	-80,373,114
Net income		2,699,002	-80,373,114
COMPREHENSIVE INCOME			
Profit		2,699,002	-80,373,114
Items not recognised in profit and loss		0	0
Total comprehensive income		2,699,002	-80,373,114
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
To other equity		2,699,002	-80,373,114
Total allocation	11	2,699,002	-80,373,114



Global Seismic Shipping AS
Statement of Financial position (in USD)

ASSETS	NOTE	2020	2019
FIXED ASSETS			
FINANCIAL FIXED ASSETS			
Investments in subsidiaries	7	17,997,077	17,997,077
Receivable to group companies	12	23,526,313	0
Other long term receivables	8	75,745,444	0
Total financial fixed assets		117,268,834	17,997,077
Total fixed assets		117,268,834	17,997,077
CURRENT ASSETS			
DEBTORS			
Other short-term receivables		3,615	7,578
Total receivables		3,615	7,578
Total current assets		3,615	7,578
Total assets		117,272,449	18,004,655

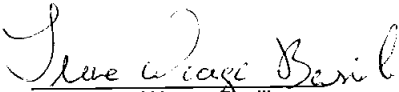


Global Seismic Shipping AS
Statement of Financial position (in USD)

EQUITY AND LIABILITIES	NOTE	2020	2019
PAID-UP EQUITY			
Share capital	10, 11	224,163	117,265
Share premium reserve	11	222,415,669	126,022,567
Total paid-up equity		222,639,833	126,139,833
RETAINED EARNINGS			
Uncovered loss	11	-105,551,883	-108,250,885
Total retained earnings		-105,551,883	-108,250,885
Total equity		117,087,950	17,888,948
LIABILITIES			
CURRENT DEBT			
Trade creditors		2,084	0
Liabilities to group companies	12	182,415	115,707
Total current debt		184,499	115,707
Total liabilities		184,499	115,707
Total equity and liabilities		117,272,449	18,004,655

Bergen, 26.08.2021


Andreas Hveding Aubert
member of the board


Irene Waage Basili
chairman of the board



Global Seismic Shipping AS
Cash Flow Statement (in USD)

	NOTE	2020	2019
Operating activities			
Net income	3.14	2,699,002	- 80,373,113
Interest on finance lease without cash effect	8.14	- 2,783,944	-
Change in accounts receivables / accounts payables		2,084	- 737
Change in other current assets / liabilities		3,964	- 7,578
Net cash from operating activities		- 78,895	- 80,381,428
Investing activities			
Lease payments received from finance leases	8.11	-	-
Write-down of long-term financial assets	5.7	-	80,342,756
Net cash from investing activities		-	80,342,756
Financing activities			
Change in current IC assets / liabilities	11	78,895	38,674
Net cash from financing activities		78,895	38,674
Net change in cash and cash equivalents		-	0
Cash and cash equivalents at start of period	9	-	-
Cash and cash equivalents at 31.12.	9	-	0

Global Seismic Shipping AS



Global Seismic Shipping AS Notes to the financial statement 2020

Note 1 Description of Company and operations

Global Seismic Shipping AS was founded 2 February 2017, and is a limited liability company registered in Bergen (Norway). The company is at 31 December 2020 owned 100% by Shearwater GeoAssets AS.

The company is the parent company of Geo Vessels AS and Oceanic Seismic Vessels AS. The parent company and its subsidiaries charter seismic vessels on long term charters to vessel operating companies. The Group formation was founded 20 April 2017. The Group's vessels are located across large parts of the world, and operates in the seismic segment. As of 8th January 2020 the Company is part of the Shearwater GeoServices group. The Group's consolidated financial statement is available at the corporate head office in Damsgårdsveien 135, Bergen, Norway.

Note 2 Summary of significant accounting policies

General

The financial statements have been prepared in accordance with the Norwegian Accounting Act § 3-9 and "Forskrift om forenklet IFRS fastsatt av Finansdepartementet 21. januar 2008" (hereafter "Simplified IFRS"). This implies that recognition and measurement are mainly in accordance with International Financial Reporting Standards (IFRS).

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

Basis of preparation

The financial statements are 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.

Foreign currency translation

Monetary assets and liabilities denominated in currencies other than US Dollar are translated to US Dollar at rates of exchange prevailing on the reporting date. Transactions during the year are translated at the rates of exchange ruling at the time of the transaction. Exchange gains and losses are recognised in the statement of comprehensive income.

Classification of assets and liabilities

Assets intended to serve the company beyond the current period are presented as non-current. All other assets are presented as current. Non-current liabilities include amounts due beyond one year.

Estimates

Preparing accounts in accordance with simplified IFRS requires management to make estimates, assumptions and judgements 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. Actual results could differ materially from those estimates due to changes in economic conditions, changes in laws and regulations, changes in strategy and the inherent imprecision associated with the use of estimates. Changes of estimates are accounted for prospectively from the date of change.

Cash flow statement

The cash flow statement is prepared using the indirect method.

Events after the reporting period

New information after the reporting period on the company's financial position on the reporting date has been considered in the annual accounts. Events after the reporting date that do not affect the company's financial position on the balance sheet date, but will affect the company's financial position in the future, are reported if they are significant.

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 company, which is at the point that such revenues have been realised or are considered realisable.



Machinery and equipment

Machinery and equipment are recorded at historical cost with accumulated depreciations and write-downs deducted. Each part of the assets that has material value of the total cost, is depreciated separately and linearly over the useful life of the asset. Components with the same useful life are depreciated as one component. The depreciation period and method is evaluated at each balance sheet date to ensure that the method and the period used correspond with the financial realities of the asset.

Book value of tangible fixed assets are assessed for loss of value when events or changes in circumstances indicate that book value cannot be recovered. If such indications are discovered, and book value exceeds the recoverable amount, the asset is written down to the recoverable amount, which for tangible fixed assets is the highest of expected net sales price and utility value. Utility value is calculated as the current value of future cash flows. If the reason for the write-down lapses at a later time, and the lapse can be tied to an event taking place after the impairment is recognized, the previous write-down is reversed.

Leases

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease agreements that transfer substantially all of the risks and rewards incidental to ownership of the underlying asset are classified as finance lease. All other leases are operating leases. Under finance lease agreements the net investment in the lease is calculated using the present value of future expected lease receivables and is booked as a lease receivable on the balance sheet. The carrying value of the underlying asset is derecognised. Any difference between the net investment in the lease and the carrying value of the underlying asset is recognised as a gain or loss on the income statement.

Trade receivables

Trade receivables are recognised and carried at their anticipated realisable value, which is the original invoice amount less an estimated valuation allowance for any uncollectible amounts. A provision is made when there is objective evidence that the company will not be able to collect the debts. Bad debts are expensed when identified.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The company's financial assets are: investment in subsidiaries, other long term receivables and trade receivables. Financial assets are recorded at amortised cost and are subsequently subject to impairment test. Gains and losses are recognised in profit or loss when the assets is impaired.

Trade receivables that do not contain a significant financing component are measured at the transaction price, and impaired based on estimated credit loss (ECL). For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

Financial liabilities

The Company's financial liabilities are classified, at initial recognition, as loans and borrowings, payables or as derivatives with fair value through profit and loss. The Company does not have derivatives designated as hedging instruments in effective hedges. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Loans, borrowings and payables

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (effective interest rate) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Payables are measured at their nominal amount when the effect of discounting is not material.



Global Seismic Shipping AS

Notes to the financial statement 2020

Financial liabilities

Financial liabilities are reported at amortised costs.

Taxes

In 2019 the company's operational result was subject to Norwegian tonnage tax legislation. Tonnage tax is recognised as other operating expenses. The company's financial result is subject to Norwegian income tax. Income taxes are recognised in the same period as the revenue and the expenses to which these relate.

From 2020 the company is no longer subject to Norwegian tonnage tax legislation. Taxes are expensed when incurred, which means the tax expense is related to the financial statements profit/loss before tax. Tax expenses consist of tax payable (tax on the financial years taxable income) and change in net deferred tax. The tax expense is distributed between ordinary profit/loss and extraordinary profit/loss according to the tax basis. Deferred tax and deferred tax asset is presented net in the balance sheet.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits with an original maturity of three months or less.

Investments in subsidiaries

Investments in subsidiaries are valued in accordance with the cost method. If fair value is lower than cost, and the fall in value is not considered to be temporary, the investment will be valued at fair value.

Subsequent events

Subsequent events are those events, favourable and unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised for issue.

Events that provide evidence of conditions that existed at the balance sheet date are recognised in the financial statements.

Events that are indicative of conditions that arose after the balance sheet date are disclosed when they are significant.

Comparatives

Comparative figures have been adjusted to conform to changes in presentation in the current year, where necessary.

Change in accounting policies in 2020

The accounting principles applied are consistent with the principles used in previous periods. There are no standards or interpretations that are not yet effective that would be expected to have a material impact on the Company's financial statements.



Global Seismic Shipping AS Notes to the financial statement 2020

Note 3 Operating revenue

The company entered into a five-year lease agreement in 2020 with Geo Vessel AS and Oceanic Seismic Vessel AS for streamer sets for five vessels. The agreement is classified as finance lease.

Please refer to Note 8 and 13.

Note 4 Payroll expenses, number of employees, remunerations

The company has no employees and therefore no legal or constructive obligations to hold a pension scheme as defined in the pension law. There has been no remuneration to general manager or directors of the board.

Auditor's fee in 2020 is related to statutory audit USD 4,979 and USD 0 for other services. The amount is excluding VAT.

Note 5 Net financial items

	2020	2019
Interest income on lease receivable (note 8)	2,783,944	0
Other interest income	2,783,944	0
Write-down of long-term financial assets (note 7)	0	80,342,756
Other financial expenses	0	80,342,756
Gain on currency	730	0
Loss on currency	-424	-1
Exchange loss (-)/ gains (+)	306	-1



Global Seismic Shipping AS

Notes to the financial statement 2020

Note 6 Tax

	2019
Tax payable subject to the tonnage tax:	
Taxable financial income	0
Deductable finance cost	721
Sum	721
Taxable loss carried forward	0
Taxable loss (-)/ profit (+)	721
Tax payable = Yearly tax cost	0
Taxable loss carried forward	758

From year 2020 the company is not subject to the Norwegian tonnage tax legislation.

Taxes in profit and loss:	2020
Tax payable	0
Change in deferred tax	0
Tax expenses	0
Taxable income:	
Net income before tax	-6,595,317
Permanent differences	0
Change in temporary differences	0
Loss carried forward	0
Net taxable income	-6,595,317
Temporary differences:	
Losses brought forward	-6,595,421
Deferred tax assets	-6,595,421
Not recognised tax assets	6,595,421
Deferred tax / deferred tax assets	0
Tax rate for tax payable	22%
Tax rate deferred tax 2020	22%
Tax rate deferred tax 2021	22%

The company's functional currency is USD but for tax purposes the company holds a dual accounting in NOK. The dual accounting is the basis for the income tax return and also figures in the tax note. The amounts have all been translated with the exchange rate at the balance sheet date NOK/USD 0,11719 in 2020 (2019: NOK/USD 0,11389).



Global Seismic Shipping AS Notes to the financial statement 2020

Note 7 Investment in subsidiaries

	Office	Owner share/ voting share	Number of shares	Cost value	Impairment previous years	Booked value	Equity 31.12.2020	Profit 2020
Oceanic Seismic Vessel AS	Bømlo	93%/93%	1,633,458	42,374,834	24,377,756	17,997,077	16,771,679	-1,225,400
Geo Vessels AS	Oslo	100/100%	100,000	83,765,000	83,765,000	0	-15,055,000	-805,000
				126,139,834	108,142,756	17,997,077		

The subsidiary Oceanic Seismic Vessel AS has an equity 31.12.2020 below booked value of the investment. This is considered to be temporary as it is expected that the company will generate positive results as it is expected that the bareboat rates will increase in the following years and interest costs will decrease in line with downpayments on the loan.

In November 2020 the company obtained vessel market values from two reputable brokers and performed and impairment test. Based on this it is identified values that exceed the booked value of the vessels.

Based on the above, no impairment of Oceanic Seismic Vessel AS has been made as at 31 December 2020.

Note 8 Finance lease

The company has a finance lease balance of USD 75,745,444 (2019: nil) related to streamers to its subsidiaries Oceanic Seismic Vessel AS and GeoVessels AS.

During 2020, the company recognised interest income on lease receivables of USD 2,783,944 (2019: nil).

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	2020	2019
Next 1 year	23,998,750	0
1 to 5 years	56,118,000	0
After 5 years	0	0
Total undiscounted lease payments receivable	80,116,750	0
Unearned finance income	-4,380,982	0
Net investment in the lease	75,735,768	0

	Steamer sections	Total
Derecognised underlying asset:		
Acquisition cost at period start	0	0
Additions during the year	96,500,000	96,500,000
Acquisition cost at 31 Dec 2020	96,500,000	96,500,000
Accumulated depreciation:		
Balance at period start	0	0
Depreciation for the period	19,300,001	19,300,001
Accumulated depreciation at 31 Dec 2020	19,300,001	19,300,001
Balance sheet values at 31 Dec 2020	77,199,999	77,199,999
Estimated useful lifetime	5 years	



Global Seismic Shipping AS

Notes to the financial statement 2020

Note 9 Cash and cash equivalents

There are no restricted funds regarding cash and cash equivalents.

Note 10 Share capital

The company's share capital consists of 100 000 shares at NOK 20, a total of NOK 2 000 000. Booked value is USD 224,163.

Shearwater GeoAssets AS owns 100% of the shares.

Note 11 Equity

	Paid in capital	Share premium reserve	Uncovered loss	Total equity
Equity as at 01.01.	117,265	126,022,567	-108,250,885	17,888,948
Debt conversion	106,898	96,393,102	0	96,500,000
Profit for the year			2,699,002	2,699,002
Equity at at 31.12.	224,163	222,415,669	-105,551,883	117,087,950

The company entered into an asset purchase agreement with its shareholder Shearwater GeoAssets AS for the purchase of streamer sets and equipment. The purchase price was USD 96 500 000 and was settled by way of an interest free and unsecured vendor credit, which was subsequently converted into equity.

Note 12 Intercompany balances

Long term receivables to group companies totals USD 23.5 mill. in 2020 (2019: USD 0.0 mill) and relate to the lease agreements with its subsidiaries. Requirements in the Nordea facility agreement state that these receivables are not to be settled in cash. These receivables are considered ordinary receivables.

Short term liabilities to group companies totals USD 0.2 mil. in 2020 (2019: USD 0.1 mill) and are considered as part of ordinary trade payables.

All intercompany balances are subject to interest calculation.

Note 13 Transactions with related parties

In 2020 the company entered into an asset purchase agreement with its shareholder Shearwater GeoAssets AS for the purchase of streamer sets and equipment. The purchase price was USD 96 500 000 and was settled by way of an interest free and unsecured vendor credit, which was subsequently converted into equity.

Subsequently, the company entered into a five-year lease agreement in 2020 with Geo Vessel AS and Oceanic Seismic Vessel AS for streamer sets for five vessels. The agreement is classified as finance lease. Instalments in 2020 totals to USD 23,538,500 and interest income totals to USD 2,783,944.

The company has been charged for a corporate service fee from Shearwater GeoServices Norway AS. In 2020 corporate service fee totals USD 63,213 (2019: USD 0) .

The transactions are all part of the ordinary business.



Note 14 Financial risk management

General

During the normal course of business, the company uses various financial instruments that expose the company to credit, interest rate, liquidity, exchange rate and fair value risks. These relate to financial instruments that are reported in the statements of financial position. 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.

Credit risk

The company's streamers have in 2020 been leased to Oceanic Seismic Vessels AS and Geo Vessels AS, which is part of the Shearwater group. Thus, the counterparty risk is considered low.

Interest rate risk

The company has no long term debt. Interest rate risk is considered low.

Liquidity risk

The risk of not being able to meet the company's obligations when due, is considered low.

Exchange rate risk

The company's financing as well as revenues are denominated in the company's functional currency USD. The company does not expect having to settle any significant transaction in a different currency.

Note 15 Exchange rates

Rates of Exchange ("RoE") are as follows:

	Average 2019	31. Dec. 2019	Average 2020	31. Dec. 2020
NOK/ USD	8.8037	8.7803	9.4004	8.5326

Note 16 Covid-19

The Covid-19 pandemic continued to affect the Shearwater group throughout 2020. However, the uncertainty the group saw in the first half of 2020 has subsided and been replaced by improved visibility and modest optimism, and more specifically for the industry, oil prices are back at levels motivating customers to resume E&P activities and demand more seismic data. The company still expects the current market situation to prevail for the remainder of 2021.



Skatteetaten

Vår dato 17.12.2020	Din/Deres dato 15.11.2020	Saksbehandler Nazish Fatima Mohammad
800 80 000 Skatteetaten.no	Din/Deres referanse	Telefon 901 51 930
Org.nr 974761076	Vår referanse 2020/6150709	Postadresse Postboks 9200 Grønland 0134 OSLO

U.off. offl. § 13, sktfv. § 3-1

Shearwater GoServices AS
Damsgårdsveien 135
5160 Laksevåg
v/ Hilde Marie Bjerga

Dispensasjon fra kravet om å utarbeide årsregnskap på norsk

Vi viser til deres søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk, på vegne av:

- Shearwater GoAssets AS, org.nr. 923 032 789
- Global Seismic Shipping AS, org.nr, 918 591 664
- Oceanic Seismic Shipping AS, org.nr. 990 952 507
- Geo Vessels AS, org.nr. 995 354 829

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, 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.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra søknaden siteres:

"Shearwater GeoServices Holding AS, med datterselskaper tilbyr tjenester innen Seismikkvirksomhet internasjonalt. Konsernet operer hvor engelsk klart er det dominerende arbeidspråket. All kommunikasjon med konsernets primære kunder og kreditorer foregår på engelsk. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. Konsernets arbeidsspråk er også engelsk. For mer informasjon om vår bransje/ virksomhet henvises til selskapets internettside: www.shearwatergeo.com.

Det er heller ingen forhold rundt konsernets finansiering som skulle tilsi behov for regnskap på norsk (bankforbindelser etterspør kun informasjon på engelsk).

Selskapets eiere er RASMUSSENGRUPPEN AS, GC Rieber Shipping ASA, Schlumberger and Eidesvik Offshore. RASMUSSENGRUPPEN AS er et profesjonelt investeringsselskap som arbeider mot både det norske og internasjonale markedet. GC Rieber Shipping ASA og Eidesvik Offshore er veletablerte rederi med fokus på internasjonale markeder. Schlumberger er et stort



internasjonalt konsern. Det foreligger derfor ingen behov blandt eierne å utarbeide regnskapet på norsk"

Skattekontorets 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 mv., 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, kunder og lokalsamfunnet.

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

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I søknaden informeres det om at all kommunikasjon med konsernets primære kunder og kreditorer foregår på engelsk. Alle sentrale aktører og samarbeidspartnere innen bransjen behersker og benytter engelsk. Konsernets arbeidsspråk er også engelsk. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen



Inger Mette Dahler
underdirektør
Innsats, storbedrift
Skatteetaten

Nazish Fatima Mohammad

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



ANNUAL REPORT 2020

Global Seismic Shipping AS

Damsgårdsvein 135
5160 Laksevåg

Business org.no 918 591 664 MVA

Contents:

Report of Board of Directors
Financial Statement
Auditor's report



Global Seismic Shipping AS Board of Directors' Report 2020

Global Seismic Shipping AS is a limited liability company registered in Norway. The company is the parent company of Geo Vessels AS and Oceanic Seismic Vessels AS. The parent company and its subsidiaries primary activity is to own and charter seismic vessels to entities operating as seismic service providers. The company is owned 100% by Shearwater GeoAssets AS and has been a part of the Shearwater GeoServices Group ("Shearwater") from January 8th 2020. The group's corporate office is in Bergen.

Global Seismic Shipping AS purchased streamer sets and equipments from its shareholder in 2020 and have entered a five-year lease agreement with its subsidiaries, Geo Vessels AS and Oceanic Seismic Vessels AS.

Financial review

Profit before tax in 2020 is USD 2.7 mill. compared with USD -80.4 mill. in 2019. Net operating income in 2020 totals to USD -0.1 mill. compared with USD 0.0 mill. in 2019. The negative change in net operating income is mainly due to recharge of corporate service fee from Shearwater GeoServices Norway AS.

In 2020 financial items are positive by USD 2.8 mill. compared to USD -80.3 mill. previous year. Financial items in 2020 consist mainly of interest income from finance lease. In 2019 the company recognised an impairment of USD -80.3 mill.

The company's liquidity was USD 0.0 mill. as at 31.12.2020 (2019: USD 0.0 mill.). Cash flow from operating activities in 2020 was negative USD -0.08 mill. (2019: -80.38). There was no cash flow from investment activities in 2020 and 2019. Lease receivables from finance lease are not to be settled in cash according to the Nordea facility agreement. The streamer purchase was settled by vendor credit, which was subsequently converted into equity. Net cash flow from financing activities was positive USD 0.08 mill. (2019: 0.04 mill).

Future prospects

The company's operation is exposed to the development in the markets for oil and gas exploration and - production. Business activity in the Shearwater group in the first half of 2020 reflected improved market rates as demand for seismic data rebounded in 2019 after several years depressed E&P (Exploration and Production) activity following the oil price collapse in 2014. The positive trend was however disrupted by the Covid-19 pandemic and as OPEC and Russia failed to agree on oil production quotas. The corresponding negative impact on commodity markets and subsequent reductions in E&P investments is expected to lead to a significant decline in demand for seismic services in the second half of the year.

Despite the challenging market conditions, Shearwater group continued to secure new contracts with E&P clients to a large extent prioritising production related seismic over exploration surveys. Going into 2021, this trend has continued, and market activity has started to recover amid and the roll-out of vaccination programs and rebounding oil prices.

Longer-term, the global economic activity will recover from Covid-19 and drive increased demand for oil and gas which together with more focus on enhanced oil recovery will require the E&P sector to resume and increase exploration and development investments. This provides a positive outlook for the seismic market. Still, the seismic market recovery is from historically low levels reflecting years of reduced exploration across the E&P industry.

We would like to emphasise the inherent uncertainty that exist when it comes to predicting future events and conditions.

Going concern

Based on the above report of profit and loss for the company, the Board of Directors confirms that the financial statements for 2020 are prepared on the assumption of going concern and that there is basis for adopting this principle in accordance with section 3-3 of the Norwegian Accounting Act. This assumption is based on the forecasts for 2021 and the Company's long-term strategic forecast.

Financial risk

The majority of the company's revenue is in USD. The company's expenses are mainly in NOK and USD. There is limited exposure to other currencies.

The company's streamers have in 2020 been leased to Shearwater companies, thus the credit risk is considered moderate to low.



The risk of not being able to meet the Company's obligations when due, is considered low due to the five-year lease agreement.

The company operates and invests in market segments which are largely dependent on global trends in demand for oil and gas and is hence exposed to market risks. However, long term lease agreement to Shearwater companies reduces this risk to a moderate level.

Employees

The company has no employees. Shearwater GeoServices Norway AS, a company in the Shearwater GeoServices group, held the function as Company Manager from January 2020.

Environment

Shearwater group's and therein the company's, seeing as it is now part of Shearwater group, 'Focus on Zero' initiative will continue to develop with the organisation going forward. The "safe" component of the new campaign remains the same: to "focus our intentions and behaviours on consistently striving towards Zero Harm, Zero Loss and Zero Rework." This includes, but is not limited to, focus on zero uncontrolled release of harmful substances to the natural environment.

Allocation of net income

The financial statement shows a negative net income of USD 2,699,002,- which is proposed transferred to uncovered loss.

Bergen, 26.08.2021

Board of Directors in Global Seismic Shipping AS

Irene Waage Basili
chairman of the board/
managing director

Andreas Hveding Aubert
member of the board



Global Seismic Shipping AS Profit and Loss account (in USD)

OPERATING REVENUE AND EXPENSES	NOTE	2020	2019
Cost of sales	13	63,213	0
Administration expenses	4	22,035	30,357
Total operating expenses		85,248	30,357
Net operating income		-85,248	-30,357
FINANCIAL ITEMS			
Other interest income	5, 8, 13	2,783,944	0
Other financial expenses	5, 7	0	80,342,756
Exchange loss (-) / gains (+)	5	306	-1
Net financial income and expenses		2,784,250	-80,342,757
Operating result before tax		2,699,002	-80,373,114
Net income		2,699,002	-80,373,114
COMPREHENSIVE INCOME			
Profit		2,699,002	-80,373,114
Items not recognised in profit and loss		0	0
Total comprehensive income		2,699,002	-80,373,114
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
To other equity		2,699,002	-80,373,114
Total allocation	11	2,699,002	-80,373,114



Global Seismic Shipping AS
Statement of Financial position (in USD)

ASSETS	NOTE	2020	2019
FIXED ASSETS			
FINANCIAL FIXED ASSETS			
Investments in subsidiaries	7	17,997,077	17,997,077
Receivable to group companies	12	23,526,313	0
Other long term receivables	8	75,745,444	0
Total financial fixed assets		117,268,834	17,997,077
Total fixed assets		117,268,834	17,997,077
CURRENT ASSETS			
DEBTORS			
Other short-term receivables		3,615	7,578
Total receivables		3,615	7,578
Total current assets		3,615	7,578
Total assets		117,272,449	18,004,655



Global Seismic Shipping AS
Statement of Financial position (in USD)

EQUITY AND LIABILITIES	NOTE	2020	2019
PAID-UP EQUITY			
Share capital	10, 11	224,163	117,265
Share premium reserve	11	222,415,669	126,022,567
Total paid-up equity		222,639,833	126,139,833
RETAINED EARNINGS			
Uncovered loss	11	-105,551,883	-108,250,885
Total retained earnings		-105,551,883	-108,250,885
Total equity		117,087,950	17,888,948
LIABILITIES			
CURRENT DEBT			
Trade creditors		2,084	0
Liabilities to group companies	12	182,415	115,707
Total current debt		184,499	115,707
Total liabilities		184,499	115,707
Total equity and liabilities		117,272,449	18,004,655

Bergen, 26.08.2021

Andreas Hveding Aubert
member of the board

Irene Waage Basili
chairman of the board



Global Seismic Shipping AS
Cash Flow Statement (in USD)

	NOTE	2020	2019
Operating activities			
Net income	3.14	2,699,002	- 80,373,113
Interest on finance lease without cash effect	8.14	- 2,783,944	-
Change in accounts receivables / accounts payables		2,084	- 737
Change in other current assets / liabilities		3,964	- 7,578
Net cash from operating activities		- 78,895	- 80,381,428
Investing activities			
Lease payments received from finance leases	8.11	-	-
Write-down of long-term financial assets	5.7	-	80,342,756
Net cash from investing activities		-	80,342,756
Financing activities			
Change in current IC assets / liabilities	11	78,895	38,674
Net cash from financing activities		78,895	38,674
Net change in cash and cash equivalents		-	0
Cash and cash equivalents at start of period	9	-	-
Cash and cash equivalents at 31.12.	9	-	0

Global Seismic Shipping AS



Note 1 Description of Company and operations

Global Seismic Shipping AS was founded 2 February 2017, and is a limited liability company registered in Bergen (Norway). The company is at 31 December 2020 owned 100% by Shearwater GeoAssets AS.

The company is the parent company of Geo Vessels AS and Oceanic Seismic Vessels AS. The parent company and its subsidiaries charter seismic vessels on long term charters to vessel operating companies. The Group formation was founded 20 April 2017. The Group's vessels are located across large parts of the world, and operates in the seismic segment. As of 8th January 2020 the Company is part of the Shearwater GeoServices group. The Group's consolidated financial statement is available at the corporate head office in Damsgårdsveien 135, Bergen, Norway.

Note 2 Summary of significant accounting policies

General

The financial statements have been prepared in accordance with the Norwegian Accounting Act § 3-9 and "Forskrift om forenklet IFRS fastsatt av Finansdepartementet 21. januar 2008" (hereafter "Simplified IFRS"). This implies that recognition and measurement are mainly in accordance with International Financial Reporting Standards (IFRS).

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

Basis of preparation

The financial statements are 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.

Foreign currency translation

Monetary assets and liabilities denominated in currencies other than US Dollar are translated to US Dollar at rates of exchange prevailing on the reporting date. Transactions during the year are translated at the rates of exchange ruling at the time of the transaction. Exchange gains and losses are recognised in the statement of comprehensive income.

Classification of assets and liabilities

Assets intended to serve the company beyond the current period are presented as non-current. All other assets are presented as current. Non-current liabilities include amounts due beyond one year.

Estimates

Preparing accounts in accordance with simplified IFRS requires management to make estimates, assumptions and judgements 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. Actual results could differ materially from those estimates due to changes in economic conditions, changes in laws and regulations, changes in strategy and the inherent imprecision associated with the use of estimates. Changes of estimates are accounted for prospectively from the date of change.

Cash flow statement

The cash flow statement is prepared using the indirect method.

Events after the reporting period

New information after the reporting period on the company's financial position on the reporting date has been considered in the annual accounts. Events after the reporting date that do not affect the company's financial position on the balance sheet date, but will affect the company's financial position in the future, are reported if they are significant.

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 company, which is at the point that such revenues have been realised or are considered realisable.



Machinery and equipment

Machinery and equipment are recorded at historical cost with accumulated depreciations and write-downs deducted. Each part of the assets that has material value of the total cost, is depreciated separately and linearly over the useful life of the asset. Components with the same useful life are depreciated as one component. The depreciation period and method is evaluated at each balance sheet date to ensure that the method and the period used correspond with the financial realities of the asset.

Book value of tangible fixed assets are assessed for loss of value when events or changes in circumstances indicate that book value cannot be recovered. If such indications are discovered, and book value exceeds the recoverable amount, the asset is written down to the recoverable amount, which for tangible fixed assets is the highest of expected net sales price and utility value. Utility value is calculated as the current value of future cash flows. If the reason for the write-down lapses at a later time, and the lapse can be tied to an event taking place after the impairment is recognized, the previous write-down is reversed.

Leases

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease agreements that transfer substantially all of the risks and rewards incidental to ownership of the underlying asset are classified as finance lease. All other leases are operating leases. Under finance lease agreements the net investment in the lease is calculated using the present value of future expected lease receivables and is booked as a lease receivable on the balance sheet. The carrying value of the underlying asset is derecognised. Any difference between the net investment in the lease and the carrying value of the underlying asset is recognised as a gain or loss on the income statement.

Trade receivables

Trade receivables are recognised and carried at their anticipated realisable value, which is the original invoice amount less an estimated valuation allowance for any uncollectible amounts. A provision is made when there is objective evidence that the company will not be able to collect the debts. Bad debts are expensed when identified.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The company's financial assets are: investment in subsidiaries, other long term receivables and trade receivables. Financial assets are recorded at amortised cost and are subsequently subject to impairment test. Gains and losses are recognised in profit or loss when the assets is impaired.

Trade receivables that do not contain a significant financing component are measured at the transaction price, and impaired based on estimated credit loss (ECL). For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

Financial liabilities

The Company's financial liabilities are classified, at initial recognition, as loans and borrowings, payables or as derivatives with fair value through profit and loss. The Company does not have derivatives designated as hedging instruments in effective hedges. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Loans, borrowings and payables

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (effective interest rate) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Payables are measured at their nominal amount when the effect of discounting is not material.



Global Seismic Shipping AS

Notes to the financial statement 2020

Financial liabilities

Financial liabilities are reported at amortised costs.

Taxes

In 2019 the company's operational result was subject to Norwegian tonnage tax legislation. Tonnage tax is recognised as other operating expenses. The company's financial result is subject to Norwegian income tax. Income taxes are recognised in the same period as the revenue and the expenses to which these relate.

From 2020 the company is no longer subject to Norwegian tonnage tax legislation. Taxes are expensed when incurred, which means the tax expense is related to the financial statements profit/loss before tax. Tax expenses consist of tax payable (tax on the financial years taxable income) and change in net deferred tax. The tax expense is distributed between ordinary profit/loss and extraordinary profit/loss according to the tax basis. Deferred tax and deferred tax asset is presented net in the balance sheet.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits with an original maturity of three months or less.

Investments in subsidiaries

Investments in subsidiaries are valued in accordance with the cost method. If fair value is lower than cost, and the fall in value is not considered to be temporary, the investment will be valued at fair value.

Subsequent events

Subsequent events are those events, favourable and unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised for issue.

Events that provide evidence of conditions that existed at the balance sheet date are recognised in the financial statements.

Events that are indicative of conditions that arose after the balance sheet date are disclosed when they are significant.

Comparatives

Comparative figures have been adjusted to conform to changes in presentation in the current year, where necessary.

Change in accounting policies in 2020

The accounting principles applied are consistent with the principles used in previous periods. There are no standards or interpretations that are not yet effective that would be expected to have a material impact on the Company's financial statements.



Global Seismic Shipping AS

Notes to the financial statement 2020

Note 3 Operating revenue

The company entered into a five-year lease agreement in 2020 with Geo Vessel AS and Oceanic Seismic Vessel AS for streamer sets for five vessels. The agreement is classified as finance lease.

Please refer to Note 8 and 13.

Note 4 Payroll expenses, number of employees, remunerations

The company has no employees and therefore no legal or constructive obligations to hold a pension scheme as defined in the pension law. There has been no remuneration to general manager or directors of the board.

Auditor's fee in 2020 is related to statutory audit USD 4,979 and USD 0 for other services. The amount is excluding VAT.

Note 5 Net financial items

	2020	2019
Interest income on lease receivable (note 8)	2,783,944	0
Other interest income	2,783,944	0
Write-down of long-term financial assets (note 7)	0	80,342,756
Other financial expenses	0	80,342,756
Gain on currency	730	0
Loss on currency	-424	-1
Exchange loss (-)/ gains (+)	306	-1



Global Seismic Shipping AS

Notes to the financial statement 2020

Note 6 Tax

	2019
Tax payable subject to the tonnage tax:	
Taxable financial income	0
Deductable finance cost	721
Sum	721
Taxable loss carried forward	0
Taxable loss (-)/ profit (+)	721

Tax payable = Yearly tax cost	0
Taxable loss carried forward	758

From year 2020 the company is not subject to the Norwegian tonnage tax legislation.

Taxes in profit and loss:	2020
Tax payable	0
Change in deferred tax	0
Tax expenses	0

Taxable income:	
Net income before tax	-6,595,317
Permanent differences	0
Change in temporary differences	0
Loss carried forward	0
Net taxable income	-6,595,317

Temporary differences:	
Losses brought forward	-6,595,421
Deferred tax assets	-6,595,421
Not recognised tax assets	6,595,421
Deferred tax / deferred tax assets	0

Tax rate for tax payable	22%
Tax rate deferred tax 2020	22%
Tax rate deferred tax 2021	22%

The company's functional currency is USD but for tax purposes the company holds a dual accounting in NOK. The dual accounting is the basis for the income tax return and also figures in the tax note. The amounts have all been translated with the exchange rate at the balance sheet date NOK/USD 0,11719 in 2020 (2019: NOK/USD 0,11389).



Global Seismic Shipping AS

Notes to the financial statement 2020

Note 7 Investment in subsidiaries

	Office	Owner share/ voting share	Number of shares	Cost value	Impairment previous years	Booked value	Equity 31.12.2020	Profit 2020
Oceanic Seismic Vessel AS	Bømlo	93%/93%	1,633,458	42,374,834	24,377,756	17,997,077	16,771,679	-1,225,400
Geo Vessels AS	Oslo	100/100%	100,000	83,765,000	83,765,000	0	-15,055,000	-805,000
				126,139,834	108,142,756	17,997,077		

The subsidiary Oceanic Seismic Vessel AS has an equity 31.12.2020 below booked value of the investment. This is considered to be temporary as it is expected that the company will generate positive results as it is expected that the bareboat rates will increase in the following years and interest costs will decrease in line with downpayments on the loan.

In November 2020 the company obtained vessel market values from two reputable brokers and performed and impairment test. Based on this it is identified values that exceed the booked value of the vessels.

Based on the above, no impairment of Oceanic Seismic Vessel AS has been made as at 31 December 2020.

Note 8 Finance lease

The company has a finance lease balance of USD 75,745,444 (2019: nil) related to streamers to its subsidiaries Oceanic Seismic Vessel AS and GeoVessels AS.

During 2020, the company recognised interest income on lease receivables of USD 2,783,944 (2019: nil).

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	2020	2019
Next 1 year	23,998,750	0
1 to 5 years	56,118,000	0
After 5 years	0	0
Total undiscounted lease payments receivable	80,116,750	0
Unearned finance income	-4,380,982	0
Net investment in the lease	75,735,768	0

	Steamer sections	Total
Derecognised underlying asset:		
Acquisition cost at period start	0	0
Additions during the year	96 500 000	96,500,000
Acquisition cost at 31 Dec 2020	96,500,000	96,500,000
Accumulated depreciation:		
Balance at period start	0	0
Depreciation for the period	19,300,001	19,300,001
Accumulated depreciation at 31 Dec 2020	19,300,001	19,300,001
Balance sheet values at 31 Dec 2020	77,199,999	77,199,999
Estimated useful lifetime	5 years	



Note 9 Cash and cash equivalents

There are no restricted funds regarding cash and cash equivalents.

Note 10 Share capital

The company's share capital consists of 100 000 shares at NOK 20, a total of NOK 2 000 000. Booked value is USD 224,163.

Shearwater GeoAssets AS owns 100% of the shares.

Note 11 Equity

	Paid in capital	Share premium reserve	Uncovered loss	Total equity
Equity as at 01.01.	117,265	126,022,567	-108,250,885	17,888,948
Debt conversion	106,898	96,393,102	0	96,500,000
Profit for the year			2,699,002	2,699,002
Equity at at 31.12.	224,163	222,415,669	-105,551,883	117,087,950

The company entered into an asset purchase agreement with its shareholder Shearwater GeoAssets AS for the purchase of streamer sets and equipment. The purchase price was USD 96 500 000 and was settled by way of an interest free and unsecured vendor credit, which was subsequently converted into equity.

Note 12 Intercompany balances

Long term receivables to group companies totals USD 23.5 mill. in 2020 (2019: USD 0.0 mill) and relate to the lease agreements with its subsidiaries. Requirements in the Nordea facility agreement state that these receivables are not to be settled in cash. These receivables are considered ordinary receivables.

Short term liabilities to group companies totals USD 0.2 mil. in 2020 (2019: USD 0.1 mill) and are considered as part of ordinary trade payables.

All intercompany balances are subject to interest calculation.

Note 13 Transactions with related parties

In 2020 the company entered into an asset purchase agreement with its shareholder Shearwater GeoAssets AS for the purchase of streamer sets and equipment. The purchase price was USD 96 500 000 and was settled by way of an interest free and unsecured vendor credit, which was subsequently converted into equity.

Subsequently, the company entered into a five-year lease agreement in 2020 with Geo Vessel AS and Oceanic Seismic Vessel AS for streamer sets for five vessels. The agreement is classified as finance lease. Instalments in 2020 totals to USD 23,538,500 and interest income totals to USD 2,783,944.

The company has been charged for a corporate service fee from Shearwater GeoServices Norway AS. In 2020 corporate service fee totals USD 63,213 (2019: USD 0) .

The transactions are all part of the ordinary business.



Note 14 Financial risk management

General

During the normal course of business, the company uses various financial instruments that expose the company to credit, interest rate, liquidity, exchange rate and fair value risks. These relate to financial instruments that are reported in the statements of financial position. 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.

Credit risk

The company's streamers have in 2020 been leased to Oceanic Seismic Vessels AS and Geo Vessels AS, which is part of the Shearwater group. Thus, the counterparty risk is considered low.

Interest rate risk

The company has no long term debt. Interest rate risk is considered low.

Liquidity risk

The risk of not being able to meet the company's obligations when due, is considered low.

Exchange rate risk

The company's financing as well as revenues are denominated in the company's functional currency USD. The company does not expect having to settle any significant transaction in a different currency.

Note 15 Exchange rates

Rates of Exchange ("RoE") are as follows:

	Average 2019	31. Dec. 2019	Average 2020	31. Dec. 2020
NOK/ USD	8.8037	8.7803	9.4004	8.5326

Note 16 Covid-19

The Covid-19 pandemic continued to affect the Shearwater group throughout 2020. However, the uncertainty the group saw in the first half of 2020 has subsided and been replaced by improved visibility and modest optimism, and more specifically for the industry, oil prices are back at levels motivating customers to resume E&P activities and demand more seismic data. The company still expects the current market situation to prevail for the remainder of 2021.