



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 917 313 415  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: SHEARWATER GEOSERVICES 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: 31.08.2021

### 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, 27.07.2022



### Resultatregnskap

Beløp i: USD	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
Operating revenue	10		
<b>Kostnader</b>			
Personell expenses	6		
Administration expenses		1 837 409	1 523 022
<b>Sum kostnader</b>		<b>1 837 409</b>	<b>1 523 022</b>
<b>Driftsresultat</b>		<b>-1 837 409</b>	<b>-1 523 022</b>
<b>Finansinntekter og finanskostnader</b>			
Renteinntekt fra foretak i samme konsern		870 112	1 816 004
Annen renteinntekt		235 431	42 937
Financial income		5 421 447	
<b>Sum finansinntekter</b>		<b>6 526 991</b>	<b>1 858 941</b>
Rentekostnad til foretak i samme konsern		485 623	169 349
Annen rentekostnad		667 157	1 327 886
Other financial expenses		142 069	370 919
Exchange loss (-) /gain (+)		648 480	-769 306
<b>Sum finanskostnader</b>		<b>1 943 329</b>	<b>1 098 849</b>
<b>Netto finans</b>		<b>4 583 662</b>	<b>760 092</b>
<b>Ordinært resultat før skattekostnad</b>		<b>2 746 253</b>	<b>-762 930</b>
Tax expenses		-823 822	
<b>Ordinært resultat etter skattekostnad</b>		<b>3 570 075</b>	<b>-762 930</b>
<b>Årsresultat</b>		<b>3 570 075</b>	<b>-762 930</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>3 570 075</b>	<b>-762 930</b>
<b>Totalresultat</b>		<b>3 570 075</b>	<b>-762 930</b>
<b>Overføringer og disponeringer</b>			
Konsernbidrag		823 822	
To other equity		2 746 253	



## Resultatregnskap

<b>Beløp i: USD</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
From other equity			-762 930
<b>Sum overføringer og disponeringer</b>		<b>3 570 075</b>	<b>-762 930</b>



### Balanse

Beløp i: USD	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	3	378 464 686	62 742 261
Lån til foretak i samme konsern		7 481 388	
<b>Sum finansielle anleggsmidler</b>		<b>385 946 074</b>	<b>62 742 261</b>
<b>Sum anleggsmidler</b>		<b>385 946 074</b>	<b>62 742 261</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Other short-term receivables		23 618	15 835
Receivables to group companies		450 334 631	59 024 137
<b>Sum fordringer</b>		<b>450 358 249</b>	<b>59 039 971</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents		16 221 776	94 271
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>16 221 776</b>	<b>94 271</b>
<b>Sum omløpsmidler</b>		<b>466 580 025</b>	<b>59 134 242</b>
<b>SUM EIENDELER</b>		<b>852 526 100</b>	<b>121 876 503</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital		10 650 123	9 899 887
Overkurs		423 503 601	79 941 057
<b>Sum innskutt egenkapital</b>		<b>434 153 725</b>	<b>89 840 944</b>



### Balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Opptjent egenkapital</b>			
Retained earnings		4 166 665	1 420 412
<b>Sum opptjent egenkapital</b>	4	<b>4 166 665</b>	<b>1 420 412</b>
<b>Sum egenkapital</b>		<b>438 320 390</b>	<b>91 261 356</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner		349 190 416	
<b>Sum annen langsiktig gjeld</b>		<b>349 190 416</b>	
<b>Sum langsiktig gjeld</b>		<b>349 190 416</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Short term debt to credit institutions		11 395 703	
Leverandørgjeld		109 234	751
Liabilities to group companies		53 500 497	30 597 399
Other current debt		9 860	16 998
<b>Sum kortsiktig gjeld</b>		<b>65 015 294</b>	<b>30 615 147</b>
<b>Sum gjeld</b>		<b>414 205 710</b>	<b>30 615 147</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>852 526 100</b>	<b>121 876 503</b>



---

# ANNUAL REPORT 2020

## SHEARWATER GEOSERVICES AS

Damsgårdsveien 135  
5160 Laksevåg

Business reg. no 917 313 415

Content:  
Report of the Board of directors  
Financial Statement  
Auditor's report

---



## Shearwater GeoServices AS Annual Report 2020

Shearwater GeoServices group is a global provider of full-range geophysical services. Shearwater GeoServices AS is an intermediary company within the Shearwater group. It has no employees and its main function is to hold shares in subsidiaries with operating activities. Shearwater GeoServices AS is a Norwegian company with its head office in Bergen and has international presence through subsidiaries with offices in Gatwick and Tunbridge Wells in the UK, Houston in the US, in Singapore and in Australia.

### Aspects of 2020

2020 started with high market activity and a continuation of the positive trend seen in 2019. However, from early March the Covid-19 pandemic had a significant negative impact on oil price developments and the markets for the group's services. Energy companies responded to lower oil price and increased uncertainty by reducing exploration and production investments. This led to a decline in the number of seismic projects in the market for the second half of the year and two contracts were cancelled by clients in the second quarter of 2020.

The company's subsidiaries saw a peak of active vessels in May, before the active fleet was reduced to 6 vessels at year-end with associated adjustments to the organisation to optimise operations and cost base. Despite this, the group was able to achieve strong positive cash flow generation from operations with the combination of a competitive cost base, strong operational performance and the ability to adjust active fleet both quickly and cost effectively.

Shearwater have taken steps to minimise the impact on people and operations and to ensure business continuity with a strong focus on mitigating the impact on project execution for clients throughout the Covid-19 pandemic. This included regularly updated group health advisories and executing business activities in compliance with local and international regulations.

In December 2020 Shearwater managed to finalise its refinancing. As part of this process shares in Shearwater GeoServices Assets II AS was sold to the company's holding company and shares in Trace Invest AS was used as contribution in kind in a capital increase in the company.

Profit before tax in 2020 was positive USD 2.7 mill (2019: positive USD 0.8 mill). Net financial items were positive USD 4.6 mill (2019: positive USD 0.8 mill) of which gain on sale of shares in subsidiary was USD 4.8 mill. In addition, the company received USD 1.0 mill as repayment of share premium from Delphis of which USD 0.6 mill was booked as financial income.

The company's liquidity was USD 16.2 mill (2019: USD 0.1 mill) as of 31.12.2020. Cash flow from operating activities in 2020 was negative USD 1.2 mill (2019: positive USD 1.1 mill). Cash flow from investment activities was negative USD 369.1 mill (2019: positive USD 0.8 mill) due to a net increase in short-term loan from subsidiaries mainly related to down payment of old loan facilities. Net cash flow from financing activities was positive USD 387.1 mill due to draw down of new long-term loan as well as capital increase from owner. In 2019 the negative USD 1.9 mill was due to repayment and interest of a short-term NOK loan from RASMUSSENGRUPPEN AS.

### Future prospects

Shearwater's operations are exposed to developments in the markets for oil and gas exploration and production. Business activity in the first half of 2020 reflected improved market rates as demand for seismic data rebounded in 2019 after several years depressed E&P 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 led to a significant decline in demand for Shearwater's services into the second half of the year.

Despite the challenging market conditions, Shearwater 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 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 market for Shearwater's services. Still, the seismic market recovery is from historically low levels reflecting years of reduced exploration across the E&P industry.

Growth opportunities are also emerging with increased investments in new markets such as wind, carbon storage, geothermal and other areas. Shearwater is well positioned to capture these opportunities as the largest provider of marine seismic acquisition services with a low-cost base and limited capex requirement over the coming years.

#### **Financial risk**

The company's operating expenses are mainly in NOK and USD. Both intercompany interest income and expenses are in USD, as is external interest expenses. The company will attempt to minimise risks by implementing hedging arrangements when appropriate but will not be able to fully avoid these risks.

Credit risks: All receivables are towards group companies; counterparty risk is assumed satisfactory.

Interest rate risk is mainly related to the company's long-term debt USD 364.0 mill. The long-term loan is exposed to the development in USD interest rates and interest rate hedging agreements for parts of the loan have been entered to minimise the risk. The lenders are renowned Norwegian shipping-banks.

Interest risk and financing issues are closely monitored in the Shearwater group.

The company has bank deposits in NOK and USD. The company considers liquidity risk as limited.

The company has not participated in research and development activities in 2020.

#### **Going concern**

The Board of Directors confirms that the financial statements for 2020 are prepared on the principle of going concern and that there is basis for adopting this principle in accordance with section 3-3 of the Norwegian Accountancy Act.

#### **Social responsibility**

Shearwater GeoServices AS' ambition is to practice social responsibility. The Shearwater group has prepared guidelines for ethics and social responsibility that constitute general principles for business practices and personal conduct and provide a basis for the attitudes and values that should govern the culture in the company and its subsidiaries. For a thorough account of the social responsibility and sustainability work carried out by Shearwater group, please refer to the "Code of Conduct" at the homepage [www.shearwatergeo.com](http://www.shearwatergeo.com).

#### **Employees**

The company has no employees. The administration of the company is taken care of by its subsidiary Shearwater GeoServices Norway AS. All board members are male.

#### **Environment**

The Group's management systems are aligned to IOGP guidelines, certified to ISO9001 and compliant with ISO14001 and ISO45001 standards. Shearwater have implemented best-in-class Integrated Management System software to actively facilitate and transparently communicate QHSE compliance. The system's architecture is based on the ISO and IOGP 510 models, and the software is widely used in other industries where compliance to safe working practices is paramount.



The Group's fleet of modern seismic vessels provide inherently safe working environments for the crews, with proven seaworthiness and spacious back-deck layouts. The well-tested but seldom-used redundant propulsion systems allow any one of them to be confidently deployed in extreme environments, or in and around existing oilfield infrastructure. The technical capabilities of the vessels provide a cornerstone for safe and efficient surveys.

Marine seismic acquisition projects can be exposed to unique and variable hazards depending upon where in the world prospects are located. Shearwater's extensive experience within the industry enables the Group to thoroughly identify potential hazards, accurately document their effects and secure the appropriate resources to mitigate the potential risks to acceptable levels. The Group promotes the use of proactive, leading indicators that are specifically configured to reflect the level of QHSE effort from the workforce. Calculation and publication of such indicators are used, for example, to actively monitor trends in the safety culture of each crew over the duration of a project, or between vessels. Continually improving upon the performance of these indicators drives the Group's ongoing effort towards our goal of zero loss, zero harm and zero rework. Shearwater is a Governing Member of IAGC.

#### Allocation of net income

The financial statement shows a net profit of USD 3,570,073 which is proposed transferred to retained earnings.

Bergen, 26<sup>th</sup> August 2021

Board of Directors in Shearwater GeoServices AS

Trygve Lauvdal  
Board member

Robert Hobbs  
Chairman of the board

Stein Vidar Håland  
Board member

Lars Erik Larsson  
Board member

Irene Waage Basili  
CEO

Vijay Kasibhatla  
Board member



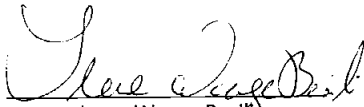
The Group's fleet of modern seismic vessels provide inherently safe working environments for the crews, with proven seaworthiness and spacious back-deck layouts. The well-tested but seldom-used redundant propulsion systems allow any one of them to be confidently deployed in extreme environments, or in and around existing oilfield infrastructure. The technical capabilities of the vessels provide a cornerstone for safe and efficient surveys.

Marine seismic acquisition projects can be exposed to unique and variable hazards depending upon where in the world prospects are located. Shearwater's extensive experience within the industry enables the Group to thoroughly identify potential hazards, accurately document their effects and secure the appropriate resources to mitigate the potential risks to acceptable levels. The Group promotes the use of proactive, leading indicators that are specifically configured to reflect the level of QHSE effort from the workforce. Calculation and publication of such indicators are used, for example, to actively monitor trends in the safety culture of each crew over the duration of a project, or between vessels. Continually improving upon the performance of these indicators drives the Group's ongoing effort towards our goal of zero loss, zero harm and zero rework. Shearwater is a Governing Member of IAGC.

#### Allocation of net income

The financial statement shows a net profit of USD 3,570,073 which is proposed transferred to retained earnings.

Bergen, 26<sup>th</sup> August 2021  
Board of Directors in Shearwater GeoServices AS

_____ Trygve Lauvdal Board member	_____ Robert Hobbs Chairman of the board	_____ Stein Vidar Håland Board member
_____ Lars Erik Larsson Board member	 Irene Waage Basild CEO	_____ Vijay Kasibhatla Board member




The Group's fleet of modern seismic vessels provide inherently safe working environments for the crews, with proven seaworthiness and spacious back-deck layouts. The well-tested but seldom-used redundant propulsion systems allow any one of them to be confidently deployed in extreme environments, or in and around existing oilfield infrastructure. The technical capabilities of the vessels provide a cornerstone for safe and efficient surveys.

Marine seismic acquisition projects can be exposed to unique and variable hazards depending upon where in the world prospects are located. Shearwater's extensive experience within the industry enables the Group to thoroughly identify potential hazards, accurately document their effects and secure the appropriate resources to mitigate the potential risks to acceptable levels. The Group promotes the use of proactive, leading indicators that are specifically configured to reflect the level of QHSE effort from the workforce. Calculation and publication of such indicators are used, for example, to actively monitor trends in the safety culture of each crew over the duration of a project, or between vessels. Continually improving upon the performance of these indicators drives the Group's ongoing effort towards our goal of zero loss, zero harm and zero rework. Shearwater is a Governing Member of IAGC.

#### Allocation of net income

The financial statement shows a net profit of USD 3,570,073 which is proposed transferred to retained earnings.

Bergen, 26<sup>th</sup> August 2021  
Board of Directors in Shearwater GeoServices AS

Trygve Lauvdal Board member	Robert Hobbs Chairman of the board	Stein Vidar Håland Board member
Lars Erik Larsson Board member	Irene Waage Basili CEO	 Vijay Kasibhatla Board member



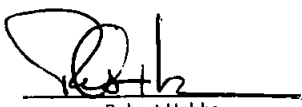
The Group's fleet of modern seismic vessels provide inherently safe working environments for the crews, with proven seaworthiness and spacious back-deck layouts. The well-tested but seldom-used redundant propulsion systems allow any one of them to be confidently deployed in extreme environments, or in and around existing oilfield infrastructure. The technical capabilities of the vessels provide a cornerstone for safe and efficient surveys.

Marine seismic acquisition projects can be exposed to unique and variable hazards depending upon where in the world prospects are located. Shearwater's extensive experience within the industry enables the Group to thoroughly identify potential hazards, accurately document their effects and secure the appropriate resources to mitigate the potential risks to acceptable levels. The Group promotes the use of proactive, leading indicators that are specifically configured to reflect the level of QHSE effort from the workforce. Calculation and publication of such indicators are used, for example, to actively monitor trends in the safety culture of each crew over the duration of a project, or between vessels. Continually improving upon the performance of these indicators drives the Group's ongoing effort towards our goal of zero loss, zero harm and zero rework. Shearwater is a Governing Member of IAGC.

#### Allocation of net income

The financial statement shows a net profit of USD 3,570,073 which is proposed transferred to retained earnings.

Bergen, 26<sup>th</sup> August 2021  
Board of Directors in Shearwater GeoServices AS

<hr/> <p>Trygve Lauvdal Board member</p>	 <hr/> <p>Robert Hobbs Chairman of the board</p>	<hr/> <p>Stein Vidar Håland Board member</p>
<hr/> <p>Lars Erik Larsson Board member</p>	<hr/> <p>Irene Waage Basili CEO</p>	<hr/> <p>Vijay Kasibhatla Board member</p>



## SHEARWATER GEOSERVICES AS ANNUAL REPORT 2020

### INCOME STATEMENT

SHEARWATER GEOSERVICES AS

USD		1st of Jan - 31st of Dec 2020	1st of Jan - 31st of Dec 2019
Other administrative cost	7, 13	1 837 409	1 523 022
<b>Total cost of sales</b>		<b>1 837 409</b>	<b>1 523 022</b>
<b>Operating profit/(loss)</b>		<b>-1 837 409</b>	<b>-1 523 022</b>
Financial income		825 660	42 937
Financial expenses		-809 226	-1 698 805
Gain on sale of shares in subsidiary	4	4 831 218	-
Net interest income from group entities	6	384 489	1 646 655
Exchange loss / gain		-648 480	769 306
<b>Total financial items</b>		<b>4 583 660</b>	<b>760 092</b>
<b>Net income before taxes</b>		<b>2 746 251</b>	<b>-762 930</b>
Taxes	8	-823 822	-
<b>Net income</b>		<b>3 570 073</b>	<b>-762 930</b>
Transferred to other equity		-2 746 251	762 930
Group contribution received (after tax)		2 920 825	-
Group contribution paid		-3 744 647	-
Total allocation		-3 570 073	762 930



## SHEARWATER GEOSERVICES AS ANNUAL REPORT 2020

### STATEMENT OF FINANCIAL POSITION

#### SHEARWATER GEOSERVICES AS

USD	Note	31 December 2020	31 December 2019
<b>ASSETS</b>			
Investment in subsidiaries	4	378 464 686	62 742 261
Long-term loan on Group companies	6	7 481 388	-
<b>Total financial non-current assets</b>		<b>385 946 074</b>	<b>62 742 261</b>
Other receivables		23 618	15 835
Receivables on Group companies	6	450 334 631	59 024 137
Cash and cash equivalents	5	16 221 776	94 271
<b>Total current assets</b>		<b>466 580 025</b>	<b>59 134 242</b>
<b>Total assets</b>		<b>852 526 100</b>	<b>121 876 503</b>



## SHEARWATER GEOSERVICES AS ANNUAL REPORT 2020

### STATEMENT OF FINANCIAL POSITION

SHEARWATER GEOSERVICES AS

USD	Note	31 December 2020	31 December 2019
<b>EQUITY AND LIABILITIES</b>			
Share capital	3, 10	9 899 887	9 899 887
Share Premium	3	79 941 057	79 941 057
Capital increase not registered	3	344 312 781	-
Retained earnings	3	4 166 665	1 420 412
<b>Total Equity</b>		<b>438 320 390</b>	<b>91 261 356</b>
<b>Long-term liabilities</b>			
Long term debt to credit institutions	9	349 190 416	-
<b>Total long-term liabilities</b>		<b>349 190 416</b>	<b>-</b>
<b>Short-term liabilities</b>			
Short-term debt to credit institutions	9	11 395 703	-
Trade creditors		109 234	751
Liabilities to group companies	6	53 500 497	30 597 399
Other short term liabilities		9 860	16 998
<b>Total short-term liabilities</b>		<b>65 015 294</b>	<b>30 615 147</b>
<b>Total liabilities</b>		<b>414 205 710</b>	<b>30 615 147</b>
<b>Total equity and liabilities</b>		<b>852 526 100</b>	<b>121 876 503</b>

Bergen, 26 August 2021

Robert Scott Hobbs  
Chairman of the board

  
Trygve Lauvdal  
Board member

Vijay Kasibhatta  
Board member

  
Stein Vidar Håland  
Board member

  
Lars Erik Larsson  
Board member

Irene Waage Basili  
CEO



## SHEARWATER GEOSERVICES AS ANNUAL REPORT 2020

### STATEMENT OF FINANCIAL POSITION

SHEARWATER GEOSERVICES AS

USD	Note	31 December 2020	31 December 2019
<b>EQUITY AND LIABILITIES</b>			
Share capital	3, 10	9 899 887	9 899 887
Share Premium	3	79 941 057	79 941 057
Capital increase not registered	3	344 312 781	-
Retained earnings	3	4 166 665	1 420 412
<b>Total Equity</b>		<b>438 320 390</b>	<b>91 261 356</b>
<b>Long-term liabilities</b>			
Long term debt to credit institutions	9	349 190 416	-
<b>Total long-term liabilities</b>		<b>349 190 416</b>	<b>-</b>
<b>Short-term liabilities</b>			
Short-term debt to credit institutions	9	11 395 703	-
Trade creditors		109 234	751
Liabilities to group companies	6	53 500 497	30 597 399
Other short term liabilities		9 860	16 998
<b>Total short-term liabilities</b>		<b>65 015 294</b>	<b>30 615 147</b>
<b>Total liabilities</b>		<b>414 205 710</b>	<b>30 615 147</b>
<b>Total equity and liabilities</b>		<b>852 526 100</b>	<b>121 876 503</b>

Bergen, 26 August 2021

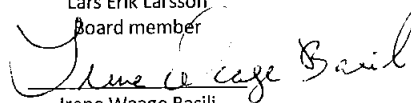
Robert Scott Hobbs  
Chairman of the board

Stein Vidar Håland  
Board member

Trygve Lauvdal  
Board member

Lars Erik Larsson  
Board member

Vijay Kasibhatla  
Board member

  
Irene Waage Basili  
CEO



## SHEARWATER GEOSERVICES AS ANNUAL REPORT 2020

### STATEMENT OF FINANCIAL POSITION

SHEARWATER GEOSERVICES AS

USD	Note	31 December 2020	31 December 2019
<b>EQUITY AND LIABILITIES</b>			
Share capital	3, 10	9 899 887	9 899 887
Share Premium	3	79 941 057	79 941 057
Capital increase not registered	3	344 312 781	-
Retained earnings	3	4 166 665	1 420 412
<b>Total Equity</b>		<b>438 320 390</b>	<b>91 261 356</b>
<b>Long-term liabilities</b>			
Long term debt to credit institutions	9	349 190 416	-
<b>Total long-term liabilities</b>		<b>349 190 416</b>	<b>-</b>
<b>Short-term liabilities</b>			
Short-term debt to credit institutions	9	11 395 703	-
Trade creditors		109 234	751
Liabilities to group companies	6	53 500 497	30 597 399
Other short term liabilities		9 860	16 998
<b>Total short-term liabilities</b>		<b>65 015 294</b>	<b>30 615 147</b>
<b>Total liabilities</b>		<b>414 205 710</b>	<b>30 615 147</b>
<b>Total equity and liabilities</b>		<b>852 526 100</b>	<b>121 876 503</b>

Bergen, 26 August 2021.

Robert Scott Hobbs  
Chairman of the board

Stein Vidar Håland  
Board member

Trygve Lauvdal  
Board member

Lars Erik Larsson  
Board member

Vijay Kasibhatla  
Board member

Irene Waage Basili  
CEO



## SHEARWATER GEOSERVICES AS ANNUAL REPORT 2020

### STATEMENT OF FINANCIAL POSITION

SHEARWATER GEOSERVICES AS

USD	Note	31 December 2020	31 December 2019
<b>EQUITY AND LIABILITIES</b>			
Share capital	3, 10	9 899 887	9 899 887
Share Premium	3	79 941 057	79 941 057
Capital increase not registered	3	344 312 781	-
Retained earnings	3	4 166 665	1 420 412
<b>Total Equity</b>		<b>438 320 390</b>	<b>91 261 356</b>
<b>Long-term liabilities</b>			
Long term debt to credit institutions	9	349 190 416	-
<b>Total long-term liabilities</b>		<b>349 190 416</b>	<b>-</b>
<b>Short-term liabilities</b>			
Short-term debt to credit institutions	9	11 395 703	-
Trade creditors		109 234	751
Liabilities to group companies	6	53 500 497	30 597 399
Other short term liabilities		9 860	16 998
<b>Total short-term liabilities</b>		<b>65 015 294</b>	<b>30 615 147</b>
<b>Total liabilities</b>		<b>414 205 710</b>	<b>30 615 147</b>
<b>Total equity and liabilities</b>		<b>852 526 100</b>	<b>121 876 503</b>

Bergen, 26 August 2021

Robert Scott Hobbs  
Chairman of the board

Stein Vidar Håland  
Board member

Trygve Lauvdal  
Board member

Lars Erik Larsson  
Board member

Vijay Kasibhatla  
Board member

Irene Waage Basili  
CEO



## SHEARWATER GEOSERVICES AS ANNUAL REPORT 2020

### CASH FLOW STATEMENT

THE SHEARWATER GEOSERVICES AS

USD	1 January - 31 December 2020	1 January - 31 December 2019
<b>Cash flow from operating activities:</b>		
Net income before taxes	2 746 251	-762 930
Gain on sale of shares in subsidiary	-4 831 218	-
Change in current assets / liabilities	93 562	12 087
Net non operating financial expenses	741 960	1 942 497
<b>Net cash flow from operating activities</b>	<b>-1 249 444</b>	<b>1 191 654</b>
<b>Cash flow from investing activities:</b>		
Net investment in subsidiaries	8 389 388	-
Short-term loan to group companies	-368 063 843	-1 451 447
Short-term loan from group companies	-1 923 658	2 227 630
Long-term loan to holding company	-7 481 388	-
<b>Net cash flow from investing activities</b>	<b>-369 079 501</b>	<b>776 183</b>
<b>Cash flow from financing activities</b>		
Drawdown long-term loan	364 000 000	-
Establishment fee	-4 045 584	-
Capital increase	25 622 415	-
Change in cash pool	1 580 105	-
Short term loan from shareholder in group	-	22 304 921
Repayment short-term loan	-	-22 919 532
Interest paid	-35 454	-1 327 886
<b>Net cash flow from financing activities</b>	<b>387 121 482</b>	<b>-1 942 497</b>
Net change in cash and cash equivalents	16 792 536	25 341
Cash and cash equivalents - 1.1.	94 271	20 534
Currency gains (losses) on cash and cash equivalents	-665 031	48 397
<b>Cash and cash equivalents - 31.12.</b>	<b>16 221 776</b>	<b>94 271</b>



## NOTE 1: CORPORATE INFORMATION

Shearwater Geoservices AS is a Norwegian registered company with subsidiaries in Norway and Bermuda. The company with its subsidiaries are part of the Shearwater GeoServices group. Consolidated accounts for the group, can be located at the head office of Shearwater GeoServices Holding AS in Damsgårdsveien 135, Bergen.

Shearwater Geoservices is a new and innovative global provider of 3D marine seismic data, imaging products and data processing software.

## NOTE 2: ACCOUNTING PRINCIPLES

The financial statements are prepared in accordance with the Norwegian Generally Accepted Accounting Principles (NGAAP) as set out in the Norwegian Accounting Act of 1998. The accounting principles are described below.

### Use of functional currency

The Company is presenting its financial statements in USD, as this is defined as the presentation and functional currency. The main asset in the Company is the investment in subsidiaries whose activities is predominantly in USD.

### Classification of assets and liabilities in the balance sheet

Assets intended for permanent ownership or use and receivables due later than one year after the balance sheet date are classified as fixed assets. Other assets are classified as current assets. Liabilities due later than one year after the balance sheet date are classified as long-term debt. Other liabilities are classified as short-term debt. The first year's installments on long-term debt are classified as part of long-term debt, but are specified in accompanying notes.

### Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies 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.

### Cash and bank deposits

Cash and bank deposits, etc. include bank deposits, cash in hand and short-term bank deposits with an original maturity of three months or less.

### Taxes

Tax expenses are related to profit before tax and are expensed for when they incur. The tax expense consists of tax payable (tax on taxable income for the year) and change in net deferred tax. The tax expense is allocated to ordinary profit and extra-ordinary profit in accordance with the basis for the taxes. Deferred tax liability and deferred tax assets are presented net in the balance sheet. The disclosure of deferred tax benefits on net tax reducing differences and carryforward losses, is based on estimated future earnings.

### Cash flow statement

The company's cash flow statement shows the company's cash flows distributed between operating activities, investment activities and financing activities. The statement shows the impact of the different activities on the company's cash and cash equivalents. The cash flow statement is presented based on the indirect method.

## NOTE 3: EQUITY

(In thousands of USD)

	Share capital	Share premium	Paid not registered capital increase	Retained earnings	Total equity
Total Equity as at 1.1.2020	9 900	79 941		1 420	91 261
Contribution in kind 18.12.20			318 690		318 690
Capital increase 22.12.20			25 622		25 622
Group contribution received with tax effect				2 921	2 921
Group contribution paid without tax effect				-3 745	-3 745
Net income for the year				3 570	3 570
<b>Total Equity per 31.12.2020</b>	<b>9 900</b>	<b>79 941</b>	<b>344 313</b>	<b>4 167</b>	<b>438 320</b>



SHEARWATER GEOSERVICES AS

NOTES TO THE FINANCIAL STATEMENT  
2020

## NOTE 4: INVESTEMENT IN SUBSIDIARIES

(In thousands of USD)		SHARE-		CARRYING		EQUITY
COMPANY	OFFICE / JURISDICTION	HOLDING	VOTING POWER	AMOUNT	RESULT 2020	31.12.2020
Shearwater GeoServices Norway AS	Bergen/Norway	100 %	100 %	29 808	9 053	23 812
Shearwater GeoServices Assets AS	Bergen/Norway	100 %	100 %	6	-5	-39
Polar Ship Invest IV AS	Bergen/Norway	100 %	100 %	29 523	-31 169	4 315
Trace Invest AS	Bergen/Norway	100 %	100 %	318 690	-6 438	358 383
Shearwater GeoServices Malaysia	Penang/Malaysia	70 %	70 %	92		90
Delphis Ltd	Hamilton/Bermuda	100 %	100 %	345	-31	411
<b>Total</b>				<b>378 465</b>	<b>-28 590</b>	<b>386 972</b>

The companies are not consolidated in the financial statement of Shearwater GeoServices AS as all of these companies are consolidated under Shearwater GeoServices Holding AS.

The Company sold Shearwater GeoServices Assets II AS in December 2020 to Shearwater GeoServices Holding AS which resulted in a net financial gain on investment of USD 4.8 million. At the same time shares in Trace Invest AS was used as contribution in kind by Shearwater GeoServices Holding AS. These transactions were closely related to the refinancing of the Shearwater group.

The Company received USD 1.0 million when Delphis Ltd returned part of the share premium to its shareholder in 2020. Shearwater GeoServices Assets AS is in the process of being liquidated at sign off of the financial statement.

Carrying amount of the investments in Shearwater GeoServices Norway and Polar Ship Invest IV AS are higher than booked equity as at 31.12.2020. The Company has considered the need for impairment and found that, based on underlying values in subsidiaries as well as clear expectations that 2021 will be showing a similar or better return, there was no need for impairment at 31.12.2020.

The Company has provided parent guarantee for two companies within the Trace Invest AS group.

## NOTE 5: CASH AND CASH EQUIVALENTS

The Company is a part of Shearwater GeoServices AS group's multicurrency cash pool system without credit. This implies that the net total of deposits and amounts drawn on the bank deposits related to all the companies in the group account system is positive. As Shearwater GeoServices AS is the bank's counterpart, the Company is technically the group companies' bank and has security in all the bank deposits in the cash pool system.

The Company's drawn amounts/deposits in credit institutions including the group account system as at 31.12. consist of

USD	2020	2019
Restricted cash	-	-
Bank deposits	16 221 776	94 271
<b>Total cash and cash equivalents</b>	<b>16 221 776</b>	<b>94 271</b>

## NOTE 6: RECEIVABLES / LIABILITIES

USD	2020	2019
Short-term group receivables	450 334 631	59 024 137
Long-term group receivables	7 481 388	-
<b>Total group receivables</b>	<b>457 816 019</b>	<b>59 024 137</b>
<b>Short-term group liabilities</b>	<b>53 500 497</b>	<b>30 597 399</b>

Long-term receivables of USD 7.5 million is towards Shearwater GeoServices Holding AS and a seller's credit after the sale of shares in Shearwater GeoServices Assets II AS.



## SHEARWATER GEOSERVICES AS

## NOTES TO THE FINANCIAL STATEMENT 2020

The Company's short-term group receivables at year end 2020 is highly affected by the refinancing that was finalised end of December. Of the total amount USD 102.2 million is debt released on behalf of Polar Ship Invest IV AS and USD 302.3 million is debt released on behalf of Trace Invest AS. As these receivables are a result of internal reorganisation and considered of temporary character, no interest has been estimated for these in 2020.

Other receivables are towards Shearwater GeoServices Ltd with USD 15 million and Shearwater GeoServices Holding AS with USD 7.9 million. In addition USD 23.2 million is related to the cash pool (see note 5).

Of short-term liabilities USD 22 million is to Trace Invest AS and USD 24.8 million relates the group cash pool (see note 5).

All group receivables and liabilities have been subject to interest calculation.

### NOTE 7: OTHER ADMINISTRATIVE COST

USD	2020	2019
Legal fees	906 042	662 067
Audit fees	23 221	17 408
Consultants	206 165	519 243
Corporate and administration service fee	501 901	135 912
Other administrative cost	200 080	188 393
<b>Total other administrative cost</b>	<b>1 837 409</b>	<b>1 523 022</b>

### NOTE 8: TAXES

USD	2020	2019
<b>Calculation of taxes payable</b>		
Net taxable income for the year	1 565 477	-451 183
Permanent differences	-5 342 081	-
Interest brought forward	31 957	-
Change in temporary differences	-	-
<b>Total taxable income</b>	<b>-3 744 647</b>	<b>-451 183</b>
Tax rate	22 %	22 %
<b>Tax payable</b>	<b>-</b>	<b>-</b>
<b>Taxes in income statement</b>		
Tax payable	-	-
Change in deferred tax assets	-823 822	-
<b>Taxes in income statement</b>	<b>-823 822</b>	<b>-</b>
<b>Taxes in balance sheet</b>		
Deferred tax	823 822	-
Tax on group contribution	-823 822	-
<b>Deferred tax in balance sheet</b>	<b>-</b>	<b>-</b>
<b>Calculation of deferred tax / tax asset</b>		
Net temporary differences	-	-
Interest loss carried forward	-31 957	-
Loss carried forward	-391 542	-380 496
<b>Basis for deferred tax</b>	<b>-423 499</b>	<b>-380 496</b>
Tax rate	22 %	22 %
Deferred tax asset	-93 170	-83 709
Of which not booked	93 170	83 709
<b>Deferred tax asset</b>	<b>-</b>	<b>-</b>

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 the figures in the tax note. The amounts have all been translated with the exchange rate at the balance sheet date NOK/USD 0,1172 in 2020 (NOK/USD 0,11389 in 2019).



SHEARWATER GEOSERVICES AS

NOTES TO THE FINANCIAL STATEMENT  
2020

The disclosure of deferred tax benefits on carry forward losses is based on estimated future earnings. Budgets for 2021 do not expect the company to be able to utilise the remaining deferred tax asset in the very near future.

## NOTE 9: LIABILITIES TO FINANCIAL INSTITUTIONS

The Company's long-term liabilities are summarised as follows at year-end 2019:

	AVERAGE INTEREST RATE 2019	AVERAGE MATURITY	BALANCE SHEET 2019
Mortgage debt with floating interest Secured	USD LIBOR + 6.7 %	3.32 years	364 000 000
Amortisation effect, mortgage debt			-4 045 584
Accrued interest expenses			631 703
<b>Total</b>			<b>360 586 119</b>
		<i>Of which is classified as short-term debt:</i>	<i>11 395 703</i>
		<i>Of which is classified as long-term debt:</i>	<i>349 190 416</i>

Booked value of assets pledged as security for Mortgage debt is USD 378 million. In addition all shares held in the Trace Invest group, including vessels, equipment and machinery, bank deposits and vendor claims are pledged as security.

The repayment schedule for the Group's long terms liabilities, including first years's instalments, at year-end 2020:

USD	Long term loan
Within 1 year	10 764 000
From 1 to 5 years	353 236 000
More than 5 years	-
<b>Total interest bearing debt</b>	<b>364 000 000</b>

The most important covenants in its long-term financing agreements are:

- The Group shall on a consolidated basis always have an equity ratio of at least 30%.
- Shearwater GeoServices AS shall have free liquidity of more than USD 30 million on a consolidated basis.

The Group was in compliance with the financial covenants at 31. December 2020 and has been since the drawdown of the financing on 22 December 2020.

## NOTE 10: SHAREHOLDER INFORMATION

The shares in Shearwater GeoServices AS are held as follows

	Number of shares	Ownership
Shearwater GeoServices Holding AS	300	100 %

In December 2020 Shearwater GeoServices Holding AS injected new equity of USD 25 million into the company by increase in nominal value of shares in relation to the refinancing of a substantial part of the Shearwater Group's bank facilities.

### Transactions with subsidiaries:

The company has entered into an agreement with Shearwater GeoServices Norway AS to purchase administrative services. Corporate service fee was USD 501 901 in 2020 (2019: USD 135 912). The increase was related to a time-consuming refinancing process for certain personnel during 2020. Reference is made to note 6 for other transactions with subsidiaries.



SHEARWATER GEOSERVICES AS

NOTES TO THE FINANCIAL STATEMENT  
2020

## NOTE 11: FOREIGN EXCHANGE RATES

The following exchange rates have been used when preparing the financial statement:

CURRENCY	31 Dec 2020	Average 2020	31 Dec 2019	Average 2019
NOK/USD	0,1172	0,1064	0,1139	0,1136

## NOTE 12: EMPLOYEES

The company has no employees. There are no agreements that give employees or representatives entitlement to subscribe for or purchase or sell shares in the company. There has been no remuneration to general manager or directors of the board.

## NOTE 13: AUDITORS FEE

The company has expensed USD 23 221 excl VAT (2019: USD 17 408 ) as remuneration for the auditor this financial year. No tax advisory or other services outside the audit scope have been charged from the auditor in 2020.



**Skattedirektoratet**

Saksbehandler Jeanette Munkvold Skovholt	Deres dato 23.06.2017	Vår dato 27.06.2017
Telefon 90076012	Deres referanse Kristian Rådal	Vår referanse 2017/695220

SHEARWATER GEOSERVICES AS  
Damsgårdsveien 131  
5160 LAKSEVÅG

**Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk -  
Shearwater GeoServices AS, org.nr. 917 313 415**

Vi viser til deres brev av 23. juni 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Shearwater GeoServices AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Shearwater GeoServices AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på 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 gjengis:

*Shearwater GeoServices Holding AS, med datterselskaper tilbyr tjenester innen Seismikkvirksomhet internasjonalt. Konsernet operer hvor engelsk klart er det dominerende arbeidsspråket. 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.*

Selskapets morselskap Shearwater GeoServices Holding AS har allerede fått innvilget dispensasjon til å utarbeide årsregnskap og årsberetning på engelsk språk.

En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

**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:

Postadresse  
Postboks 9200 Grønland  
0134 Oslo

Besøksadresse: Sentralbord  
Se [www.skatteetaten.no](http://www.skatteetaten.no) 800 80 000  
Org.nr: 996250318 Telefaks  
E-post: [skatteetaten.no/sendepost](mailto:skatteetaten.no/sendepost) 22 17 08 60



*"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 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.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er heleid av et selskap som allerede har fått innvilget dispensasjon til å utarbeide årsregnskap og årsberetning på engelsk språk. Eierkretsen er begrenset. Selskapet opererer i en internasjonal bransje. Arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk, og det anses at ingen øvrige brukere av regnskapsinformasjon blir negativt berørt av at årsregnskapet og årsberetningen utarbeides på engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Jeanette Munkvold Skovholt

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer*



---

# ANNUAL REPORT 2020

## SHEARWATER GEOSERVICES AS

Damsgårdsveien 135  
5160 Laksevåg

Business reg. no 917 313 415

Content:  
Report of the Board of directors  
Financial Statement  
Auditor's report

---



## Shearwater GeoServices AS Annual Report 2020

Shearwater GeoServices group is a global provider of full-range geophysical services. Shearwater GeoServices AS is an intermediary company within the Shearwater group. It has no employees and its main function is to hold shares in subsidiaries with operating activities. Shearwater GeoServices AS is a Norwegian company with its head office in Bergen and has international presence through subsidiaries with offices in Gatwick and Tunbridge Wells in the UK, Houston in the US, in Singapore and in Australia.

### Aspects of 2020

2020 started with high market activity and a continuation of the positive trend seen in 2019. However, from early March the Covid-19 pandemic had a significant negative impact on oil price developments and the markets for the group's services. Energy companies responded to lower oil price and increased uncertainty by reducing exploration and production investments. This led to a decline in the number of seismic projects in the market for the second half of the year and two contracts were cancelled by clients in the second quarter of 2020.

The company's subsidiaries saw a peak of active vessels in May, before the active fleet was reduced to 6 vessels at year-end with associated adjustments to the organisation to optimise operations and cost base. Despite this, the group was able to achieve strong positive cash flow generation from operations with the combination of a competitive cost base, strong operational performance and the ability to adjust active fleet both quickly and cost effectively.

Shearwater have taken steps to minimise the impact on people and operations and to ensure business continuity with a strong focus on mitigating the impact on project execution for clients throughout the Covid-19 pandemic. This included regularly updated group health advisories and executing business activities in compliance with local and international regulations.

In December 2020 Shearwater managed to finalise its refinancing. As part of this process shares in Shearwater GeoServices Assets II AS was sold to the company's holding company and shares in Trace Invest AS was used as contribution in kind in a capital increase in the company.

Profit before tax in 2020 was positive USD 2.7 mill (2019: positive USD 0.8 mill). Net financial items were positive USD 4.6 mill (2019: positive USD 0.8 mill) of which gain on sale of shares in subsidiary was USD 4.8 mill. In addition, the company received USD 1.0 mill as repayment of share premium from Delphis of which USD 0.6 mill was booked as financial income.

The company's liquidity was USD 16.2 mill (2019: USD 0.1 mill) as of 31.12.2020. Cash flow from operating activities in 2020 was negative USD 1.2 mill (2019: positive USD 1.1 mill). Cash flow from investment activities was negative USD 369.1 mill (2019: positive USD 0.8 mill) due to a net increase in short-term loan from subsidiaries mainly related to down payment of old loan facilities. Net cash flow from financing activities was positive USD 387.1 mill due to draw down of new long-term loan as well as capital increase from owner. In 2019 the negative USD 1.9 mill was due to repayment and interest of a short-term NOK loan from RASMUSSENGRUPPEN AS.

### Future prospects

Shearwater's operations are exposed to developments in the markets for oil and gas exploration and production. Business activity in the first half of 2020 reflected improved market rates as demand for seismic data rebounded in 2019 after several years depressed E&P 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 led to a significant decline in demand for Shearwaters' services into the second half of the year.

Despite the challenging market conditions, Shearwater 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 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 market for Shearwater's services. Still, the seismic market recovery is from historically low levels reflecting years of reduced exploration across the E&P industry.

Growth opportunities are also emerging with increased investments in new markets such as wind, carbon storage, geothermal and other areas. Shearwater is well positioned to capture these opportunities as the largest provider of marine seismic acquisition services with a low-cost base and limited capex requirement over the coming years.

#### **Financial risk**

The company's operating expenses are mainly in NOK and USD. Both intercompany interest income and expenses are in USD, as is external interest expenses. The company will attempt to minimise risks by implementing hedging arrangements when appropriate but will not be able to fully avoid these risks.

Credit risks: All receivables are towards group companies; counterparty risk is assumed satisfactory.

Interest rate risk is mainly related to the company's long-term debt USD 364.0 mill. The long-term loan is exposed to the development in USD interest rates and interest rate hedging agreements for parts of the loan have been entered to minimise the risk. The lenders are renowned Norwegian shipping-banks.

Interest risk and financing issues are closely monitored in the Shearwater group.

The company has bank deposits in NOK and USD. The company considers liquidity risk as limited.

The company has not participated in research and development activities in 2020.

#### **Going concern**

The Board of Directors confirms that the financial statements for 2020 are prepared on the principle of going concern and that there is basis for adopting this principle in accordance with section 3-3 of the Norwegian Accountancy Act.

#### **Social responsibility**

Shearwater GeoServices AS' ambition is to practice social responsibility. The Shearwater group has prepared guidelines for ethics and social responsibility that constitute general principles for business practices and personal conduct and provide a basis for the attitudes and values that should govern the culture in the company and its subsidiaries. For a thorough account of the social responsibility and sustainability work carried out by Shearwater group, please refer to the "Code of Conduct" at the homepage [www.shearwatergeo.com](http://www.shearwatergeo.com).

#### **Employees**

The company has no employees. The administration of the company is taken care of by its subsidiary Shearwater GeoServices Norway AS. All board members are male.

#### **Environment**

The Group's management systems are aligned to IOGP guidelines, certified to ISO9001 and compliant with ISO14001 and ISO45001 standards. Shearwater have implemented best-in-class Integrated Management System software to actively facilitate and transparently communicate QHSE compliance. The system's architecture is based on the ISO and IOGP 510 models, and the software is widely used in other industries where compliance to safe working practices is paramount.



The Group's fleet of modern seismic vessels provide inherently safe working environments for the crews, with proven seaworthiness and spacious back-deck layouts. The well-tested but seldom-used redundant propulsion systems allow any one of them to be confidently deployed in extreme environments, or in and around existing oilfield infrastructure. The technical capabilities of the vessels provide a cornerstone for safe and efficient surveys.

Marine seismic acquisition projects can be exposed to unique and variable hazards depending upon where in the world prospects are located. Shearwater's extensive experience within the industry enables the Group to thoroughly identify potential hazards, accurately document their effects and secure the appropriate resources to mitigate the potential risks to acceptable levels. The Group promotes the use of proactive, leading indicators that are specifically configured to reflect the level of QHSE effort from the workforce. Calculation and publication of such indicators are used, for example, to actively monitor trends in the safety culture of each crew over the duration of a project, or between vessels. Continually improving upon the performance of these indicators drives the Group's ongoing effort towards our goal of zero loss, zero harm and zero rework. Shearwater is a Governing Member of IAGC.

#### Allocation of net income

The financial statement shows a net profit of USD 3,570,073 which is proposed transferred to retained earnings.

Bergen, 26<sup>th</sup> August 2021  
Board of Directors in Shearwater GeoServices AS

---

Trygve Lauvdal  
Board member

---

Robert Hobbs  
Chairman of the board

---

Stein Vidar Håland  
Board member

---

Lars Erik Larsson  
Board member

---

Irene Waage Basili  
CEO

---

Vijay Kasibhatla  
Board member



## SHEARWATER GEOSERVICES AS ANNUAL REPORT 2020

### INCOME STATEMENT

SHEARWATER GEOSERVICES AS

USD		1st of Jan - 31st of Dec 2020	1st of Jan - 31st of Dec 2019
Other administrative cost	7, 13	1 837 409	1 523 022
<b>Total cost of sales</b>		<b>1 837 409</b>	<b>1 523 022</b>
<b>Operating profit/(loss)</b>		<b>-1 837 409</b>	<b>-1 523 022</b>
Financial income		825 660	42 937
Financial expenses		-809 226	-1 698 805
Gain on sale of shares in subsidiary	4	4 831 218	-
Net interest income from group entities	6	384 489	1 646 655
Exchange loss / gain		-648 480	769 306
<b>Total financial items</b>		<b>4 583 660</b>	<b>760 092</b>
<b>Net income before taxes</b>		<b>2 746 251</b>	<b>-762 930</b>
Taxes	8	-823 822	-
<b>Net income</b>		<b>3 570 073</b>	<b>-762 930</b>
Transferred to other equity		-2 746 251	762 930
Group contribution received (after tax)		2 920 825	-
Group contribution paid		-3 744 647	-
Total allocation		-3 570 073	762 930



SHEARWATER GEOSERVICES AS ANNUAL REPORT 2020

STATEMENT OF FINANCIAL POSITION

SHEARWATER GEOSERVICES AS

USD	Note	31 December 2020	31 December 2019
<b>ASSETS</b>			
Investment in subsidiaries	4	378 464 686	62 742 261
Long-term loan on Group companies	6	7 481 388	-
<b>Total financial non-current assets</b>		<b>385 946 074</b>	<b>62 742 261</b>
Other receivables		23 618	15 835
Receivables on Group companies	6	450 334 631	59 024 137
Cash and cash equivalents	5	16 221 776	94 271
<b>Total current assets</b>		<b>466 580 025</b>	<b>59 134 242</b>
<b>Total assets</b>		<b>852 526 100</b>	<b>121 876 503</b>



## SHEARWATER GEOSERVICES AS ANNUAL REPORT 2020

### STATEMENT OF FINANCIAL POSITION

#### SHEARWATER GEOSERVICES AS

USD	Note	31 December 2020	31 December 2019
<b>EQUITY AND LIABILITIES</b>			
Share capital	3, 10	9 899 887	9 899 887
Share Premium	3	79 941 057	79 941 057
Capital increase not registered	3	344 312 781	-
Retained earnings	3	4 166 665	1 420 412
<b>Total Equity</b>		<b>438 320 390</b>	<b>91 261 356</b>
<b>Long-term liabilities</b>			
Long term debt to credit institutions	9	349 190 416	-
<b>Total long-term liabilities</b>		<b>349 190 416</b>	<b>-</b>
<b>Short-term liabilities</b>			
Short-term debt to credit institutions	9	11 395 703	-
Trade creditors		109 234	751
Liabilities to group companies	6	53 500 497	30 597 399
Other short term liabilities		9 860	16 998
<b>Total short-term liabilities</b>		<b>65 015 294</b>	<b>30 615 147</b>
<b>Total liabilities</b>		<b>414 205 710</b>	<b>30 615 147</b>
<b>Total equity and liabilities</b>		<b>852 526 100</b>	<b>121 876 503</b>

Bergen, 26 August 2021

Robert Scott Hobbs  
Chairman of the board

Stein Vidar Håland  
Board member

Trygve Lauvdal  
Board member

Lars Erik Larsson  
Board member

Vijay Kasibhatla  
Board member

Irene Waage Basili  
CEO



## SHEARWATER GEOSERVICES AS ANNUAL REPORT 2020

### CASH FLOW STATEMENT

THE SHEARWATER GEOSERVICES AS

USD	1 January - 31 December 2020	1 January - 31 December 2019
<b>Cash flow from operating activities:</b>		
Net income before taxes	2 746 251	-762 930
Gain on sale of shares in subsidiary	-4 831 218	-
Change in current assets / liabilities	93 562	12 087
Net non operating financial expenses	741 960	1 942 497
<b>Net cash flow from operating activities</b>	<b>-1 249 444</b>	<b>1 191 654</b>
<b>Cash flow from investing activities:</b>		
Net investment in subsidiaries	8 389 388	-
Short-term loan to group companies	-368 063 843	-1 451 447
Short-term loan from group companies	-1 923 658	2 227 630
Long-term loan to holding company	-7 481 388	-
<b>Net cash flow from investing activities</b>	<b>-369 079 501</b>	<b>776 183</b>
<b>Cash flow from financing activities</b>		
Drawdown long-term loan	364 000 000	-
Establishment fee	-4 045 584	-
Capital increase	25 622 415	-
Change in cash pool	1 580 105	-
Short term loan from shareholder in group	-	22 304 921
Repayment short-term loan	-	-22 919 532
Interest paid	-35 454	-1 327 886
<b>Net cash flow from financing activities</b>	<b>387 121 482</b>	<b>-1 942 497</b>
Net change in cash and cash equivalents	16 792 536	25 341
Cash and cash equivalents - 1.1.	94 271	20 534
Currency gains (losses) on cash and cash equivalents	-665 031	48 397
<b>Cash and cash equivalents - 31.12.</b>	<b>16 221 776</b>	<b>94 271</b>



SHEARWATER GEOSERVICES AS

NOTES TO THE FINANCIAL STATEMENT 2020

## NOTE 1: CORPORATE INFORMATION

Shearwater Geoservices AS is a Norwegian registered company with subsidiaries in Norway and Bermuda. The company with its subsidiaries are part of the Shearwater GeoServices group. Consolidated accounts for the group, can be located at the head office of Shearwater GeoServices Holding AS in Damsgårdsveien 135, Bergen.

Shearwater Geoservices is a new and innovative global provider of 3D marine seismic data, imaging products and data processing software.

## NOTE 2: ACCOUNTING PRINCIPLES

The financial statements are prepared in accordance with the Norwegian Generally Accepted Accounting Principles (NGAAP) as set out in the Norwegian Accounting Act of 1998. The accounting principles are described below.

### Use of functional currency

The Company is presenting its financial statements in USD, as this is defined as the presentation and functional currency. The main asset in the Company is the investment in subsidiaries whose activities is predominantly in USD.

### Classification of assets and liabilities in the balance sheet

Assets intended for permanent ownership or use and receivables due later than one year after the balance sheet date are classified as fixed assets. Other assets are classified as current assets. Liabilities due later than one year after the balance sheet date are classified as long-term debt. Other liabilities are classified as short-term debt. The first year's installments on long-term debt are classified as part of long-term debt, but are specified in accompanying notes.

### Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies 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.

### Cash and bank deposits

Cash and bank deposits, etc. include bank deposits, cash in hand and short-term bank deposits with an original maturity of three months or less.

### Taxes

Tax expenses are related to profit before tax and are expensed for when they incur. The tax expense consists of tax payable (tax on taxable income for the year) and change in net deferred tax. The tax expense is allocated to ordinary profit and extra-ordinary profit in accordance with the basis for the taxes. Deferred tax liability and deferred tax assets are presented net in the balance sheet. The disclosure of deferred tax benefits on net tax reducing differences and carryforward losses, is based on estimated future earnings.

### Cash flow statement

The company's cash flow statement shows the company's cash flows distributed between operating activities, investment activities and financing activities. The statement shows the impact of the different activities on the company's cash and cash equivalents. The cash flow statement is presented based on the indirect method.

## NOTE 3: EQUITY

(In thousands of USD)

	Share capital	Share premium	Paid not registered capital increase	Retained earnings	Total equity
Total Equity as at 1.1.2020	9 900	79 941		1 420	91 261
Contribution in kind 18.12.20			318 690		318 690
Capital increase 22.12.20			25 622		25 622
Group contribution received with tax effect				2 921	2 921
Group contribution paid without tax effect				-3 745	-3 745
Net income for the year				3 570	3 570
<b>Total Equity per 31.12.2020</b>	<b>9 900</b>	<b>79 941</b>	<b>344 313</b>	<b>4 167</b>	<b>438 320</b>



SHEARWATER GEOSERVICES AS

NOTES TO THE FINANCIAL STATEMENT 2020

## NOTE 4: INVESTEMENT IN SUBSIDIARIES

(In thousands of USD) COMPANY	OFFICE / JURISDICTION	SHARE- HOLDING	VOTING POWER	CARRYING AMOUNT	RESULT 2020	EQUITY 31.12.2020
Shearwater GeoServices Norway AS	Bergen/Norway	100 %	100 %	29 808	9 053	23 812
Shearwater GeoServices Assets AS	Bergen/Norway	100 %	100 %	6	-5	-39
Polar Ship Invest IV AS	Bergen/Norway	100 %	100 %	29 523	-31 169	4 315
Trace Invest AS	Bergen/Norway	100 %	100 %	318 690	-6 438	358 383
Shearwater GeoServices Malaysia	Penang/Malaysia	70 %	70 %	92		90
Delphis Ltd	Hamilton/Bermuda	100 %	100 %	345	-31	411
<b>Total</b>				<b>378 465</b>	<b>-28 590</b>	<b>386 972</b>

The companies are not consolidated in the financial statement of Shearwater GeoServices AS as all of these companies are consolidated under Shearwater GeoServices Holding AS.

The Company sold Shearwater GeoServices Assets II AS in December 2020 to Shearwater GeoServices Holding AS which resulted in a net financial gain on investment of USD 4.8 million. At the same time shares in Trace Invest AS was used as contribution in kind by Shearwater GeoServices Holding AS. These transactions were closely related to the refinancing of the Shearwater group.

The Company received USD 1.0 million when Delphis Ltd returned part of the share premium to its shareholder in 2020. Shearwater GeoServices Assets AS is in the process of being liquidated at sign off of the financial statement.

Carrying amount of the investments in Shearwater GeoServices Norway and Polar Ship Invest IV AS are higher than booked equity as at 31.12.2020. The Company has considered the need for impairment and found that, based on underlying values in subsidiaries as well as clear expectations that 2021 will be showing a similar or better return, there was no need for impairment at 31.12.2020.

The Company has provided parent guarantee for two companies within the Trace Invest AS group.

## NOTE 5: CASH AND CASH EQUIVALENTS

The Company is a part of Shearwater GeoServices AS group's multicurrency cash pool system without credit. This implies that the net total of deposits and amounts drawn on the bank deposits related to all the companies in the group account system is positive. As Shearwater GeoServices AS is the bank's counterpart, the Company is technically the group companies' bank and has security in all the bank deposits in the cash pool system.

The Company's drawn amounts/deposits in credit institutions including the group account system as at 31.12. consist of

USD	2020	2019
Restricted cash	-	-
Bank deposits	16 221 776	94 271
<b>Total cash and cash equivalents</b>	<b>16 221 776</b>	<b>94 271</b>

## NOTE 6: RECEIVABLES / LIABILITIES

USD	2020	2019
Short-term group receivables	450 334 631	59 024 137
Long-term group receivables	7 481 388	-
<b>Total group receivables</b>	<b>457 816 019</b>	<b>59 024 137</b>
<b>Short-term group liabilities</b>	<b>53 500 497</b>	<b>30 597 399</b>

Long-term receivables of USD 7.5 million is towards Shearwater GeoServices Holding AS and a seller's credit after the sale of shares in Shearwater GeoServices Assets II AS.



## SHEARWATER GEOSERVICES AS

## NOTES TO THE FINANCIAL STATEMENT 2020

The Company's short-term group receivables at year end 2020 is highly affected by the refinancing that was finalised end of December. Of the total amount USD 102.2 million is debt released on behalf of Polar Ship Invest IV AS and USD 302.3 million is debt released on behalf of Trace Invest AS. As these receivables are a result of internal reorganisation and considered of temporary character, no interest has been estimated for these in 2020.

Other receivables are towards Shearwater GeoServices Ltd with USD 15 million and Shearwater GeoServices Holding AS with USD 7.9 million. In addition USD 23.2 million is related to the cash pool (see note 5).

Of short-term liabilities USD 22 million is to Trace Invest AS and USD 24.8 million relates the group cash pool (see note 5).

All group receivables and liabilities have been subject to interest calculation.

### NOTE 7: OTHER ADMINISTRATIVE COST

USD	2020	2019
Legal fees	906 042	662 067
Audit fees	23 221	17 408
Consultants	206 165	519 243
Corporate and administration service fee	501 901	135 912
Other administrative cost	200 080	188 393
<b>Total other administrative cost</b>	<b>1 837 409</b>	<b>1 523 022</b>

### NOTE 8: TAXES

USD	2020	2019
<b>Calculation of taxes payable</b>		
Net taxable income for the year	1 565 477	-451 183
Permanent differences	-5 342 081	-
Interest brought forward	31 957	-
Change in temporary differences	-	-
<b>Total taxable income</b>	<b>-3 744 647</b>	<b>-451 183</b>
Tax rate	22 %	22 %
<b>Tax payable</b>	<b>-</b>	<b>-</b>
<b>Taxes in income statement</b>		
Tax payable	-	-
Change in deferred tax assets	-823 822	-
<b>Taxes in income statement</b>	<b>-823 822</b>	<b>-</b>
<b>Taxes in balance sheet</b>		
Deferred tax	823 822	-
Tax on group contribution	-823 822	-
<b>Deferred tax in balance sheet</b>	<b>-</b>	<b>-</b>
<b>Calculation of deferred tax / tax asset</b>		
Net temporary differences	-	-
Interest loss carried forward	-31 957	-
Loss carried forward	-391 542	-380 496
<b>Basis for deferred tax</b>	<b>-423 499</b>	<b>-380 496</b>
Tax rate	22 %	22 %
Deferred tax asset	-93 170	-83 709
Of which not booked	93 170	83 709
<b>Deferred tax asset</b>	<b>-</b>	<b>-</b>

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 the figures in the tax note. The amounts have all been translated with the exchange rate at the balance sheet date NOK/USD 0,1172 in 2020 (NOK/USD 0,11389 in 2019).



SHEARWATER GEOSERVICES AS

NOTES TO THE FINANCIAL STATEMENT 2020

The disclosure of deferred tax benefits on carry forward losses is based on estimated future earnings. Budgets for 2021 do not expect the company to be able to utilise the remaining deferred tax asset in the very near future.

## NOTE 9: LIABILITIES TO FINANCIAL INSTITUTIONS

The Company's long-term liabilities are summarised as follows at year-end 2019:

	AVERAGE INTEREST RATE 2019	AVERAGE MATURITY	BALANCE SHEET 2019
Mortgage debt with floating interest Secured	USD LIBOR + 6.7 %	3.32 years	364 000 000
Amortisation effect, mortgage debt			-4 045 584
Accrued interest expenses			631 703
<b>Total</b>			<b>360 586 119</b>
		<i>Of which is classified as short-term debt:</i>	<i>11 395 703</i>
		<i>Of which is classified as long-term debt:</i>	<i>349 190 416</i>

Booked value of assets pledged as security for Mortgage debt is USD 378 million. In addition all shares held in the Trace Invest group, including vessels, equipment and machinery, bank deposits and vendor claims are pledged as security.

The repayment schedule for the Group's long terms liabilities, including first years's instalments, at year-end 2020:

USD	Long term loan
Within 1 year	10 764 000
From 1 to 5 years	353 236 000
More than 5 years	-
<b>Total interest bearing debt</b>	<b>364 000 000</b>

The most important covenants in its long-term financing agreements are:

- The Group shall on a consolidated basis always have an equity ratio of at least 30%.
- Shearwater GeoServices AS shall have free liquidity of more than USD 30 million on a consolidated basis.

The Group was in compliance with the financial covenants at 31 December 2020 and has been since the drawdown of the financing on 22 December 2020.

## NOTE 10: SHAREHOLDER INFORMATION

The shares in Shearwater GeoServices AS are held as follows

	Number of shares	Ownership
Shearwater GeoServices Holding AS	300	100 %

In December 2020 Shearwater GeoServices Holding AS injected new equity of USD 25 million into the company by increase in nominal value of shares in relation to the refinancing of a substantial part of the Shearwater Group's bank facilities.

### Transactions with subsidiaries:

The company has entered into an agreement with Shearwater GeoServices Norway AS to purchase administrative services. Corporate service fee was USD 501 901 in 2020 (2019: USD 135 912). The increase was related to a time-consuming refinancing process for certain personnel during 2020. Reference is made to note 6 for other transactions with subsidiaries.



SHEARWATER GEOSERVICES AS

NOTES TO THE FINANCIAL STATEMENT 2020

## NOTE 11: FOREIGN EXCHANGE RATES

The following exchange rates have been used when preparing the financial statement:

CURRENCY	31 Dec 2020	Average 2020	31 Dec 2019	Average 2019
NOK/USD	0,1172	0,1064	0,1139	0,1136

## NOTE 12: EMPLOYEES

The company has no employees. There are no agreements that give employees or representatives entitlement to subscribe for or purchase or sell shares in the company. There has been no remuneration to general manager or directors of the board.

## NOTE 13: AUDITORS FEE

The company has expensed USD 23 221 excl VAT (2019: USD 17 408 ) as remuneration for the auditor this financial year. No tax advisory or other services outside the audit scope have been charged from the auditor in 2020.



To the General Meeting of Shearwater GeoServices AS

## *Independent Auditor's Report*

### *Report on the Audit of the Financial Statements*

---

#### *Opinion*

We have audited the financial statements of Shearwater GeoServices AS, which comprise the statement of financial position as at 31 December 2020, the income statement 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.

---

*PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen  
T: 02316, org. no.: 987 009 713 VAT, www.pwc.no  
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and  
authorised accounting firm*



Independent Auditor's Report - Shearwater GeoServices 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 - Shearwater GeoServices AS



Bergen, 26 August 2021  
**PricewaterhouseCoopers AS**

Jon Haugervåg  
State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

**Signers:**

<b>Name</b>	<b>Method</b>	<b>Date</b>
Haugervåg, Jon	BANKID_MOBILE	2021-08-26 21:40

**This document package contains:**

- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.