



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 998 167 000
Organisasjonsform: Aksjeselskap
Foretaksnavn: PGS TITANS AS
Forretningsadresse: Lilleakerveien 4C
0283 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Christopher Alvestad
Dato for fastsettelse av årsregnskapet: 28.04.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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, 25.06.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Operating revenues	7	802 000 000	721 000 000
Sum inntekter		802 000 000	721 000 000
Kostnader			
Employee benefits expense	3		
Depreciation and amortisation expenses	8	289 000 000	303 000 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	8		44 000 000
Other operating expenses	3, 7	4 000 000	1 000 000
Sum kostnader		293 000 000	348 000 000
Driftsresultat		508 000 000	373 000 000
Finansinntekter og finanskostnader			
Currency exchange gain (loss)		-315 000 000	-81 000 000
Other financial income (expense)	7	-29 000 000	-28 000 000
Sum finansinntekter		-343 000 000	-109 000 000
Rentekostnad til foretak i samme konsern	7	-1 000 000	10 000 000
Annen rentekostnad		93 000 000	85 000 000
Sum finanskostnader		92 000 000	95 000 000
Netto finans		-436 000 000	-204 000 000
Ordinært resultat før skattekostnad		72 000 000	169 000 000
Income tax expense	5		
Ordinært resultat etter skattekostnad		72 000 000	169 000 000
Årsresultat		72 000 000	169 000 000
Årsresultat etter minoritetsinteresser		72 000 000	169 000 000
Totalresultat		72 000 000	169 000 000
Overføringer og disponeringer			



Resultatregnskap

Beløp i: NOK	Note	2022	2021
Ordinært utbytte			350 000 000
Other equity		72 000 000	-181 000 000
Sum overføringer og disponeringer		72 000 000	169 000 000



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessels and seismic equipment		3 690 000 000	3 938 000 000
Equipment and other movables	8		
Sum varige driftsmidler	8	3 690 000 000	3 938 000 000
Finansielle anleggsmidler			
Restricted cash	4	378 000 000	340 000 000
Sum finansielle anleggsmidler		378 000 000	340 000 000
Sum anleggsmidler		4 067 000 000	4 278 000 000
Omløpsmidler			
Varer			
Fordringer			
Other short-term receivables		1 000 000	
Konsernfordringer	7	71 000 000	63 000 000
Sum fordringer		71 000 000	63 000 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		8 000 000	16 000 000
Restricted cash	4	19 000 000	7 000 000
Sum bankinnskudd, kontanter og lignende		27 000 000	24 000 000
Sum omløpsmidler		98 000 000	87 000 000
SUM EIENDELER		4 165 000 000	4 364 000 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Balanse

Beløp i: NOK	Note	2022	2021
Innskutt egenkapital			
Share capital	2	690 000 000	690 000 000
Overkurs		494 000 000	494 000 000
Sum innskutt egenkapital		1 184 000 000	1 184 000 000
Opptjent egenkapital			
Other equity		72 000 000	
Sum opptjent egenkapital		72 000 000	
Sum egenkapital		1 257 000 000	1 184 000 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		1 282 000 000	2 341 000 000
Langsiktig konserngjeld	7	323 000 000	166 000 000
Sum annen langsiktig gjeld		1 605 000 000	2 507 000 000
Sum langsiktig gjeld		1 605 000 000	2 507 000 000
Kortsiktig gjeld			
Liabilities to financial institutions		1 290 000 000	244 000 000
Tax payable			
Kortsiktig konserngjeld	7		420 000 000
Other current liabilities	10	13 000 000	10 000 000
Sum kortsiktig gjeld		1 304 000 000	673 000 000
Sum gjeld		2 909 000 000	3 180 000 000
SUM EGENKAPITAL OG GJELD		4 165 000 000	4 364 000 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 384851

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Brønnøysundregistrene, 16.05.2023



Organisasjonsnr: 998 167 000
PGS TITANS AS

RESULTATREGNSKAP

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Organisasjonsnr: 998 167 000
PGS TITANS AS

BALANSE

Beløp i: NOK **Note** **2022** **2021**

BALANSE - EIENDELER

Anleggsmidler Immaterielle eiendeler

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Omløpsmidler

Varer

Fordringer

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BALANSE - EGENKAPITAL OG GJELD

Egenkapital

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Opptjent egenkapital



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Organisasjonsnr: 998 167 000
PGS TITANS AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret
0.00

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - felles kontrollert virksomhet Årets Fjorårets

Pantstillelse Beløp

Beholdning av egne aksjer Antall Pålydende Andel av aksjek.



Skattedirektoratet

Saksbehandler Geir Johannessen	Deres dato 14.11.2014	Vår dato 27.11.2014
Telefon 22 66 11 14	Deres referanse Linda Pedersen	Vår referanse 2014/850846

PGS TITANS AS
Postboks 251 Lilleaker
0216 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for PGS Titans AS, org.nr. 998 167 000

— Vi viser til deres brev av 14. november 2014 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for PGS Titans AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering PGS Titans 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

PGS Titans AS er et heleid datterselskap av Petroleum Geo-Services ASA. Skattedirektoratet ga morselskapet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk 4. januar 2011. Konsernet er en teknologisk tjenesteleverandør innenfor oljebransjen som i hovedsak leverer tjenester innen geofysikk på verdensmarkedet. Konsernet opererer i sektorer der engelsk er det klart dominerende språket. Flertallet av morselskapets aksjonærer er profesjonelle investorer og større selskaper, herav ca 55-60 % er utenlandske. All intern rapportering skjer på engelsk og konsernets arbeidsspråk er generelt engelsk. Både i styre og konsernledelse er det ikke norsk språklige representanter. Selskapets kontraktsparter er i all hovedsak store og internasjonale aktører. All vesentlig kommunikasjon med disse foregår derfor på engelsk. Det er en engelskspråklig versjon av årsregnskap og årsberetning som utarbeides og benyttes for alle praktiske formål både internt og eksternt, mens den norske oversettelsen kun utarbeides for å tilfredsstille regnskapslovens krav. Nyttan i forhold til kostnaden ved å utarbeide et norsk årsregnskap og årsberetning, vurderes derfor som liten.

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.”*

Postadresse
Postboks 9200 Grønland
0134 Oslo

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



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

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

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

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering 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 særlig vekt på at selskapet er et heleid datterselskap, der morselskapet har vesentlige utenlandske eierinteresser. Videre er det vektlagt at arbeidsspråket er engelsk og at selskapet driver virksomhet i en internasjonal bransje der alle vesentlige aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
Seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Geir Johannessen

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



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PGS Titans AS The Board of Directors' Report 2022

Nature of the business

PGS Titans AS (the Company) is a wholly owned subsidiary of Petroleum Geo-Services AS and part of the PGS ASA Group (PGS).

The Company was established on 22 March 2012, and owns four seismic vessels which are leased to PGS Falcon AS, a subsidiary of Petroleum Geo-Services AS.

The Company is located at Lilleaker in Oslo.

Equality, Health, Safety and Environment

As of December 31, 2022 the Company had no employees. The Company's Board of Directors consists of one woman and two men.

HSEQ management and reporting are key parameters for the evaluation of business performance at all PGS management levels and by the Company's Board of Directors.

The PGS organization (core fleet vessels and PGS offices) had the following health and safety incident levels:

Incident	2022	2021
Fatalities	0	0
Lost time injuries	1	1
Restricted work-day cases	1	1
Medical treatment cases	1	1
High potential incidents	1	1

Our health and safety performance remained strong in 2022. A year where PGS' activity level (core fleet vessels and PGS offices) has increased from 3,6 million man-hours in 2021 to 3,9 million man-hours in 2022.

While the total number of recordable cases increased by one, the potentials of these incidents were low, and we had zero high-potential incidents across the fleet for the year.

Incident	2022	2021
Lost Time Injury Frequency (LTIF)	0.52	0.28
Total Recordable Case Frequency (TRCF)	1.03	0.84
High Potential Frequency (HIPOF)	0.00	0.28

The Group has performed thorough investigations of the lost time incidents, restricted workday incident and the medical treatment incident. Immediate and preventive actions have been implemented as well as safety stand-downs, safety campaigns and safety courses to prevent reoccurrence.

To turn the upward trend of the total recordable case frequency as well as maintain the low high-potential incident rate, the Group will revise and update the HSE training catalogue to be aligned with the current HSE focus areas and continue the efforts to build a fully digital HSE management system that enables insight through data analysis.

PGS continued to expand and enhance the digital platform for HSE management and were in 2022 able to restart crisis management training of onboard management teams after the COVID-19 pandemic. This training, conducted in a bespoke vessel simulator environment at the University of South-East Norway, enables bridge officers to safely train on managing worst case scenarios. The crisis management training also includes scenarios for health and safety incidents and rescue of migrants at sea. In 2022, the PGS fleet rescued the crew of a Brazilian fishing boat that had been adrift for 25 days after losing propulsion.

As COVID-19 measures relaxed across the world, the Group also relaxed the procedures throughout the year and discontinued the mandatory quarantine and testing regime in the first half of 2022, though valid certification passes are still required for all crew and visitors to the vessels. After discontinuing quarantine and testing prior to joining the vessels, multiple cases of COVID-19 infection have been reported onboard.



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However, with all crew vaccinated and measures in place to contain transmission, the Group have had no serious illness requiring medical treatment and no operational impact on the business.

Sustainability

PGS has adopted a Code of Conduct that reflects the Company's commitment to its shareholders, clients, employees, and other stakeholder to carry out business with the utmost integrity. The Code of Conduct outlines both what stakeholders can expect from PGS, and what PGS expects from employees and anyone working for PGS. Employees of PGS are also guided by the Company's Core Values and Leadership Principles that drive desired behavior and culture. The Code of Conduct, Core Values and Leadership Principles are available in full on www.pgs.com.

During 2022, PGS has committed to net-zero greenhouse gas ("GHG") emissions by 2050 with an absolute reduction in maritime emissions of 75% and 100% renewable energy usage onshore. The Company has also identified activities under the EU Taxonomy that will be disclosed in accordance with the regulation and taken action to assess and ensure compliance with the Transparency act, which is made available on www.pgs.com.

Going concern

The Company has an equity ratio of 30% and predictable income as all vessels are on long term charters.

Pursuant to section 3-3a of the Norwegian Accounting Act, the Board confirms that the 2022 financial statements have been prepared based on the assumption of a going concern and that it believes that this assumption is appropriate.

Rescheduling of debt

Due to the dramatic negative market change caused by the Covid-19 pandemic, PGS renegotiated its main credit agreements to extend near-term debt maturities and amortization profiles to preserve liquidity. On February 2, 2021, a UK Scheme of Arrangement (the "Scheme") was sanctioned by an English court allowing the implementation of the financing transaction. With the transaction PGS extended its current near-term maturity and amortization profile under its RCF/TLB and ECF facilities by approximately two years. Further in 2022, PGS completed two equity increase, refer to finance section for further information. Together with the cost saving initiatives previously announced by PGS, the transactions strengthened PGS's liquidity profile in the current challenging operating environment.

Financial risk

The Company is exposed to certain types of financial market risks as described below.

Interest rate risk

The Company is exposed to changes in interest rate levels as the Company's intercompany balances and parts of the external financing have floating interest rates.

Foreign exchange risk

The Company's debt to financial institutions and intercompany balances towards the parent company are denominated in USD. The Company's bareboat agreements are denominated in USD and consequently represents a natural hedge towards debt service. The Company has not entered into any other forward contracts or agreements to reduce the Company's foreign exchange risk.

Credit risk/Liquidity risk

The Company leases its vessels to other companies within PGS and as a result, the credit risk is low.

The Company has an intercompany loan agreement with PGS ASA whereby the parent company will provide funds to cover the Company's liabilities as they become due.

Financing status

During 2022, PGS liquidity position was strengthened by strong shareholder support in two private placements raising NOK 2,477 of new equity. In May 2022, PGS ASA completed a private placement raising approximately NOK 800 million in equity and completed in July 2022 a subsequent offering raising an additional NOK 142 million. Later in November 2022, PGS ASA completed an additional private placement raising approximately NOK 1,536 million in equity. During 2022 PGS ASA reduced its net interest-bearing debt by approximately 35% and were well positioned to refinance in 2023 to address the 2024 debt maturities.



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On March 31, 2023, the Company issued a \$450 million 4-year senior secured bond (the "Bonds"). The proceeds from the Bonds, together with cash on balance sheet, were used to repay \$600 million of the Term Loan B ("TLB"). After the prepayment the next and final scheduled maturity of the TLB is \$137.9 million due on March 19, 2024, which PGS expects to be able to repay from operating cash flows.

With improving cash flow generation, the Company expects to be able to manage repayment of the remainder of the Term Loan B in March 2024. However, should the market not develop as expected the Company may become unable to settle maturities or amortization on the agreed payment dates or breach a financial covenant in the main credit agreements. This would represent a default under the relevant agreements. In such a case, the Company may be able to continue without repayment or acceleration if it achieves a standstill agreement (or, in the case of a financial covenant breach, a waiver) from the relevant lenders, agent or lender group. Should a payment default or financial covenant breach continue without a standstill agreement or waiver, this would be an event of default under the relevant agreements

Based on the year-end cash balance and available liquidity resources, and the various refinancing alternatives being assessed, it is the Board's opinion that PGS has sufficient funding and liquidity to support PGS Falcons operations.

Presentation of the financial statements and the Company's development

The Company's revenue for 2022 was NOK 801.9 million, compared to NOK 720.9 million in 2021. The Company's revenue consists entirely of the leasing of vessels to another company in the PGS Group through long-term bareboat charter agreements.

The Company's net profit for 2022 was 72.5 NOK million, compared to a net profit of NOK 168.9 million in 2021. The decrease in profit is due to higher unrealized currency loss on the USD-denominated intercompany and external loan balances and operating revenues in foreign currency.

Cash flow from operating activities was positive with NOK 772.3 million in 2022, compared to NOK 626.9 million in 2021.

Board of Directors

As of December 31, 2022, the Board of Directors has the following members: Rune Olav Pedersen (Chairperson), Gottfred Langseth and Christin Steen-Nilsen.

The Board of Directors and the CEO of PGS Group are covered by PGS ASA's Directors and Officers Liability Insurance ("D&O") placed in the international insurance market on market standard terms and conditions. The insurance comprises the directors' and officers' personal legal liabilities, including defense and legal costs. The cover also includes employees in managerial positions or employees who become named in a claim or investigation, or is named co-defendant, and is extended to include members of the Company's steering committee, audit committee, compensation committee, litigation committee, advisory committee or other management or board committees.

Market and outlook

PGS is one of the largest players in the global marine 3D seismic market.

Several years of under investments in new oil and gas supplies in combination with an increasing focus on energy security are drivers for the strong recovery of global exploration and production activity in 2022. Historically, seismic activity is closely linked to the overall exploration and production spending by energy companies.

From a very low level, the seismic market recovery started in 2021 when energy companies increased activity on nearfield exploration, exploration on existing licensed acreage and 4D reservoir optimization. The seismic contract business model normally serves these market segments. The contract market benefited from the higher activity and continued to improve in 2022. PGS has a solid market share in the 4D segment with its GeoStreamer offering, as well as steerable streamers and sources, enabling high data quality and precise replication of earlier 3D surveys and baseline 4D surveys.

In addition to the structurally growing efforts to optimize producing fields, there was a strong renewed focus on exploration, including frontier areas. More exploration benefits both the contract and MultiClient markets and contributed to higher contract revenues, easier access to pre-funding for new MultiClient projects and improving sales from MultiClient data libraries in 2022.

Vessel supply is at historically low levels and there are now two main vessel owning companies in the seismic industry, PGS and Shearwater. Industry capacity utilization was low in the first part of 2022 but improved significantly throughout the year. The seismic industry took the first steps into new energy markets in 2022



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and during the year there were several seismic acquisition projects conducted for development of CCS projects, in addition to MultiClient data sales for the same purpose. The market for seismic carbon storage acquisition is still in its infancy with limited volumes in the near term, however the industry expects this market to have a substantial potential longer term. Beyond the carbon storage market, subsurface knowledge is needed for installations of offshore wind turbines and for identification of marine mineral accumulations. PGS is in the process of entering the offshore wind market with a cost-effective geophysical offering as an alternative to traditional geotechnical solutions.

The Board emphasizes that valuations in the financial statements and forward-looking statements contained in this report are based on various assumptions made by management, depend on factors beyond its control, and are subject to risks and uncertainties. Accordingly, actual results may differ materially.

The Company has no research and development costs.

It is the opinion of the Board of Directors that the presented income statement, balance sheet and cash-flow statement with accompanying notes show a true and fair view of the Company's results and financial position.

Oslo, April 28th 2023

DocuSigned by:
Rune Olav Pedersen
Rune Olav Pedersen
Chairperson

DocuSigned by:
Gottfred Langseth
Gottfred Langseth
Board member

DocuSigned by:
Christin Steen-Nilsen
Christin Steen-Nilsen
Board member

DocuSigned by:
Robert James Adams
Robert James Adams
General Manager



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PGS Titans AS
Financial Statements 2022





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Revenue statement

Pgs Titans AS

Values in mill. NOK	Note	2022	2021
Operating income and operating expenses			
Operating revenues	7	801,9	720,9
Total income		801,9	720,9
Depreciation and amortisation expenses	8	(289,3)	(302,7)
Impairment loss	8	-	(44,2)
Other operating expenses	3, 7	(4,2)	(1,5)
Total expenses		(293,5)	(348,3)
Operating profit (loss)		508,4	372,6
Financial income and expenses			
Currency exchange gain (loss)		(314,5)	(81,2)
Other financial income (expense)	7	(28,9)	(27,7)
Intercompany interest income (expense)	7	0,8	(10,2)
Other interest income (expense)		(93,3)	(84,6)
Net financial items		(435,9)	(203,7)
Net profit before tax		72,5	168,9
Income tax expense	5	-	-
Net profit after tax		72,5	168,9
Net profit or loss		72,5	168,9
Other comprehensive income			
Items that will not be classified to profit and loss		-	-
Items that may be subsequently reclassified to profit and loss		-	-
Total other comprehensive income		-	-
Total comprehensive income		72,5	168,9
Attributable to			
Ordinary dividend		-	350,0
Other equity		72,5	(181,1)
Total		72,5	168,9

Pgs Titans AS

Side 1



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Balance sheet

Pgs Titans AS

Values in mill. NOK	Note	2022	2021
Assets			
Non-current assets			
Property, plant and equipment			
Vessels and seismic equipment		3 689,6	3 937,7
Total property, plant and equipment	8	3 689,6	3 937,7
Non-current financial assets			
Restricted cash	4	377,9	340,2
Total non-current financial assets		377,9	340,2
Total non-current assets		4 067,5	4 277,8
Current assets			
Debtors			
Other short-term receivables		0,6	-
Receivables from group companies	7	70,7	63,0
Total receivables		71,3	63,0
Cash and cash equivalents		7,6	16,2
Restricted cash	4	19,1	7,4
Total current assets		98,0	86,7
Total assets		4 165,4	4 364,5



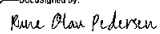
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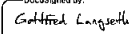
Balance sheet

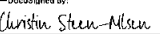
Pgs Titans AS


Values in mill. NOK	Note	2022	2021
Equity and liabilities			
Equity			
Paid-in capital			
Share capital	2	690,1	690,1
Share premium reserve		494,4	494,4
Total paid-in equity		1 184,4	1 184,4
Other equity		72,5	-
Total shareholders' equity		1 256,9	1 184,4
Liabilities			
Other non-current liabilities			
Liabilities to financial institutions		1 281,6	2 341,1
Non-current liabilities to group companies	7	323,4	165,6
Total non-current liabilities		1 605,0	2 506,6
Current liabilities			
Liabilities to financial institutions		1 290,2	243,6
Tax payable		0,2	0,2
Liabilities to group companies	7	-	420,0
Other current liabilities	10	13,1	9,7
Total current liabilities		1 303,5	673,4
Total liabilities		2 908,5	3 180,1
Total equity and liabilities		4 165,4	4 364,5

Oslo, 28.04.2023
The board of Pgs Titans AS

DocuSigned by:

Rune Olav Pedersen
chairman of the board

DocuSigned by:

Gottfred Langseth
member of the board

DocuSigned by:

Christin Steen-Nilsen
member of the board

DocuSigned by:

Robert James Adams
general Manager



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Statements of Changes in Shareholders' Equity

PGS Titans AS

(Values in mill. NOK)	Share capital	Share premium reserve	Other equity	Total
As at 01.01.2021	690,1	518,1	157,3	1 365
Profit/loss for the year			168,9	168,9
Dividend			(350,0)	(350,0)
Reclassification		(23,8)	23,8	-
As at 31.12.2021	690,1	494,4	(0,0)	1 184,4
Profit/loss for the year			72,5	72,5
Dividend			-	-
Pr 31.12.2022	690,1	494,4	72,5	1 256,9



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Statement of cash flows 01.01 - 31.12

PGS Titans AS

(all figures in millions of NOK)	Note	2022	2021
Cash flow from operating activities			
Profit (loss) for the year		72.5	168.9
Depreciation, amortization, impairment	8	289.3	346.9
Interest expense		87.1	72.4
Interest income		(7.5)	(0.4)
Amortization of deferred loan costs		12.9	11.2
Unrealized foreign exchange loss (gain)		326.2	91.3
Change in other accruals		(0.5)	0.5
Net change current intercompany balances		(7.7)	(63.9)
Net cash flow from operating activities		772.3	626.9
Cash flow from investing activities			
Investment in property and equipment	8	(41.2)	(103.8)
Net cash flow from investing activities		(41.2)	(103.8)
Cash flow from financing activities			
Net change non-current intercompany balances		(299.0)	(612.0)
Payment of debt to financial institutions		(345.2)	-
Interest paid on interest bearing debt		(83.7)	(71.8)
Decrease (increase) in restricted cash related to debt service		(11.9)	54.9
Net cash flow from financing activities		(739.8)	(628.9)
Net increase (decrease) in cash and cash equivalent		(8.7)	(105.8)
Effect of exchange rate changes on cash and cash equivalents		0.1	(1.2)
Cash and bank deposits at beginning of period		16.2	123.3
Cash and bank deposits as of 31 December		7.6	16.2



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Notes to the Financial Statements 2022

Pgs Titans AS

Note 1 Accounting principles

General

The financial statements of PGS Titans AS ("the Company") are included in the PGS ASA consolidated financial statements, references herein to the "Group" and "PGS" refer to PGS ASA and its subsidiaries.

Basis of presentation

PGS Titans AS' financial statements have been prepared and presented in accordance with the regulations on simplified application of the International Financial Reporting Standards (IFRS) (FOR-2014-11-03-1415), ref. the Norwegian Accounting Act § 3.9 5th paragraph, with comparative figures for prior year.

Going concern

Pursuant to section 3-3a of the Norwegian Accounting Act, the Board confirms that the 2022 financial statements have been prepared based on the assumption of a going concern and that it believes that this assumption is appropriate. See Note 11 for further information.

Summary of significant accounting policies:

Main principles for assessing and classifying assets and liabilities

Assets determined for lasting ownership or use are classified as non-current assets. Other assets are classified as current assets. Receivables to be paid within one year are classified as current assets. The same criteria are applied in the classification of liabilities.

Non-current assets are valued at cost, but written down to the recoverable amount when the impairment is not expected to be temporary. Non-current assets with a limited economic lifetime are depreciated on a straight line basis. Long-term debt is recognized at its nominal value when incurred.

Current assets are valued at the lower of cost and fair value. Current liabilities are recognized at nominal value when incurred. Pursuant to the Accounting Act, some items are assessed in accordance with specific valuation guidelines which are summarized below.

Proposed dividend to shareholders for the year is recognized as a liability at year end because it is considered more likely than not that the dividend will be approved by the General Assembly the following year.

Cash and cash equivalents and restricted cash

Cash and cash equivalents include demand deposits and all highly liquid financial instruments purchased with original maturities of three months or less.

The Company's bank accounts are included in the PGS Group's cash pool and are settled against intercompany balances on a current basis.

Foreign currency translation and transactions

Exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of realized and unrealized monetary assets and liabilities denominated in foreign currencies are recognized in the statements of profit and loss.

Property and equipment

Property and equipment are stated at cost, excluding the costs of the day-to-day servicing, less accumulated



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Notes to the Financial Statements 2022

Pgs Titans AS

depreciation and impairment. Depreciation is calculated on a straight-line basis over the useful life of the assets based on cost less estimated residual values. The estimated useful lives for property and equipment are as follows:

	Years
Seismic vessels	25 - 30
Seismic equipment including computers	3 - 15
Major overhauls	3 - 7.5

Subsequent expenditures and major inspections/overhauls are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of replaced asset components are derecognized. All other repairs and maintenance are charged to the statements of profit and loss during the period in which they are incurred.

The assets' residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at least at each year-end.

Assets under construction are carried at cost, less accumulated impairment. Cost includes borrowing costs incurred during construction in accordance with the Company's accounting policy as stated below. Depreciation commences when the asset is ready for its intended use.

A component of property and equipment is derecognized upon disposal or when no future economic benefit is expected from its use or disposal. Gains and losses arising on de-recognition of assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statements of profit and loss in the year derecognized.

Significant spare parts are capitalized along with the assets to which they relate. Other spare parts, consumables and bunker inventory are classified as other current assets and stated at cost.

Impairment of property, equipment and intangibles

Tangible and intangible assets are reviewed to determine whether there is any indication of impairment. If such indication exists, or when annual impairment testing for an asset is required, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. An asset's recoverable amount is the higher of (i) its fair value less cost to sell and (ii) its value in use. This determination is made for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount and the impairment is recognized immediately.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Reversal of an impairment is recognized if the circumstances that gave rise to the impairment no longer exist. The carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount. The increased carrying amount may not exceed the carrying amount that would have existed had no impairment been recognized for the asset (cash-generating unit).



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Notes to the Financial Statements 2022

Pgs Titans AS

Leases

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

Income taxes

The Company is taxed under the Norwegian Tonnage Tax regime ("NTT") of which the Company is liable to tax of 22% on net financial income, pursuant to a specific calculation method. Negative net financial income can be carried forward. Deferred tax is calculated on the basis of temporary differences on financial items. The Company does not recognize deferred tax benefits within the NTT in the balance sheet.

Statements of cash flow

The Company apply the indirect method in the presentation of cash flows.

Changes in accounting policies and disclosures

Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Note 2 Share capital, shareholders and parent company information

The Company was established on 22 March 2012.
The Company's address is Lilleakerveien 4C, 0216 Oslo.

The share capital in Pgs Titans AS as of 31/12/2022 consists of:

	Total	Face value	Entered
Ordinary shares	13 801	50 000	690 050 000
Total	13 801		690 050 000

Ownership structure

	Total	Owner interest	Share of votes
Petroleum Geo-Services AS	13 801	100,00	100,00
Total number of shares	13 801	100,00	100,00

PGS Titans AS is included in the consolidated financial statements of PGS ASA. The consolidated financial statements can be downloaded from www.pgs.com.



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Notes to the Financial Statements 2022

Pgs Titans AS

Note 3 Salary related expense and remuneration to the CEO, Board and auditor

Pgs Titans AS hasn't had any salary costs or benefits in 2022 and there are no such obligations. The Company has no employees at the end of the year and is not obliged to have an employee pension scheme.

No fees have been paid to the general manager. The Company's general manager is employed by PGS Geophysical AS.

As of 31 December 2022, the Company has no loans or guarantees to executives, board members etc.

Auditor

Ordinary audit fees for the 2022 statutory audit amount to NOK 358 440 excl. of VAT.

Note 4 Restricted cash

Restricted cash are held in debt service reserve accounts related to the export credit financing of the vessels Ramform Titan, Ramform Atlas, Ramform Tethys and Ramform Hyperion. See note 9 for further details.

Note 5 Income tax

The Company entered the Norwegian Tonnage Tax regime with effect from 2012, whereby the Company's operational activities are exempt from the ordinary tax regime.

(values in mill. NOK)

	2022	2021
Specification of tax expense:		
Current tax	-	-
Income tax expense for the year	-	-

Note 6 Leases

The Company as a lessor

The Company leases its vessels to PGS Falcon AS on long-term bareboat charter agreements. The charterhire agreements for Ramform Titan and Ramform Atlas are, starting 2012, for 12 years with a daily rate of USD 55,000 per vessel. The charterhire agreements for Ramform Tethys and Ramform Hyperion are for 12 years, from 2016 and 2017 respectively, with a daily rate of USD 60,000 per vessel. All the charter agreements are accounted for as operating leases.

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

(values in mill. NOK)

	2022	2021
Within one year	831,9	741,5
After one year but not more than five years	2 757,2	2 893,6
More than five years	71,3	1 110,5
Total	3 660,4	4 745,6



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Notes to the Financial Statements 2022

Pgs Titans AS

Note 7 Related party transactions

The Company is part of the PGS Group and has significant intercompany transactions with other companies within the PGS group.

(values in mill. NOK)

	2022	2021
Operating income		
Group companies	801,9	720,9
<u>Operating income related parties</u>	<u>801,9</u>	<u>720,9</u>

The Company leases its vessels to PGS Falcon AS on long-term bareboat charter agreements. The charterhire agreements for Ramform Titan and Ramform Atlas are, starting 2012, for 12 years with a daily rate of USD 55,000 per vessel totaling minimum USD 40.15 million per year. The charterhire agreements for Ramform Tethys and Ramform Hyperion are for 12 years, from 2016 and 2017 respectively, with a daily rate of USD 60,000 per vessel totaling minimum USD 43.80 million per year. All the charter agreements are accounted for as operating leases.

	2022	2021
Operating expenses		
Group companies	0,4	0,3
<u>Operating expenses related parties</u>	<u>0,4</u>	<u>0,3</u>

	2022	2021
Other income and expenses (incl. financial income and expenses)		
Guarantee fee	(28,1)	(27,0)
Net interest income (expenses)	0,8	(10,2)
<u>Other income and expenses related parties</u>	<u>(27,3)</u>	<u>(37,2)</u>

	2022	2021
Related party balances as of 31 December:		
Short-term group receivable	70,7	63,0
Short-term group debt	-	(420,0)
Long-term group debt	(323,4)	(165,6)
<u>Net intercompany balances</u>	<u>(252,7)</u>	<u>(522,6)</u>

Short-term group debt includes accrued dividend of - million and 350 million for the year ended December 31, 2022 and 2021 respectively.

The Company's long-term intercompany debt is entirely towards the parent company Petroleum Geo-Services AS. The Company has the possibility to borrow up to USD 150 million from Petroleum Geo-Services AS with maturity in 2025. Intercompany debt and receivables carry interest of 6 Month LIBOR + 5.0% margin in 2022.

The Company has no significant long-term debt or receivables balances towards other related parties as of December 31, 2022 and 2021. Most of the intercompany debt/receivables are denominated in USD, and fluctuations in USD/NOK rate result in currency gains/losses.



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Notes to the Financial Statements 2022

Pgs Titans AS

Note 8 Fixed assets

(values in mill. NOK)

	Seismic vessels and equipment
Cost as of 01.01.2021	5 826,1
Additions	103,6
Disposals	-
Adjustment	-
Cost as of 31.12.2021	5 929,7
Additions	41,2
Disposals	-
Adjustment	-
Cost as of 31.12.2022	5 970,9
Accumulated depreciation and impairment as of 01.01.2021	1 645,3
Depreciation	302,5
Impairment	44,2
Disposals	-
Accumulated depreciation and impairments as of 31.12.2021	1 992,0
Depreciation	289,3
Impairment	-
Disposals	-
Accumulated depreciation and impairments as of 31.12.2022	2 281,3
Balance as of 31.12.2021	3 937,7
Balance as of 31.12.2022	3 689,6

The Company's fixed assets consist of the seismic vessels "Ramform Titan", "Ramform Atlas", "Ramform Tethys", and "Ramform Hyperion", including equipment as of December 31, 2022 and 2021. The Company leases its vessels to PGS Falcon AS on operating lease agreements. See note 6 for more information.

The seismic vessels are depreciated over 25 years from the time they are delivered and set in operation. Seismic equipment is depreciated over 3-15 years. Major overhauls are capitalized and depreciated over the period until next estimated major overhaul.

Impairment tests are performed when triggers are identified. Per December 31, 2022, the Company has performed impairment tests for all seismic acquisition vessels and equipment, resulting in no impairment charges for 2022. In 2021, the Company recorded a total impairment charge of NOK 44,2 million on seismic acquisition vessels. Refer to note 3 in the consolidated financial statements for the group for further details.

The seismic market is recovering, but the recoverable values of seismic vessels and other Company assets are sensitive to the assumed margins and cycles of the seismic industry as well as changes to operational plans. As a result, impairments may arise in future periods.



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Notes to the Financial Statements 2022

Pgs Titans AS

Note 9 Lease agreements

The company has no material leases as lessee. For intercompany lessor see note 7 .

Note 10 Other short-term debt

(values in mill. NOK)

	2022	2021
Other short-term debt as of 31.12:		
Accrued interest expense	(13,1)	(9,7)
Total	(13,1)	(9,7)

Note 11 Debt and guarantees

During 2022, the PGS Group liquidity position was strengthened by strong shareholder support in two private placements raising NOK 2,477 million of new equity. In May 2022, PGS completed a private placement raising approximately NOK 800 million in equity and completed in July 2022 a subsequent offering raising an additional NOK 142 million. Later in November 2022, PGS completed an additional private placement raising approximately NOK 1,536 million in equity. During 2022 PGS reduced its net interest-bearing debt by approximately 35% and were set in a well position to refinance in 2023 to address the 2024 debt maturities.

On March 31, 2023, PGS issued a \$450 million 4- year senior secured bond (the "Bonds"). The proceeds from the Bonds, together with cash on balance sheet, were used to repay \$600 million of the Term Loan B ("TLB"). After the prepayment the next and final scheduled maturity of the TLB is \$137.9 million due on March 19, 2024, which PGS expects to be able to repay from operating cash flows.

With improving cash flow generation, PGS expects to be able to manage repayment of the remainder of the Term Loan B in March 2024. However, should the market not develop as expected PGS may become unable to settle maturities or amortization on the agreed payment dates or breach a financial covenant in the main credit agreements. This would represent a default under the relevant agreements. In such a case, PGS may be able to continue without repayment or acceleration if it achieves a standstill agreement (or, in the case of a financial covenant breach, a waiver) from the relevant lenders, agent or lender group. Should a payment default or financial covenant breach continue without a standstill agreement or waiver, this would be an event of default under the relevant agreements.

Based on the year-end cash balance and available liquidity resources, and the various refinancing alternatives being assessed, PGS has sufficient funding possibilities and liquidity to support Pgs Titans AS's operations.



Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6a, 0191 Oslo
Postboks 1156 Sentrum, 0107 Oslo

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

www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of PGS Titans AS

Opinion

We have audited the financial statements of PGS Titans AS (the Company), which comprise the balance sheet as at 31 December 2022, the revenue statement, statement of comprehensive income, statement of cash flows and statement of changes in shareholder's equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), 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

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the general manager) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and 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 or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the



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going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 28 April 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Johan Lid Nordby
State Authorised Public Accountant (Norway)

Independent auditor's report - PGS Titans AS 2022

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"By my signature I confirm all dates and content in this document."

Johan Nordby

Partner

On behalf of: Ernst & Young AS

Serial number: 9578-5997-4-729076

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