Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	998 025 966
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	POLARCUS AMANI AS
Forretningsadresse:	c/o Advokatfirmaet Thommessen AS v/advokat Mads Haavardsholm Haakon VIIs gate 10 0161 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020

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:	Tom Christopher Steckmest
Dato for fastsettelse av årsregnskapet:	25.08.2021

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, 30.09.2021

Resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	4	9 751 000	
Sum inntekter		**9 751 000**	
Kostnader			
Varekostnad		644 000	
Lønnskostnad		883 000	
Avskrivning på varige driftsmidler og immaterielle eiendeler	5	3 399 000	
Nedskrivning av varige driftsmidler og immaterielle eiendeler	5	17 529 000	
Sum kostnader		**22 455 000**	
Driftsresultat		**-12 704 000**	
Finansinntekter og finanskostnader			
Annen finansinntekt		4 000	
Sum finansinntekter		**4 000**	
Annen finanskostnad	9	4 255 000	
Loss on financial restructuring	8	17 496 000	
Sum finanskostnader		**21 751 000**	
Netto finans		**-21 747 000**	
Ordinært resultat før skattekostnad		**-34 451 000**	**0**
Skattekostnad på ordinært resultat	10	0	
Ordinært resultat etter skattekostnad		**-34 451 000**	**0**
Årsresultat		**-34 451 000**	**0**

Balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Skip, rigger, fly og lignende	5	35 062 000	
Sum varige driftsmidler		**35 062 000**	
Sum anleggsmidler		**35 062 000**	**0**
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		425 000	
Andre fordringer		697 000	
Konsernfordringer	11	2 323 000	
Sum fordringer		**3 445 000**	
Bankinnskudd, kontanter og lignende			
Restricted cash		5 000	
Cash and bank		609 000	
Sum bankinnskudd, kontanter og lignende		**614 000**	
Sum omløpsmidler		**4 059 000**	**0**
SUM EIENDELER		**39 121 000**	**0**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	6	53 000	
Overkurs	6	76 573 000	
Sum innskutt egenkapital		**76 626 000**	

Balanse

Beløp i: USD	Note	2020	2019
Opptjent egenkapital			
Udekket tap		111 403 000	
Sum opptjent egenkapital		**-111 403 000**	
Sum egenkapital		**-34 777 000**	**0**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Obligasjonslån	8	72 077 000	
Sum annen langsiktig gjeld		**72 077 000**	
Sum langsiktig gjeld		**72 077 000**	**0**
Kortsiktig gjeld			
Leverandørgjeld		531 000	
Annen kortsiktig gjeld		1 291 000	
Sum kortsiktig gjeld		**1 822 000**	
Sum gjeld		**73 899 000**	**0**
SUM EGENKAPITAL OG GJELD		**39 122 000**	**0**

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Statsautoriserte revisorer
Ernst & Young AS

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

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

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Polarcus Amani AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Polarcus Amani AS, which comprise the balance sheet as at 31 December 2020, the statements of comprehensive income, cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act §3-9 and regulations on simplified International Financial Reporting Standards (IFRS) as set by The Norwegian Department of Finance.

Basis for opinion

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

Emphasis of matter

We draw attention to Note 10 in the financial statements and the Board of Director's Report describing that the Company is expected to be wound up and liquidated during 2021 and is therefore not considered to be a going concern. Our opinion is not modified in respect of this matter.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act §3-9 and regulations on simplified International Financial Reporting Standards (IFRS) as set by The Norwegian Department of Finance, and for such internal

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control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

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

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

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

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

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Opinion on registration and documentation

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

Oslo, 26 August 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Finn Ole Edstrøm
State Authorised Public Accountant (Norway)

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The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

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

Finn Ole Stephansen-Smith Edstrøm
Statsautorisert revisor
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IP: 84.202.xxx.xxx
2021-08-26 13:45:54Z

bank ID

Penneo document key: 88GO1-DFQ0K-67P01-5JU5K-3ZAA0-GX08G

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	26.06.2013	01.07.2013
Telefon	Deres referanse	Vår referanse
22078139	Anders Gøbel	2013/510636

ERNST & YOUNG AS
Postboks 20 Oslo Atrium
0051 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Polarcus Amani AS, org. nr. 998 025 966

Det vises til deres brev mottatt 26. juni 2013 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Polarcus Amani AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Polarcus Amani 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.

Bakgrunn
Polarcus Amani AS ble stiftet 8. februar 2012 og registrert i Foretaksregisteret 6. mars 2012. Polarcus-gruppens konsernspiss er etablert på Cayman Islands. Her er også de fleste av gruppens selskaper etablert. Polarcus Amani AS er 100 % eiet av Polarcus Shipholding AS som igjen er 100 % eid av Polarcus UK Limited, et engelsk selskap, som igjen er eiet av konsernspiss Polarcus Limited Gruppen ble notert på Oslo Børs Axess den 30. september 2009 og på Oslo Børs Primærliste 20. juni 2012. Tidligere har andre norske konsernselskaper fått tillatelse til å benytte engelsk språk. Selskapet har ingen ansatte og er finansiert gjennom egenkapital og lån fra morselskapet og konsernspiss. Selskapet er et seismikkselskap. Dette er en internasjonal bransje og alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. Selskapet har engelsk som arbeidsspråk. 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	Besøksadresse:	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org.nr. 996250318	Telefaks
For elektronisk henvendelse se www.skatteetaten.no		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 særlig vekt på at selskapet er indirekte eiet av et utenlandsk selskap. Eierkretsen er således begrenset. Selskapet har ingen ansatte og er finansiert gjennom egenkapital og lån fra morselskapet og konsernspiss. Selskapets arbeidsspråk er engelsk og all kommunikasjon skjer på engelsk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Polarcus Amani AS

Annual Report 2020

The Board of Directors' Report

1 Operations and locations

Polarcus Amani AS (the "Company") is a company with limited liability incorporated under the laws of Norway. The registration number of the Company is 998025966 and its registered office is at Advokatfirmaet Thommessen AS, Haakon Viis gate 10, 0161 Oslo, Norway. The Company currently has no employees.

Polarcus Shipholding AS owns 100% of the share capital of the Company as at 31 December 2020. Polarcus Shipholding AS was a fully owned subsidiary of Polarcus UK Limited which is a fully owned subsidiary of Polarcus Limited, the ultimate parent company in the Polarcus Group (the "Group") at the balance sheet date. On 26 January 2021, the lenders in the entity per year-end enforced share pledges over the entity after a loan payment default, transferring all issued shares in Polarcus Shipholding AS to Tiger Moth, a company domiciled in Norway. On 29 April 2021, the owned vessel and seismic equipment was sold to Shearwater Geoservices Holding AS.

The Company owns one seismic vessel *Polarcus Amani* (the "Vessel"). The Vessel was chartered out under a bareboat charter agreement with SCF GEO AS ("SCF") on bareboat terms until 4 October 2020.

2 Comments related to the financial statements

During 2020 the Company generated revenues of USD 9.8 million. The cost of sales totalled USD 0.6 million and general and administrative costs were USD 0.9 million. Depreciation for the year was USD 3.4 million. The company booked an impairment of USD 17.5 million due to subsequent sales press release. An operating loss of USD 12.7 million was reported. The Company reported a net loss of USD 34.5 million after net financial expenses of USD 21.8 million.

Cash flow from operating activities during the year was USD 4.3 million. Net cash used in financing activities during the year was USD 6.8 million, mainly related to servicing of external interest bearing debt.

3 Going concern and future outlook

Following the transfer of all of Polarcus Shipholding AS's share capital to Tiger Moth AS, the Company's operations were ceased. All of the Company assets were subsequently sold. The Company is not considered to be a going concern and will be wound up during the course of 2021.

4 Risk Factors

Please refer to Note 3 *Financial risk management* in the notes to the Financial Statements for further description of major risk factors.

5 The working environment and the employees

The Company had no employees during the year 2020. During 2020, Polarcus DMCC, a fully owned subsidiary of Polarcus Limited provided administrative services to the Company from its office in Dubai, UAE.

6 Environmental report

The Company's commitment to the environment has the goal of "Zero Spills" with regard to oil pollution of the marine environment and includes the commitment to recycle wherever possible, to minimize waste and emissions and to cause minimum negative impact on the environment. The Company recorded zero spills in 2020.

7 Allocation of net income

The Board of Directors has proposed the net loss of USD 34,450,000 to be allocated to Retained earnings.

25 August 2021.

Tom C Steckmest

Chairman of the Board

Nigel Hill

Board Member

Monica Cheng

Board Member

Statement of Comprehensive Income

(In thousands of USD)	Notes	Year ended 31-Dec-20	31-Dec-19
Revenues			
Operating revenues	4	9,751	12,700
Other income	4	-	-
Total Revenues		**9,751**	**12,700**
Cost of sales		(644)	(766)
General and administrative costs		(883)	(783)
Depreciation	5	(3,399)	(5,877)
Impairments	5	(17,529)	-
Total operating expenses		**(22,455)**	**(7,427)**
Operating profit/(loss)		**(12,704)**	**5,273**
Financial expenses			
Finance costs	9	(4,255)	(4,359)
Finance income		4	14
Loss on financial restructuring	8	(17,496)	-
Net financial income/(expenses)		**(21,746)**	**(4,345)**
Loss before tax		**(34,450)**	**928**
Income tax expense	10	-	-
Loss for the period / Comprehensive loss		**(34,450)**	**928**

Statement of Financial Position

(In thousands of USD)	Notes	31-Dec-20	31-Dec-19
ASSETS			
Non current assets			
Property, plant and equipment	5	35,062	55,990
Total non current assets		**35,062**	**55,990**
Current assets			
Receivable from customers		425	2,126
Receivable from other Group companies	11	2,323	17,676
Other current assets		697	143
Restricted cash		5	4
Cash and bank		609	16
Total current assets		**4,060**	**19,965**
TOTAL ASSETS		**39,121**	**75,955**
EQUITY and LIABILITIES			
Equity			
Paid-in share capital	6	53	53
Share Premium	6	76,573	76,573
Retained earnings/(loss)		(111,403)	(76,953)
Total equity		**(34,777)**	**(327)**
Non current liabilities			
Interest bearing debt - external	8	72,077	70,612
Loans from other Group companies	11	-	-
Total non current liabilities		**72,077**	**70,612**
Current liablities			

Interest bearing debt - external	8	-	4,000
Payable to other Group companies	11	-	747
Other accruals and payables		1,291	885
Accounts payable		531	38
Total Current Liabilities		**1,822**	**5,669**
TOTAL EQUITY and LIABILITIES		**39,121**	**75,955**

Tom C Steckmest

Chairman of the Board

Nigel Hill

Board Member

Monica Cheng

Board Member

Statement of Cash Flows

(In thousands of USD)	Notes	Year ended 31-Dec-20	31-Dec-19
Cash flows from operating activities			
Profit/(loss) for the period before tax		(34,450)	928
Adjustment for:			
Depreciation	5	3,399	5,877
Impairments		17,529	-
Interest expense	9	4,253	4,357
Interest income		(2)	(14)
Working capital adjustments:			
Increase in current assets		13,453	-
Increase in trade and other payables and accruals		146	426
Net cash flows from/(used in) operating activities		**4,328**	**11,574**
Cash flows from investing activities			
Purchases of property, plant and equipment	5	(1)	(5,878)
Net cash flows used in investing activities		**(1)**	**(5,878)**
Cash flows from financing activities			
Proceeds from issue of ordinary shares	6	-	-
Repayment of interest bearing debt	8	(3,145)	(609)
Interest paid	8	(3,638)	(4,172)
Other finance costs paid		-	-
Decrease/(Increase) in restricted cash		(1)	-
Interest income		2	14
Net cash flows from/(used in) financing activities		**(6,782)**	**(4,768)**
Net increase/(decrease) in cash and cash equivalents		**(2,455)**	**928**
Cash and cash equivalents at the beginning of the period		3,064	2,136
Cash and cash equivalents at the end of the period		**609**	**3,064**

Statement of Changes in Equity

(In thousands of USD except for number of shares)	Number of Shares	Issued Share capital	Share Premium	Retained Earnings/ (Loss)	Total Equity
Balance as at 31 December 2018	**100,000**	**53**	**76,573**	**(77,881)**	**(1,255)**
Total comprehensive income/(loss) for the period				928	928
Balance as at 31 December 2019	**100,000**	**53**	**76,573**	**(76,953)**	**(327)**
Total comprehensive income/(loss) for the period				(34,450)	(34,450)
Balance as at 31 December 2020	**100,000**	**53**	**76,573**	**(111,403)**	**(34,777)**

Notes to the Financial Statements

1 General information

The financial statements of Polarcus Amani AS (the "Company") for the year ended 31 December 2020 were authorized for issue in accordance with a resolution of the Board of Directors on 25 August 2021.

The Company has its registered office at Advokatfirmaet Thommessen AS, Haakon Viis gate 10, 0161 Oslo, Norway. The Company owns one seismic vessel "*Polarcus Amani*".

As at 31 December 2020 the Company is a fully owned subsidiary of Polarcus Shipholding AS, a company incorporated in Norway. Polarcus Shipholding AS is currently a fully owned subsidiary Tiger Moth As.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1 Basis of preparation

These financial statements have been prepared on a historical cost basis. The financial statements are presented in USD and all values are rounded to the nearest thousand (USD 000) except when otherwise indicated.

2.2 Statement of compliance

The financial statements of the Company have been prepared in accordance with the Norwegian Accounting Act §3-9 and regulations on simplified IFRS as set by The Norwegian Department of Finance on 21 January 2008. This means that recognition and measurement are in accordance with international accounting standards (IFRS) and the presentation and accompanying notes are in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting practice.

2.3 Foreign currency translation

2.3.1 Functional and presentation currency

These financial statements are presented in United States Dollars ("USD") which is also the Company's functional currency.

2.3.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges.

Translation differences on non-monetary financial assets and liabilities, such as equity instruments held at fair value through profit or loss, are recognized as profit or loss as part of the fair value gain or loss.

2.4 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Company's activities. Revenue is presented net of discounts, rebates, returns and sales taxes or duty. The Company defers the unearned component of payments received from customers for which the revenue recognition requirements have not been met.

2.4.1 Charter hire revenue

Charter hire revenue arising from operating lease of the Vessel is accounted for on a straight-line basis over the leased term and is included in revenue due to its operating nature.

2.5 Property, plant and equipment

Historically, property, plant and equipment are stated at cost less accumulated depreciation and impairment charges. Cost includes expenditure that is directly attributable to the acquisition, construction or installation of the items, including borrowing costs capitalized according to the Company's policy which is described further below.

Depreciation is calculated on a straight-line basis over the useful life of the asset once the asset is ready for use. The estimated useful life of major assets is as follows:

Seismic vessel	30 Years
Streamers	8 years
Seismic equipment	3-30 Years
Maritime equipment	5-30 Years

However, all the Company's assets were sold during over the course of the first four months of 2021. The book values of the property, plant and equipment have been depreciated to the sale prices.

2.6 Leases

The determination whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset(s) or the arrangement conveys a right to use the asset(s), even if that right is not explicitly specified in an arrangement.

2.6.1 Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The lease liability is presented as a separate line in the consolidated statement of financial position.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss. as described in Note 2.13 *Impairment of non-financial assets.*

The Company has applied the practical expedient available under IFRS 16 that permits lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

2.6.2 Company as a lessor

Leases where the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Lease income from operating leases is recognised in the statement of comprehensive income on a straight-line basis over the lease term.

2.7 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement or capitalized in accordance with the accounting policy for borrowing costs as mentioned below, over the period of the borrowings using the effective interest method.

Interest payable on borrowings is classified as a current liability unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.8 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred, except for borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalized as part of the cost of that asset.

2.9 Transit costs

Transit costs are costs related to moving the vessel from one location to another. Transit costs are deferred when it is probable that future economic inflows from the project(s) to which the vessel transits are sufficient to recover the costs of transit. If the project(s) is not able to recover all of the transit costs, only the costs that are recoverable are deferred. Transit costs deferred are charged to expense based upon the percentage of completion of the project(s).

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Cash and cash equivalents that are restricted for the Company's use are disclosed separately in the balance sheet and are classified as current or non-current depending on the nature of the restrictions. For the purpose of the cash flow statements, changes in restricted cash are disclosed as part of the "Investing activities".

2.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

2.12 Financial assets and liabilities

Financial assets and liabilities are recognized when the Company becomes party to the contractual obligations of the instrument and are initially recognized at fair value, except trade receivables that are measured at transaction price if the trade receivables do not contain a significant financing component. Subsequent to initial measurement, financial assets and liabilities are classified as per below.

2.12.1 Financial assets and liabilities measured at fair value through profit or loss

This includes the financial assets and liabilities measured at fair value upon initial recognition with change in fair value recognized through the consolidated income statement. Subsequent to initial recognition, financial assets and liabilities in this category are measured at fair value at the end of each reporting period with unrealized gains and losses being recognized through profit or loss.

As at 31 December 2020 the Company does not have any financial liabilities that are measured at fair value through profit or loss.

2.12.2 Financial assets and liabilities measured at amortized cost

This category is the most relevant for the Company and includes trade receivables, certain loans and borrowings, and other non-derivative financial assets and liabilities with fixed or determinable payments that are not quoted in an active market. Financial assets and liabilities in this category are initially recognized at fair value, net of directly attributable transaction costs. After initial measurement financial assets and liabilities in this category are subsequently carried at amortized cost using the effective interest rate (EIR) method, less any allowance for impairment. The EIR amortization is included in finance income for receivables and finance cost for borrowings. Losses arising from impairment of accounts receivable are recognized in operating expenses.

2.12.3 Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

2.13 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs to sell and its value in use and is determined 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. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. When the carrying amount of an asset does not yet include all the cash outflows to be incurred before it is ready for use or sale, the estimate of future cash outflows includes an estimate of any further cash outflow that is expected to be incurred before the asset is ready for use or sale.

2.14 Statement of cash flows

The Company's statement of cash flows is prepared using the indirect method. Cash flows from operating activities are incorporated as a part of the cash flow statement and the cash flows are divided into operating activities, investing activities and financing activities.

2.15 Income tax

Effective 01 January 2015, the Company made a voluntary exit from Norwegian tonnage tax regime and entered into the income tax regime. Upon exit from the tonnage tax system, new tax bases has been established for the Company's assets. The tax value of the assets are set equal to the market value in order to ensure that profits accrued within the tonnage tax regime do not become subject to taxation after the company has left the tonnage tax system.

Tax expense comprises both current tax and changes in net deferred tax. Current tax includes expected current tax on the year's taxable income using tax rates existing at balance sheet date and any corrections to previous years' current tax.

Deferred tax assets and liabilities arise as a result of temporary differences existing between the values attributed to items in the financial statements and their tax-related values. These are measured at the tax rate applicable for the reporting period. The calculation of deferred tax assets and liabilities also takes into account tax losses carried forward at balance sheet date. Deferred income tax assets and liabilities are offset to the extent that current income tax assets and liabilities can be offset. Deferred tax assets are recognized in the balance sheet when it is probable that there will be sufficient future taxable profit to utilize the tax asset.

3 Financial risk management

3.1 Financial risk factors

The Company was exposed to a variety of financial market and operational risks. However, as mentioned above, all of the assets of the Company and its subsidiaries have been sold and their operation have ceased. The Company will therefore be wound down and liquidated in an orderly fashion.

3.1.1 Financial market risk

Fluctuations in Exchange rates and currency risks

The Company's revenues and costs are primarily in USD. A depreciation of the USD will probably have a negative impact on margins as the Company is expected to have higher revenues than expenses denominated in USD. However, the impact of a reasonably possible change in the USD exchange rate, with all other variables held constant, on the Company's financial performance and financial position are not expected to be significant.

Long term financing of the Company is in USD.

Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency, which is USD.

Cash flow and fair value interest rate risk

The Company's interest-bearing asset with variable interest rates are its deposits with banks. The cash flow interest rate risk associated with the bank deposits are not considered significant for the Company. Interest earned and received on these balances fluctuates with changes in market interest rates. As at 31 December 2020, the Company's financial assets at variable interest rates were denominated in USD.

The Company is subject to interest rate risk on debt. The risk is managed using a combination of fixed and variable rate debt.

(In thousands of USD)	**31-Dec-20**	**31-Dec-19**
Total interest bearing debt	72,077	74,612
Interest bearing debt with variable interest rates	8,114	8,114
% of interest bearing debt with variable interest rates	11%	11%

3.1.2 Credit risk

The Company's credit risk arises mainly from trade receivables and cash and cash equivalents deposited with banks.

For banks and financial institutions, only independently rated parties with a minimum rating of investment grade or higher are accepted by the Company. The Company's maximum exposure to credit risk for the components of the balance sheet is shown in the table below:

(In thousands of USD)	**31-Dec-20**	**31-Dec-19**
Receivable from other Group companies	**2,323**	**17,676**
Receivable from customers	**425**	**2,126**
Cash and short-term deposits	**614**	**20**
Total	**3,362**	**19,822**

3.1.3 Liquidity risk

As mentioned above, all of the assets of the Company and its subsidiaries have been sold and their operation have ceased. The Company will now be wound down and liquidated in an orderly fashion. The Lenders, who have charges over the Company's bank accounts, have confirmed that they will allow the Company to use the funds on its account to deal with Creditors and facilitate this process.

4 Segment information

All activities of the Company are conducted and monitored as one business segment.

The Company's operating revenue earned during the year ended 31 December 2020 can be itemized as follows:

(In thousands of USD)	**31-Dec-20**	**31-Dec-19**
Bareboat charter hire (external customer)	9,751	12,700
Other income (insurance claims)	-	-
Total	**9,751**	**12,700**

The Company owned one vessel, *Polarcus Amani*, as at 31 December 2020 and included in the property, plant and equipment. At the yearend date the Vessel was geographically located in Norway.

5 Property, plant and equipment

(In thousands of USD)	Seismic vessel and equipment
Year ended 31 December 2020	
Costs	
Balance as on 1 January 2020	181,256
Additional capital expenditure	-
Balance as of 31 December 2020	**181,256**
Depreciation and impairment losses	
Balance as on 1 January 2020	125,266
Depreciation for the period	3,399
Impairment for the period	17,529
Balance as of 31 December 2020	**146,194**
Carrying amounts	
As of 1 January 2020	55,990
As of 31 December 2020	**35,062**
Year ended 31 December 2019	
Costs	
Balance as on 1 January 2019	181,256
Additional capital expenditure	-
Balance as of 31 December 2019	**181,256**
Depreciation and impairment losses	
Balance as on 1 January 2019	119,389
Depreciation for the period	5,877
Balance as of 31 December 2019	**125,266**
Carrying amounts	
As of 1 January 2019	61,868
As of 31 December 2019	**55,990**

The seismic vessel and equipment consist of vessel *Polarcus Amani* and the equipment onboard.

6 Share capital

The Company's issued share capital as of 31 December 2020 is NOK 400,000 divided into 100,000 shares at par value of NOK 4 per share.

All issued shares have been paid in as at 31 December 2020.

(In thousands of USD except for number of shares)	**Number of Shares**	**Issued Share capital**	**Share Premium**	**Total**
Balance as at 31 December 2018	**100,000**	**53**	**76,573**	**76,626**
Balance as at 31 December 2019	**100,000**	**53**	**76,573**	**76,626**
Balance as at 31 December 2020	**100,000**	**53**	**76,573**	**76,626**

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

Polarcus Shipholding AS owns 100% of the paid-in share capital of the Company as at 31 December 2020.

7 Other financial assets and liabilities

Financial assets and liabilities measured at amortized cost are as follows:

(in thousands of USD)	**31-Dec-20**	**31-Dec-19**
Receivable from other Group companies	2,323	17,676
Receivable from customers	425	2,126
Total	**2,748**	**19,802**

(in thousands of USD)	**31-Dec-20**	**31-Dec-19**
Interest bearing debt – external	72,077	74,612
Payable to other Group companies	-	747
Accounts payable	531	38
Other accruals and payables	1,291	885
Total financial liabilities measured at amortized cost	**73,898**	**76,282**

7.1 Fair values

	31-Dec-20		31-Dec-19	
(in thousands of USD)	**Carrying Amount**	**Fair value**	**Carrying Amount**	**Fair value**
Financial assets				
Cash and deposits	615	615	20	20
Receivable from other Group companies	2,323	2,323	17,676	17,676
Receivable from customers	425	425	2,126	2,126
Total	**3,362**	**3,362**	**19,822**	**19,822**
Financial liabilities				
Interest bearing debt – external	72,077	83,010	74,612	65,817
Payable to other Group companies	-	-	747	747
Accounts payable	531	531	38	38
Other financial liabilities	1,291	1,291	885	885
Total	**73,898**	**67,639**	**76,282**	**67,487**

The carrying amounts of cash and deposits, accounts receivables and payables (including from and to other Group companies) and other current financial assets and liabilities approximate their fair values largely due to the short-term maturities of these instruments.

8 Long term debt - external loans

In October 2011, several vessel owning entities within the Polarcus Group entered into a loan facility of USD 410 million with DNB and DVB Bank SE, Nordic Branch, together with Garanti-instituttet for Eksportkreditt (GIEK) and Eksportfinans ASA (the "Fleet Bank Facility"). Tranche 3 of the Fleet Bank Facility being USD 114 million was drawn by the Company and used to partly finance the construction of the Vessel.

	Year ended	
(In thousands of USD)	**31-Dec-20**	**31-Dec-19**
Current liability portion	-	4,000
Non-current liability portion	72,077	70,612
Total liability at the yearend	**72,077**	**74,612**
Nominal outstanding balance	75,865	75,865

9 Finance costs

	Year ended	
(In thousands of USD)	**31-Dec-20**	**31-Dec-19**
Interest expense on Fleet Bank Facility (Note 9)	4,253	4,357
Currency exchange losses	2	2
Total	**4,255**	**4,359**

10 Income tax expense

(In thousands of USD)	Year ended 31-Dec-20	31-Dec-19
Tax payable	-	-
Change in deferred tax	-	-
Total tax expense	-	-

Calculation of this year's tax basis: (according to Norwegian tax regulation)		
Profit/(loss) before tax	(34,450)	928
Permanente differences	19,275	341
Change in temporary differences	4,725	(7,061)
Interest limitation	1,604	1,663
Tax basis for the year	**(8,846)**	**(4,129)**
Tax payable	-	-

Temporary differences		
Non-current assets and liabilities	(35,651)	(29,926)
Tax loss carry forwards	(60,638)	(61,611)
Interest limitation carried forward	(14,651)	(12,540)
Total	**(110,939)**	**(104,078)**
22% deferred tax (2019: 22%)	**(24,407)**	**(22,897)**
Not recognized deferred tax assets	**24,407**	**22,897**
Recognized deferred tax assets	-	-

Explanation of why this year's tax expense is not 22% of the net profit before tax:		
22% tax on profit/(loss)	(7,579)	204
22% of permanent differences	4,241	75
22 % of interest limitations	353	366
Change not recognized deferred tax assets	2,986	(645)
Calculated tax expense	-	-

Effective 01 January 2015, the Company made a voluntary exit from Norwegian tonnage tax regime and entered into the income tax regime.

Deferred tax assets on tax losses have not been recognized, as the Company does not intend to utilize the tax losses carried forward in the foreseeable future. Tax returns and calculations are made in NOK and translated into US Dollars.

11 Related-party transactions

Polarcus Shipholding AS holds 100% of the paid-in share capital of the Company as at 31 December 2020. Polarcus Shipholding AS was a fully owned subsidiary of Polarcus UK Limited and Polarcus UK Limited is a fully owned subsidiary of Polarcus Limited, the ultimate parent company in the Polarcus Group per 31 December 2020.

11.1 Transactions with other Group companies

Below is a summary of the Company's transactions with other companies in Polarcus Group during the year ended 31 December 2020 and balances due to and from Polarcus Group companies in the ordinary course of Company's business as at the yearend.

(In thousands of USD)	**31-Dec-20**	**31-Dec-19**
Services received	876	771
Balance payable at yearend	-	747
Balance receivable at yearend	2,323	17,676

11.2 Payments to key employees and board members

The Company had no employees during the year. No remuneration or benefits were paid to board members during the year. As the Company has no employees, it is not required to operate a defined contribution pension scheme.

11.3 Payments to auditor

Audit fee for 2020 is NOK 150,000 exclusive of VAT (2019: NOK 65,000).

12 Subsequent events

On 26 January, Polarcus Group announced a payment default under its Working Capital Facility Agreement. During trading hours same day, Polarcus Asima AS, Polarcus Alima AS, Polarcus Amani AS, Polarcus Adira AS, Polarcus Nadia AS, Polarcus Naila AS and Polarcus Shipholding AS each received default and enforcement notices sent on behalf of the bank lenders under bank facility agreements of which the Former Subsidiaries are obligors. The Former Subsidiaries were the owners of the seismic vessels which bear the company name. The Lenders enforced share pledges over the Former Subsidiaries, transferring all issued shares in each Former Subsidiary to a company called Tiger Moth AS who subsequently replaced the directors.

On 29 April 2021, the owned vessel and seismic equipment were sold to Shearwater Geoservices Holding AS. The book value as at 31 December 2020 have been written down to sales price. The expectation is that the Company will now be wound down and liquidated in an orderly fashion.

13 Authorization of financial statements

The financial statements for the year ended 31 December 2020 were authorized in accordance with a resolution of the directors on 25 August 2021.