



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 995 542 846  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: POLARCUS SHIPHOLDING AS  
Forretningsadresse: v/Advokat Mads Haavardsholm  
c/o Advokatfirmaet Thommessen AS  
Haakon VII's gate 10  
0161 OSLO

### Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

### Konsern

Morselskap i konsern: Ja  
Konsernregnskap lagt ved: Nei

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: 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, 03.10.2021



### Resultatregnskap

Beløp i: USD	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt		25 266 000	
<b>Sum inntekter</b>	4	<b>25 266 000</b>	
<b>Kostnader</b>			
Varekostnad		15 101 000	
Lønnskostnad		631 000	
Avskrivning på varige driftsmidler og immaterielle eiendeler		1 313 000	
Nedskrivning av varige driftsmidler og immaterielle eiendeler		29 972 000	
<b>Sum kostnader</b>		<b>47 017 000</b>	
<b>Driftsresultat</b>		<b>-21 751 000</b>	
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt		82 000	
<b>Sum finansinntekter</b>		<b>82 000</b>	
Annen finanskostnad	8	2 120 000	
Loss on financial restructuring		2 185 000	
<b>Sum finanskostnader</b>		<b>4 305 000</b>	
<b>Netto finans</b>		<b>-4 223 000</b>	
<b>Ordinært resultat før skattekostnad</b>		<b>-25 974 000</b>	<b>0</b>
Income tax expense	9	1 185 000	
<b>Ordinært resultat etter skattekostnad</b>		<b>-27 159 000</b>	<b>0</b>
<b>Årsresultat</b>		<b>-27 159 000</b>	<b>0</b>
<b>Overføringer og disponeringer</b>			
Udekket tap		-27 159 000	
<b>Sum overføringer og disponeringer</b>		<b>-27 159 000</b>	



### Balanse

Beløp i: USD	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	6	65 142 000	
<b>Sum finansielle anleggsmidler</b>		<b>65 142 000</b>	
<b>Sum anleggsmidler</b>		<b>65 142 000</b>	<b>0</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Andre fordringer		586 000	
Konsernfordringer	10	14 950 000	
<b>Sum fordringer</b>		<b>15 536 000</b>	
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende		739 000	
Restricted cash		1 288 000	
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>2 027 000</b>	
<b>Sum omløpsmidler</b>		<b>17 563 000</b>	<b>0</b>
<b>SUM EIENDELER</b>		<b>82 705 000</b>	<b>0</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	5	133 000	
Overkurs	5	289 275 000	
<b>Sum innskutt egenkapital</b>		<b>289 408 000</b>	



## Balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Opptjent egenkapital</b>			
Udekket tap		250 637 000	
<b>Sum opptjent egenkapital</b>		<b>-250 637 000</b>	
<b>Sum egenkapital</b>		<b>38 771 000</b>	<b>0</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		735 000	
Kortsiktig konserngjeld	10	17 697 000	
Interest bearing debt - external	8	25 000 000	
Other accruals and payable		502 000	
<b>Sum kortsiktig gjeld</b>		<b>43 934 000</b>	
<b>Sum gjeld</b>		<b>43 934 000</b>	<b>0</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>82 705 000</b>	<b>0</b>



## Skattedirektoratet

Saksbehandler Jan Hoelstad	Deres dato 14.12.2010	Vår dato 12.01.2011
Telefon 22077325	Deres referanse Thomas Håve	Vår referanse 2010/1255285

Ernst & Young AS  
Oslo Atrium, Postboks 20  
0051 Oslo

## Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk

Det vises til deres brev av 14. desember 2010 samt e-post av 12. januar 2011 med supplerende opplysninger i sakens anledning. Det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for:

- Polarcus Asima AS org. nr. 995 542 846
- Polarcus Alima AS org. nr. 995 963 426

### Bakgrunn:

Polarcus Alima AS er et 100 % eid datterselskap av Polarcus Asima AS som igjen er heleid av det engelske selskapet Polarcus UK Ltd. Konsernspiss i Polarcus gruppen er Polarcus Limited som er registrert på Cayman Islands. Konsernspissen er notert på Oslo Børs Axess, og det er opplyst at dette selskapet har fått dispensasjon fra verdipapirhandelloven § 5-13 om at børsrapporteringen skal skje på norsk språk. De største aksjonærene i gruppen er Drydocks Worl LLC registrert i Dubai samt Zickerman Holding Limited og Zickerman Group Limited, begge registrert på British Virgin Islands.

Polarcus Limited er et maritimt seismikkselskap hvorav de her søkende datterselskap, eier seismikkskip som benyttes i driften. Driften skjer offshore og globalt. Det er ikke egne ansatte i de to norske selskapene. Arbeidsspråket internt i konsernet er engelsk, og kun ca 10 % av konsernets ansatte er norskspråklige. De fleste av selskapenes kontraktspartnere er også utenlandske eller har engelsk som daglig arbeidsspråk.

Den norske versjonen utarbeides kun for å tilfredsstille regnskapslovens krav. Nyten i forhold til kostnaden ved å utarbeide et norsk årsregnskap og –beretning, anses derfor som liten. Det søkes derfor om dispensasjon.

### Skattedirektoratets vurdering og konklusjon

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

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

Postadresse Postboks 9200 Grønland 0134 Oslo For elektronisk henvendelse se www.skatteetaten.no	Besøksadresse Se www.skatteetaten.no Org. nr: 996250318	Sentralbord 800 80 000 Telefaks 22 17 08 60
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*"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 skjævt 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. Offentlige myndigheter må også anses som en sentral regnskapsbruker, idet ulike myndigheter, som lignings- og tilsynsmyndigheter, benytter regnskapene som et verktøy i sin kontrollvirksomhet.

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

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjonen som skal vurderes ved en dispensasjonssøknad. Selskapene inngår i et konsern registrert i utlandet. Selskapene er engasjert i en internasjonal bransje hvor engelsk språk benyttes som språk. Det må derfor påregnes at alle parter behersker engelsk språk, både internt i selskapet og blant interessenter.

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

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

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Torstein Kinden Helleland  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Jan Hoelstad



## Polarcus Shipholding AS

### Annual Report 2020

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## The Board of Directors' Report

### 1 Operations and locations

Polarcus Shipholding AS (the "Company") is a company with limited liability incorporated under the laws of Norway. The registration number of the Company is 995542846 and its registered office is at its registered office is at Advokatfirmaet Thommessen AS, Haakon Viis gate 10, 0161 Oslo, Norway. The Company had three employees during 2020.

As at 31 December 2020, the Company was a fully owned subsidiary of Polarcus UK Limited, a company incorporated in the United Kingdom. Polarcus UK Limited is a 100% fully owned subsidiary of Polarcus Limited, the ultimate parent company in the Polarcus Group (the "Group"). 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 to a Norwegian company called Tiger Moth AS.

### 2 Comments related to the financial statements

The Company generated revenues of USD 25.3 million during 2020 from leasing out of in-sea seismic equipment to other Polarcus Group companies and as project owner for various seismic projects. Cost of sales incurred was USD 15.1 million. Depreciation expenses during the year was USD 1.3 million. An impairment of USD 30.0 million was booked, which resulted in an operating loss of USD 21.8 million was reported. Net financial expenses amounted to USD 4.2 million which resulted in net loss of USD 26.0 million for the year.

Cash generated from operating activities were negative USD 28.6 million. During the year, the Company invested USD 15.8 million. Net cashflow used in financing activities was USD 45.2 million.

### 3 Going concern and future outlook

Following the transfer of all of the Company'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 three employees during the year 2020.

### 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. None of the vessels owned by the Company's subsidiaries had any recordable spills in 2020.

## 7 Allocation of net income

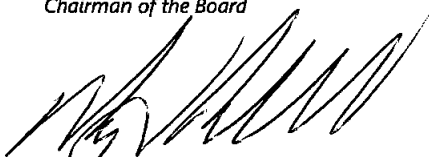
The Board of Directors has proposed the net loss of USD 27,160,000 to be allocated to Retained earnings.

25 August 2021



Tom C. Steckmest

Chairman of the Board



Nigel Hill

Board Member



Monica Cheng

Board Member



## Statement of Comprehensive Income

<i>(In thousands of USD)</i>	Notes	Year ended	
		31-Dec-20	31-Dec-19
<b>Revenues</b>			
Operating revenues		25,266	4,840
<b>Revenues</b>	4	<b>25,266</b>	<b>4,840</b>
<b>Operating expenses</b>			
Cost of sales		(15,101)	(1,280)
General and administrative costs		(631)	(13)
Depreciation		(1,313)	(326)
Impairments		(29,972)	-
<b>Total Operating expenses</b>		<b>(47,018)</b>	<b>(1,619)</b>
<b>Operating profit/(loss)</b>		<b>(21,752)</b>	<b>3,220</b>
<b>Financial expenses</b>			
Finance costs	8	(2,120)	(1,970)
Finance income		82	49
Loss on financial restructuring		(2,185)	-
<b>Net financial income/(expenses)</b>		<b>(4,222)</b>	<b>(1,921)</b>
<b>Profit/(Loss) for the period before tax</b>		<b>(25,975)</b>	<b>1,299</b>
Income tax expense	9	1,185	-
<b>Profit/(Loss) for the period/Comprehensive income/(loss)</b>		<b>(27,160)</b>	<b>1,299</b>



## Statement of Financial Position


<i>(In thousands of USD)</i>	Notes	31-Dec-20	31-Dec-19
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment		-	6,320
Investment in Subsidiaries	6	65,142	50,000
<b>Total non current assets</b>		<b>65,142</b>	<b>56,320</b>
<b>Current assets</b>			
Receivable from other Group companies	10	14,950	15,615
Other current assets		586	1,413
Restricted cash		1,288	5
Cash and bank		739	24
<b>Total current assets</b>		<b>17,563</b>	<b>17,057</b>
<b>TOTAL ASSETS</b>		<b>82,705</b>	<b>73,377</b>
<b>EQUITY and LIABILITIES</b>			
<b>Equity</b>			
Paid-in share capital	5	133	112
Share Premium	5	289,275	245,296
Retained losses		(250,636)	(223,477)
<b>Total equity</b>		<b>38,771</b>	<b>21,931</b>
<b>Current liabilities</b>			
Interest bearing debt - external	8	25,000	-
Loans from other Group companies	10	10,000	31,300
Payable to other Group companies	10	7,697	19,954



Other accruals and payables	502	159
Accounts payable	735	33
<b>Total Current Liabilities</b>	<b>43,934</b>	<b>51,446</b>
<hr/>		
<b>TOTAL EQUITY and LIABILITIES</b>	<b>82,705</b>	<b>73,377</b>

  
Tom C. Steckmest

Chairman of the Board

  
Nigel Hill

Board Member



Monica Cheng

Board Member



## Statement of Cash Flows

<i>(In thousands of USD)</i>	Notes	Year ended	
		31-Dec-20	31-Dec-19
<b>Cash flows from operating activities</b>			
Profit/(loss) for the period		(25,975)	1,299
<b>Adjustment for:</b>			
Depreciation		1,313	326
Impairments		9,912	-
Interest expense	8	1,237	1,959
Interest income		-	(1)
<b>Working capital adjustments:</b>			
Increase in current assets		1,492	(3,742)
Increase in trade and other payables and accruals		(16,599)	8,732
<b>Net cash flows used in operating activities</b>		<b>(28,618)</b>	<b>8,574</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(4,906)	(6,646)
Investment in subsidiaries	6	(10,940)	-
<b>Net cash flows from investing activities</b>		<b>(15,846)</b>	<b>(6,646)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issuance of ordinary shares	5	44,000	-
Payment of external loans		25,000	-
Receipts from/(repayment of) intra-group loans		(21,300)	-
Decrease/(increase) in restricted cash		(1,283)	-
Interest expenses	8	(1,237)	(1,959)
Interest income		-	1
<b>Net cash flows used in financing activities</b>		<b>45,180</b>	<b>(1,958)</b>



<b>Net increase in cash and cash equivalents</b>	<b>715</b>	<b>(31)</b>
Cash and cash equivalents at the beginning of the period	24	55
<b>Cash and cash equivalents at the end of the period</b>	<b>740</b>	<b>24</b>



## Statement of Changes in Equity

### Year ended 31 December 2019

<i>(In thousands of USD except for number of shares)</i>	<b>Number of Shares</b>	<b>Issued Share capital</b>	<b>Share Premium</b>	<b>Retained Earnings/ (Loss)</b>	<b>Total Equity</b>
Balance as at 1 January 2019	100,000	112	245,296	(224,776)	20,632
Total comprehensive income				1,299	1,299
<b>Balance as at 31 December 2019</b>	<b>100,000</b>	<b>112</b>	<b>245,296</b>	<b>(223,477)</b>	<b>21,931</b>

### Year ended 31 December 2020

<i>(In thousands of USD except for number of shares)</i>	<b>Number of Shares</b>	<b>Issued Share capital</b>	<b>Share Premium</b>	<b>Retained Earnings/ (Loss)</b>	<b>Total Equity</b>
Balance as at 1 January 2020	100,000	112	245,296	(223,477)	21,931
Issue of share capital		21	43,979		44,000
Total comprehensive income				(27,160)	(27,160)
<b>Balance as at 31 December 2020</b>	<b>100,000</b>	<b>133</b>	<b>289,275</b>	<b>(250,637)</b>	<b>38,771</b>



## Notes to the Financial Statements

### 1 General information

The financial statements of Polarcus Shipholding 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 acts as holding company for four Norwegian companies within the Polarcus Group.

As at 31 December 2020, the Company was a fully owned subsidiary of Polarcus UK Limited, a company incorporated in the United Kingdom. At reporting date, the company is a fully owned subsidiary of Tiger Moth AS. The Norwegian Tax Administration has approved, in accordance with the Norwegian Accounting Act of 17 June 1998, §3-7.4, that the Company is not required to prepare consolidated financial statements. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

### 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.

## 2.5 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.

### 2.5.1 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.

## 2.5.2 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.

## 2.6 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.

## 2.7 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.

## 2.8 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".

## 2.9 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.

## 2.10 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.

## 2.10.1 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.

## 2.10.2 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.

## 2.10.3 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.

## 2.11 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.



## 2.12 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.

## 2.13 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 at the balance sheet date, 22%. 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

Historically and during 2020, the Company's financial risks were primarily related to the performance of its investment in its subsidiaries. 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 would 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.

#### 3.1.1 Financial market risk

##### **Fluctuations in Exchange rates and currency risks**

The Company's financial assets and liabilities are in USD, which is also Company's functional currency. The Company do not expect to have major revenues or costs in currencies other than USD. Therefore, the Company's foreign exchange risks are not considered to be significant.



### 3.1.2 Credit risk

The Company's credit risks are not considered to be significant as the Company does not have any external trade receivable as of 31 December 2019. The credit risks are limited to the Company's deposits with banks and receivable from other Polarcus Group entities as per below:

<i>(In thousands of USD)</i>	<b>31-Dec-20</b>	<b>31-Dec-19</b>
Receivable from other Group companies	14,950	15,615
Cash and short-term deposits	2,027	29
<b>Total</b>	<b>16,977</b>	<b>15,644</b>

### 3.1.3 Liquidity risk

The table below analyses the Company's financial liabilities broken into different maturity groups based on the remaining period from 31 December 2020 to the date of contractual maturity. The amounts disclosed in the table are the contractual undiscounted cash flows:

<i>(In thousands of USD)</i>	<b>Less than 1 Year</b>	<b>Between 1 - 2 Years</b>	<b>Total</b>
Payable to other Group companies	2,310	-	2,310
Interest bearing debt - external	25,000	-	25,000
Loans from other Group companies	-	10,000	10,000
Trade and other payables	1,237	-	1,237

## 4 Segment information

All activities of the Company are conducted and monitored as one business segment. During 2020 the Company generated revenues of USD 25.3 million.

## 5 Share capital

The Company's issued share capital as at 31 December 2020 is NOK 900,000 divided into 100,000 shares at par value of NOK 9 per share.

<i>(In thousands of USD except for number of shares)</i>	<b>Number of Shares</b>	<b>Issued Share capital</b>	<b>Share Premium</b>	<b>Total</b>
<b>Balance as at 31 December 2019</b>	<b>100,000</b>	<b>112</b>	<b>245,296</b>	<b>245,408</b>
Movements during year 2020				
<i>Increase in face value of shares</i>				
On 23 June 2020, from NOK 7 to NOK 8, paid in at NOK 2,580 per share		10	26,989	26,999
On 24 June 2020, from NOK 8 to NOK 9, paid in at NOK 1,624 per share		10	16,990	17,000



<b>Balance as at 31 December 2020</b>	<b>100,000</b>	<b>133</b>	<b>289,275</b>	<b>289,407</b>
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All issued shares have been paid in as at 31 December 2020.

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 UK Limited owns 100% of the paid-in share capital of the Company as at 31 December 2020.



6 Investment in subsidiaries

(In thousands of USD)

Name of the Subsidiary	Country of Incorporation	Equity interest	Book value	Book value
		as of 31-Dec-20	as of 31-Dec-20	as of 31-Dec-19
Polarcus Adira AS	Norway	100%	25,063	20,000
Polarcus Amani AS	Norway	100%	13,000	13,000
Polarcus Asima AS	Norway	100%	22,877	17,000
Polarcus Alima AS	Norway	100%	4,202	-
<b>Total</b>			<b>65,142</b>	<b>50,000</b>

Movements in investment in subsidiaries during the year was as per below:

(In thousands of USD)	Year ended	
	31-Dec-20	31-Dec-19
Balance as at 01 January	50,000	50,000
Investments during the year	31,000	-
Group contribution to Alima	4,202	-
Impairments	-20,060	-
<b>Balance as at 31 December</b>	<b>65,142</b>	<b>50,000</b>

The Company has assessed the above carrying value of investments in subsidiaries for impairment as at 31 December 2020. The assessment, based on the Value in Use (the "VIU") of the underlying assets owned by the subsidiaries, and resulted in impairment of USD 20.1m.

7 Other financial assets and liabilities

Financial assets measured at amortized cost are as follows:

(In thousands of USD)	31-Dec-20	31-Dec-19
Receivable from other Group companies	14,950	15,615
<b>Total financial assets measured at amortized cost</b>	<b>14,950</b>	<b>15,615</b>

Financial liabilities measured at amortized cost are as follows:

(In thousands of USD)	31-Dec-20	31-Dec-19
Loans from other Group companies	10,000	31,300
Interest bearing debt - external	25,000	-
Payable to other Group companies	2,310	19,954
Accounts Payable	735	33
<b>Total financial liabilities measured at amortized cost</b>	<b>38,045</b>	<b>51,287</b>



## 7.1 Fair values

<i>(in thousands of USD)</i>	31-Dec-20		31-Dec-19	
	Carrying Amount	Fair value	Carrying Amount	Fair value
<b>Financial assets</b>				
Cash and deposits	2,027	2,027	29	29
Receivable from other Group companies	14,950	14,950	15,615	15,615
Other financial assets	-	-	-	-
<b>Total</b>	<b>16,977</b>	<b>16,977</b>	<b>15,644</b>	<b>15,644</b>
<b>Financial liabilities</b>				
Loans from other Group companies	10,000	10,000	31,300	31,300
Interest bearing debt - external	25,000	25,000	-	-
Payable to other Group companies	2,310	2,310	19,954	19,954
Accounts Payables	735	735	33	33
<b>Total</b>	<b>38,045</b>	<b>13,045</b>	<b>51,287</b>	<b>51,287</b>

The carrying amounts of all financial assets and liabilities approximate their fair values largely due to the short-term maturities of these instruments.

## 8 Finance costs

Finance costs of USD 4.2 million during 2020 (USD 2.0 million in 2019) mainly represents the interest expenses on loan from other Group companies.



## 8.1 Income Tax Expense

<i>(In thousands of USD)</i>	Year ended	
	31-Dec-20	31-Dec-19
Tax payable	-	-
Change in deferred tax	-	-
<b>Total tax expense</b>	<b>-</b>	<b>-</b>
<b>Calculation of this year's tax basis:</b>		
<i>(according to Norwegian tax regulation)</i>		
Profit/(loss) before tax	(25,975)	1,299
Permanent differences	32,446	1,495
Change in temporary differences	13,292	1,133
Group contribution given	(5,387)	-
Interest limitation	-	-
Tax basis for the year	<b>(14,376)</b>	<b>(3,927)</b>
Utilized tax loss carry forwards	14,376	-
Tax payable	-	-
<b>Review temporary differences</b>		
Tax loss carry forwards	-	(10,579)
Fixed assets	(12,120)	1,133
Interest limitations	(5,338)	(5,165)
<b>Total (*)</b>	<b>(17,458)</b>	<b>(14,791)</b>
22% deferred tax (2019: 22%)	<b>(3,841)</b>	<b>(3,254)</b>
Not recognized deferred tax assets	3,841	<b>3,254</b>
Recognized deferred tax assets	-	-
Explanation of why this year's tax expense is not 22% of the net profit before tax:		
22% tax of profit/(loss)	(5,715)	286
22% of permanent differences	7,138	329
22% of interest limitations	0	0
Change in not recognized deferred tax assets	(238)	(615)
Calculated tax expense	1,185	-

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.

(\*) Total Temporary Difference for 2019 was stated as USD(14,791)k which is incorrect. This has not been restated, given materiality and the Group's accumulated tax losses.

## 9 Related-party transactions

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

### 9.1 Transactions with other Polarcus 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 other Group companies in the ordinary course of Company's business as at the yearend.

<i>(In thousands of USD)</i>	<b>31-Dec-20</b>	<b>31-Dec-19</b>
Services provided	8,061	4,840
Services received	10,260	551
Interest expense on loan from related party	1,054	1,954
Balance payable to other Group companies at yearend	7,697	19,954
<b>Balance receivable from other Group companies at year end</b>	<b>14,950</b>	<b>15,615</b>

The receivable and payable balances above are interest-free and expected to be settled within 12 months from the reporting date.

### 9.2 Loan from other Group companies

As at 31 December 2020 the Company has an outstanding loan of USD 10.0 million payable to Polarcus Limited at an interest rate of LIBOR+4% (same as at 31 December 2019). The loan is repayable on demand or on the date when insolvency or similar proceedings is initiated in respect of the Company.

### 9.3 Payments to key employees and board members

The Company had three employees during the year. No remuneration or benefits were paid to board members during the year. During the year the Company had a total USD 305 thousand employee cost.

### 9.4 Payments to auditor

Audit fee for 2020 is NOK 150,000 exclusive of VAT (2019: NOK 56,800).



## 10 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, all of the Company's assets 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.

## 11 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



Statsautoriserte revisorer  
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## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Polarcus Shipholding AS

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Polarcus Shipholding 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.

Independent auditor's report - Polarcus Shipholding AS

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

## Finn Ole Stephansen-Smith Edstrøm

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