



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

### Enheten

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

### Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Christopher Alvestad  
Dato for fastsettelse av årsregnskapet: 26.04.2024

### Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert  
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

*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, 10.07.2025



## Resultatregnskap

Beløp i: NOK	Note	2023	2022
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Operating revenues	7	885 000 000	802 000 000
<b>Sum inntekter</b>		<b>885 000 000</b>	<b>802 000 000</b>
<b>Kostnader</b>			
Employee benefits expense	3		
Depreciation and amortisation expenses	8	288 000 000	289 000 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	8	2 000 000	
Other operating expenses	3, 7	3 000 000	4 000 000
<b>Sum kostnader</b>		<b>294 000 000</b>	<b>293 000 000</b>
<b>Driftsresultat</b>		<b>591 000 000</b>	<b>508 000 000</b>
<b>Finansinntekter og finanskostnader</b>			
Currency exchange gain (loss)		-86 000 000	-315 000 000
Other financial income (expense)	7	-22 000 000	-29 000 000
<b>Sum finansinntekter</b>		<b>-108 000 000</b>	<b>-343 000 000</b>
Rentekostnad til foretak i samme konsern	7	104 000 000	-1 000 000
Annen rentekostnad		51 000 000	93 000 000
<b>Sum finanskostnader</b>		<b>155 000 000</b>	<b>92 000 000</b>
<b>Netto finans</b>		<b>-263 000 000</b>	<b>-436 000 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>328 000 000</b>	<b>72 000 000</b>
Income tax expense	5		
<b>Ordinært resultat etter skattekostnad</b>		<b>328 000 000</b>	<b>72 000 000</b>
<b>Årsresultat</b>		<b>328 000 000</b>	<b>72 000 000</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>328 000 000</b>	<b>72 000 000</b>
<b>Totalresultat</b>		<b>328 000 000</b>	<b>72 000 000</b>
<b>Overføringer og disponeringer</b>			



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Other equity		328 000 000	72 000 000
<b>Sum overføringer og disponeringer</b>		<b>328 000 000</b>	<b>72 000 000</b>



## Balanse

Beløp i: NOK	Note	2023	2022
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Vessels and seismic equipment		3 499 000 000	3 690 000 000
Equipment and other movables	8		
<b>Sum varige driftsmidler</b>	<b>8</b>	<b>3 499 000 000</b>	<b>3 690 000 000</b>
<b>Finansielle anleggsmidler</b>			
Restricted cash	4	311 000 000	378 000 000
<b>Sum finansielle anleggsmidler</b>		<b>311 000 000</b>	<b>378 000 000</b>
<b>Sum anleggsmidler</b>		<b>3 810 000 000</b>	<b>4 067 000 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Other short-term receivables			1 000 000
Konsernfordringer	7	73 000 000	71 000 000
<b>Sum fordringer</b>		<b>73 000 000</b>	<b>71 000 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents		17 000 000	8 000 000
Restricted cash	4	22 000 000	19 000 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>39 000 000</b>	<b>27 000 000</b>
<b>Sum omløpsmidler</b>		<b>112 000 000</b>	<b>98 000 000</b>
<b>SUM EIENDELER</b>		<b>3 922 000 000</b>	<b>4 165 000 000</b>

## BALANSE - EGENKAPITAL OG GJELD

### Egenkapital



### Balanse

Beløp i: NOK	Note	2023	2022
<b>Innskutt egenkapital</b>			
Share capital	2	690 000 000	690 000 000
Overkurs		494 000 000	494 000 000
<b>Sum innskutt egenkapital</b>		<b>1 184 000 000</b>	<b>1 184 000 000</b>
<b>Opptjent egenkapital</b>			
Other equity		401 000 000	72 000 000
<b>Sum opptjent egenkapital</b>		<b>401 000 000</b>	<b>72 000 000</b>
<b>Sum egenkapital</b>		<b>1 585 000 000</b>	<b>1 257 000 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner		850 000 000	1 282 000 000
Langsiktig konserngjeld	7	999 000 000	323 000 000
<b>Sum annen langsiktig gjeld</b>		<b>1 849 000 000</b>	<b>1 605 000 000</b>
<b>Sum langsiktig gjeld</b>		<b>1 849 000 000</b>	<b>1 605 000 000</b>
<b>Kortsiktig gjeld</b>			
Liabilities to financial institutions		481 000 000	1 290 000 000
Tax payable			
Kortsiktig konserngjeld	7		
Other current liabilities	10	6 000 000	13 000 000
<b>Sum kortsiktig gjeld</b>		<b>487 000 000</b>	<b>1 304 000 000</b>
<b>Sum gjeld</b>		<b>2 336 000 000</b>	<b>2 909 000 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>3 922 000 000</b>	<b>4 165 000 000</b>



## Skattedirektoratet

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

PGS TITANS AS  
Postboks 251 Lilleaker  
0216 OSLO

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

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

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

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

### Bakgrunn

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

### Skattedirektoratets vurdering

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

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Org.nr: 996250318 Telefaks  
E-post: [skatteetaten.no/sendepost](mailto:skatteetaten.no/sendepost) 22 17 08 60



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

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

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet er et heleid datterselskap, der morselskapet har vesentlige utenlandske eierinteresser. Videre er det vektlagt at arbeidsspråket er engelsk og at selskapet driver virksomhet i en internasjonal bransje der alle vesentlige aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad  
Seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Geir Johannessen

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



**PGS Titans AS**  
Financial Statements 2023



Org. no 998 167 000



## PGS Titans AS The Board of Directors' Report 2023

### Nature of the business

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

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

The Company is located at Lilleaker in Oslo.

### Equality, Health, Safety and Environment

As of December 31, 2023 the Company had no employees. The Company's Board of Directors consists of one woman and two men.

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

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

Incident	2023	2022
Fatalities	0	0
Lost time injuries	1	2
Restricted work-day cases	0	1
Medical treatment cases	2	1
High potential incidents	0	0

In 2023, the health and safety performance notably improved, elevating further from a strong rating in the previous years.

The group level activity witnessed a significant increase, escalating from 3.9 to 4.8 million man-hours over a span of 12 months. Concurrently, there was a reduction in the number of recordable cases, decreasing from four to three. It is noteworthy that the severity potential of the three recordable injuries was medium to low.

Furthermore, there were no high-potential incidents recorded for the year 2023. This commendable achievement can be attributed to strategic initiatives implemented towards the end of 2022 and throughout 2023. These included training programs, updates to existing procedures and leveraging data analytics for predicting trends and initiating targeted preventive campaigns.

Incident	2023	2022
Lost Time Injury Frequency (LTIF)	0.21	0.52
Total Recordable Case Frequency (TRCF)	0.62	1.03
High Potential Frequency (HIPOF)	0.00	0.00

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

To mitigate the elevated physical risks and the unique nature of offshore working, PGS formed a partnership with International SOS and established the BeWell program for offshore crew. The objective was to provide the opportunity to undertake voluntary health checks with individual follow-up to promote and maintain a healthy lifestyle onboard and at home. The program was fully rolled out 1. December 2023 onboard all vessels, and in only 30 days a total of 180 participants had complete the voluntary health check.



## **Sustainability**

The PGS ASA Group Code of Conduct reflects the Company's commitment to its shareholders, clients, employees, and other stakeholders to carry out business with the utmost integrity. The Code of Conduct outlines both what stakeholders can expect from PGS, and what PGS expects from employees and anyone working for PGS. Employees of PGS are also guided by the Company's Core Values and Leadership Principles that drive desired behaviour and culture. The Code of Conduct, Core Values and Leadership Principles are available in full on [www.pgs.com](http://www.pgs.com).

In 2022, PGS committed to net-zero greenhouse gas ("GHG") emissions by 2050 with an absolute reduction in maritime emissions of 75% and 100% renewable energy usage onshore. The Company has also identified activities under the EU Taxonomy, and in 2023, the total turnover for these activities was approximately \$34 million, with \$10 million from CCS and \$24 million from offshore wind site characterization projects.

PGS is committed to the ten principles of the United Nations Global Compact in the areas of human rights, labour, environment, and anti-corruption. The PGS ASA Group Board of Directors and the CEO actively ensure that the Company properly responds to sustainability challenges. To identify and assess actual and potential sustainability risks and opportunities for PGS, the Board of Directors, and the CEO are involved in the Company's double materiality assessment of material topics and the development of our strategic objectives and goals to manage them. In 2023, the double materiality assessment was extended to all PGS employees in our journey to full Corporate Sustainability Reporting Directive ("CSRD") compliance for FY 2024.

To identify and report on risks and opportunities associated with climate change and the energy transition PGS uses the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the frameworks developed by the Carbon Disclosure Project ("CDP") and the Task Force on Climate Related Financial Disclosures ("TCFD").

Since 2011, PGS has published a separate sustainability and ESG report, which communicates the Company's progress in alignment with the recommendations of the Global Reporting Initiative ("GRI"), and in 2022, we started to transition our reporting with the CSRD and European Sustainability Reporting Standards ("ESRS"). PGS has an ambition to promote the UN Sustainable Development Goals ("SDGs") through concrete actions and goals that are relevant for the Company's activities and global presence. From the materiality assessment PGS has identified 6 of the 17 SDGs where the Company contributes; 4-Quality Education, 7-Affordable and clean energy, 9-Industry, Innovation and Infrastructure, 13-Climate Action, 14-Life Below Water and 16-Peace Justice and Strong Institutions.

## **Climate Risk**

PGS is exposed to both transition risk and physical risks associated with climate change. The Company has a structured approach to monitoring the development of the seismic exploration market and opportunities created by the transition to renewable energy sources globally. The Company's strategy is based on market scenario analysis and positioning of the Company for the energy transition by establishing and developing the 'New Energy' business unit, which is a core component of the Company's strategy. The physical risks associated with climate change may directly affect both onshore and offshore operations through increased occurrence of extreme weather conditions. The Company mitigates this risk through reducing the dependency of on-premise computing by shifting data and processing to the cloud, careful fact-based planning of projects, and by leveraging the inherent weather resilience of the Ramform fleet and GeoStreamer technology.

## **Financial risk**

The Company is exposed to market risks such as interest rate risk, currency exchange risk, credit risk, liquidity risk and commodity price risk, as discussed below. The Company's risk management policies are approved by the Board of Directors. The treasury function reports regularly to Company management and any breach of limits set in the policy is reported to the Board of Directors.

### *Interest Rate Risk*

PGS has a mixture of fixed and floating interest rate debt to manage the impact of interest rate fluctuations.

### *Currency Exchange Risk*

PGS predominantly sells products and services in US dollars, and to a limited extent in other currencies. In addition to USD, a significant proportion of PGS' operating expenses are incurred in NOK and GBP. Less substantial amounts are incurred in various other currencies. Thus, regarding expenses and revenues in currencies other than US dollars, such expenses will typically exceed revenues.



A stronger US dollar reduces PGS' operating expenses as reported in US dollars. It is estimated that a 10% change of the US dollar against the two most significant non-USD currencies, NOK and GBP, would have an annual impact on gross cash cost of \$11-14 million and \$3-5 million, respectively.

The Company did not have any open foreign currency forward contracts as of December 31 in 2023 or 2022. All interest-bearing debt is denominated in US dollars.

#### *Credit Risk/Liquidity risk*

PGS' accounts receivable is primarily from multinational, integrated energy companies and independent oil and natural gas companies, including companies that are owned in whole or in part by governments. PGS manages the exposure to credit risk through ongoing credit evaluations of clients. Due to the nature of PGS' client base, a low level of losses on accounts receivable has been incurred over the years. PGS has a structured approach to monitoring the credit risk of the Company's banking partners, including the institutions in which cash is held on deposit.

#### **Presentation of the financial statements and the Company's development**

The Company's revenue for 2023 was NOK 885.3 million, compared to NOK 801.9 million in 2022. The Company's revenue consists entirely of the leasing of vessels to another company in the PGS Group through long-term bareboat charter agreements.

The Company's net profit for 2023 was 328.4 NOK million, compared to a net profit of NOK 72.5 million in 2022. The increase in profit is due to lower unrealized currency loss on the USD-denominated intercompany and external loan balances and operating revenues in foreign currency.

Cash flow from operating activities was positive with NOK 892.5 million in 2023, compared to NOK 772.3 million in 2022.

#### **Financing status and liquidity**

On March 31, 2023, PGS issued bonds of \$450 million at 98% of par (the "Bonds"). The Bonds have a 4-year tenor, maturing March 31, 2027, with a coupon of 13.5% paid semiannually. The Bonds are non-callable for 2 years and can thereafter be called at 106.75 per cent of par between March 31, 2025, and September 29, 2025, 105.06 per cent of par between September 30, 2025, and March 30, 2026, 103.38 per cent of par between March 31, 2026, and September 29, 2026, and thereafter 100.50 per cent of par.

The proceeds from the Bonds, together with cash on balance sheet, were used to repay \$600 million of the Company's term loan B ("TLB").

A new \$75 million loan (the "Loan") was drawn September 18, 2023, with the net proceeds used to repay on the TLB. The Loan has an interest rate of SOFR + 7.00% and matures December 15, 2026, with quarterly amortization at a rate of 6.25% of the original principal amount beginning on June 30, 2024. The Loan is subject to the same financial covenants as the \$450 million Bonds.

The December 31, 2023, remaining \$69.8 million balance of the TLB (due March 19, 2024) was fully repaid from cash in February 2024.

The Company's Super Senior Loan of \$50 million had a scheduled maturity on March 18, 2024. To align the terms of the Super Senior Loan to the other remaining debt instruments post the full repayment of the TLB, the Company has after December 31, 2023, refinanced the loan through amending, extending and increasing the Super Senior Loan to \$60 million with TGS ASA as the sole lender at terms similar to what was otherwise available to PGS in the market.

The main credit agreements contain minimum liquidity and maximum leverage ratio covenants. The Bonds and Loan terms have a minimum liquidity covenant of \$50 million and a maximum leverage ratio (Net Interest-Bearing Debt to last twelve months IFRS EBITDA) of 3.00:1 from Q1 2023 to Q4 2024 and 2.50:1 thereafter. On December 31, 2023, the leverage ratio was 1.66:1. The Company expects to remain in compliance with the financial covenants in its credit agreements going forward.

Further, the main credit agreements contain general and financial undertakings usual for these kinds of financing arrangements, restricting the Company in various ways.

PGS announced on September 18, 2023, an intention to merge with TGS ASA or one of its subsidiaries ("TGS"). PGS and TGS announced on October 25, 2023, that their respective Board of Directors had approved and decided upon a definitive merger agreement and formal merger plan. On December 1, 2023,



shareholders of PGS and TGS approved the merger plan with close to 100% support at the extraordinary general meetings. The parties expect that the merger will be completed during first half of 2024. The merger plan contains customary mutual restrictions for both parties until the merger is completed, as well as certain unilateral restrictions for PGS in relation to investments, equity transactions and financing.

The agreements for the Bonds and the Loan both contain change-of-control provisions triggering put options/mandatory call for the bondholders/lenders at 101% and 102% of par, respectively, at the time of completing the merger. The Bonds are currently trading at a price above 110% of par which should make it unlikely that the bondholders will exercise the put option at 101% of par. The TLB and the Super Senior Loan had change-of-control provisions requiring the loans to be repaid at the time of completing the merger unless maturing earlier or otherwise agreed with the lenders. The TLB was fully repaid in February 2024 and PGS has refinanced the Super Senior Loan by amending, extending and increasing this to \$60 million Super Senior Loan where TGS ASA is the sole lender.

In Q3 2023, PGS raised approximately \$40.6 million of new equity. The proceeds were used to increase liquidity and to further contribute to a financially robust combined entity following the merger with TGS.

During 2023, PGS reduced gross interest-bearing debt by \$273.2 million (\$279.6 million including lease liabilities) and net interest-bearing debt ended at \$542.0 million, a reduction of \$74.7 million (\$81.1 million including lease liabilities).

Cash and cash equivalents totaled \$177.7 million as of December 31, 2023, compared to \$363.8 million as of December 31, 2022.

#### **Going concern**

The Company has an equity ratio of 40% and predictable income as all vessels are on long term charters.

Pursuant to section 3-3a of the Norwegian Accounting Act, the Board confirms that the 2023 financial statements have been prepared based on the assumption of a going concern and that it believes that this assumption is appropriate.

#### **Board of Directors**

As of December 31, 2023, the Board of Directors has the following members: Rune Olav Pedersen (Chairperson), Gottfred Langseth and Merethe Bryn.

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

#### **Transparency Act**

The PGS ASA Group is committed to comply with the requirements set out in The Norwegian Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (the "Transparency Act"). This due diligence report covers the fiscal year of 2023, from 1 January to 31 December 2023. The report is prepared and provided by the PGS ASA Group pursuant to Section 5 of the Transparency Act. See [www.pgs.com](http://www.pgs.com) for more information.

#### **Market and outlook**

Many future energy outlook scenarios predict global energy consumption to continue to increase longer term with oil and gas remaining an important part of the energy mix. Offshore reserves will be vital for future energy supply and support the longer-term demand for marine seismic services. The seismic market is improving on the back of increased focus on energy security, several years of low investments in new oil and gas supplies, and attractive oil and gas prices.

Offshore energy investments are expected to continue to increase in 2024. The Board expects the marine seismic acquisition market to benefit from the higher spending level and a limited supply of seismic vessels. Further, the Board expects PGS New Energy to benefit from an increasing demand for geophysical services for offshore wind site characterization projects.



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

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

Pursuant to section 3-3a of the Norwegian Accounting Act, the Board confirms that the 2023 financial statements have been prepared on the going concern basis which the Directors believe to be appropriate.

Oslo, April 26, 2024

Rune Olav Pedersen  
Chairperson

Gottfred Langseth  
Board member

Merethe Bryn  
Board member

Robert James Adams  
General Manager



## Income statement

PGS Titans AS

Values in mill. NOK		2023	2022
<b>Operating income and operating expenses</b>			
Operating revenues	7	885,3	801,9
<b>Total income</b>		<b>885,3</b>	<b>801,9</b>
Depreciation and amortisation expenses	8	(288,3)	(289,3)
Impairment loss	8	(2,0)	-
Other operating expenses	3, 7	(3,5)	(4,2)
<b>Total expenses</b>		<b>(293,8)</b>	<b>(293,5)</b>
<b>Operating profit (loss)</b>		<b>591,5</b>	<b>508,4</b>
<b>Financial income and expenses</b>			
Currency exchange gain (loss)		(86,0)	(314,5)
Other financial income (expense)	7	(22,1)	(28,9)
Intercompany interest income (expense)	7	(104,4)	0,8
Other interest income (expense)		(50,6)	(93,3)
<b>Net financial items</b>		<b>(263,1)</b>	<b>(435,9)</b>
<b>Net profit before tax</b>		<b>328,4</b>	<b>72,5</b>
Income tax expense	5	-	-
<b>Net profit after tax</b>		<b>328,4</b>	<b>72,5</b>
<b>Net profit or loss</b>		<b>328,4</b>	<b>72,5</b>
<b>Other comprehensive income</b>			
Items that will not be classified to profit and loss		-	-
Items that may be subsequently reclassified to profit and loss		-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>328,4</b>	<b>72,5</b>
<b>Attributable to</b>			
Other equity		328,4	72,5
<b>Total</b>		<b>328,4</b>	<b>72,5</b>

PGS Titans AS

Side 1



## Balance sheet

PGS Titans AS

Values in mill. NOK		2023	2022
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Property, plant and equipment</b>			
Vessels and seismic equipment		3 499,0	3 689,6
<b>Total property, plant and equipment</b>	<b>8</b>	<b>3 499,0</b>	<b>3 689,6</b>
<b>Non-current financial assets</b>			
Restricted cash	4	310,8	377,9
<b>Total non-current financial assets</b>		<b>310,8</b>	<b>377,9</b>
<b>Total non-current assets</b>		<b>3 809,8</b>	<b>4 067,5</b>
<b>Current assets</b>			
<b>Debtors</b>			
Other short-term receivables		0,4	0,6
Receivables from group companies	7	72,6	70,7
<b>Total receivables</b>		<b>73,1</b>	<b>71,3</b>
Cash and cash equivalents		16,7	7,6
Restricted cash	4	22,2	19,1
<b>Total current assets</b>		<b>112,0</b>	<b>98,0</b>
<b>Total assets</b>		<b>3 921,8</b>	<b>4 165,4</b>



**Balance sheet**

PGS Titans AS

Values in mill. NOK		2023	2022
<b>Equity and liabilities</b>			
<b>Equity</b>			
<b>Paid-in capital</b>			
Share capital	2	690,1	690,1
Share premium reserve		494,4	494,4
<b>Total paid-in equity</b>		<b>1 184,4</b>	<b>1 184,4</b>
Other equity		400,9	72,5
<b>Total shareholders' equity</b>		<b>1 585,3</b>	<b>1 256,9</b>
<b>Liabilities</b>			
<b>Other non-current liabilities</b>			
Liabilities to financial institutions		850,0	1 281,6
Non-current liabilities to group companies	7	999,2	323,4
<b>Total non-current liabilities</b>		<b>1 849,2</b>	<b>1 605,0</b>
<b>Current liabilities</b>			
Liabilities to financial institutions		481,0	1 290,2
Tax payable		0,2	0,2
Other current liabilities	10	6,1	13,1
<b>Total current liabilities</b>		<b>487,3</b>	<b>1 303,5</b>
<b>Total liabilities</b>		<b>2 336,5</b>	<b>2 908,5</b>
<b>Total equity and liabilities</b>		<b>3 921,8</b>	<b>4 165,4</b>

Oslo, 26.04.2024  
The board of PGS Titans AS

Gottfred Langseth  
Member of the board

Merethe Bryn  
Member of the board

Rune Olav Pedersen  
Chairman of the board

Robert James Adams  
General Manager



### Statements of Changes in Shareholders' Equity

PGS Titans AS

(Values in mill. NOK)

	Share capital	Share premium reserve	Other equity	Total equity
As at 01.01.2022	690,1	494,4	-	1 184,4
Profit/loss for the year			72,5	72,5
As at 31.12.2022	690,1	494,4	72,5	1 256,9
Profit/loss for the year			328,4	328,4
Pr 12.12.2023	690,1	494,4	400,9	1 585,3



## Statement of cash flows 01.01 - 31.12

### PGS Titans AS

(all figures in millions of NOK)	Note	2023	2022
<b>Cash flow from operating activities</b>			
Profit (loss) for the year		328.4	72.5
Depreciation and amortization	8	288.3	289.3
Impairment	8	2.0	-
Interest expense		164.5	87.1
Interest income		(21.6)	(7.5)
Amortization of deferred loan costs		12.1	12.9
Unrealized foreign exchange loss (gain)		127.7	326.2
Change in other accruals		(7.0)	(0.5)
Net change current intercompany balances		(1.9)	(7.7)
<b>Net cash flow from operating activities</b>		<b>892.5</b>	<b>772.3</b>
<b>Cash flow from investing activities</b>			
Investment in property and equipment	8	(99.7)	(41.2)
<b>Net cash flow from investing activities</b>		<b>(99.7)</b>	<b>(41.2)</b>
<b>Cash flow from financing activities</b>			
Net change non-current intercompany balances		541.9	(299.0)
Payment of debt to financial institutions		(505.4)	(345.2)
Interest paid on interest bearing debt		(888.8)	(83.7)
Decrease (increase) in restricted cash related to debt service		68.6	(11.9)
<b>Net cash flow from financing activities</b>		<b>(783.7)</b>	<b>(739.8)</b>
<b>Net increase (decrease) in cash and cash equivalent</b>		<b>9.1</b>	<b>(8.7)</b>
Effect of exchange rate changes on cash and cash equivalents		-	0.1
Cash and bank deposits at beginning of period		7.6	16.2
<b>Cash and bank deposits as of 31 December</b>		<b>16.7</b>	<b>7.6</b>



## Notes to the Financial Statements 2023

PGS Titans AS

### Note 1 Accounting principles

#### *General*

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

#### *Basis of presentation*

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

#### *Going concern*

Pursuant to section 3-3a of the Norwegian Accounting Act, the Board confirms that the 2023 financial statements have been prepared based on the assumption of a going concern and that it believes that this assumption is appropriate. See Note 11 for further information.

### Summary of significant accounting policies:

#### *Main principles for assessing and classifying assets and liabilities*

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

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

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

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

#### *Cash and cash equivalents and restricted cash*

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

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

#### *Foreign currency translation and transactions*

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



## Notes to the Financial Statements 2023

PGS Titans AS

### *Property and equipment*

Property and equipment are stated at cost, excluding the costs of the day-to-day servicing, less accumulated depreciation and impairment. Depreciation is calculated on a straight-line basis over the useful life of the assets based on cost less estimated residual values. The estimated useful lives for property and equipment are as follows:

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

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

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

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

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

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

### *Impairment of property, equipment and intangibles*

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

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



## Notes to the Financial Statements 2023

PGS Titans AS

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

### *Leases*

Company as a lessor

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

### *Income taxes*

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

### *Statements of cash flow*

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

### *Changes in accounting policies and disclosures*

Several amendments and interpretations apply for the first time in 2023, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

## **Note 2 Share capital, shareholders and parent company information**

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

The share capital in PGS Titans AS as of 31/12/2023 consists of:

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

### Ownership structure

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

PGS Titans AS is included in the consolidated financial statements of PGS ASA. The consolidated financial statements can be downloaded from [www.pgs.com](http://www.pgs.com).



## Notes to the Financial Statements 2023

PGS Titans AS

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

PGS Titans AS hasn't had any salary costs or benefits in 2023 and there are no such obligations. The Company has no employees at the end of the year and is not obliged to have an employee pension scheme.

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

As of 31 December 2023, the Company has no loans or guarantees to executives, board members etc.

Auditor

Ordinary audit fees for the 2023 statutory audit amount to NOK 389 752 excl. of VAT.

### Note 4 Restricted cash

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

### Note 5 Income tax

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

(values in mill. NOK)

	2023	2022
Specification of tax expense:		
Current tax	-	-
Income tax expense for the year	-	-

### Note 6 Leases

#### The Company as a lessor

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

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

(values in mill. NOK)

	2023	2022
Within one year	857,6	831,9
After one year but not more than five years	2 050,5	2 757,2
More than five years	-	71,3
Total	2 908,1	3 660,4



## Notes to the Financial Statements 2023

PGS Titans AS

### Note 7 Related party transactions

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

(values in mill. NOK)

	<b>2023</b>	<b>2022</b>
Operating income		
Group companies	885,3	801,9
Operating income related parties	885,3	801,9

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

	<b>2023</b>	<b>2022</b>
Operating expenses		
Group companies	0,4	0,4
Operating expenses related parties	0,4	0,4

	<b>2023</b>	<b>2022</b>
Other income and expenses (incl. financial income and expenses)		
Guarantee fee	(21,2)	(28,1)
Net interest income (expenses)	(104,4)	0,8
Other income and expenses related parties	(125,5)	(27,3)

	<b>2023</b>	<b>2022</b>
Related party balances as of 31 December:		
Short-term group receivable	72,6	70,7
Long-term group debt	(999,2)	(323,4)
Net intercompany balances	(926,6)	(252,7)

The Company's long-term intercompany debt is entirely towards the parent company Petroleum Geo-Services AS. The Company has the possibility to borrow up to USD 150 million from Petroleum Geo-Services AS with maturity in 2025. Intercompany debt and receivables carry interest of 6 Month USD SOFR + 5.0% margin in 2023.

The Company has no significant long-term debt or receivables balances towards other related parties as of December 31, 2023 and 2022. Most of the intercompany debt/receivables are denominated in USD, and fluctuations in USD/NOK rate result in currency gains/losses.



## Notes to the Financial Statements 2023

PGS Titans AS

### Note 8 Fixed assets

(values in mill. NOK)

	<b>Seismic vessels and equipment</b>
Cost as of 01.01.2022	5 929,7
Additions	41,2
Disposals	-
Adjustment	-
Cost as of 31.12.2022	5 970,9
Additions	99,7
Disposals	-
Adjustment	-
Cost as of 31.12.2023	6 070,6
Accumulated depreciation and impairment as of 01.01.2022	1 992,0
Depreciation	289
Impairment	-
Disposals	-
Accumulated depreciation and impairments as of 31.12.2022	2 281,3
Depreciation	288,3
Impairment	2,0
Disposals	-
Accumulated depreciation and impairments as of 31.12.2023	2 571,6
Balance as of 31.12.2022	3 689,6
Balance as of 31.12.2023	3 499,0

The Company's fixed assets consist of the seismic vessels "Ramform Titan", "Ramform Atlas", "Ramform Tethys", and "Ramform Hyperion", including equipment as of December 31, 2023 and 2022. The Company leases its vessels to PGS Falcon AS on operating lease agreements. See note 6 for more information.

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

Impairment tests are performed when triggers are identified. Per December 31, 2023, the Company has performed impairment tests for all seismic acquisition vessels and equipment and recorded a total impairment charge of NOK 2 million. No impairment charges recorded in 2022. Refer to note 3 in the consolidated financial statements for the group for further details.

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



## Notes to the Financial Statements 2023

PGS Titans AS

### Note 9 Lease agreements

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

### Note 10 Other short-term debt

(values in mill. NOK)

	2023	2022
Other short-term debt as of 31.12:		
Accrued interest expense	(6,1)	(13,1)
Total	(6,1)	(13,1)

### Note 11 Debt and guarantees

On March 31, 2023, PGS issued bonds of \$450 million at 98% of par (the "Bonds"). The Bonds have a 4-year tenor, maturing March 31, 2027, with a coupon of 13.5% paid semiannually. The Bonds are non-callable for 2 years and can thereafter be called at 106.75 per cent of par between March 31, 2025, and September 29, 2025, 105.06 per cent of par between September 30, 2025, and March 30, 2026, 103.38 per cent of par between March 31, 2026, and September 29, 2026, and thereafter 100.50 per cent of par.

The proceeds from the Bonds, together with cash on balance sheet, were used to repay \$600 million of the Company's term loan B ("TLB").

A new \$75 million loan (the "Loan") was drawn September 18, 2023, with the net proceeds used to repay the TLB. The Loan has an interest rate of SOFR + 7.00% and matures December 15, 2026, with quarterly amortization at a rate of 6.25% of the original principal amount beginning on June 30, 2024. The Loan is subject to the same financial covenants as the \$450 million Bonds.

The December 31, 2023, remaining \$69.8 million balance of the TLB (due March 19, 2024) was fully repaid from cash in February 2024.

The Company's Super Senior Loan of \$50 million had a scheduled maturity on March 18, 2024. To align the terms of the Super Senior Loan to the other remaining debt instruments post the full repayment of the TLB, the Company has after December 31, 2023, refinanced the loan through amending, extending and increasing the Super Senior Loan to \$60 million with TGS ASA as the sole lender at terms similar to what was otherwise available to PGS in the market.

The main credit agreements contain minimum liquidity and maximum leverage ratio covenants. The Bonds and Loan terms have a minimum liquidity covenant of \$50 million and a maximum leverage ratio (Net Interest-Bearing Debt to last twelve months IFRS EBITDA) of 3.00:1 from Q1 2023 to Q4 2024 and 2.50:1 thereafter. On December 31, 2023, the leverage ratio was 1.66:1. The Company expects to remain in compliance with the financial covenants in its credit agreements going forward.

Further, the main credit agreements contain general and financial undertakings usual for these kinds of financing arrangements, restricting the Company in various ways.

PGS announced on September 18, 2023, an intention to merge with TGS ASA or one of its subsidiaries ("TGS"). PGS and TGS announced on October 25, 2023, that their respective Board of Directors had approved and decided upon a definitive merger agreement and formal merger plan. On December 1, 2023, shareholders of PGS and TGS approved the merger plan with close to 100% support at the extraordinary general meetings. The parties expect that the merger will be completed during first half of 2024. The merger plan contains customary mutual restrictions for both parties until the merger is completed, as well as certain unilateral restrictions for PGS in relation to investments, equity transactions and financing.



## Notes to the Financial Statements 2023

PGS Titans AS

The agreements for the Bonds and the Loan both contain change-of-control provisions triggering put options/mandatory call for the bondholders/lenders at 101% and 102% of par, respectively, at the time of completing the merger. The Bonds are currently trading at a price above 110% of par which should make it unlikely that the bondholders will exercise the put option at 101% of par. The TLB and the Super Senior Loan had change-of-control provisions requiring the loans to be repaid at the time of completing the merger unless maturing earlier or otherwise agreed with the lenders. The TLB was fully repaid in February 2024 and PGS has refinanced the Super Senior Loan by amending, extending and increasing this to \$60 million Super Senior Loan where TGS ASA is the sole lender.

In Q3 2023, PGS raised approximately \$40.6 million of new equity. The proceeds were used to increase liquidity and to further contribute to a financially robust combined entity following the merger with TGS.

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



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## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of PGS Titans AS

### Opinion

We have audited the financial statements of PGS Titans AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

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

### Responsibilities of management for the financial statements

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

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



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

## Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Oslo, 29.04.2024  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Terje Havn  
State Authorised Public Accountant (Norway)

Independent auditor's report - PGS Titans AS 2023

A member firm of Ernst & Young Global Limited

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## Havn, Terje

Statsautorisert revisor

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