Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	917 313 415
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	SHEARWATER GEOSERVICES AS
Forretningsadresse:	Damsgårdsveien 135 5160 LAKSEVÅG

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Nei

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Jane Eik Svanes
Dato for fastsettelse av årsregnskapet:	30.06.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert

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

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 24.07.2024

Resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Other operating revenue		242 252	
Sum inntekter		**242 252**	
Kostnader			
Administration expenses	3	3 544 268	3 424 432
Sum kostnader		**3 544 268**	**3 424 432**
Driftsresultat		**-3 302 016**	**-3 424 432**
Finansinntekter og finanskostnader			
Net effect liquidation of subsidiaries			21 656 913
Income from other group entities	5	253 619 150	
Renteinntekt fra foretak i samme konsern	5	12 359 492	17 325 186
Annen renteinntekt		16 911 302	197 379
Gain on sale of shares in subsidiary		129 851	
Sum finansinntekter		**283 019 795**	**39 179 478**
Rentekostnad til foretak i samme konsern	5	1 303 524	13 874 165
Annen rentekostnad	4	31 714 734	28 004 043
Exchange loss (-) /gain (+)		7 992 334	2 749 186
Sum finanskostnader		**41 010 592**	**44 627 394**
Netto finans		**242 009 203**	**-5 447 916**
Ordinært resultat før skattekostnad		**238 707 187**	**-8 872 348**
Tax expenses	6		
Ordinært resultat etter skattekostnad		**238 707 187**	**-8 872 348**
Årsresultat		**238 707 187**	**-8 872 348**
Årsresultat etter minoritetsinteresser		**238 707 187**	**-8 872 348**
Totalresultat		**238 707 187**	**-8 872 348**

Resultatregnskap

Beløp i: USD	Note	2022	2021
Overføringer og disponeringer			
To other equity		238 707 187	-8 872 348
Sum overføringer og disponeringer	7	**238 707 187**	**-8 872 348**

Balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	6		
Finansielle anleggsmidler			
Investering i datterselskap	8	669 612 199	665 304 194
Lån til foretak i samme konsern	9	304 457 420	126 437 352
Sum finansielle anleggsmidler		**974 069 619**	**791 741 545**
Sum anleggsmidler		**974 069 619**	**791 741 545**
Omløpsmidler			
Varer			
Fordringer			
Short-term loan to group companies	9		23 035 017
Other short-term receivables		11 554	115 150
Receivables to group companies	9	54 768 821	40 849 360
Sum fordringer		**54 780 375**	**63 999 526**
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	10	23 370 145	42 865 047
Sum bankinnskudd, kontanter og lignende		**23 370 145**	**42 865 047**
Sum omløpsmidler		**78 150 520**	**106 864 573**
SUM EIENDELER		**1 052 220 138**	**898 606 119**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	7, 11	10 650 123	10 650 123
Overkurs	7	423 503 601	423 503 601

Balanse

Beløp i: USD	Note	2022	2021
Sum innskutt egenkapital		**434 153 725**	**434 153 725**
Opptjent egenkapital			
Retained earnings	7	203 719 724	-34 987 462
Sum opptjent egenkapital	7	**203 719 724**	**-34 987 462**
Sum egenkapital		**637 873 449**	**399 166 262**
Gjeld			
Langsiktig gjeld			
Utsatt skatt	6		
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	4	237 055 104	189 257 691
Sum annen langsiktig gjeld		**237 055 104**	**189 257 691**
Sum langsiktig gjeld		**237 055 104**	**189 257 691**
Kortsiktig gjeld			
Short term debt to credit institutions	4	47 300 970	161 061 204
Leverandørgjeld		29 550	104 624
Kortsiktig konserngjeld	9	30 556 035	
Liabilities to group companies	9	99 363 390	148 967 528
Other current liabilities		41 641	48 810
Sum kortsiktig gjeld		**177 291 585**	**310 182 165**
Sum gjeld		**414 346 689**	**499 439 856**
SUM EGENKAPITAL OG GJELD		**1 052 220 138**	**898 606 119**
POSTER UTENOM BALANSEN			
Garantistillelser	12		

ANNUAL REPORT 2022

Shearwater Geoservices AS

Damsgårdsveien 135
5160 Laksevåg

Business reg. no. 917 313 415 MVA

Content:

Board of Director's report
Financial Statement
Auditor's report

Shearwater Geoservices AS
Board of Directors' Report 2022

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

Shearwater Geoservices AS is subject to the Norwegian Transparency Act. The company's statement under the Act will be published on www.shearwatergeo.com no later than 30 June 2023, and will be accessible in the footer of the frontpage.

Aspects of 2022
In 2022, The company acquired the shares in Geophysical Resources Pte Ltd from Shearwater GeoServices Ltd, and The company is now the direct holding company of Geophysical Resources Pte Ltd.

Profit before tax in 2022 was positive USD 239 mill (2021: negative USD 9 mill). Net operating income in 2022 totals to negative USD 3 mill (2021: negative 3 mill).

Net financial items were positive USD 242 mill (2021: negative USD 5 mill). The change is mainly due to provisions of USD 253.6 mill for dividend from Shearwater GeoServices Asset V AS of NOK 253.6 mill.

The company's liquidity was USD 23 mill as of 31.12.2022 (2021: USD 43 mill). Cash flow from operating activities in 2022 was USD 50,1 mill (2021: USD 54,6 mill). Cash flow from investing activities was USD -4,3 mill (2021: USD 9,1 mill) due to investment in subsidiaries. Net cash flow from financing activities was USD -65,2 mill due to repayment of long-term loan including interests (2021: USD -37,0).

Future prospects
The group operations are exposed to developments in the markets for oil and gas exploration and production. In 2022, the outbreak of the war in Ukraine has resulted in a demand of reliable and affordable energy, and the global oil and gas exploration expenditures increased over the year. This is reflected in a growing seismic contract marked and increased tendering activity, a trend that is continuing into 2023.

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

In 2023, Shearwater has further progressed the fleet renewal strategy with the conversion of the SW Tasman to the first multifunctional deepwater dual ROV OBN deployment vessel with remotely operated vehicles (ROV) to deploy ocean bottom nodes (OBN) onboard. Operational from mid-2023, it enables Shearwater to meet increased ocean bottom seismic demand with in-house capacity independent of the market availability for ROV vessels.

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

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

Interest rate risk is mainly related to the company's long-term debt USD 284.0 mill. The long-term loan is exposed to the development in USD interest rates and interest rate hedging agreements for parts of the loan have been entered to minimise the risk. The lenders are renowned Norwegian shipping-banks.

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

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

The company has not participated in research and development activities in 2022.

Going concern
The Board of Directors confirms that the financial statements for 2022 are prepared on the principle of going concern and that there is basis for adopting this principle in accordance with section 3-3 of the Norwegian Accountancy Act.

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

Employees
The company has no employees. The administration of the company is taken care of by its subsidiary Shearwater GeoServices Norway AS. The board consists six people, five men and one woman. The Chief Executive Officer is female.

Liability insurance
Shearwater has a directors, officers and company liability insurance with a sum insured of NOK 150,000,000. The insurance applies to all subsidiaries with more than 50% ownership.

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

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

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

Allocation of net income
The financial statement shows a net income of USD 238 707 187 which is proposed transferred to retained earnings.

Bergen, 29.06.2023
Board of Directors in Shearwater Geoservices AS

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

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Shearwater Geoservices AS
Profit and Loss Account

OPERATING REVENUE AND EXPENSES (USD)	NOTE	2022	2021
Other operating revenue		242 252	0
		242 252	**0**
Administration expenses	3	3 544 268	3 424 432
Total operating expenses		**3 544 268**	**3 424 432**
Net operating income		**-3 302 016**	**-3 424 432**
FINANCIAL ITEMS			
Other interest income		16 911 302	197 379
Financial expenses	4	31 714 734	28 004 043
Net effect liquidation of subsidiaries		0	21 656 913
Income from other group entities	5	253 619 150	0
Gain on sale of shares in subsidiary		129 851	0
Net interest income from group entities	5	12 359 492	17 325 186
Interest cost to group entities	5	1 303 524	13 874 165
Exchange loss (-) /gain (+)		-7 992 334	-2 749 186
Net financial income and expenses		**242 009 203**	**-5 447 916**
Operating result before tax		238 707 187	-8 872 348
Tax expenses	6	0	0
Net income		**238 707 187**	**-8 872 348**

ALLOCATION OF NET INCOME			
To other equity		238 707 187	-8 872 348
Total allocation	**7**	**238 707 187**	**-8 872 348**

Shearwater Geoservices AS
Statement of Financial Position (USD)

ASSETS	NOTE	2022	2021
NON-CURRENT FINANCIAL ASSETS			
Investments in subsidiaries	8	669 612 199	665 304 194
Loan to group companies	9	304 457 420	126 437 352
Total non-current financial assets		**974 069 619**	**791 741 545**
Total non-current assets		**974 069 619**	**791 741 545**
CURRENT ASSETS			
DEBTORS			
Short-term loan to group companies	9	0	23 035 017
Other short-term receivables		11 554	115 150
Receivables to group companies	9	54 768 821	40 849 360
Total receivables		**54 780 375**	**63 999 526**
INVESTMENTS			
Cash and cash equivalents	**10**	**23 370 145**	**42 865 047**
Total current assets		**78 150 520**	**106 864 573**
Total assets		**1 052 220 138**	**898 606 119**

Shearwater Geoservices AS
Statement of Financial Position (USD)

EQUITY AND LIABILITIES	NOTE	2022	2021
PAID-IN CAPITAL			
Share capital	7, 11	10 650 123	10 650 123
Share premium reserve	7	423 503 601	423 503 601
Total paid-up equity		**434 153 725**	**434 153 725**
RETAINED EARNINGS			
Retained earnings	7	203 719 724	-34 987 462
Total retained earnings	**7**	**203 719 724**	**-34 987 462**
Total equity		**637 873 449**	**399 166 262**
LIABILITIES			
OTHER NON-CURRENT LIABILITIES			
Long term debt to credit institutions	4	237 055 104	189 257 691
Total other long term liabilities		**237 055 104**	**189 257 691**
CURRENT LIABILITIES			
Short term debt to credit institutions	4	47 300 970	161 061 204
Trade payables		29 550	104 624
Liabilities to group companies	9	99 363 390	148 967 528
Loan from shareholder	9	30 556 035	0
Other current liabilities		41 641	48 810
Total current liabilities		**177 291 585**	**310 182 165**
Total liabilities		**414 346 689**	**499 439 856**
Total equity and liabilities		**1 052 220 138**	**898 606 119**

Shearwater Geoservices AS
Statement of Financial Position (USD)

Bergen, 29.06.2023
Board of Directors in Shearwater Geoservices AS

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Shearwater Geoservices AS
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Shearwater Geoservices AS
Statement of Financial Position (USD)

Bergen, 29.06.2023
Board of Directors in Shearwater Geoservices AS

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Lars Erik Larsson Board member	Vijay Babu Kasibhatla Board member	Irene Waage Basili Chief Executive Officer

Cash Flow Statement
Shearwater Geoservices AS

	NOTE	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES			
Net income before taxes		238 707 187	-8 872 348
Gain on sale of shares in subsidiaries/ liquidation		0	-21 656 913
Accrued dividend from subsidiary	9	-253 619 150	0
Change in current assets / liabilities	9	20 546 906	153 317
Other changes no cash effect		271 543	-1 900 702
Changes in intercompany balances	9	6 954 455	60 999 436
Items classified as financing activities		29 320 214	25 479 645
Adjustment currency effect long term loan		7 877 089	365 435
Net cash flow from operating activities		**50 058 242**	**54 567 870**
CASH FLOW FROM INVESTING ACTIVITIES			
Net Investment in subsidiaries	8	-4 308 005	-3 547
Net cash from mergers		0	310 353
Net cash from liquidations		0	9 066 579
Long-term loan to holding company		0	-300 000
Net cash flow from investing activities		**-4 308 005**	**9 073 385**
CASH FLOW FROM FINANCING ACTIVITIES			
New long-term loan	4	127 804 681	0
Repayment long-term loan	4	-163 729 606	-11 518 339
Interest paid		-29 320 214	-25 479 645
Net cash flow from financing activities		**-65 245 139**	**-36 997 984**
Net increase in cash and cash equivalents		**-19 494 902**	**26 643 271**
Cash and cash equivalents at start of period		42 865 047	16 221 776
Cash and cash equivalents at end of period		**23 370 145**	**42 865 047**

Note 1 - Accounting principles

Shearwater GeoServices Norway AS is a Norwegian registered company with corporate office in Bergen. The company's main focus is to provide geophysical services to the oil- and gasindustry, as well as investments in companies related to this business.

The company is part of the Shearwater GeoServices group since 22. December 2016. The Shearwater head office is in Bergen.

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

Use of functional currency
The company is presenting its financial statements in USD, as this is defined as the presentation and functional currency. Transactions in foreign currencies are intitially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the fuctional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss. Non-monetary assets items that are measured in terms of historical cost in a foreign currency are tranlsated using the exchange rates as at the dates of the initial transactions.

Policies for revenue recognition
Revenue is recognised when it is probable that the economic benefit from a transaction will flow to the Group and revenue can be reliable measured. The revenue is measured at fair value of the consideration received, net of discounts and sale taxes and duty.

Classification of assets and liabilities in the financial statement
Assets intended for permanent ownership or use and receivables due later than one year after the balance sheet date are classified as fixed assets. Other assets are classified as current assets. Liabilities due later than one year after the balance sheet date are classsified as long-term debt. Other liabilities are classified as short-term debt.

Receivables and liabilities in foreign currency
Receivables and liabilities in a foreign currency are translated into USD using the exchange rate at the balance sheet date. Realized and unrealized gains and losses are classified as financial items.

Receivables
Receivables are valued at the lower of the nominal value and fair value.

Investments in subsidiaries
Investments in subsidiaries are valued in accordance with the cost method. If fair value is lower than cost, and the fall in value is not considered to be temporary, the investment will be valued at fair value.

Provision
A provision is recognised when the Group has an obligation (legal or self-imposed) as a result of a previous event, it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be measured reliably. If the effect is considerable, the provision is calculated by discounting estimated future cash flows using a discount rate before tax that reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation.

Taxes
Taxes are expensed when incurred, which means the tax expense is related to the financial statements profit/loss before tax. Tax expenses consist of tax payable (tax on the financial years taxable income) and change in net deferred tax. The tax expese is distributed between ordinary profit/loss and extraordinary profit/lss according to the tax basis. Deferred tax and deferred tax asset is presented net in the balance sheet.

Contingencies
Contingent losses are recognized as expense if they are probable and can be reliably measured. Contingent gains that are probable and contingent losses that are less probable are not recognized but disclosed in the

annual report or in the accompanying notes.

Cash flow statement
The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less. The cash flows are divided into operating activities, investing activities and financing activities.

Note 2 - Foreign exchange rates

CURRENCY	31.12.2022	31.12.2021	AVERAGE 2022	AVERAGE 2021
NOK/USD	0,1014	0,1134	0,1039	0,1163

Note 3 - Salary and personnel expense

The company has no employees and therefore no legal or constructive obligations to hold a pension scheme as defined in the pension law. There has been no remuneration to general manager or directors of the board.

The company has expensed USD 45 589 excl VAT (USD 62 221 excl VAT in 2021) as remuneration to auditor this financial year. No tax advisory or other services outside the audit scope have been charged from the auditor in 2022.

Note 4 Liabilities to financial institutions

LONG TERM LIABILITIES ARESUMMARISED AS FOLLOWS AT YEAR-END 2022	AVERAGE INTEREST RATE 2022	AVERAGE MATURITY	BALANCE SHEET 2022
Mortgage debt with floating interest Secured	USD LIBOR + 6.7%	2.3 years	286 857 671
Amortisation effect, mortgage debt			-2 501 597
Accrued intrest expenses			856 970
Total			**284 356 074**
	Of which is classified as short-term debt:		47 300 970
	Of which is classified as long-term debt:		237 055 104

Booked value of assets pledged as security for Mortgage debt is USD 670 million in 2022.
In addition vessels, equipment and machinery, bank deposits and vendor claims are pledged as security.

LONG TERM LIABILITIES ARESUMMARISED AS FOLLOWS AT YEAR-END 2021	AVERAGE INTEREST RATE 2022	AVERAGE MATURITY	BALANCE SHEET 2021
Mortgage debt with floating interest Secured	USD LIBOR + 6.7%	2.3 years	352 481 661
Amortisation effect, mortgage debt			-2 773 139
Accrued intrest expenses			610 373
Total			**350 318 895**
	Of which is classified as short-term debt:		161 061 204
	Of which is classified as long-term debt:		189 257 691

Booked value of assets pledged as security for Mortgage debt was USD 665 million in 2021.
In addition vessels, equipment and machinery, bank deposits and vendor claims are pledged as security.

The repayment schedule for the Group's long terms liabilities, including first years's instalments, at year-end 2022:

USD	LONG TERM LOAN
Within 1 year	46 444 000
From 1 to 5 years	239 556 701
More than 5 years	
Total	**286 000 701**

The most important covenants in its long-term financing agreements are:
- The Group shall on a consolidated basis always have an equity ratio of at least 30%.
- Shearwater GeoServices AS shall have free liquidity of more than USD 30 million on a consolidated basis.

The Group was in compliance with the financial covenants at 31 December 2022 and 31 Desember 2021.

Note 5 - Transactions with related parties

RELATED PARTY	RELATION
Shearwater GeoServices Holding AS	Parent company
Shearwater GeoServices Norway AS	Subsidiary
Shearwater GeoServices Inc	Subsidiary
Reflection Marine UK Ltd	Subsidiary
Reflection Marine Corporation (US)	Subsidiary
SS Manufacturing Sdn Bhd	Subsidiary
Reflection Marine Norge AS	Subsidiary

INTER COMPANY REVENUES IN 2022:		
TRANSACTION	RELATED PARTY	AMOUNT
Interest income	Shearwater GeoServices Holding AS	1 718 012
Interest income	Shearwater GeoServices Norway AS	1 539 409
Interest income	Shearwater GeoServices Inc	5 768
Interest income	Reflection Marine UK Ltd	1 261 062
Interest income	Reflection Marine Corporation (US)	1 558 806
Interest income	Reflection Marine Norge AS	5 627 502
Interest income	SS Manufacturing Sdn Bhd	648 933
Total		**12 359 492**

INTER COMPANY COST IN 2022:		
TRANSACTION	RELATED PARTY	AMOUNT
Interest expenses	Shearwater Geoservices Norway AS	1 251 657
Interest expenses	Reflection Marine Norge AS	51 867
Total		**1 303 524**

Note 6 - Taxes

TAXES IN PROFIT AND LOSS	2022	2021
Tax payable	0	0
Change in deferred tax	0	0
Tax expenses	**0**	**0**
Taxable income		
Net income before tax*	211 046 663	-14 513 801
Permanent differences	-253 619 145	7 391 089
Non deductible interest cost	0	0
Change in temporary differences	211 562	-28 352 906
Interest brought forward	1 350 924	21 596 515
Taxable income	**-41 009 996**	**-13 879 103**
Deferred tax assets/liabilities		
Fixed assets	0	0
Interest loss brought forward	-60 086 549	-38 684 756
Losses brought forward	-75 621 537	-65 647 853
Basis for calculation of deferred tax	**-135 708 086**	**-104 332 609**
Deferred tax assets	-29 855 779	-22 953 174
Not recognised tax assets	29 855 779	22 953 174
Deferred tax / deferred tax assets	**0**	**0**

Based on taxable income in tax return for the respective tax years *)	
Tax rate for tax payable	22%
Tax rate deferred tax 2022	22%
Tax rate deferred tax 2023	22%

The company's functional currency is USD but for tax purposes the company holds a dual accounting in NOK. The dual accounting is the basis for the income tax return and also figures in the tax note. The amounts have all been translated with the exchange rate at the balance sheet date NOK/USD 0,1014 in 2022 (NOK/USD 0,1134 in 2021).

As the company do not expect to be able to utilise the deferred tax in the very near future, the company has chosen not to recognise deferred tax asset in the balance sheet.

Note 7 - Equity

	SHARE CAPITAL	SHARE PREMIUM	RETAINED EQUITY	TOTAL EQUITY
Equity as at 01.01.2022	10 650 123	423 503 601	-34 987 462	399 166 262
Profit for the year			238 707 187	238 707 187
Equity as at 31.12.2022	**10 650 123**	**423 503 601**	**203 719 724**	**637 873 449**

Note 8 - Investment in subsidiaries

COMPANY	OWNERSHIP	BOOKED VALUE	NET PROFIT 2022	EQUITY 31.12.2022
Shearwater GeoServices Assets V AS	100 %	529 119 638	42 892 340	334 527 070
SW GeoServices Norway AS	100 %	29 808 460	-3 374 973	19 964 416
Shearwater GeoServices LTD	100 %	2	-13 582 146	27 906 852
Reflection Marine Norge AS	100 %	104 255 885	14 040 405	52 853 310
SS Manufacturing Sdn Bhd	100 %	1	9 658 096	348 019
Shearwater GeoServices Singapore Pte Ltd	100 %	1 673 000	-1 902 615	7 850 452
Reflection Marine Corporation (US)	100 %	1	-131 702	-21 560 263
Shearwater GeoServices CharterCo AS	100 %	6 646	1 333 348	6 051
Shearwater GeoServices Nederland	100 %	3 547	-18 143	-37 032
Geophysical Resources Pte Ltd	100 %	4 398 154	1 072 386	5 089 496
Delphis Ltd	100 %	254 865	0	191 420
Reflection Marine UK Ltd	100 %	1	-2 480 867	-16 507 432
Shearwater GeoServices Inc	100 %	1	-1 637 929	-17 015 494
Shearwater GeoServices Malaysia Sdn	70 %	92 000	3 320 210	1 546 469
Total		**669 612 199**		

During 2022, the Company acquired 100 % of the shares in GeoPhysical Resources Pte Ltd from Shearwater GeoServices Ltd, and is now the direct owner of this company.

Carrying amount of the investments in Shearwater GeoServices Norway AS, Reflection Marine Norge AS and Shearwater GeoServices Assets V AS is exceeding the booked equity in these companies as of 31.12.2022. The Company has considered the need for impairment and found that, based on underlying values in subsidiaries as well as clear expectations for 2023 will be showing a similar or better return, there was no need for impairment at 31.12.2022.

The Company has received a dividend on total USD 253.6 mill from Shearwater GeoServices Asset V AS. This is booked as income as it is assessed that the booked value of the investment in Shearwater GeoServices Asset V AS can be justified because of the added value in this company`s fixed assets.

Note 9 - Intercompany balances

SHORT TERM RECEIVABLES	2022	2021
Accounts receivable group companies	6 957 187	34 498 692
Cash pool	47 811 634	6 350 668
Total	**54 768 821**	**40 849 360**

LONG TERM RECEIVABLES	2022	2021
Long term receivables to group companies	304 457 420	126 437 352
Total	**304 457 420**	**126 437 352**

LIABILITIES	2022	2021
Other short term liabilities group companies	10 506 856	106 676 205
Cash pool	88 856 534	42 291 323
Shareholder loan	30 556 035	0
Total	**129 919 424**	**148 967 528**

The long-term receivables at year end 2022 consist of loans of USD 15 mill to Reflection Marine UK Ltd, USD 8.9 mill to Reflection Marine Corp and USD 25.1 mill to the holding company Shearwater GeoServices Holding AS. In addition, The Company has received a dividend of USD 253.6 mill from Shearwater GeoServices Asset V AS, which is classified as a long-term receivable. The long-term receivable in 2021 of

USD 126.4 million were transferred as part of the mergers in 2021.

The Company`s short-term group receivables at year end 2022 consists of accounts receivables of USD 1.3 mill, cash pool of USD 47.8 mill and accrued interests of USD 5.6 million. The Company's short-term group receivables at year end 2021 consist of short-term loan to its holding company of USD 23.0 million, accounts receivable to group companies of USD 31.3 million, cash pool of USD 6.4 million and accrued interests to group companies of USD 3.2 million.

The short-term liabilities to group companies at year end 2022 consist of a shareholders loan of USD 30.6 million from Rasmussengruppen AS, group liabilities of USD 10.5 mill and cash pool of USD 88.9 mill.

Note 10 – Cash and cash equivalents

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

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

USD	2022	2021
Restricted cash	0	0
Bank deposit	23 370 145	42 865 047
Total	**23 370 145**	**42 865 047**

Note 11 – Shareholder information

The company's share capital consists of 30 shares à kr 1 000, totalt kr 30 000. Booked value is USD 10 650 123

Shearwater GeoServices AS owns 100% of the shares.

Shearwater GeoServices Holding AS prepares consolidated financial statements where Shearwater Geoservices AS is included. The consolidated financial statements are available on www.shearwatergeo.com.

Note 12 - Subsequent events

There has been no significant events or transactions after the reporting period that needs to be disclosed in the financial statements.

To the General Meeting of Shearwater Geoservices AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Shearwater Geoservices AS (the Company), which comprise the statement of financial position as at 31 December 2022, the profit and loss account and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by 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

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

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

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: https://revisorforeningen.no/revisjonsberetninger

Bergen, 29 June 2023
PricewaterhouseCoopers AS

Jon Haugervåg
State Authorised Public Accountant
(This document is signed electronically)

Securely signed with Brevio

Revisjonsberetning

Signers:

Name	*Method*	*Date*
Haugervåg, Jon	BANKID	2023-06-30 14:00

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

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

Skattedirektoratet

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

SHEARWATER GEOSERVICES AS
Damsgårdsveien 131
5160 LAKSEVÅG

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

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

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

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

Bakgrunn
Fra søknaden gjengis:

> *Shearwater GeoServices Holding AS, med datterselskaper tilbyr tjenester innen Seismikkvirksomhet internasjonalt. Konsernet operer hvor engelsk klart er det dominerende arbeidsspråket. All kommunikasjon med konsernets primære kunder og kreditorer foregår på engelsk. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. Konsernets arbeidsspråk er også engelsk.*

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

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

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

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

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60

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

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

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

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

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jeanette Munkvold Skovholt

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer