Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	994 547 852
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	MAGSEIS FAIRFIELD AS
Forretningsadresse:	Lilleakerveien 4C 0283 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2024 - 31.12.2024

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Carl-Otto Falch Burum
Dato for fastsettelse av årsregnskapet:	30.06.2025

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert
År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

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, 23.07.2025

Resultatregnskap

Beløp i: USD	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	3	38 571 000	36 595 000
Sum inntekter		**38 571 000**	**36 595 000**
Kostnader			
Varekostnad	4	20 145 000	24 376 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	9	25 776 000	11 972 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler		170 000	103 000
Annen driftskostnad	5	2 160 000	11 571 000
Sum kostnader		**48 251 000**	**48 022 000**
Driftsresultat		**-9 680 000**	**-11 427 000**
Finansinntekter og finanskostnader			
Annen finansinntekt	6	19 913 000	13 799 000
Sum finansinntekter		**19 913 000**	**13 799 000**
Annen finanskostnad	6	7 316 000	8 199 000
Sum finanskostnader		**7 316 000**	**8 199 000**
Netto finans		**12 597 000**	**5 600 000**
Resultat før skattekostnad		**2 917 000**	**-5 827 000**
Skattekostnad	7	-9 589 000	
Årsresultat		**12 506 000**	**-5 827 000**

Balanse

Beløp i: USD	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	10,11	10 037 000	2 622 000
Utsatt skattefordel	7	9 589 000	
Sum immaterielle eiendeler		**19 626 000**	**2 622 000**
Varige driftsmidler			
Maskiner og anlegg	9,11	48 241 000	39 713 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	9,11	11 298 000	28 498 000
Sum varige driftsmidler		**59 539 000**	**68 211 000**
Finansielle anleggsmidler			
Investering i datterselskap	1,11	94 774 000	93 917 000
Lån til foretak i samme konsern	8	5 000 000	29 532 000
Sum finansielle anleggsmidler		**99 774 000**	**123 449 000**
Sum anleggsmidler		**178 939 000**	**194 282 000**
Omløpsmidler			
Varer			
Varer	14	808 000	2 533 000
Sum varer		**808 000**	**2 533 000**
Fordringer			
Kundefordringer	15	1 390 000	2 536 000
Andre fordringer	16	1 956 000	787 000
Konsernfordringer	8	85 934 000	39 098 000
Sum fordringer		**89 280 000**	**42 421 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	13	3 587 000	4 778 000
Sum bankinnskudd, kontanter og lignende		**3 587 000**	**4 778 000**
Sum omløpsmidler		**93 675 000**	**49 732 000**

Balanse

Beløp i: USD	Note	2024	2023
SUM EIENDELER		**272 614 000**	**244 014 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	2	1 608 000	1 608 000
Overkurs	2	126 196 000	113 690 000
Annen innskutt egenkapital		9 833 000	9 833 000
Sum innskutt egenkapital		**137 637 000**	**125 131 000**
Sum egenkapital		**137 637 000**	**125 131 000**
Gjeld			
Langsiktig gjeld			
Andre avsetninger for forpliktelser	17	0	8 070 000
Lease liabilities	12,17, 19	39 000	11 126 000
Sum avsetninger for forpliktelser		**39 000**	**19 196 000**
Annen langsiktig gjeld			
Langsiktig konserngjeld	8	75 960 000	74 793 000
Sum annen langsiktig gjeld		**75 960 000**	**74 793 000**
Sum langsiktig gjeld		**75 999 000**	**93 989 000**
Kortsiktig gjeld			
Leverandørgjeld	19	111 000	313 000
Kortsiktig konserngjeld	8,19	42 923 000	2 855 000
Annen kortsiktig gjeld	18	3 945 000	4 016 000
Lease liability	12,17	11 999 000	17 710 000
Sum kortsiktig gjeld		**58 978 000**	**24 894 000**
Sum gjeld		**134 977 000**	**118 883 000**
SUM EGENKAPITAL OG GJELD		**272 614 000**	**244 014 000**

Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Journalnummer:	2025 681996

Enheten

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Organisasjonsform:	Aksjeselskap
Foretaksnavn:	MAGSEIS FAIRFIELD AS
Forretningsadresse:	Lilleakerveien 4C 0283 OSLO

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Brønnøysundregistrene, 22.07.2025

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673

Organisasjonsnr: 994 547 852
MAGSEIS FAIRFIELD AS

RESULTATREGNSKAP

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Organisasjonsnr: 994 547 852
MAGSEIS FAIRFIELD AS

BALANSE

Beløp i: USD	Note	2024	2023
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SUM EGENKAPITAL OG GJELD		**272 614 000**	**244 014 000**

Organisasjonsnr: 994 547 852
MAGSEIS FAIRFIELD AS

NOTEOPPLYSNINGER - SELSKAP

- alle poster oppgitt i hele tall

Note

Regnskapsprinsipper
Se vedlegg

Note

Antall årsverk i regnskapsåret
18.00

Sum	Beløp

Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap	Årets	Fjorårets

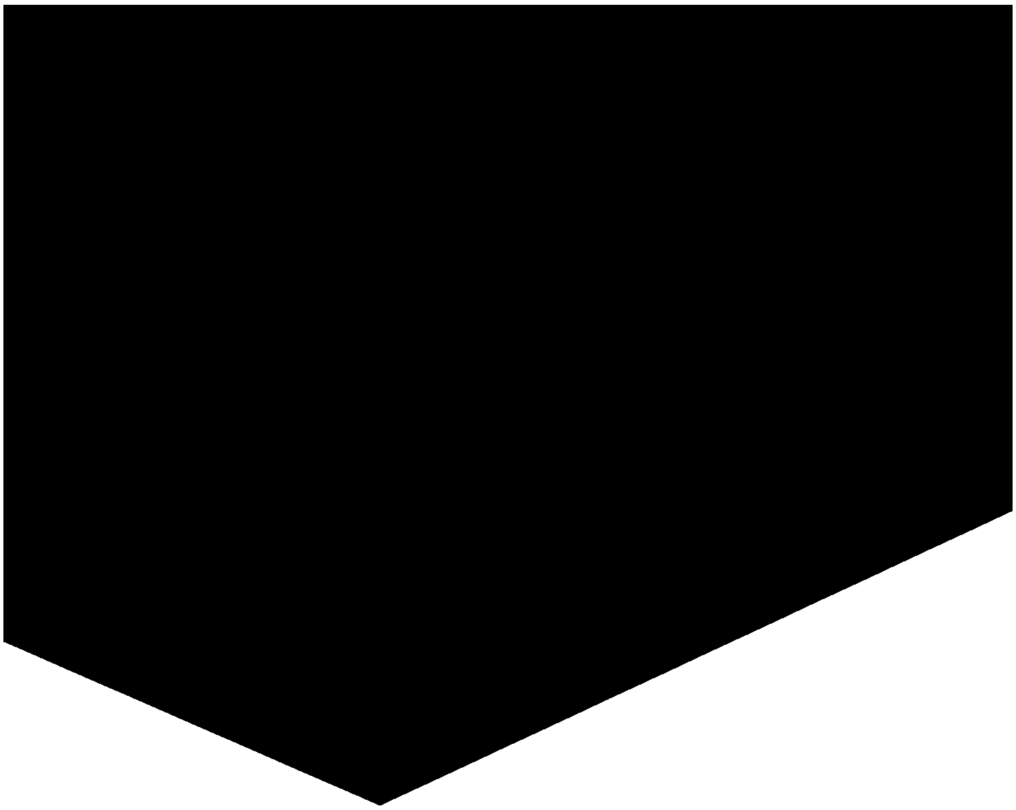
Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets

Pantstillelse	Beløp

Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.



Magseis Fairfield AS
Financial Statements

Income statement

USD thousands	Note	2024	2023
Revenues and other income			
Revenues and other income	3	38,571	36,595
Operating expenses			
Cost of sales	4	(20,145)	(24,376)
Other operating expenses	5	(2,161)	(11,571)
Depreciation	9	(25,255)	(11,784)
Amortization	10	(521)	(188)
Impairment	11	(170)	(103)
Total operating expenses		(48,251)	(48,022)
Operating profit/(loss)		(9,680)	(11,427)
Finance income and costs			
Finance income	6	19,913	13,799
Finance expenses	6	(8,173)	(8,199)
Impairment/reversal of investments in subsidiaries	11	857	-
Net finance income/(expenses)		12,597	5,600
Net profit/(loss) before tax		2,917	(5,827)
Income tax expense	7	9,589	-
Net profit/(loss) and total comprehensive income		12,506	(5,827)

Statement of financial position

USD thousands	Note	2024	2023
Non-current assets			
Other intangible assets	10,11	10,037	2,622
Property and Equipment	9,11	48,241	39,713
Intercompany loan receivables	8	5,000	29,532
Deferred tax assets	7	9,589	-
Investment in subsidiaries	1,11	94,774	93,917
Right-of-use assets	9,11	11,298	28,498
Total non-current assets		178,939	194,282
Current assets			
Cash and cash equivalents	13	3,587	4,778
Trade receivables	15	1,390	2,536
Inventories	14	808	2,533
Other current assets	16	1,956	787
Intercompany receivables	8	85,935	39,098
Total current assets		93,675	49,732
Total assets		272,614	244,014
Equity			
Share capital	2	1,608	1,608
Share premium	2	126,196	113,690
Other equity		9,834	9,834
Total shareholders' equity		137,637	125,131
Non-current liabilities			
Non-interest-bearing liabilities	17	-	8,070
Intercompany loans	8	75,960	74,793
Lease liabilities	12,17,19	39	11,126
Total non-current liabilities		75,999	93,990
Current liabilities			
Trade payables	19	111	313
Intercompany payables	8,19	42,923	2,855
Current portion of lease liabilities	12,17	11,998	17,710
Other current liabilities	18	3,945	4,016
Total current liabilities		58,978	24,893
Total liabilities		134,977	118,883
Total equity and liabilities		272,614	244,014

Board of Directors and CEO of Magseis Fairfield AS

Lysaker, 30 June 2025

Sign.

Signed by:
0E6434F8AAFB462...
Sven Børre Larsen
Chairman of the Board

DocuSigned by:
8BC7747E92E34A2...
Amund Søia
Board member

Signed by:
Katrine Salveson
EDCADF06B05A412...
Katrine Salveson
Board member

Signed by:
Paul Courtenay
A5375901D5CA491...
Paul Matthew Courtenay
General manager

Statement of changes in equity

USD thousands	Share capital	Share premium reserve	Share based payments reserve	Other equity	Total
Balance 1 January 2024	1,608	113,690	9,834	-	125,131
Allocation of retained deficit	-	-	-	-	-
Profit/(Loss) for the period	-	-	-	12,506	12,506
Balance 31 December 2024	1,608	113,690	9,834	12,506	137,637
Balance 1 January 2023	1,608	126,979	9,834	(5,983)	132,437
Net merger effect		-	-	(1,479)	(1,479)
Allocation of retained deficit	-	(13,289)	-	13,289	-
Profit/(Loss) for the period	-	-	-	(5,827)	(5,827)
Balance 31 December 2023	1,608	113,690	9,834	-	125,131

Statement of cash flows

USD thousands	Note	2024	2023
Cash flows from operating activities			
Profit / (loss) before tax		2,917	(5,827)
Income tax paid and WHT paid	7	-	-
Depreciation, amortization and impairment	9,10,11	25,089	12,075
Finance expense	6	8,173	6,625
Finance income	6	(19,913)	(10,547)
NBV sold and disposed assets	9	1,550	13,306
(Increase)/decrease in current assets		(45,419)	(16,020)
Increase/(decrease) in current liabilities		51,469	(71)
Net cash from operating activities		23,866	(460)
Cash flows from investing activities			
Repayment of capital in subsidiaries		-	13,492
Interest received	6	1,551	-
Acquisition of equipment	9	(20,025)	(16,788)
Investment in subsidiaries	1	-	(150)
Investments in intangibles	10	(7,913)	(1,049)
Loans to subsidiaries	8	-	6,380
Net cash used in investing activities		(26,387)	1,885
Cash flows from financing activities			
Down-payments of interest-bearing liabilities	17	-	(44,748)
Net proceeds from new loan		-	5,003
Loans from parent company	8	25,721	45,936
Payment of lease liabilities	12,17	(16,803)	(5,544)
Interest paid	6	(7,588)	(2,675)
Net cash from financing activities		1,330	(2,027)
Net change in cash and cash equivalents	13	(1,190)	(602)
Cash and cash equivalents at period start	13	4,777	5,379
Cash and cash equivalents at period end		3,587	4,778

Notes to the financial statements

1. General Information and basis of preparation

General Information

Magseis Fairfield AS is a public limited company incorporated in Norway. The Company's registered office is at Lilleakerveien 4C, 0283 Oslo, Norway.

Magseis Fairfield is included in the TGS ASA consolidated statements and hence exempted from preparing consolidated financial statements. TGS ASA consolidated statements can be found at www.tgs.com

Basis of preparation

Statement of compliance

The financial statements are prepared in accordance with the simplified application of International Financial Reporting Standards (Norwegian Forenklet IFRS) in accordance with the Norwegian accounting act § 3-9 and the related directive. The directive refers to the general recognition and measurement requirements in IFRS as endorsed by the European Union, but with certain exemptions.

Magseis Fairfield AS has been given permission to file the Company's annual report in English.

Financial reporting principles

Magseis Fairfield AS prepared its financial statements for 2024 in accordance with simplified IFRS.

The relevant exemption applicable to Magseis Fairfield relates to the recognition of Group contributions (Norwegian "konsernbidrag"). Group contributions and dividends under simplified IFRS may be recognized in accordance with Norwegian generally accepted accounting principles for the distributing and receiving entity. This means that the distributing entity may recognize a liability when the contribution or dividend is proposed, but before it has been approved. The receiving entity may also recognize the dividend or contribution receivable before it has been approved.

Disclosure requirements are in accordance with the directive, which refers to disclosure requirements in accordance with the Norwegian Accounting Act chapter 7 and Norwegian generally accepted accounting principles, with certain differences.

If not included in the notes below, the Company's significant accounting policies are disclosed in relevant sections in the consolidated financial statement. These principles have been applied consistently in all periods presented in the financial statements, unless stated otherwise.

Basis of measurement

The financial statements are prepared in accordance with the historical cost principle, with the exemption of derivatives which are measured at fair value.

Foreign currency

Magseis Fairfield AS presents its financial statements in USD. The majority of the revenues and expenses are denominated in USD, and USD is the functional currency for all material entities in the TGS Group.

Transactions in foreign currency are translated to the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into functional currency using the spot rates at the date of the balance sheet. Foreign exchange gains and losses are recognized as net exchange gains/(losses) in the profit and loss account

Judgements and estimates

Preparation of financial statements in accordance with simplified IFRS requires the use of estimates. The application of Company's accounting principles further requires management to apply judgement.

The main areas where significant judgements and critical estimates have been made are described in each of the following notes:

- Note 3 Revenue from customer contracts
- Note 9 Property, Plant and Equipment
- Note 11 Impairment of non-current assets
- Note 12 Leases
- Note 18 Other current liabilities

Shares in subsidiaries

Year ended 31 December 2024

USD thousands	Incorporation	Carrying value
Magseis Operations AS	Norway	18,982
Magseis Singapore Services Pte. Ltd.	Singapore	-
Magseis Malaysia Sdn. Bhd.	Malaysia	391
Fairfield Industries International Ltd.	UK	1,075
Magseis Brasil Ltda.	Brazil, Rio	315
Magseis FF LLC	US, Houston	74,010
Total		94,774

The Company holds 100 percent of all shares and all voting rights for its subsidiaries. The investment is recognized at cost.

2. Share information

	Number of shares	Share capital USD '000
Balance 1 January 2024	271,706,925	1,608
Balance 31 December 2024	271,706,925	1,608

Nominal value

The nominal value of the shares is NOK 0.05. The share capital is fully paid. Magseis Fairfield AS has one class of shares, ordinary shares, with equal rights for all shares. The holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at general meetings.

Shareholders as of 31 December 2024 are as follows:

	Number of shares	Ownership interest
TGS ASA	271,706,925	100.0%

3. Revenue from customer contracts

Revenue from contracts with customers

Revenue from contracts with customers arises primarily from the delivery of exclusive seismic services, marine geophysical services and sales of nodes and other equipment.

Revenue is recognized at the amount that the Company expects to be entitled to and expects to collect under the customer contracts. If a customer contract consists of multiple performance obligations, the consideration is allocated among the performance obligations based on their estimated relative fair values. Amounts received from customers in advance of the Company satisfying its performance obligations are recognized as a contract liability. In the rare event the Company has satisfied a performance obligation and is otherwise entitled to compensation under the contract but there is a significant uncertainty as to ultimately collecting the compensation, revenue recognition is deferred until such uncertainty no longer exists. When the Company has satisfied its performance obligations and has a right to the agreed consideration, revenue is recognized.

The principles applied for each of the main types of contracts with customers are described in more detail below.

Proprietary acquisition projects/Reservoir monitoring/Source

The Company performs ocean bottom seismic services in accordance with customer specifications, and where the customer retains ownership to the seismic data gathered. These contracts are considered to contain one single performance obligation, and the performance obligation is satisfied over time since the Company performs the service at the customer specification. The resultant seismic data is retained by the customer and the Company has no alternative right to otherwise utilize or benefit from the data.

The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is normally due based on the contractually agreed payment plan when legal title to the seismic data has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds 12 months. The transaction price is therefore not adjusted for the effects of a significant financing component. The project is measured based on the physical progression, and revenue is recognized based on the ratio of the project's progress to date (percentage of completion), provided that the performance obligation is satisfied. Revenue recognition can be based on various parameters, such as length of cable deployed, number of shots, square kilometers of acquired data or time progressed.

Revenue from sale of nodes

The Company provides the sale of nodes to external customers, where each sale is defined as a customer contract. The sales contracts normally include one performance obligation which is satisfied upon the delivery of an agreed number of nodes in accordance with the agreed specifications. Revenue is recognized at the point in time when the control of the goods is transferred to the customer, which occurs when the products have been shipped to a contractual agreed location, and the risks of obsolescence and loss have been transferred to the customer. The revenue is measured at the transaction price as agreed under the contract.

Other services revenue

Customer contracts for other marine geophysical services are similar in nature and terms to the proprietary contract sales. Revenue is recognized over time as the Company satisfies the performance obligation and is entitled to the compensation under the contract. Lease income is recognized on a straight-line basis over the lease period.

Significant judgements

The deliveries in the customer contracts are reviewed to identify distinct performance obligations, and this assessment may involve significant judgement. For most of the identified performance obligations for Proprietary acquisition projects, control has been assessed to be transferred to the customer over time as the performance obligation is satisfied. Revenue is recognized over time using either a cost-based progress method, or revenue is recognized as physical progress of the project represents the transfer of seismic data to the customer. These methods are assessed to best reflect the pattern of transfer of control of goods and services to the customer.

Disaggregation of revenue

In accordance with IFRS 15 management analyses the revenue contracts with customers and disaggregates the revenue into the following product categories, which depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors:

- Proprietary acquisition projects
- Revenue from sale of nodes
- Other service revenues

Revenue from customers is disaggregated in the table below by geographical location, by type of product, and by the timing of the revenue.

Disaggregation of revenue from contracts with customers:

2024

USD thousands	Revenue from sale of nodes	Other services*	Intercompany revenue	2024
Norway, Sweden and Denmark	-	74	3,166	3,240
USA	-	-	32,604	32,604
Asia	2,727			2,727
Revenue from contracts with customers	2,727	74	35,770	38,571
Point in time revenue recognition				
Revenue from sale of nodes	2,727	-	-	2,727
Point in time revenue recognition	2,727	-	-	2,727
Over time revenue recognition				
Other services revenues	-	74	35,770	35,844
Total over time revenue recognition	-	74	35,770	35,844
Total revenue and income	2,727	74	35,770	38,571

*Other services include revenue from seismic support services.

2023

USD thousands	Revenue from sale of nodes	Other services*	Intercompany revenue	2023
Norway, Sweden and Denmark	-	261	2,023	2,284
France	-	1,425	-	1,425
USA	-	-	5,773	5,773
UK	-	-	344	344
Asia	12,794	223	13,753	26,769
Revenue from contracts with customers	12,794	1,909	21,892	36,595
Point in time revenue recognition				
Revenue from sale of nodes	12,794	-	-	12,794
Point in time revenue recognition	12,794	-	-	12,794

Over time revenue recognition				
Other services revenues	-	1,909	21,892	23,801
Total over time revenue recognition	-	1,909	21,892	23,801
Total revenue and income	12,794	1,909	21,892	36,595

*Other services include revenue from seismic support services.

Assets and liabilities related to contracts with customers

Contract assets and contract liabilities from customers are disclosed below.

Contract assets

Contract assets are recognized whenever a performance obligation is satisfied before the point in time where we have right of invoicing. This relates mainly to proprietary acquisition projects arrangements where the timing of invoicing is decided by the customer contract.

Contract assets (unbilled revenue) of USD 0.0 were recognized as of 31 December 2024 versus contract assets of USD 0.02 million recognized as of 31 December 2023.

Contract liabilities (Advance payments from customers)

Advance payments from customers is recognized if the Company receives consideration or if it has the unconditional right to receive consideration in advance of performance. A portion of the Company's customers pay fees in advance, and these prepayments are recognized as non-financial debt and will be settled in the Company's services.

Deferred revenue of USD 0.5 million were recognized as of 31 December 2024 versus contract liabilities of USD 0.0 million recognized as of 31 December 2023.

4. Costs of sales

USD thousands	2024	2023
Charter hire and other vessel costs	217	4,096
Wages and other personnel costs	3,703	3,596
Other cost of sales	16,225	16,684
Total cost of sales	20,145	24,377

5. Other operating expenses

Financial Reporting Principles

Other operating expenses are recognized in the period in which the associated goods and services are delivered to the Company. Personnel expenses include wages, salaries, social security contributions, sick leave, parental leave and other employee benefits. The benefits are recognized in the year in which the associated services are rendered by the employees. At the end of 2024, the company had a total of 18 FTEs, with 18 employees and 0 contractors.

For the Norwegian employees, the Company are obliged to provide an employment pension plan. Magseis Fairfield AS has a defined contribution plan that meets this requirement. The expected contributions to be paid in 2024 is in line with the TGS contribution plan.

Magseis Fairfiled AS have no compensation to the board of directors. For CEO salary, please refer to TGS remuneration report 2024, which can be found on www.tgs.com.

USD thousands	2024	2023
Wages and other personnel costs	0	4,656
Professional services	(23)	5,280
Other expenses	2,184	1,635
Total other operating expenses	2,161	11,571

In 2024, we had reversal of accruals from 2023 which ended up with negative professional services in 2024.

The audit fee (exclusive of VAT) to KPMG in 2024 (Deloitte 2023) is specified in the table below:

USD thousands	2024	2023
Audit services		
Audit of annual financial statements	93	210
Other services		
Other assurance services	-	16
Total audit remuneration	93	227

6. Financial income and expense

Interest income includes effects from using the effective interest rate method where fees, interest paid, transaction costs and other premiums are deferred and amortized over the life of the instrument. Net effects from fair value gains or losses on financial assets at fair value through profit or loss, and adjustments to the carrying amount of financial liabilities at amortized cost are recognized in other financial items.

Foreign exchange gains and losses arise upon settlement of monetary assets and liabilities that are not hedged. Foreign exchange gains and losses also include the effects from translating monetary assets and liabilities denominated in foreign currencies at the balance sheet date.

Financial income includes interest income from financial assets held for cash management purposes, and financial costs includes borrowing costs, interest expenses in respect of lease liabilities and exchange differences arising from foreign currency borrowings.

Financial income and expense:

USD thousands	2024	2023
Interest income	1,233	1,727
Foreign exchange gains	318	1,072
Other financial items	18,361	11,000
Total finance income	19,913	13,799
Interest expenses	(1,647)	(3,867)
Intercompany interest expense	(5,941)	(1,053)
Foreign exchange losses (realized and unrealized)	(485)	(2,114)

Other financial expenses	(100)	(1,165)
Total finance costs	(8,173)	(8,199)
Net finance income/(expense) excl. impairment	11,740	5,600

Other financial items in mainly relates to group contribution.

7. Income tax

Financial Reporting Principles

Income tax consists of current tax, effect of change in deferred tax positions and withholding tax. Income tax is recognized in the statement of profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date that will be paid during the next 12 months. Current tax also includes any adjustment of taxes from previous years.

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for taxation purposes. Deferred tax is measured at the tax rates expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences.

Income tax expense specification:

USD thousands	2024	2023
Current tax:		
Tax payable	-	-
Withholding taxes and Permanent Establishment taxes	-	-
Deferred tax:		
Changes in deferred tax	(9,589)	-
Tax expense	(9,589)	-

A reconciliation of the effective rate of tax and the tax rate in parent's country of registration:

USD thousand	2024	2023
Net profit/ (loss) before tax	2,917	(5,827)
Income taxes calculated at 22%	642	(1,282)
Changes in temporary differences	(9,589)	(158)
Changes in unrecognized deferred tax asset	-	952
Non-deductible expenses	(858)	659
Use of withholding tax	-	-
Withholding taxes paid	-	-
Other	216	(171)
Tax expense	(9,589)	-

Deferred tax assets and liabilities, of which none were recognized:

USD thousand	2024	2023
Non-current assets	4,396	72
Non-current liability	(2,199)	(59)

Provision	(286)	(559)
Current liabilities	-	-
Tax- losses carried forward	(11,501)	(12,708)
Total (assets)/liabilities	(9,589)	(13,253)
Not recognized deferred tax assets		13,253
Net recognized deferred (assets)/liabilities	(9,589)	-

The deductible temporary difference and tax losses do not expire under current tax legislation. In 2024 we recognized deferred tax assets. The applicable Norwegian tax rate is 22 percent (22 percent in 2023).

8. Related party and intercompany transactions

Financial Reporting Principles

Related parties' relationships are defined to be entities outside the Company that are under control (either directly or indirectly), joint control or significant influence by the owners, Board of Directors or Management of Magseis Fairfield AS. Related parties are in a position to enter into transactions with the Company that would potentially not be undertaken between unrelated parties. The terms and conditions of the transactions with related parties are considered to be on an arm's length basis.

The aggregate value of transactions and outstanding receivables/payables with group companies were as follows:

2024

2024 USD thousands	Income for management fee	Net Interest income	Seismic equipment & services	Net receivable/ (liability)	Intercompany loans
Magseis Operations AS	-	(2,009)	3,166	18,123	(33,024)
Magseis Singapore Services Pte. Ltd	-	-	-	1,894	
TGS AS	-	-	-	207	
TGS ASA	-	(3,932)	-	(4,791)	(42,936)
TGS AP Invest	-	-	-		5,000
Magseis Fairfield LLC	-	1,055	32,604	23,824	
WGP Group Ltd	-	-	-	3,755	-
Total	-	(4,886)	35,770	43,012	(70,960)

2023

2023 USD thousands	Income for management fee	Interest income	Seismic equipment & services	Net receivable/ (liability)	Intercompany loans
Magseis Operations AS	418	-	700	264	(27,234)
Magseis Singapore Services Pte. Ltd	423	-	13,330	990	-
TGS ASA	-	-	870	-	(45,936)
Magseis Fairfield LLC	397	1,516	3,859	34,967	24,884
WGP Group Ltd	141	-	203		4,648
Total	1,380	1,516	18,962	36,221	(45,238)

9. Property, plant and equipment

Financial Reporting Principles

Property, plant and equipment (PPE) are stated at cost less accumulated depreciation and impairment losses. Components of property, plant and equipment with different useful lives are accounted for separately. Assets are normally depreciated on a straight-line basis over their expected economic lives as follows:

- Seismic equipment 8 years
- Fixtures and Fittings 3 years
- IT Equipment 3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Equipment under construction is classified as a non-current asset and recognized at the cost, it is not depreciated until the non-current asset is ready for use.

Borrowing costs are capitalized as part of the cost of the asset when significant. The cost of self-constructed assets includes the cost of materials, direct labor, production overheads and borrowing cost.

Impairment triggers are assessed quarterly, and impairment testing is performed when triggers have been identified.

Judgement and Estimates

Judgement is involved when determining the depreciation period and when assessing impairment or reversal of impairment. The impairment testing involves judgmental assumptions about future market development, cashflows, determination of weighted average cost of capital (WACC), growth rate and other assumptions that may change over time.

USD Thousands	Seismic equipment	Asset under construction	Furniture fixtures etc.	Right-of-use assets	Total
Accumulated cost					
Balance 1 January 2023	41,338	26,578	912	3,319	72,147
Additions	15	19,358	-	34,245	53,618
Disposals/retirement	(10,947)	(1,582)	-	-	(12,528)
Reclass- asset under construction	33,155	(33,155)	-	-	-
Reclassification to intangibles	-	(467)	-	-	(467)

Inventory movements and other	-	(6,060)		(1,040)	(7,100)
Balance 31 December 2023	63,561	4,673	912	36,524	105,671
Additions	13	20,012	-	-	20,025
Disposals/retirement	(10,075)		-	-	(10,075)
Reclass- asset under construction	20,908	(20,908)	-	-	-
Reclassification to intangibles	-	-	-	-	-
Inventory movements and other	-	(1,634)		-	(1,634)
Balance 31 December 2024	74,407	2,142	912	36,524	113,986
Accumulated Depreciation and Impairment					
Balance 1 January 2023	(28,341)	470	(913)	(2,175)	(30,959)
Depreciation	(5,933)	-	-	(5,851)	(11,784)
Disposals/retirements	5,283	-	-	-	5,283
Impairment	-	-	-	-	-
Other	-	-	-	-	-
Balance 31 December 2023	(28,992)	470	(913)	(8,026)	(37,460)
Depreciation	(8,220)	-	-	(17,030)	(25,250)
Disposals/retirements	8,903	-	-	-	8,903
Impairment	-	-	-	(170)	(170)
Other	-	(470)	-	-	(470)
Balance 31 December 2024	(28,309)	-	(913)	(25,227)	(54,448)
Net carrying amounts					
Balance 31 December 2023	34,570	5,143	(0)	28,498	68,210
Balance 31 December 2024	46,099	2,142	(0)	11,297	59,538

10. Other intangible assets

Financial Reporting Principles

Research and development costs are expensed as incurred until a program has completed the concept phase.

Development activities involve a plan or design to produce new or substantially improved products and processes. Development costs are only capitalized if the product or process is technically and commercially feasible and the business case shows a positive net present value. Capitalized development costs mainly include internal labor costs in addition to materials for the development program. Any third-party funding is presented as a reduction of the capitalized amount.

Capitalized development costs are amortized over three to six years on a straight-line basis.

Other intangible assets:

USD thousands	Other intangibles
Accumulated investments	
Balance 1 January 2024	12,649
Additions	7,913
Reclassification to/from PPE	400
Balance 31 December 2024	20,962

Accumulated amortization and impairment	
Balance 1 January 2024	(10,027)
Amortization for the period	(521)
Others	(377)
Balance 31 December 2024	(10,925)
Carrying amounts	
Balance 1 January 2024	2,622
Balance 31 December 2024	10,037

11. Impairment of non-current assets

Impairment recognized

An impairment of USD 0.17 million for PPE has been accounted for in 2024 compared to 0.01 million for PPE in 2023.

An impairment reversal of USD 0.9 million was recognised in 2024 in relation to this investment. However, the carrying amount of the investment remained at nil as at 31 December 2024, as the investment had previously been fully impaired and the carrying value had been negative due to e.g accumulated losses and elimination of intercompany balances in accordance with the Group's accounting policy.

Impairment test of assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

12. Leases

Financial Reporting Principles

The Company adopted IFRS 16 Leases with effect from 1 January 2019. The lease in table below relates to office in Oslo, Norway and long-term vessel lease. The right of use assets is depreciated over the contract period on a straight-line basis.

Right-of-use-assets

USD Thousands	Offices	Vessels	Total
Carrying value			
Balance 1 January 2023	1,143	-	1,143
Additions	495	33,752	34,247
Depreciation	(226)	(5,625)	(5,851)
Impairment	-	-	-
Other adjustments	(1040)	-	(1,040)
Balance 31 December 2023	372	28,126	28,498
Additions	-	-	-

Depreciation	(154)	(16,876)	(17,030)
Impairment	(170)	-	(170)
Other adjustments	-	-	-
Balance 31 December 2024	47	11,251	11,298

Lease liabilities

	Offices		Vessel		
USD Thousands	Non-current	Current	Non-current	Current	Total
Carrying value					
Balance 1 January 2023	825	355	-	-	1,180
Additions	495	-	33,752	-	34,247
Reclassification to current	(182)	182	(17,529)	17,529	-
Lease payments	(135)	(140)	(5,269)	-	(5,544)
Other adjustments	(831)	(215)	-	-	(1,046)
Balance 31 December 2023	172	182	10,954	17,529	28,837
Additions	-	-	-	-	-
Reclassification to current	20	(20)	-	-	-
Lease payments	(156)	-	(10,954)	(5,693)	(16,803)
Other adjustments	3	-	-	-	3
Balance 31 December 2024	39	162	-	11,836	12,037

Current portion of lease liabilities is due within 1 year and the non-current portion is due within 2-5 years. Lease liabilities are not secured by any pledged assets. There exists option to extend the vessel, but this was not considered reasonably certain on initial recognition of the asset.

13. Cash and cash equivalents

Financial Reporting Principles

Cash and cash equivalents include cash on hand, demand deposits in banks and other short-term highly liquid deposits with original maturity of three months or less.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

While cash and cash equivalents are subject to the impairment requirements of IFRS 9, the expected credit losses are immaterial.

USD thousands	2024	2023
Unrestricted cash balances		
Unrestricted cash balances	3,459	4,220
Restricted cash balances		
Deposits	-	372
Employee tax withholding accounts	128	185
Total restricted cash balances	128	558

Total cash and cash equivalents	3,587	4,778

14. Inventories

Financial Reporting Principles

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses and the estimated cost to complete the inventory. The cost of inventories is based on the weighted average cost.

Judgments and Estimates

The assessment of obsolete and slow-moving inventory in order to determine inventory write-downs is subject to management judgment. The selling price in the market must be estimated, and there is a risk that the actual selling price may turn out to be different than the amount estimated by management.

USD thousands	2024	2023
Raw materials	459	1,514
Battery stock	349	1,019
Total inventories	808	2,533

15. Trade receivables and contract assets

Financial Reporting Principles

Trade and other receivables are recognized at the initial invoiced amount, less any impairment losses. The invoiced amount is approximately equal to the value derived if the amortized cost method would have been used.

Impairment of accounts receivable and contract assets (financial asset at amortized cost)

Impairment losses are measured at lifetime expected credit losses in accordance with IFRS 9.

TGS Group impairment model for accounts receivable, contract assets and other current assets is a simplified approach based on lifetime expected credit losses (ECL). Impairment is based on an estimate of the probability of default for the financial assets reflecting an unbiased amount determined by evaluating a range of possible outcomes; the time value of money and reasonable available information related to past events, current conditions and forecasts of future economic conditions.

The Group uses an impairment model with the following characteristics:

The receivables are organized in portfolios based on the credit risk of the customers. The primary portfolio is the receivables where invoicing is done to customers with a high credit rating, typical large listed or state-owned oil companies. This portfolio has a low risk of default and therefore no impairment loss is initially recognized based on the expectation of all of the accounts being paid. Further, an individual assessment is performed on specific customer receivables, typically if a customer is in known financial distress or has declared bankruptcy.

USD thousands	2024	2023
Trade receivables	1,390	2,536
Contract assets	-	19
Trade receivables and contract assets	1,390	2,555

USD thousands	31-Dec-24 Carrying amount	31-Dec-24 Loss allowance	31-Dec-23 Carrying amount	31-Dec-23 Loss allowance
Not overdue	154	-	-	-
Past due 0-30 days	-	-	184	-
Past due 31-120 days	1,236	-	2,352	-
Past due more than 120 days	-	-	-	-
Total	1,390	-	2,536	-

16. Other current assets

USD thousands	2024	2023
Prepayments	1,926	472
Other receivables	29	315
Total other current assets	1,956	787

17. Cash flow information

Financial Reporting Principles

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash flows relating to leases are presented as follows:

(a) cash payments for the principal portion of the lease liabilities as cash flows from financing activities

(b) cash payments for the interest portion consistent with presentation of interest payments chosen by the Company, and

(c) short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities as cash flows from operating activities.

Non-cash transactions from financing activities are illustrated in the reconciliation of liabilities from financing transactions below:

	Liabilities arising from financing activities			
USD thousands	Non-current liabilities	Current liabilities	Lease liabilities	Total
Liabilities 1 January 2023	7,735	44,748	1,180	53,663
Cash flows			(6,367)	(6,367)
				-
Transactions without cash effect	-	-	-	-
Refinancing of loan facility	-	-	-	-
Prepaid fees bank facility	-	-	-	-
Fair value changes	-	-	-	-
Other changes	335	(44,748)	33,201	(11,212)

Liabilities 31 December 2023	8,070	-	28,837	36,908
Cash flows			(16,803)	(16,803)
				-
Transactions without cash effect	-	-	-	-
Refinancing of loan facility	-	-	-	-
Prepaid fees bank facility	-	-	-	-
Fair value changes	-	-	-	-
Other changes	(8,070)	1,500	3	-6,567
Liabilities 31 December 2024	-	1,500	12,037	13,538

2023 change in current liabilities relates to downpayment of RCF replaced by long-term intercompany loan. 2024 change in other changes relates to partly release of earn-out accrual and reclassifying the remaining USD 1.5 million to current liabilities

18. Other current liabilities

Financial Reporting Principles

Trade and other payables are recognized at the original invoiced amount. The invoiced amount is considered to be approximately equal to the value derived if the amortized cost method would have been used.

A provision is a liability with uncertain timing and amount. Provisions are recognized when cash outflow is considered probable, the amount can be reliably estimated, and the obligation is a result of a past event. All provisions are presented as short-term as they are part of the operating cycle.

A contingent liability is a possible obligation that arises from past events that typically depends on a future event outside of the company's control, for example a court decision. A provision is made when it is considered as probable that a cash outflow will take place, and the obligation can be measured reliably.

USD thousands	2024	2023
Deferred revenue	525	-
Accrued expenses	1,414	1,713
Provisions holiday pay	230	402
Other	1,777	1,901
Total other current liabilities	3,945	4,016

19. Financial risk management

The Company is exposed to a variety of financial risks; currency, interest rate, price, credit liquidity and capital risk. The objective of financial risk management is to manage and control financial risks exposure and thereby increase the predictability and minimize the potential adverse effects on the Company's financial performance. This also includes being able to meet the financial covenants related to the Company's borrowings.

20. Financial assets and financial liabilities

Financial Reporting Principles

Financial assets and financial liabilities held by the Company consist of trade receivables, cash and cash equivalents, trade payables, borrowings, financial lease liabilities and derivatives.

Financial assets (excluding derivatives)

All financial asset, excluding derivatives, meet the SPPI (solely payments of principal and interest) criteria, and are managed in a business model of Hold to collect. These financial assets are in the measurement category amortized cost. The Company measures its trade receivables and cash and cash equivalents at amortized cost. Subsequent to initial recognition these assets are measured at amortized cost using the effective interest method. Income from these financial assets is calculated on an effective yield basis and is recognized in the income statement. Financial assets are classified as current assets, except for those where management has the intention to hold the investment for over 12 months or financial assets with maturities later than 12 months after the balance sheet date. These assets are classified as non-current assets.

Financial liabilities (excluding derivatives)

The Company's financial liabilities consist of trade payables, lease liabilities and borrowings. The Company initially recognizes financial liabilities at fair value net of transaction costs. Trade payables and borrowings are subsequently measured at amortized cost using the effective interest method. Transaction costs related to borrowings are amortized using the effective interest method over the maturity of the loan. Contingent consideration is subsequently measured at its fair value. Lease liabilities are measured in accordance with IFRS 16, refer to note 12.

Financial assets and financial liabilities:

USD thousands	Measured at amortised cost (2024)	Measured at FVTPL (2024)	Measured at amortised cost (2023)	Measured at FVTPL (2023)
Financial assets				
Cash and cash equivalents	3,587	-	4,778	-
Trade receivables	1,390	-	2,536	-
Intercompany receivables	85,935	-	39,098	-
Derivatives	-	-	-	-
Total	90,912	-	46,412	-
Financial liabilities				
Interest bearing liabilities	-	-	-	-
Lease liabilities	12,037	-	28,837	-
Intercompany payables	42,923	-	2,855	-
Trade payables	111	-	313	-
Total	55,072	-	32,005	-

THE BOARD OF DIRECTORS' REPORT 2024

Magseis Fairfield AS– org nr 994 547 852

Operations and locations

Magseis Fairfield AS, headquarter located at Lilleakerveien 4C, 0283 Oslo, Norway. Magseis Fairfield provides Ocean Bottom Seismic (OBS) within oil and gas industry worldwide. The company also have equipment sales and lease, where the Company sells or rents out nodes and node handling systems to clients interested in running their own data acquisition surveys.

Magseis Fairfield was created through Magseis AS's purchase of Fairfield's seismic technologies business and the WGP Group from Fairfield Industries Incorporated, in December 2018. Fairfield was founded in 1974 while Magseis was founded in 2009.

In Q4 2022 TGS ASA acquired Magseis Fairfield AS and its subsidiaries.

Financial review

The Company's revenue for 2024 amounted to USD 38.6 million, compared to 36.6 million in 2023. Net profit was USD 12.5 million compared to net loss of USD 5.8 million in 2023. Most of the Company's revenue is from intercompany rental of vessel and other acquisition business activities, USD 2.7 million in revenue recognition from sale and services of nodes.

Net cash inflow from operating activities was USD 23.9 million in 2024 compared to an outflow of USD 0.5 million in 2023. The variance between operating profit and cash flow from operating activities is mainly due to positive working capital movements.

The Company had cash outflow from investing activities of USD 26.4 million mainly related to acquisition of equipment (USD 20.0 million) and acquisition of intangibles of USD 7.9 million, which is partly offset by interest received (USD 1.6 million).

Cash inflow from financing activity in 2024 was USD 1.3 million driven by loans from subsidiaries (USD 25.7 million), offset by payment of lease liabilities of USD 16.8 million and interest paid of total USD 7.6 million. Cash balance at year-end amounted to USD 3.6 million compared to USD 4.8 million at year-end 2023.

Going concern

Magseis Fairfield AS and the subsidiaries ("Magseis Fairfield") backlog for 2024 increased during the year and Magseis had a strong backlog at the end of 2024, offering increasing support for the 2025 budget and forecasts. Magseis Fairfield forecast OBN market to further increase in 2025 and new contracts are being secured. This backlog and tendering activity for 2025 provides a basis for optimism, where significant part of the 2024 backlog is for delivery in 2025.

Based on the acquisition and the current market outlook, the Board confirms in accordance with the Accounting Act §3-3 that the going concern assumption is appropriate and applied in preparing the financial statements

Risk

TGS group have established objectives and strategies for managing the risks listed below which is applicable for Magseis Fairfield AS and its subsidiaries. Magseis Fairfield is exposed to a variety of risk factors, including risk related to global economic growth and demand for and prices of oil and gas products. These factors affect the oil and gas companies' capital expenditure such as seismic services.

Revenue risk

Magseis Fairfield operates in competitive markets, and most of the Company's contracts are obtained through competitive bidding processes. Rapid technological changes may affect the Company's competitive position.

Failure of the company to meet customers' contractual terms and conditions may have an adverse effect on the Company's operations and financial position. The Company can experience delays in certain contracts due to change of scope from the operator, and delayed contract signature. Furthermore, the company's mobile operations use multiple spot-chartered vessels and remotely operated underwater vehicle ("ROV") equipment and crews, and lack of performance according to plan may lead to significant delay of surveys.

Material breakdown, damage to or total loss of the Company's short-term and long-term chartered vessels may have a material adverse effect on the Company's financial prospects. The Company will from time to time incur class docking, upgrade and repair costs related to the long-term chartered vessel or modular systems, and non-available periods related to transit of vessel or modular systems or other circumstances. This may have a negative effect on revenues and earnings, which could impact the Company's business.

The Company may invest significant amounts in acquisition and processing of seismic data for its multi-client data library. No guarantee can be given that the Company will be able to meet expectations neither with respect to how much seismic data it will be able to sell, nor at which price the seismic data will be sold in the future.

Credit risk

Credit risk relates to the risk of non-payments of trade receivables or other receivables, which may adversely impact financial results and liquidity.

The Company's customers are concentrated within the energy industry and may be similarly affected by changes in the industry sentiment. Many of the customers are large and solid oil and gas companies, and the company pays due consideration to the credit quality of potential new customers to minimize the risk during contract negotiations.

The credit risk of the company is assessed to be limited.

Liquidity risk

Liquidity risk is the risk that the company is not able to meet its payment obligations. The company is dependent on both access to long-term funding and timely payments of receivables from customers, and no assurance can be given with respect to the ability to secure new sources of funding in the event of a cash shortfall.

The company's long-term funding will be provided by the parent company, through internal loans and/or capitalization as required. On 3 December 2024, TGS ASA issued bonds of USD 550 million, term loan A of USD 45 million and secured a revolving credit facility (RCF) of USD 150 million. At the end of 2024, USD 125 million of the RCF was undrawn. TGS ASA currently has a long-term loan to Magseis Fairfield AS of USD 45 million. Given the current activity level and financial forecasts, the company will have sufficient liquidity through 2025. The liquidity forecast is subject to certain risk factors, such as project execution, timely collections from customers or changes in phasing and scope of projects.

Foreign exchange risk

The Company's functional currency is USD. The Company operates globally and is hence exposed to foreign currency movements. The exposure to foreign exchange risk is mainly mitigated through use of USD nominated customer revenue contracts.

The Company's expenses are primarily, and in order of exposure, in USD, NOK, GBP and EUR. Changes in currency may affect operational costs, e.g., salaries paid in local currency.

Changes in currency exchange rates relative to the USD may affect the USD value of the assets and thereby impact the total return on such assets.

Climate risk

Climate-related risks might be divided into two major categories: (1) risks related to the transition to a lower-carbon economy and (2) risks related to the physical impacts of climate change. As part of the energy transition, we have seen a fundamental shift in the market where our customers focus on cash and value generation from already explored assets. This means that our customers are prioritizing investments in high-quality seismic data over and around existing assets, and specifically OBN seismic data to make data driven field development decisions. While this is a potential upside for the company, there is a political risk if authorities decide to significantly reduce or completely stop production of oil and gas in key markets.

We believe that the services TGS offer is a part of the solution for the transition into a lower-carbon economy. Please refer to TGS Sustainability report included in TGS ASA financial statements 2022, this can be retrieved on the company home page.

Physical risk resulting from climate change, in the form of costs caused by physical damage is considered low to moderate. Seismic acquisition operations may be exposed to extreme weather, hazardous conditions and activity in the work area. The Company's own insurance may not be adequate to cover potential losses.

The working environment and personnel

The Company had a total of 18 FTEs. This compares to 34 FTE's at the end of 2023. The employees in the Group represented 27.8% women, and 72.2% men.

In 2024 the average sick day percentage for the staff was 3.77% and 0.76% sickness for the employees in 2023 due to long-term sickness. There have not been any serious injuries or accidents in the current or prior year.

The Company's policy prohibits unlawful discrimination against employees, on account of ethnic or national origin, age, gender, sexual orientation or religion. Respect for the individual is the cornerstone of this policy and The Company also aims to treat its employees with dignity and respect.

The Board of Directors consists of 2 men and 1 woman.

An insurance policy is in place for members of the Board of Directors and the CEO for their potential liability towards the group and third parties

Social corporate responsibility

As a global and leading operator in the Ocean Bottom Seismic market, the company has an opportunity but also a responsibility to commit to high standards relating to working environment and personnel welfare, environmental impact and business practices.

The company's reputation depends upon understanding the principles of corporate responsibility, and continuously demonstrating integrity and honesty.

The company has adopted guidelines, policies and procedures relating to human rights, employee rights and social matters, prevention of corruption, harassment and discrimination in the working environment and in our employment practices.

The Group has developed a Corporate Social Responsibility (CSR) policy, committing the company to responsible business practices in accordance with United Nations Global Compact. Three focus areas are highlighted:

• People
• Planet
• Business practice

The company recognize that all activities have an impact on the environment in the use of raw materials, emissions to air and water, waste generation, and interaction with marine life and habitat. Magseis Fairfield is committed to minimizing this impact for both offshore and land-based activities. This is done by maintaining a program of continual improvement in environmental performance incorporating suitable measurement and monitoring.

A carbon reduction strategy and roadmap have been launched, with clear ambition to be carbon neutral by 2040, or earlier.

The company has implemented recycling programs both offshore and in onshore offices, including a campaign focused on the elimination of single-use plastics in our offshore operations.

For more information of social corporate responsibility and transparency act please see the annual report for TGS ASA available at www.tgs.com.

Market fundamentals and outlook

We continue to see a significant shift in the energy market dynamics because of the ongoing war in the Ukraine and other ongoing conflicts. There are no quick fixes, and the company believes that energy security will continue to be a focus area for governments globally going forward.

In this environment, the oil and gas companies are refocusing on investment and reserve security in stable geographies, with sustainability and competitiveness as key priorities. Their priority is to extract more from existing reserves and to deliver additional lower-carbon barrels to make up for global E&P underinvestment over the last years.

This provides strong market fundamentals for Magseis Fairfield's services, which enables increased production from existing reserves and near-field exploration.

The board proposes that the net profit of USD 12.5 million shall be allocated fully to retained earnings.

Lysaker, 30 June 2025

Signed by:
0E6434F8AAFB462...
Sven Børre Larsen

Chairman of the board

DocuSigned by:
8BC7747E92E34A2...
Amund Søia

Board member

Signed by:
Katrine Salveson
EDCADE06B05A412...
Katrine Salveson

Board member

Signed by:
Paul Courtenay
A5275901D5CA491...
Paul Matthew Courtenay

General manager

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To the General Meeting of Magseis Fairfield AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Magseis Fairfield AS (the Company), which comprise the balance sheet as at 31 December 2024, 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 statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its 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 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

KPMG

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

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 simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, 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 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 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. We 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 a true and fair view.

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, 30 June 2025

KPMG AS

Ole Erik Follstad
State Authorised Public Accountant
(This document is signed electronically)

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

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

Follstad, Ole Erik
Partner
On behalf of: KPMG AS
Serial number: no_bankid:9578-5993-4-1932833
IP: 80.232.xxx.xxx
2025-06-30 12:51:16 UTC

bankID

Follstad, Ole Erik
Statsautorisert revisor
On behalf of: KPMG AS
Serial number: no_bankid:9578-5993-4-1932833
IP: 80.232.xxx.xxx
2025-06-30 12:51:16 UTC

bankID

Penneo document key: 91JNH-1HS2R-YQL6P-3C4CB-Q6P93-T753E

Skattedirektoratet

Saksbehandler
Torstein Kinden Helleland

Deres dato
11.02.2013

Vår dato
08.03.2013

Telefon
22078139

Deres referanse
Mikkel Ektvedt

Vår referanse
2013/107005

MAGSEIS AS
Gaustadalléen 21
0349 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Magseis AS, org. nr. 994 547 852

Det vises til deres brev av 11. februar 2013 samt telefonsamtale i sakens anledning. Det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Magseis AS.

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

Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Bakgrunn
Magseis AS er et seismikk selskap som driver letevirksomhet internasjonalt. 10 % av selskapets aksjonærer er hjemmehørende utenfor Norge. Totalt er over 95 % av aksjonærene er profesjonelle investorer. Selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk. Arbeidsspråket er engelsk. 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:

> *"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*

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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 majoriteten av eierne er profesjonelle investorer. Selskapets arbeidsspråk er engelsk og all kommunikasjon skjer på engelsk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland