



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 914 633 338
Organisasjonsform: Aksjeselskap
Foretaksnavn: SHEARWATER GEOSERVICES NORWAY AS
Forretningsadresse: Damsgårdsveien 135
5160 LAKSEVÅG

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

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: Monica Tøsdal
Dato for fastsettelse av årsregnskapet: 30.06.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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, 19.07.2023



Resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Operating revenue	10	82 138 348	124 856 569
Other operating revenue	12	9 225 261	7 986 651
Sum inntekter		91 363 609	132 843 220
Kostnader			
Personell expenses	2, 6	11 208 477	10 220 404
Depreciation	11	396 253	444 133
Cost of sales	12	76 984 124	114 217 603
Administration expenses	2	1 514 342	1 101 541
Sum kostnader		90 103 197	125 983 680
Driftsresultat		1 260 412	6 859 540
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	9	514 504	497 885
Annen renteinntekt		121	270
Sum finansinntekter		514 625	498 155
Rentekostnad til foretak i samme konsern	9	243 899	407 388
Annen rentekostnad		35 113	55 050
Other financial expenses		29 539	4 932
Exchange loss (-) /gain (+)		-89 064	-134 728
Sum finanskostnader		219 487	332 642
Netto finans		295 138	165 512
Ordinært resultat før skattekostnad		1 555 550	7 025 052
Tax expenses	8		
Ordinært resultat etter skattekostnad		1 555 550	7 025 052
Årsresultat		1 555 550	7 025 052
Årsresultat etter minoritetsinteresser		1 555 550	7 025 052



Resultatregnskap

Beløp i: USD	Note	2021	2020
Totalresultat		1 555 550	7 025 052
Overføringer og disponeringer			
To other equity		1 555 550	7 025 052
Sum overføringer og disponeringer	4	1 555 550	7 025 052



Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	8		
Varige driftsmidler			
Office equipment	11	357 499	549 924
Sum varige driftsmidler		357 499	549 924
Finansielle anleggsmidler			
Investering i datterselskap	3	490 278	488 502
Lån til foretak i samme konsern	9	6 208 730	
Sum finansielle anleggsmidler		6 699 008	488 502
Sum anleggsmidler		7 056 507	1 038 425
Omløpsmidler			
Varer			
Inventory and pre-payments		3 299 845	3 473 497
Sum varer		3 299 845	3 473 497
Fordringer			
Accounts receivables		7 782 437	11 074 603
Other short-term receivables		975 492	1 158 953
Receivables to group companies	9	26 701 424	27 120 753
Sum fordringer		35 459 352	39 354 309
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	7	438 623	399 570
Sum bankinnskudd, kontanter og lignende		438 623	399 570
Sum omløpsmidler		39 197 821	43 227 376
SUM EIENDELER		46 254 328	44 265 801



Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	4, 5	3 480	3 480
Overkurs	4		
Annen innskutt egenkapital	4	29 008 383	29 008 383
Sum innskutt egenkapital		29 011 863	29 011 863
Opptjent egenkapital			
Retained earnings	4	-5 672 474	-7 228 023
Udekket tap	4		
Sum opptjent egenkapital		-5 672 474	-7 228 023
Sum egenkapital		23 339 389	21 783 841
Gjeld			
Langsiktig gjeld			
Utsatt skatt	8		
Annen langsiktig gjeld			
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		5 707 059	1 798 790
Public duties payable		765 778	683 037
Liabilities to group companies	9	10 642 364	12 587 841
Other current liabilities		5 799 738	7 412 292
Sum kortsiktig gjeld		22 914 939	22 481 960
Sum gjeld		22 914 939	22 481 960
SUM EGENKAPITAL OG GJELD		46 254 328	44 265 801



To the General Meeting of Shearwater GeoServices Norway AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Shearwater GeoServices Norway AS (the Company), which comprise the statement of financial position as at 31 December 2021, 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 2021, 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 laws and regulations 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.

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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



Independent Auditor's Report - Shearwater GeoServices Norway AS



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 legal 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 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, 30 June 2022
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_MOBILE	2022-07-01 10:25

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Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 05.12.2017	Vår dato 11.12.2017
Telefon 22078139	Deres referanse Kristian Rådal	Vår referanse 2017/1254176

SHEARWATER GEOSERVICES AS
Postboks 1243, Sentrum
5811 BERGEN

MOTTATT
13 DES. 2017

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Shearwater GeoServices Norway AS, org.nr. 914 633 338

Vi viser til deres brev av 5. desember 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Shearwater GeoServices Norway AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Shearwater GeoServices Norway 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

Shearwater GeoServices Holding AS er eid av Shearwater GeoServices Holding AS som har dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk. Shearwater GeoServices Holding AS med datterselskaper tilbyr tjenester innen seismikkvirksomhet internasjonalt. Konsernet operer hvor engelsk klart er det dominerende arbeidsspråket. Konsernets arbeidsspråk er engelsk. Selskapet driver virksomhet i en internasjonal bransje. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter 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

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



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 eid av et selskap som har dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk. Eierkretsen er begrenset. Selskapet opererer i en internasjonal bransje. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Jeanette Munkvold Skovholt
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



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ANNUAL REPORT 2021

Shearwater GeoServices Norway AS

Damsgårdsveien 135
5160 Laksevåg

Business org.no 914 633 338 MVA

Contents:

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



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Shearwater GeoServices Norway AS Board of Directors' Report 2021

Shearwater GeoServices Norway AS corporate office is in Bergen and is part of the Shearwater GeoServices group from 22. December 2016. The company operates within marine acquisition in the seismic market.

Future prospects

The company's operations are exposed to developments in the markets for oil and gas exploration and production. The energy markets experienced a significant tightening through 2021 as demand recovered towards the long-term trend whereas supply struggled to keep up. Several years of under-investment in the oil and gas sector has not been sufficiently compensated by investments in renewable energy and the second half of 2021 saw shortages and increasing energy prices. The war in Ukraine further underlined the importance of reliable and affordable energy.

As a result of this, energy companies are increasing their capex budgets for 2022 and guidance for the coming years. National oil companies represent the largest increases, but the oil majors are also communicating higher spending going forward. Shearwater is experiencing increased tender volume, both for streamer seismic and for OBS.

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.

Aspects of 2021

The company has had seven of the group's vessels on hire during parts of the year. The vessels have been hired on time charter and bareboat terms from group companies and DOF Subsea and have been working on both 3-D, 4-D and node projects in Norway, Brazil, Congo and Suriname.

Profit before tax in 2021 is USD 1.6 mill. compared with USD 7.0 mill. in 2020. Net operating income in 2021 totals to USD 1.3 mill. compared with USD 6.9 mill. in 2020. The negative change in operating income is due to project TGS Sparese Node that ended in 2020.

In 2021 financial items are positive by USD 0.3 mill. compared to USD 0.2 mill. previous year. The change is mainly due to net change in intercompany interest costs compared to 2020.

The company's liquidity is USD 0,4 mill. as at 31.12.2021 (2020: USD 0,4 mill.). Cash flow from operating activities in 2021 was positive USD 8,0 mill. (2020: positive USD 5,8 mill.). Cash flow from investment activities was negative USD -6,4 mill. (2020: negative USD -0,5 mill.). Net cash flow from financing activities was negative USD -1,5 mill. (2020: negative USD 5,3 mill.)

The company has not participated in research and development activities in 2021.

Based on the above report of profit and loss for the company, the Board of Directors confirms that the financial statements for 2021 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.

Financial risk

The majority of the company's revenue is in USD. The company's expenses are mainly in USD and NOK. The company will attempt to minimise risks by implementing hedging arrangements when appropriate, but will not be able to fully avoid these risks.

Lack of or delayed payment from customers may significantly and adversely impair the company's revenue and liquidity. The concentration of the company's customers in the energy industry may impact its overall exposure to credit risk as customers may be similarly affected by prolonged changes in economic and industry conditions, as well as by the general constraints on liquidity resulting from the continued low oil prices. Further, laws in some jurisdictions in which the company operates could make collection difficult or time consuming. The company gives due consideration to the credit quality of its potential clients during contract negotiations to minimise the credit risk. Historically, counterparty risk has been satisfactory.

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



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Employees

Throughout 2021, Shearwater maintained its focus on retaining the employee population as the Covid-19 pandemic continued to impact both our lives and our industry. The hiring freeze introduced in 2020 came to an end and we successfully resumed active recruitment, expecting to add further new employees during 2022.

During 2021 the Company had 81 permanent employees and five temporary contracted personnel. At year end the company had 78 employees. The board of directors consists of one female and one male director. The contracted employee population consisted of 100% women in 2021. The company did not have any permanent part-time personnel in the period. The company had a sick leave ratio of 2.73% in 2021.

Gender balance

In the Entry Level Professional category, the ratio of women to men's salaries was .95, at the Experienced Professional level, the ratio was .88. In Middle Management/Subject Matter Experts the ratio was .85, and in Upper Management/Senior Technical Experts the ratio was .87.

The gender balance in the Company in 2021 was 33% women and 67% men. This minority of women will have an impact on the salary ratios between genders, as the male incumbent pool is larger in general. Moreover, the current ratios give an indication that the salary differences between genders are higher in high-impact jobs. At the higher levels, there is also a higher density of technical expert roles, where the incumbent pool is derived from a narrow talent pool. This is related to the availability of industry-specific competency and experience which is usually held by male incumbents as they have historically dominated the marine/seismic industries. The technical expertise in the our industry also has a high external market value, which is again driving higher salaries in technical positions. In 2021, the Company started the efforts of a Global Job Levelling to create a formal system to help identify the actual impact of this technical track. The job levelling consists of allocating a global grade to each position, where equal-impact jobs should be given the same grade. Further from this, it will then be easier to compare jobs of equal contribution in regards to salaries for the different genders. The system is aimed at being implemented in 2022, and will hopefully give a more reliable result for the 2022 analysis.

In order to approach the identified gaps in salaries, the Company has had a special attention on recruiting into the organisation at the entry-level, while supporting and developing them to become candidates for more senior positions in the future. To attract more female candidates, the Company has adopted gender-neutral wording in job advertisements, collaborated with organisations such as Women Offshore, as well as launched its very own Gender Inclusivity Network Ardenna. In addition to recruiting more diverse talent into the organisation, there is also a focus on developing the talent that is already in Shearwater. In addition to the in-house e-learning platform SWTrain launched in 2021, there has also been offers of in-person training to elevate both soft and hard skills. Moreover, the Company adopted a more agile appraisal process in 2021, aimed at allowing more continuous feedback and a focus on personal development for the employees. The hope is that through inspiring more candidates to pursue professional careers at higher levels in the organisation, this will balance the gender gap in the years to come.

Diversity and equality

Shearwater GeoServices Norway AS has employees from 15 unique nationalities during 2021, with the majority being Norwegian, followed by British, Trinidadian/Tobago and Indonesian.

Age balance

Diversity in age is an important factor to stimulate development and exchange competencies and experiences. The employees are divided in the following age categories: >30: 5%, 30-40: 27%, 40-50: 30%, 50-60: 22% and above 60: 15%. In the age range 20-40 there is 52% women, and in the range 40->60 there is 26% women

Ardenna - Shearwaters gender inclusivity network

No Shearwater employee should experience that their gender is holding them back at the workplace. In December 2021, Shearwater launched our very own gender inclusivity network, Ardenna. Born from an idea conceived offshore, the Ardenna network's mission is to act as thought leaders to help inform the rest of the business about inclusivity best-practice and development. The network is based on a 'by employees, for employees' approach. Ardenna hosts bi-monthly events, both casual meeting points and formal seminar events, which create arenas for the sharing of experiences, ideas and challenges. Ardenna will play a crucial role in implementing initiatives to drive the gender balance targets of the Group.

Work-Life dynamic

A healthy work-life dynamic is important at Shearwater. We therefore offer all employees parental leave in relation to the birth, adoption or fostering of a child. A total of nine employees took parental leave in 2021, of



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which 78% were women and 22% were men. On average, the women were on leave 32.9 weeks, and the men 16.7 weeks.

Human and labour rights

Shearwater supports the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, the UK Modern Slavery Act 2015 and the standards advocated by the International Labour Organisation. We comply with the above legislation and principles and adopt them in our agreements with our suppliers. This is also clearly stated in our Code of Conduct³.

Environment

As part of the Shearwater GeoServices group, 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.

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, ie everyone in the group.

Allocation of net income

The financial statement shows a positive net income of USD 1,555,550,- which is proposed allocated to retained earnings.

Bergen, 30.06.2022

Board of Directors in Shearwater GeoServices Norway AS

Irene Waage Basili
chairman of the board

Andreas Hveding Aubert
member of the board

Peter Allan Hooper
managing director



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Shearwater GeoServices Norway AS Profit and Loss Account (in USD)

OPERATING REVENUE AND EXPENSES	NOTE	2021	2020
Operating revenue	10	82,138,348	124,856,569
Other operating revenue	12	9,225,261	7,986,651
Total operating revenue		91,363,609	132,843,220
Cost of sales	12	76,984,124	114,217,603
Personell expenses	2, 6	11,208,477	10,220,404
Administration expenses	2	1,514,342	1,101,541
Depreciation	11	396,253	444,133
Total operating expenses		90,103,197	125,983,680
Net operating income		1,260,412	6,859,540
FINANCIAL ITEMS			
Interest income from group entities	9	514,504	497,885
Other interest income		121	270
Interest cost to group entities	9	243,899	407,388
Interest expenses		35,113	55,050
Other financial expenses		29,539	4,932
Exchange loss (-) /gain (+)		89,064	134,728
Net financial income and expenses		295,138	165,512
Operating result before tax		1,555,550	7,025,052
Tax expenses	8	0	0
Net income		1,555,550	7,025,052
ALLOCATION OF NET INCOME			
To other equity		1,555,550	7,025,052
Total allocation	4	1,555,550	7,025,052



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Shearwater GeoServices Norway AS
Statement of Financial Position (in USD)

ASSETS	NOTE	2021	2020
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Office equipment	11	357,499	549,924
Total property, plant and equipment		357,499	549,924
NON-CURRENT FINANCIAL ASSETS			
Investments in subsidiaries	3	490,278	488,502
Loan to group companies	9	6,208,730	0
Total non-current financial assets		6,699,008	488,502
Total non-current assets		7,056,507	1,038,425
CURRENT ASSETS			
Inventory and pre-payments		3,299,845	3,473,497
DEBTORS			
Accounts receivables		7,782,437	11,074,603
Other short-term receivables		975,492	1,158,953
Receivables to group companies	9	26,701,424	27,120,753
Total receivables		35,459,352	39,354,309
Cash and cash equivalents	7	438,623	399,570
Total current assets		39,197,821	43,227,376
Total assets		46,254,328	44,265,801

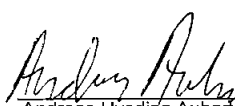


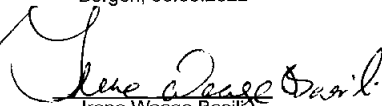
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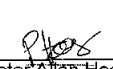
Shearwater GeoServices Norway AS
Statement of Financial Position (in USD)

EQUITY AND LIABILITIES	NOTE	2021	2020
PAID-IN CAPITAL			
Share capital	4, 5	3,480	3,480
Other paid in capital	4	29,008,383	29,008,383
Total paid-up equity		29,011,863	29,011,863
RETAINED EARNINGS			
Retained earnings	4	-5,672,474	-7,228,023
Total retained earnings		-5,672,474	-7,228,023
Total equity		23,339,389	21,783,841
LIABILITIES			
CURRENT LIABILITIES			
Trade payables		5,707,059	1,798,790
Public duties payable		765,778	683,037
Liabilities to group companies	9	10,642,364	12,587,841
Other current liabilities		5,799,738	7,412,292
Total current liabilities		22,914,939	22,481,960
Total liabilities		22,914,939	22,481,960
Total equity and liabilities		46,254,328	44,265,801

Bergen, 30.06.2022


Andreas Hveding Aubert
member of the board


Irene Waage Basil
chairman of the board


Peter Allan Hooper
general Manager



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Shearwater GeoServices Norway AS Cash Flow Statement (in USD)

USD	NOTE	2021	2020
Cash flow from operating activities:			
Profit before tax		1,555,550	7,025,052
Depreciation and write-down	11	396,253	444,133
Change in inventories		173,651	-705,222
Change in accounts receivables / payables		7,200,435	-843,819
Change in other current assets / liabilities		-1,346,352	-122,192
Net cash flow from operating activities		7,979,537	5,797,952
Cash flow from investing activities:			
Payments for office equipment	11	-203,828	-16,572
Investment in subsidiaries		-1,778	-488,500
Loan to subsidiaries		-6,208,730	-
Net cash flow from investing activities		-6,414,336	-505,072
Cash flow from financing activities			
Change in current IC assets / liabilities		-11,676,155	948,309
Change in group bank accounts		10,150,006	-6,255,173
Net cash flow from financing activities		-1,526,148	-5,306,864
Net increase in cash and cash equivalents		39,053	-13,984
Cash and cash equivalents at start of period		399,570	413,555
Cash and cash equivalents at end of period		438,623	399,570



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Shearwater GeoServices Norway AS

Notes to the financial statement 2021

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 gas industry, 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 initially 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 functional 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 translated 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 company and revenue can be reliably measured. The revenue is measured at fair value of the consideration received, net of discounts and sale taxes and duty.

Processing

The company performs processing services for specific customers. Sales of services under processing contracts are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Exclusive contracts

The company performs seismic services for specific customers under exclusive contracts. Sales of services under contracts are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Mobilisation revenue and cost

Mobilisation revenue and the related mobilisation costs relates to moving the seismic vessel and its crew from one location to the location specified by the contract. Such cost includes in the Multi-Client survey or exclusive contract with which the costs are associated. The mobilisation costs related to Multi-Client survey are capitalised as a part of the Multi-Client library as mentioned. Steaming costs on exclusive surveys are deferred and charged to expense based upon the percentage of completion of the project. The estimated probable future economic inflows are documented at inception and cover the costs capitalised or deferred. If the projects are not able to cover all of the costs which could be capitalised or deferred then only those costs that are recoverable are capitalised/deferred.

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 classified 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. Realised and unrealised gains and losses are classified as financial items.

Receivables

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



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Shearwater GeoServices Norway AS

Notes to the financial statement 2021

Cash and cash equivalents

Cash and bank deposits, etc. include bank deposits, cash in hand and short-term bank deposits with an original maturity of three months or less.

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 company 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 expense is distributed between ordinary profit/loss and extraordinary profit/loss according to the tax basis. Deferred tax and deferred tax asset is presented net in the balance sheet.

Cash flow statement

The company's cash flow statement shows the company's cash flows distributed between operating activities, investment activities and financing activities. The statement shows the impact of the different activities on the company's cash and cash equivalents. The cash flow statement is presented based on the indirect method.

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.



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Shearwater GeoServices Norway AS Notes to the financial statement 2021

Note 2 – Salary and personnel expense

Salary and personnel expense includes salary to employees and hired personnel.

Salary and benefits cost (USD 1000)	2021	2020
Salary cost	8,863	6,970
Social security	1,553	1,046
Pension and insurance cost	680	586
Other benefits	112	1,618
Total salary and benefits cost	11,208	10,220

Number of employees as of year end:

Office employees	78	68
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The increase in salary and benefits costs is mainly due to an increase in personnel during the year.

There has been no remuneration to the board of directors during the year.

Remuneration for the managing director is as follows:

(USD 1000)	2021	2020
Salary	417	379
Bonus	244	0
Pension	24	19
Other benefits	4	2
Total remuneration	689	400

Auditor's fee

Auditor's fee in 2021 is related to statutory audit USD 22,411 and USD 8,786 for other services. The amount is excluding VAT.

Note 3 - Investment in subsidiaries

In 2020 the company owned 100% of the shares in Shearwater GeoServices Ltd based in Tunbridge Wells in the UK. Booked value of the investment was GBP 1, totals USD 1.52. As part of a restructuring process in 2021 it was decided to distribute 100% of the shares in Shearwater GeoServices Ltd as a dividend to Shearwater GeoServices AS.

The company owns 99% of the shares in Shearwater GeoServices Do Brazil Ltda based in Brazil. Booked value of USD 488,500.

In 2021 the company has a net profit of USD 1.6 mill., and an equity at 31.12.2021 of USD 23.3 mill.

Shearwater GeoServices Ltd and Shearwater GeoServices Do Brazil Ltda are not consolidated in the financial statement of Shearwater GeoServices Norway AS being a sub-group of the group Shearwater GeoServices Holding AS.



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Shearwater GeoServices Norway AS

Notes to the financial statement 2021

Note 4 - Equity

	Share capital	Other paid in capital	Retained earnings	Total equity
Equity as at 01.01.	3,480	29,008,383	-7,228,023	21,783,841
Dividend			-2	-2
Profit for the year			1,555,550	1,555,550
Equity as at 31.12.	3,480	29,008,383	-5,672,474	23,339,389

As part of a restructuring process in 2021 it was decided to distribute 100% of the shares in the subsidiary Shearwater GeoServices Ltd as a dividend to Shearwater GeoServices AS.

Note 5 – Share capital

The company's share capital consists of 30 shares at NOK 1 000, a total of NOK 30 000. Booked value is USD 3,480.

Shearwater GeoServices AS owns 100% of the shares.

Note 6 - Pensions

Defined contribution plan

The contributions in 2021 have been provided to pension plans covering 78 employees at the end of the year (2020: 68 employees). The pension premium is recognised as an expense the year that it falls due and amounts to USD 680,410 for 2021 (2020: USD 586,381).

Note 7 – Cash and cash equivalents

Cash held for employee tax payments totals USD 0.4 mill. as at 31.12.2021.

The entity is part of a group account scheme, and is presented in liabilities to group companies.



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Shearwater GeoServices Norway AS

Notes to the financial statement 2021

Note 8 - Taxes

Taxes in profit and loss	2021	2020
Tax payable	0	0
Change in deferred tax	0	0
Tax expenses	0	0
Taxable income		
Net income before tax	2,060,753	7,025,052
Permanent differences	154,364	184,497
Non deductible interest cost	0	-48,042
Change in temporary differences	131,052	228,659
Losses brought forward	-2,346,169	-7,438,207
Group contribution	0	0
Taxable income	0	-48,042
Deferred tax asset in balance sheet		
Deferred tax asset	0	0
Tax effect on received group contribution	0	0
Deferred tax asset in balance sheet	0	0
Deferred tax assets/liabilities		
Fixed assets	-312,126	-122,051
Interest loss brought forward	-1,085,950	-1,122,452
Losses brought forward	-120,491	-2,549,574
Basis for calculation of deferred tax	-1,518,568	-3,794,077
Deferred tax assets	-334,085	-834,697
Not recognised tax assets	334,085	834,697
Deferred tax / deferred tax assets	0	0
Tax rate for tax payable	22%	
Tax rate deferred tax 2021	22%	
Tax rate deferred tax 2022	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 0,1134 in 2021 (NOK/USD 0,1170 in 2020).

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 9 – Intercompany balances

Short term receivables to group companies totals USD 26.7 mill. (2020: USD 27.1 mill.), and consists of short term funding from holding companies and ordinary trade receivables.

Loan to group companies totals USD 6.2 mill. (2020: USD 0.0 mill.) is a loan to its subsidiary Shearwater GeoServices Do Brasil Ltda which is due in 2024. Of the total amount is USD 6.0 mill. principal and USD 0.2 mill. interests.

Short term liabilities to group companies totals USD 10.6 mill. in 2021 (2020: USD 12.6 mill.) and consist of group trade liabilities as well as short term loan from group companies. Of the total amount USD 1,2 mill. relates to Shearwater GeoServices Assets V AS (2020: USD 3.0 mill.).



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Shearwater GeoServices Norway AS

Notes to the financial statement 2021

Intercompany trade balances are subject to interest calculation if payments are unreasonably late.

Note 10 – Operating revenue

Operating revenue both in 2021 and 2020 is related to the seismic market and mainly marine acquisition. The company operates worldwide and has in both 2021 and 2020 had revenue in the geographical segments EAME - Europe, Africa and Middle East and NSA - North and South America. In 2021 EAME was the largest segment with about 64% (2020: EAME 39%) of total revenue totalling to around USD 53.5 mill (2020: USD 49.3 mill). In 2020 was NAS the largest segment with 61% of total revenue totalling to USD 75.5 mill, while in 2021 NAS is the second largest segment with 36% of revenue totalling to USD 29.5 mill. In 2021 there is no revenue in the segment APAC - Asia Pacific.

Note 11 – Office equipment

	Office equipment
Cost:	
Acquisition cost at 1.1.	1,401,319
Additions in the period	203,828
Acquisition cost at 31.12.	1,605,147
Accumulated depreciation:	
Accumulated depreciation at 1.1.	851,395
Depreciation for the period	396,253
Accumulated depreciation at 31.12.	1,247,648
Carrying amount as at 31.12	357,499

Office equipment is depreciated over three years on a straight line basis.

Note 12 – Transactions with related parties

The company's major transactions with related parties in 2021 was timecharter hire of vessels USD 26.2 mill (2020: USD 23.3 mill.) from Shearwater GeoServices Assets V AS. In 2020 the company also had bareboat charter USD 6.6 mill from Shearwater GeoServices Assets V AS. The company has hired personnel from Geophysical Resources Ltd PTE with a total of USD 14.3 mill in 2021 (2020: USD 18.0 mill.).

In addition, the company charges group companies that are booked and followed up from Bergen a corporate service fee. In 2021 corporate service fee totals 5.2 million (2020: USD 3.9 million).

The transactions are all part of the ordinary business.

Note 13 - Foreign exchange rates

Currency	31.12.2021	31.12.2020	Average 2021	Average 2020
NOK/USD	0.1134	0,1170	0.1163	0,1064



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Shearwater GeoServices Norway AS

Notes to the financial statement 2021

Note 14 - Financial risk

The majority of the company's revenue is in USD. The company's expenses are mainly in USD and NOK. The company will attempt to minimise risks by implementing hedging arrangements when appropriate, but will not be able to fully avoid these risks. To reduce the currency exposure, the company's long term liabilities are held in USD.

Lack of or delayed payment from customers may significantly and adversely impair the company's revenue and liquidity. The concentration of the company's customers in the energy industry may impact its overall exposure to credit risk as customers may be similarly affected by prolonged changes in economic and industry conditions. Further, laws in some jurisdictions in which the company operates could make collection difficult or time consuming. The company gives due consideration to the credit quality of its potential clients during contract negotiations to minimise the credit risk. Historically, counterparty risk has been satisfactory.

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

Note 15 - Subsequent events

In 2022, we continued to follow up the good Covid-19 response initiatives implemented in 2020. An inhouse clinical nurse has been assigned to review self-screening of all vessel joiners and advise employees, vessel managers and operation & support managers on best practices to minimize the risk of attracting Covid-19. We continuously seek to improve our Covid-19 protection procedures.

The uncertainty the group saw in the beginning of 2022 has subsided and been replaced by improved visibility and modest optimism, and more specifically for the industry, oil prices are back at levels motivating customers to resume E&P activities and demand more seismic data. The company still expects the current market situation to prevail for the remainder of 2022.

In February 2022 Russia invaded Ukraine. The ongoing invasion is widely condemned in the international community and sanctions have been imposed on Russian businesses, certain nationals, and the state. The war has led to widespread business disruptions, impacted the global economy and commodity prices, and triggered significant short-term volatility in international debt and equity markets. There is great uncertainty with regards to the extent and duration of the conflict and its impact on the global economy, as well as the Group's performance over time. Oil and gas prices have increased from already high levels before the invasion due to Russia being a leading exporter of gas, oil and coal to Europe. There is uncertainty regarding the potential impact on safe and reliable energy supply, as well as to the market prices of oil, gas and other commodities which may impact the Group's future operations and results. Geopolitical risk also impacts survey operations in certain parts of the world and Shearwater manages this by close engagement with our clients and local authorities.