



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 979 905 483  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: CGG SERVICES (NORWAY) AS  
Forretningsadresse: Lilleakerveien 6  
0283 OSLO

### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Marianne Lefdal  
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, 25.08.2023



## Resultatregnskap

Beløp i: USD	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Inntekter	3	75 885 000	111 665 000
<b>Sum inntekter</b>		<b>75 885 000</b>	<b>111 665 000</b>
<b>Kostnader</b>			
Varekostand		18 730 000	8 367 000
Lønnskostnader	4	10 605 000	11 522 000
Avskrivninger	6,7,20	28 431 000	38 774 000
Andre kostander (netto)		1 114 000	1 562 000
<b>Sum kostnader</b>		<b>58 880 000</b>	<b>60 225 000</b>
<b>Driftsresultat</b>		<b>17 005 000</b>	<b>51 440 000</b>
<b>Finansinntekter og finanskostnader</b>			
Renter og annen finansinntekt	5	4 114 000	3 617 000
<b>Sum finansinntekter</b>		<b>4 114 000</b>	<b>3 617 000</b>
Renter og andre finanskostnader	5	3 831 000	1 108 000
<b>Sum finanskostnader</b>		<b>3 831 000</b>	<b>1 108 000</b>
<b>Netto finans</b>		<b>283 000</b>	<b>2 509 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>17 288 000</b>	<b>53 949 000</b>
Skattekostnad	13	3 857 000	1 687 000
<b>Ordinært resultat etter skattekostnad</b>		<b>13 431 000</b>	<b>52 262 000</b>
<b>Årsresultat</b>		<b>13 431 000</b>	<b>52 262 000</b>
<b>Overføringer og disponeringer</b>			
Overføring annen EK	10	13 431 000	52 262 000
<b>Sum overføringer og disponeringer</b>		<b>13 431 000</b>	<b>52 262 000</b>



## Balanse

Beløp i: USD	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Multiklient bibliotek	6	82 429 000	48 506 000
Utviklingskostnader	6	88 000	88 000
Andre immaterielle eiendeler	6	8 000	
Utsatt skattefordel	13	2 317 000	6 174 000
<b>Sum immaterielle eiendeler</b>		<b>84 842 000</b>	<b>54 768 000</b>
<b>Varige driftsmidler</b>			
Right of use asset	20	1 612 000	1 963 000
Maskiner og anlegg	7	405 000	620 000
<b>Sum varige driftsmidler</b>		<b>2 017 000</b>	<b>2 583 000</b>
<b>Finansielle anleggsmidler</b>			
Lån til tilknyttet selskap og felles kontrollert virksomhet	8	1 000	
<b>Sum finansielle anleggsmidler</b>		<b>1 000</b>	
<b>Sum anleggsmidler</b>		<b>86 860 000</b>	<b>57 351 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Work in progress		171 000	303 000
<b>Sum varer</b>		<b>171 000</b>	<b>303 000</b>
<b>Fordringer</b>			
Kundefordringer	15	25 840 000	15 272 000
Cash advance group	11		30 082 000
Andre fordringer		124 000	156 000
<b>Sum fordringer</b>		<b>25 964 000</b>	<b>45 510 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd	9	1 091 000	2 179 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>1 091 000</b>	<b>2 179 000</b>
<b>Sum omløpsmidler</b>		<b>27 226 000</b>	<b>47 992 000</b>



## Balanse

Beløp i: USD	Note	2021	2020
<b>SUM EIENDELER</b>		<b>114 086 000</b>	<b>105 343 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Aksjekapital	10	2 065 000	2 065 000
<b>Sum innskutt egenkapital</b>		<b>2 065 000</b>	<b>2 065 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital	10	40 279 000	26 848 000
<b>Sum opptjent egenkapital</b>		<b>40 279 000</b>	<b>26 848 000</b>
<b>Sum egenkapital</b>		<b>42 344 000</b>	<b>28 913 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Avsetning for ukurant kontrakt		400 000	890 000
Leiekontrakt -langsiktig	14,20	834 000	1 568 000
<b>Sum annen langsiktig gjeld</b>		<b>1 234 000</b>	<b>2 458 000</b>
<b>Sum langsiktig gjeld</b>		<b>1 234 000</b>	<b>2 458 000</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	15	6 834 000	3 550 000
Skatteforpliktelse	13	9 492 000	9 145 000
Cash advance from affiliates	11	1 755 000	
Anne kortsiktig gjeld	12,20	52 427 000	61 277 000
<b>Sum kortsiktig gjeld</b>		<b>70 508 000</b>	<b>73 972 000</b>
<b>Sum gjeld</b>		<b>71 742 000</b>	<b>76 430 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>114 086 000</b>	<b>105 343 000</b>



**OFFICE TRANSLATION:**

**PROTOKOLL FRA ORDINÆR  
GENERALFORSAMLING**

**CGG SERVICES (NORWAY) AS  
(979 905 483)**

**PROTOCOL OF THE ANNUAL GENERAL  
MEETING IN**

**CGG SERVICES (NORWAY) AS  
(979 905 483)**

Den 30 june 2022 kl 9.30 ble det avholdt ordinær generalforsamling i CGG Services (Norway) AS ("**Selskapet**"). Møtet ble av praktiske årsaker avholdt i CGGs lokaler i 27 avenue Carnot, 91300 Massy, France.

Følgende var til stede:

CGG Holding BV, representert ved daglig leder Sylvie Mary Willemssens.

Alle aksjer var dermed representert. Marie Le Bonniec deltok også på møtet. Generalforsamlingen behandlet deretter følgende:

**1 ÅPNING**

Generalforsamlingen ble åpnet av Sylvie Mary Willemssens, som deretter viste til dagsorden.

**2 VALG AV MØTELEDER OG  
MEDUNDERSKRIVER AV PROTOKOLL**

Sylvie Mary Willemssens ble valgt til møteleder og Marie Le Bonniec ble valgt til å medunderskrive protokollen.

**3 GODKJENNELSE AV INNKALLELSE OG  
AGENDA**

Innkallelse og agenda ble godkjent uten kommentar.

**4 GODKJENNELSE AV ÅRSREGNSKAP,  
STYRETS BERETNING OG  
REVISJONSBERETNING FOR 2021**

Selskapets årsregnskap for 2021, styrets beretning og revisjonsberetningen ble gjennomgått.

On June 30, 2022 at 9.30 am the Annual General Meeting of CGG Services (Norway) AS (the "**Company**") was held, for practical reasons, in CGG's offices located 27 avenue Carnot, 91300 Massy, France.

Present were:

CGG Holding BV, represented by Sylvie Mary Willemssens, as Managing Director.

All shares were therefore represented. Marie Le Bonniec also attended the meeting. The following agenda was discussed:

**1 OPENING**

The General Meeting was opened by Sylvie Mary Willemssens who thereafter referred to the agenda.

**2 ELECTION OF THE CHAIRMAN OF THE  
MEETING AND CO-SIGNATORY OF  
THE PROTOCOL**

Sylvie Mary Willemssens was elected Chairman of the meeting and Marie Le Bonniec was appointed to co-sign the minutes of the meeting.

**3 APPROVAL OF NOTICE AND AGENDA**

There were no comments on the notice and agenda.

**4 APPROVAL OF 2021 FINANCIAL  
STATEMENTS, DIRECTORS' REPORT  
AND AUDITORS' REPORT**

The 2021 financial statements, Directors' report and Auditors' report of the Company were reviewed.



Styrets beretning, resultatregnskapet, balansen og revisjonsberetningen ble godkjent som presentert av styret.

The 2021 Directors' report, profit and loss account, the balance sheet and the Auditor's report of the Company were approved by the General Meeting as presented by the Board.

Beslutningen var enstemmig.

The decision was unanimous.

## 5 GODKJENNELSE AV DIVIDEND FORDELING

## 5 APPROVAL OF DIVIDEND DISTRIBUTION

Forut for den ordinære generalforsamlingen har Selskapets aksjonær mottatt informasjon om styrets forslag om å utdele et utbytte i henhold til disposisjonene som fremgår i årsregnskapet for 2021, herunder at Selskapet har nødvendige midler tilgjengelig til utdelingen som foreslått av styret

Prior to the annual general meeting, the Company's shareholder has received information regarding the board's proposal for allocating a dividend distribution. The shareholder duly noted that the board of directors had in this regard considered the Company's equity and liquidity in connection with the proposed dividend distribution, and found that the Company will have a sound equity and liquidity after the proposed distribution.

Generalforsamling beslutter å utdele et utbytte på totalt NOK118.2 million [USD 13.4 millioner, kurs per 31.12.21 er brukt ved utredning, denne er på 8.8194] til selskapets eneste aksjeeier CGG Holding B.V .

The General Meeting resolved to distribute a dividend of an amount of NOK118.2 million corresponding to USD13.4 million (with the exchange rate USD to NOK as of Dec. 31, 2021: 8.8194) to the sole shareholder: CGG Holding B.V..

Beslutningen var enstemmig.

The decision was unanimous.

## 6 GODKJENNELSE AV STYREHONORAR FOR 2022

## 6 APPROVAL OF THE DIRECTORS' FEES FOR 2022

Det ble besluttet å ikke utbetale styrehonorar til styremedlemmene i selskapet for 2022.

The General Meeting unanimously resolved that no fees would be paid to the members of the Board of the Company in 2022.

## 7 GODKJENNELSE AV REVISJONSHONORAR FOR 2021

## 7 APPROVAL OF THE AUDITORS' FEES FOR 2021

Revisjonshonoraret for budsjettåret 2021 på USD36,000 ekskl. mva for revisjon og USD18,000 ekskl. mva for andre tjenester ble godkjent.

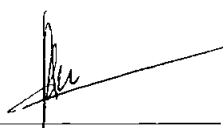
The General Meeting approved the Auditors' fees for the Company for fiscal year 2021, amounting to USD36,000 excluding VAT for the audit and USD18,000 excluding VAT for other services.

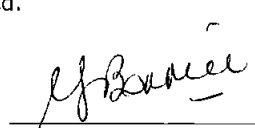
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Alle beslutninger var enstemmige. Mer forelå ikke til behandling. Møtet ble hevet.

All decisions were unanimous. There were no further matters to attend to. The meeting was adjourned.

  
Sylvie Mary Willemssens

  
Marie Le Bonniec



CGG Services (Norway) AS

Org nr. 979 905 483

Oslo (Norway)

Financial Report 2021



## Annual report 2021

### 1 General information

CGG Services (Norway) AS (the "Company"), is a limited liability company, registered in Norway. CGG Holding B.V., which is ultimately owned by CGG SA, holds all issued shares of the Company.

CGG SA is the parent holding company of the CGG group ("CGG" or "Group"), has the head office in Paris and is listed on the Euronext Paris (ISIN Code FR0013181864).

The Company has its seat in Oslo (Norway) and has activity in Oslo and Stavanger.

CGG ([www.cgg.com](http://www.cgg.com)) is a global geoscience technology leader. Employing around 3,300 people worldwide, CGG provides a comprehensive range of data, products, services and equipment that supports the discovery and responsible management of the Earth's natural resources.

The Group's strategy is to deliver the leading technology, data, equipment and services that help our industry to discover and responsibly manage the Earth's natural resources. CGG provides the best understanding of the subsurface – always increasing the precision and the value CGG bring to the Exploration, Development and Production value chain.

Since December 31, 2018, CGG has been organized in two segments:

— Geology, Geophysics & Reservoir ("GGR") comprises the Geoscience business lines (processing and imaging of geophysical data, reservoir characterization, geophysical consulting and software services, geological data library and data management solutions) and the Multi-client Data business line (development and management of a seismic and geological data library that we undertake and license to a number of clients on a non-exclusive basis); and

— Equipment comprises the manufacturing and sales activities for geophysical equipment used for data seismic acquisition, both on land and marine.

The Company offers services within the GGR segment of activities and provide those services to the Norwegian market. The main customers are national or internationally focused energy companies, with their main current operation in Norway on the Norwegian Continental Shelf.

### 2 Significant events

#### 2021 activity update

In 2020, the Covid-19 crisis, together with an increase in oil supply and the subsequent fall in oil price, dramatically affected the market. Throughout the first half of the year 2021, CGG customers' activity was very similar to that of 2020, the International Oil Companies maintaining their spending discipline, while the National Oil Companies and the Large Independents remained more active. The second half of the year 2021 saw a significant improvement, with a favourable economic environment supported by the high price of hydrocarbons.



The Norwegian authorities, as a measure to prevent a collapse in the supplier industry, put in place a tax-scheme to postpone tax payments with the aim to allow for more liquidity to be made available to the oil-companies operating on the Norwegian shelf. The Company did not directly benefit from this measure; however, it has been a positive impact on the supplier-industry, and it is considered that this contributed to the Company's activity level being less negatively impacted by the severe impact from Covid-19 than the global impact on the Groups market.

CGG entered into an agreement with Shearwater GeoServices Holding AS ("Shearwater") to acquire all of the shares in Global Seismic Shipping AS ("GSS") in June 2019. The transaction was closed in January 2020. CGG committed to a five-year service contract with Shearwater to secure capacity for the multi-client activity.

The Company has invested USD 61.7 million into multi-client projects in 2021 (2020: USD 13.7 million). This investment was mainly related to the East-West acquisition on the Northern Viking Graben multient project, which started late 2020 and continued over 2021, and the processing of the data on the project Greater Castberg acquired over the summer 2019, using the proprietary TopSeis technology.

In 2020 the Norwegian Petroleum Department (NPD) announced the bid for DISKOS 2.0, the operatorship of the DISKOS data management contract. The Company lost this tender, as per contract the activity shall be transferred to the new operator in the second part of 2022. The Company is planning for such transfer and have put in place a plan to manage this and mitigate potential risk to a successful transfer of this project.

#### Pledge shares

On April 1, 2021, the Group CGG completed its refinancing process with the settlement of tender offer and redemption of Existing Notes and issued New Senior Secured Notes due 2027. The 2027 Notes and the revolving credit facility share the same security package encompassing notably the shares of CGG Services (Norway) AS.

#### Buying of CGG Marine Resources AS shares and merger between CGG Marine Resources AS and CGG Services (Norway) AS

On September 30<sup>th</sup>, 2021, CGG SA and CGG Services (Norway) AS entered into a share purchase agreement for the buying of the shares of CGG Marine Resources AS. CGG Services (Norway) AS bought 100% (100 shares) of CGG Marine Resources AS for a purchase price of USD 2.7 million.

On October 1<sup>st</sup>, 2021, CGG Marine Resources AS merged into CGG Services (Norway) AS. The merger was effective on January 1<sup>st</sup>, 2021, for accounting and tax purposes.

#### Versal, a unified ecosystem for accessing Multi-Client Seismic Data

In 2021, CGG Services (Norway) AS acquired one third of the shares of Versal AS together with TGS and PGS. Versal AS joint venture is an independent, secure, cloud-based, multi-client seismic data ecosystem where clients can easily access all their data and entitlements in one place.



## Ukraine invasion

The company is monitoring very closely the implications of the invasion of Ukraine with the main objective of supporting our employees and evaluating economic consequences. Russia's invasion of Ukraine has increased the general focus on energy security and has further increased oil and gas prices and investment pressures on energy companies.

## **3 Financial information**

### Financial development

It is the Board's opinion that the statement of comprehensive income, the statement of financial position and cash flow with notes provide a true and fair view of operations and the financial position at the year-end.

### Profit and loss statement and equity

Revenue from multi-client sales were USD 52.4 million in 2021, compared to USD 89.7 million in 2020. The revenue from after-sales decreased due to the market environment in the context of the pandemic and the multi-client revenue from prefunding was limited to one survey delivered in 2021, in consequence the amount of deferred revenues increased from USD 14.6 million to USD 45.5 million and will be recognized when the survey is delivered.

Sales from the Seismic Imaging business contributed to USD 16.1 million revenues in 2021, compared to USD 13.2 million revenues in 2020 with a good level of activity in 2021.

Smart Data Solutions, located in Stavanger, contributed to USD 7.4 million revenues in 2021, compared to USD 8.6 million in 2020.

With the exit of Marine activities, the Company has no revenues from proprietary marine acquisition in 2021 compared to USD 0.1 million in 2020.

Overall revenue decreased from USD 111.7 million in 2020 USD to 75.9 million in 2021 to due to decreased sales in multi-client, which based upon the project development was anticipated.

Depreciation and amortisation decreased to USD 28.4 million in 2021 compared to USD 38.8 million in 2020. The decrease is linked to the amortization booked in 2020 following the delivery of the survey NVG South.

The Company's operating result was positive with USD 17.0 million in 2021 compared to an operating result of USD 51.4 million in 2020. The decrease in the operating result was mainly linked to the lower revenues in multi-client and the increased expenses of services rendered related to Subsurface Imaging increase in costs with the higher activity.

The financial result was a gain of USD 0.3 million in 2021 compared to a gain of USD 2.5 million in 2020. This decrease is mainly due to the decrease of the cash advance interests due to the cash advance position change.

The result for the year 2021 is a profit of USD 13.4 million compared to a profit of USD 52.3 million 2020. As of December 31<sup>st</sup>, 2021, total equity was USD 42.3 million giving an equity ratio of 37 % compared to an equity ratio of 27 % at year-end 2020.

### Cash Flow

The net operating cash flow including investing activities was a negative cash generation of USD (1.1) million in 2021 from a positive cash generation of USD 0.5 million in 2020. This negative cash generation



is mainly explained by a significant increase in investment of multi-client libraries being USD 61.7 million in 2021 compared to USD 13.8 million in 2020 with the acquisition of NVG EW starting late 2020. The Company has not paid dividend in 2021 compared to USD 115 million paid in 2020. In 2021, the Company has settled in 2021 the Group Contribution for 2020 a total of USD 40.5 million.

With the decrease in cash generated by operating activities and the increase in investing activities, the cash advances balance was a debt of USD 1.8 million at the end of 2021 compared to an asset of USD 30.1 million end of 2020.

#### Key risks

The Board is not aware of any significant uncertainties relating to the financial statements, or that there are extraordinary circumstances that affect the financial statements beyond what is stated in the financial statements and annual report.

#### Research and development activities

The Company performs research and development activities within Geoscience, the Company invest into research and development, and results are implemented in the business activity of the Company.

#### **4 Future development**

Our macro environment is improving as we are heading into a favourable cycle with high oil and gas prices due to the lack of recent investments by the oil and gas companies. Even though financial discipline and addressing energy transition remain their priorities, our clients will have to accelerate spending to meet the recovery in demand for hydrocarbons. In 2021, the Company set up the organization and the teams to organically develop and offer a range of solutions in the Beyond the Core sectors to our clients.

#### **5 Risk analysis**

##### Financial risks

The Company's functional currency is USD. The exposure to currency risks is limited as most of the revenue and operational cost is in USD. The Company has some exposure to currency risk due to payroll and some property lease contracts in NOK.

There are no open forward contracts at year end.

##### Market Risk

The Company provides services to the oil and gas industry. This industry is cyclical. The Company has investments into multi-client surveys with carrying amount of USD 82.4 million in 2021. The Company has achieved solid prefunding for its surveys. However, investments into multi-client libraries entail significant risk.

The Company's multi-client assets are well positioned with the energy industry being focused on near-field exploration and reservoir management as well as the transition into new energy solutions.

##### Interest & credit risk

The Company has no external loans and is therefore not exposed to significant interest rate risk. Risk of loss on accounts receivable is considered low as the customer base consists mainly of large private and national oil companies. The Company has not experienced significant losses on accounts receivables



through the last few years.

#### Liquidity Risk

Through a cash advance line with CGG SA the Company has continuous available credit to fulfil its obligations.

#### **6 Going concern**

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 2022 and the Group's long-term strategic forecasts.

#### **7 The working environment and the employees**

The Company employed 72 full time employees at the end of 2021, compared to 76 at the end of 2020. The Company records an overview of sick leave among the Company's employees according to applicable laws and regulations. In 2021, the Company had a total absence due to sickness of 1 % (1,52% combined self-reported and sick certificate).

No incidences or reporting of work-related accidents resulting in significant material damage or personal injury to hired personnel occurred during 2021.

The impact of Covid-19 measures in the Company's area of operations has been monitored closely. In March 2020 mandatory home-office was introduced at the office locations and continued alternatively in 2021 following the Governmental instructions. The Company has provided training with the focus on mental and physical health while operating in a home-office environment. Careful preparations have been taken to return our people safely to the office and measures have been put in place to mitigate the risk of infection.

#### **8 Gender equality**

The Company absolutely believes that offering equal opportunities to all candidates and employees is an important part of attracting and retaining talents. We are committed to both equal opportunities and equal pay to all our employees regardless gender, race or any other potentially discriminating factors.

The Company's Board of Directors is composed with representatives of both genders. The position as Chairman is held by a woman.

The Company has 40% female employees at year-end 2021 out of the total workforce at year-end.

Throughout 2021 the Company had no temporary employees.

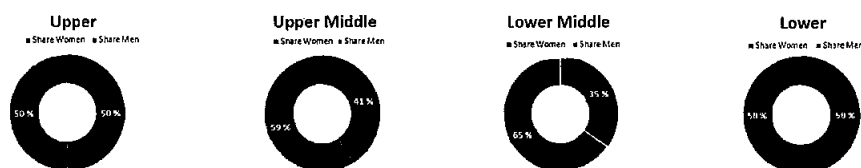
One female employee is employed in with less than a full-time position by 31. December 2021, the employee has requested part-time.

In 2021 the Company had 3 employees on parental leave, all men (average in 2021 15.56 weeks)

The Company do not have a large population within the different departments, hence wage difference between male and female employees is only reported on the total population. The average annual salary

(excluding potential overtime payment) show that the female employees have on average 92.87% of the male population, the average for Norway in 2021 is 87.9 %.

CGG classifies all positions in the Group within a global structure. This structure is used to identify the job levels, which is split between genders. Based upon the below split of the population on the aggregated level of positions the average salaries between genders allocates as follows between the genders.



The figure above show the allocation of gender in each of the identified bands.

Upper defined positions: females have on average 125% of males' salary, Upper Middle females has on average 82% of males' salary, Lower middle females have on average 110% of males' salary and in Lower; females have on average 70% of males' salary.

The Company monitor the development between genders and have taken actions to mitigate deficiencies. Means to avoid discrimination

The Company is actively working to prevent discrimination due to ethnicity, national origin, skin colour, language, sexual orientation or religion.

The Company implement training to focus on unbiased discrimination as well as training to identify harassment, discrimination or unequal treatment.

## 9 Environment and climate

The health of the environment and climate is critical to the well-being of people and communities globally. Consistent with CGG's longstanding commitment to act responsibly and minimize the impact of its activities on the environment, CGG has announced its pledge to become carbon neutral by 2050 in scopes 1 and 2 of the GHG Protocol. CGG intends to achieve this target by working to reduce its direct emissions (scope 1) and its indirect emissions (scope 2) to the lowest level practicable. Efforts are focused on continuing to improve the power usage efficiency of the data centers, offices and factories, along with increasing the share of sustainable energy in its energy supply mix purchased from utility providers. Any resulting shortfall in achieving net-zero emissions will be offset with carbon credits generated by the Company's own activities. To reach this long-term target, CGG has also set itself an intermediary milestone to halve its current levels of scope 1 and 2 emissions by 2030.

The Company seeks to always act responsible and operates within the current rules and regulations in terms of emission or impact on the environment, with a target to reduce the environmental footprint where possible.

Energy consumption in the Company's activity in Norway is for the majority from renewable sources provided.



**10 Information on board liability insurance**

All Board members and the General Manager of CGG Services (Norway) AS are covered by a Master Policy "Directors & Officers Liability" subscribed at Group level. The insurance covers the cost of compensation claims made against business's directors and key managers for alleged wrongful acts.

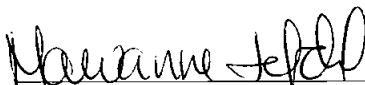
**11 The Transparency Act**

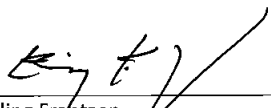
To comply with the Norwegian Transparency Act (Åpenhetsloven) enforceable as of July 1st, 2022, the Board of CGG Services (Norway) AS made a report available on CGG Group website CGG.com under National Disclosures section. This report makes public the policies and processes in place within CGG Services (Norway) AS to ensure respect of fundamental human rights and decent working conditions in connection with the production of goods and services and address adverse impacts on fundamental human rights and decent working conditions.

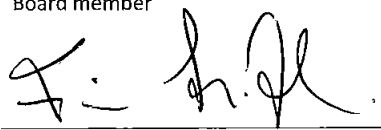
**12 Allocation of profit**

The Board proposes to allocate USD 13.4 million to other equity.

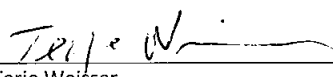
20 June 2022

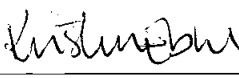
  
Marianne Lefdal  
Chairman of the board

  
Erling Frantzen  
Board member

  
Finn Stranger Johannessen  
Board member / employees' representative

**Nick Shears**  
Digitally signed by Nick Shears  
DN: cn=Nick Shears, o=CGG, ou=, email=Nick.Shears@CGG.com, c=GB  
Date: 2022.06.20 15:42:32 +0100  
Nick Shears  
Board member

  
Terje Weisser  
Board member

  
Kristin Ebne  
Board member / employees' representative



## Statement of comprehensive income

(US Dollar, thousand)	Notes	2021	2020
Revenue	3	75 885	111 665
Expenses of services rendered		(18 730)	(8 367)
Salaries	4	(10 605)	(11 522)
Depreciation and amortisation	6,7,20	(28 431)	(38 774)
Other operating expenses, net		(1 114)	(1 562)
<b>Operating result</b>		<b>17 005</b>	<b>51 440</b>
Interest and similar income	5	4 114	3 617
Interest and similar expenses	5	(3 831)	(1 107)
<b>Financial result</b>		<b>283</b>	<b>2 509</b>
<b>Profit before taxation</b>		<b>17 288</b>	<b>53 949</b>
Income tax expense	13	(3 857)	(1 687)
<b>Income for the year</b>		<b>13 431</b>	<b>52 262</b>
Transferred to other equity	10	13 431	52 262
<b>Total allocations and equity transfers</b>		<b>13 431</b>	<b>52 262</b>



## Statement of financial position as at 31. December

(US Dollar thousand)	Notes	2021	2020
<b>Intangible assets</b>			
Multi client library	6	82 429	48 506
Development cost	6	88	88
Other intangible assets	6	7	-
Deferred tax asset	13	2 317	6 174
<b>Total intangible assets</b>		<b>84 842</b>	<b>54 768</b>
<b>Tangible fixed assets</b>			
Right of use assets	20	1 611	1 963
Machinery and equipment	7	405	620
<b>Total tangible fixed assets</b>		<b>2 017</b>	<b>2 583</b>
<b>Financial non-current assets</b>			
Participating interests in Joint Ventures	8	1	0
<b>Total financial non-current assets</b>		<b>1</b>	<b>0</b>
<b>Total non-current assets</b>		<b>86 860</b>	<b>57 351</b>
<b>Current assets</b>			
Inventory including work in progress		171	303
Trade accounts receivable	15	25 840	15 272
Cash advance to affiliated entity	11	-	30 082
Other receivables		123	156
<b>Total receivables</b>		<b>25 964</b>	<b>45 510</b>
<b>Cash and cash equivalents</b>	9	<b>1 091</b>	<b>2 179</b>
<b>Total current assets</b>		<b>27 226</b>	<b>47 992</b>
<b>TOTAL ASSETS</b>		<b>114 086</b>	<b>105 342</b>



(NOK Dollar thousand)	Notes	2021	2020
<b>SHAREHOLDERS EQUITY AND LIABILITIES</b>			
<b>Shareholders equity</b>			
Share capital (10,000 shares at NOK 1,200,)	10	2 065	2 065
<b>Total paid-in capital</b>		<b>2 065</b>	<b>2 065</b>
Other equity	10	40 278	26 848
<b>Total retained earnings</b>		<b>40 278</b>	<b>26 848</b>
<b>Total shareholders equity</b>		<b>42 344</b>	<b>28 913</b>
<b>Liabilities</b>			
<b>Provisions for liabilities and charges</b>			
Onerous contract		401	891
Long term leasing commitments	14,20	834	1 568
<b>Total provisions for liabilities and charges</b>		<b>1 234</b>	<b>2 458</b>
<b>Current liabilities</b>			
Trade accounts payable	15	6 834	3 550
Income tax liabilities	13	9 492	9 145
Cash advance from affiliated entity		1 755	0
Other current liabilities	12,20	52 428	61 277
<b>Total current liabilities</b>		<b>70 508</b>	<b>73 971</b>
<b>Total liabilities</b>		<b>71 742</b>	<b>76 429</b>
<b>TOTAL SHAREHOLDERS EQUITY AND LIABILITIES</b>		<b>114 086</b>	<b>105 342</b>

20 June 2022

Marianne Lefdal  
Chairman of the Board / Managing Director

Terje Wejsser  
Board member

Kristin Ebne  
Board member / employees' representative

Nick  
Shears

Digitally signed by Nick  
Shears  
DN: cn=Nick Shears, o=CGG  
ou=Brønnøysundregistrene  
email=Nick.Shears@CGG.no,  
c=NO  
Date: 2022.06.20 15:45:53  
+0100

Nick Shears  
Board member

Erling Frantzen  
Board member

Finn Stranger Johannessen  
Board member /  
employees' representative



## Cash Flow Statement

(US dollar thousand)	2021	2020
<b>Operating activities</b>		
Income/loss for the year	13 431	52 262
Depreciation and amortisation	28 431	38 774
Change in working capital	<u>(12 053)</u>	<u>(136)</u>
<b>Net cash provided by operating activities</b>	<b>29 808</b>	<b>90 900</b>
<b>Investing activities</b>		
Variation in other financial assets	(1)	0
Purchases of tangible and intangible assets	(97)	(122)
Investments into multi-client library	<u>(61 668)</u>	<u>(13 748)</u>
<b>Net cash consumed by investing activities</b>	<b>(61 766)</b>	<b>(13 870)</b>
<b>Financing activities</b>		
Interest paid	(2)	(1)
Lease repayment	(965)	(945)
Changes in cash advance from affiliated entity	<u>31 837</u>	<u>(75 580)</u>
<b>Cash provided by financing activities</b>	<b>30 870</b>	<b>(76 526)</b>
<b>Net change in cash equivalents</b>	<b>(1 088)</b>	<b>504</b>
Cash equivalents at 01.01	<u>2 179</u>	<u>1 676</u>
Cash equivalents as at 31.12	<u><b>1 091</b></u>	<u><b>2 179</b></u>



## CGG Services (Norway) AS

### Notes to the Financial Statements

#### Note 1 Description of Company and operations

CGG Services (Norway) AS (the "Company" or "CGG Norway") is a limited liability company registered in Norway under registration number 979 905 483. All issued shares of the Company are held by CGG Holding B.V., the Hague (Netherlands) which is ultimately owned by CGG SA, Paris (France). CGG SA together with its subsidiaries and associates forms the CGG Group ("CGG" or "Group"). The Company has its seat in Oslo (Norway).

CGG ([www.cgg.com](http://www.cgg.com)) is a global geoscience technology leader. CGG provides a comprehensive range of data, products, services and equipment that supports the discovery and responsible management of the Earth's natural resources.

CGG is listed on the Euronext Paris (ISIN Code FR0013181864).

#### Note 2 Summary of significant accounting policies

##### General

The Company presents its financial statements for the year ended 31 December 2021 in accordance with the Norwegian Accounting Act §3-9 and regulation about simplified application of IFRS issued by the Ministry of Finance on 21 January 2008 (hereafter "Simplified IFRS"). In summary, simplified IFRS, unlike IFRS (IAS 10 par. 12 and 13), provides the option to treat management's decision after the reporting date regarding tax group contribution as well as the declaration of dividends as adjusting events. This simplification has been used in the preparation of these financial statements.

The financial statements are presented in USD, the Company's functional and reporting currency.

##### Basis of preparation

The financial statements are prepared under the historical cost convention. Unless mentioned otherwise, assets and liabilities are stated at nominal value, income and expenses are determined and reported on an accrual basis.

##### Foreign currency translation

Monetary assets and liabilities denominated in currencies other than US Dollar are translated to US Dollar at rates of exchange prevailing on the reporting date. Transactions during the year are translated at the rates of exchange ruling at the time of the transaction. Exchange gains and losses are recognised in the statement of comprehensive income.

##### Classification of assets and liabilities

Assets intended to serve the Company beyond the current period are presented as non-current. All other assets are presented as current. Non-current liabilities include amounts due beyond one year.

##### Estimates

The preparation of financial statements in accordance with simplified IFRS requires management to make estimates, assumptions and judgment that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ materially from those estimates due to changes in economic conditions, changes in laws and regulations, changes in strategy and the inherent imprecision associated with the use of estimates. Changes of estimates are accounted for prospectively from the date of change.

##### Cash flow statement

The cash flow statement is prepared using the indirect method.

##### Events after the reporting period

Events providing evidence of conditions that existed at the end of the reporting period and occurring after the reporting period and before authorisation of the financial statements through the management board are reflected in the financial statements.

##### Revenue

Revenues are recognised when they can be measured reliably, and when it is likely that the economic benefits associated with the transaction will flow to the company, which is at the point that such revenues have been realised or are considered realisable.

CGG implemented IFRS 15 on January 1, 2018 with a modified retrospective application. The only change compared to the companies historical practices is related to multi-client prefunding revenues. These prefunding revenues are recorded at delivery of the final data while they were historically recorded based on percentage of completion.



## Intangible assets

Intangible assets are carried at historical cost less accumulated amortisation and impairment charges. Amortisation is recorded on a straight-line basis over useful lives ranging from 4 to 11 years.

Multi-client surveys consist of seismic surveys to be licensed to customers on a non-exclusive basis. All costs directly incurred in acquiring, processing and otherwise completing seismic surveys are capitalized into the multi-client surveys (including transit costs when applicable). The value of our multi-client library is stated in the statement of financial position at the aggregate of those costs less accumulated amortization or at fair value if lower. The library is reviewed for potential impairment at each reporting date.

Multi-client surveys are classified into a same category when they are located in the same area with the same estimated sales ratio, such estimates generally relying on the historical patterns.

Since the majority of the multi-client surveys sales are done during the prefunding phase plus the subsequent four years and in order to harmonize reporting practices with other European multi-client players, the Group decided from October 1, 2018 to adopt a four-year straight-line post-delivery amortization in accordance with the industry standard. Amortization was previously based on sales forecast method (80% of sales in most cases).

Other internally generated intangible assets, excluding capitalised development costs, are not capitalised but expensed as incurred. Intangible assets with a definite economic life are amortised over their economic life and tested for impairment if there are any indications. The amortisation method and period are assessed at least once a year.

Intangible assets are written down to lower recoverable amounts in the event of a non-temporary diminution of value.

## Tangible assets

Tangible assets are carried at historical cost less accumulated depreciation and impairment charges. Tangible assets include operational equipment (mainly maritime) and office equipment.

Depreciation is recorded on a straight-line basis:

- Office equipment 3-10 years
- Op. equipment 5-15 years

Tangible assets are tested for impairment if there are any indicators and written down to lower recoverable amounts in the event of a non-temporary diminution of value.

## Accounts receivables

Accounts receivable are stated at nominal value less an allowance for non-recoverable amounts.

## Leases

### IFRS 16 - Leases

The Company applies the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 (if any) is recognized as an adjustment to the opening balance of retained earnings on January 1, 2019, with no restatement of comparative information. We applied the following practical expedients, as permitted by IFRS 16, on the transition date:

- the use of a single discount rate for a portfolio of leases with reasonably similar characteristics.
- the accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases.

## Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event for which it is probable that an outflow of resources embodying economic benefits (that can be reliably determined) will be required to settle the obligation.

## Contingent liabilities

Contingent liabilities are disclosed in these financial statements unless occurrence is remote.

## Taxation

Taxes on income are recognised in the same period as the revenue and the expenses to which these relate. Taxes on income are determined in the lawful currency of the jurisdiction the Company is subject to tax (pre-dominantly NOR).

Tax related to equity transactions e.g. group contribution, is recognised directly in equity.

Deferred taxation is provided for using the asset and liability method of accounting for income taxes based on provisions of enacted tax laws. Recognition is given to deferred tax asset and liability for the expected future consequences of events that have been recognised in either the financial statements or tax returns. Expected future events are taken into consideration in estimating these tax consequences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax asset is reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Deferred tax asset and deferred tax liability are presented net in the balance sheet.

## IFRS 9 - Financial Instruments

The company will in line with the Group adopt to IFRS 9. The implementation of IFRS 9 - update will have no significant impact on the company. Our customers are mainly large oil and gas companies, both national and international, and we have limited credit losses.



## Note 3 Revenue/ Accounts receivable

Revenue was generated in the following countries and business segments:

(US Dollar thousands)	2021	2020
Norway	75 885	111 665
<b>Total</b>	<b>75 885</b>	<b>111 665</b>
(US Dollar thousands)	2021	2020
Multi-client	52 372	89 718
Seismic Imaging	16 103	13 192
Marine	-	110
Data Management	7 410	8 645
<b>Total</b>	<b>75 885</b>	<b>111 665</b>

The company provide no further services in Marine acquisition since January 2020.

## Note 4 Salaries

(US Dollar thousands)	2021	2020
Salaries	8 404	9 308
Social security	1 416	1 665
Pension expenses	583	325
Other	14	22
Recharges to affiliated entities	(15)	(11)
Remuneration to the Managing Director salaries	203	213
Remuneration to the Managing Director other	-	-
<b>Total</b>	<b>10 605</b>	<b>11 522</b>

The Company employed 72 full time employees at year end 2021 (2020: 76 employees).

The company is required to have an occupational pension plan in accordance with Norwegian legislation on occupational pensions ("Lov om obligatorisk tjenstepensjon"). The entity's defined contribution plan is organized in accordance with Norwegian legislation on defined contribution pensions ("Lov om Innskuddspensjon").

## Note 5 Financial result

(US Dollar thousands)	2021	2020
Foreign exchange gains and similar income	3 724	994
Interest income	390	2 623
<b>Interest and similar income</b>	<b>4 114</b>	<b>3 617</b>
Foreign exchange losses and similar expenses	(3 484)	(930)
Interest expense on borrowings from affiliates	-	-
Financial leasing interests	(76)	(177)
Interest expense	(272)	(1)
<b>Interest and similar expenses</b>	<b>(3 831)</b>	<b>(1 108)</b>
<b>Financial result</b>	<b>283</b>	<b>2 509</b>



## Note 6 Intangible assets

(US dollar thousands)	Leases	Software development	Developed cost	Total
<b>Historic cost</b>				
01 January 2020	74 237	374 356	4 451	453 044
Capital expenditures	-	13 748	-	13 748
Merger	-	-	-	-
<b>Balance at 31 December 2020</b>	<b>74 237</b>	<b>388 104</b>	<b>4 451</b>	<b>466 792</b>
Capital expenditures	8	61 668	-	61 677
Retirement and sale	(74 187)	-	-	(74 187)
<b>Balance at 31 December 2021</b>	<b>58</b>	<b>449 772</b>	<b>4 451</b>	<b>454 281</b>
<b>Accumulated depreciation and impairment</b>				
Balance at 01 January 2020	74 237	302 762	3 708	380 707
Amortisation	-	36 841	653	37 494
Impairment	-	-	-	-
<b>31 December 2020</b>	<b>74 237</b>	<b>339 603</b>	<b>4 361</b>	<b>418 201</b>
Amortisation	1	27 745	0	27 746
Retirement and sale	(74 187)	-	-	(74 187)
Impairment	-	-	-	-
<b>31 December 2021</b>	<b>51</b>	<b>367 348</b>	<b>4 361</b>	<b>371 760</b>
<b>Carrying amount at 31 December</b>				
2021	7	82 429	88	82 524
2020	-	48 506	88	48 594

## Note 7 Tangible assets

(US dollar thousands)	Facilities, vehicles and equipment	Office equipment	Assets held for development	Total
<b>Historic cost</b>				
01 January 2020	-	3 691	27	3 718
Capital expenditures	-	122	-	122
Retirement and sale	-	-	-	-
<b>Balance at 31 December 2020</b>	<b>-</b>	<b>3 813</b>	<b>27</b>	<b>3 840</b>
Capital expenditures	9	89	-	98
Retirement and sale	-	-	-	-
<b>Balance at 31 December 2021</b>	<b>9</b>	<b>3 902</b>	<b>27</b>	<b>3 938</b>
<b>Accumulated depreciation and impairment</b>				
Balance at 01 January 2020	-	2 839	15	2 854
Amortisation	-	361	3	364
Retirement and sale	-	-	-	-
<b>31 December 2020</b>	<b>-</b>	<b>3 200</b>	<b>18</b>	<b>3 218</b>
Amortisation	-	309	3	312
Retirement and sale	-	-	-	-
<b>31 December 2021</b>	<b>-</b>	<b>3 510</b>	<b>21</b>	<b>3 531</b>
<b>Carrying amount at 31 December</b>				
2021	9	389	6	405
2020	-	613	9	620



## Note 8 Financial non-current assets

In September 2021, CGG Services Norway AS acquired one third of the shares of Versal AS for an amount of USD 1K, a commonly controlled limited liability legal entity (AS), owned equally between CGG, TGS and PGS. Versal AS joint venture is an independent, secure, cloud-based, multi-client seismic data ecosystem where clients can easily access all their data and entitlements in one place.

Versal AS is recognized under the equity method, there is no activity in the company in 2021.

On September 30th 2021, CGG SA and CGG Services (Norway) AS entered into a share purchase agreement for the buying of the shares of CGG Marine Resources AS. CGG Services (Norway) AS bought 100% (100 shares) of CGG Marine Resources AS for a purchase price of USD 2.7 million.

On October 1st, 2021, CGG Marine Resources AS merged into CGG Services (Norway) AS. The merger was effective on January 1st, 2021, for accounting and tax purposes. The merger was booked under the continuity method.

(US Dollar thousands)	Share-based payments value	Total
<b>Balance at 31 December 2020</b>	-	-
Capital expenditures	2 701	2 701
Merger	(2 700)	2 701
<b>Balance at 31 December 2021</b>	<b>1</b>	<b>1</b>
<b>Accumulated impairment</b>		
Impairment	-	-
<b>Balance at 31 December 2021</b>	<b>-</b>	<b>-</b>
<b>Carrying amount at 31 December</b>		
2021	1	1
2020	-	-

## Note 9 Bank deposits

The Company has restricted cash of total USD 395,4 thousand related to withheld employee taxes.

## Note10 Shareholders' equity

The share capital of the Company as at 31 December 2021 is NOK 12,000,000 (USD 2,065 thousand) and consists of 10,000 shares with a nominal value of NOK 1,200 per share. All shares have equal rights.

(US Dollar thousands)	Share capital	Other equity	Total equity
<b>Balance at 1 January 2020</b>	<b>2 065</b>	<b>130 173</b>	<b>132 238</b>
Group contribution given	-	(40 533)	(40 533)
Paid dividends	-	(115 000)	(115 000)
Equity effect of merger	-	(55)	(55)
Result for the year	-	52 262	52 262
<b>Balance at 31 December 2020</b>	<b>2 065</b>	<b>26 847</b>	<b>28 912</b>
Paid dividends	-	-	-
Result for the year	-	13 431	13 431
<b>Balance at 31 December 2021</b>	<b>2 065</b>	<b>40 278</b>	<b>42 344</b>

On April 1, 2021, the Group CGG completed its refinancing process with the settlement of tender offer and redemption of Existing Notes and issued New Senior Secured Notes due 2027. The 2027 Notes and the revolving credit facility share the same security package encompassing notably the shares of CGG Services (Norway) AS.

## Note 11 Cash advance from affiliated entity

The Company has a cash advance agreement with CGG SA, Massy (France) from 2019 allowing the Company to invest or to draw from this facility. Interest is settled quarterly at LIBOR+ 3% for amounts drawn and LIBOR for amounts invested.



## Note 12 Other current liabilities

(US Dollar Represented)	2021	2020
Social security and payroll taxes	1 362	1 411
Provision for payroll taxes due in foreign jurisdictions	-	-
Liabilities related to incentive schemes	545	341
Holiday pay	959	1 106
<b>Employee related liabilities</b>	<b>2 866</b>	<b>2 858</b>
Onerous contract	343	526
Deferred revenue	45 520	14 601
Short term leasing obligations	872	933
Other including Group Contribution provision	2 827	42 359
<b>Total</b>	<b>52 428</b>	<b>61 277</b>

## Note 13 Taxation

Income tax recorded in income for the period is as follows:

(US Dollar Represented)	2021	2020
<b>Current income tax</b>		
Income/(loss) before taxation	17 288	53 949
Permanent differences	620	539
Increase in losses carried forward	(7 087)	-
Interests restriction	(1 008)	-
Change in temporary differences	(9 365)	(7 422)
Group contribution given	-	(40 533)
Translation differences	(448)	(6 532)
<b>Taxable profit/(loss)</b>	<b>-</b>	<b>-</b>
Norwegian current tax expense at 22 %	-	-
Taxes related to prior periods	-	-
Foreign current tax (credit) / expense	-	-
<b>Current income tax (credit) / expense for the period</b>	<b>-</b>	<b>-</b>
<b>Income Tax expense</b>		
Current tax payable	-	-
Taxes related to prior periods	-	-
Change in deferred tax	(3 857)	(1 687)
<b>Income tax expense</b>	<b>(3 857)</b>	<b>(1 687)</b>
<b>Reconciliation from nominal to effective income tax rate</b>		
Profit/(loss) before tax	17 288	53 949
Expected income tax expense at 22%	3 803	11 869
<b>Deviation</b>	<b>(3 803)</b>	<b>(11 869)</b>
<b>Explanations of deviations:</b>		
Translation differences	(98)	(1 437)
Permanent difference	136	119
Valuation allowance	(3 841)	(10 550)
<b>Total</b>	<b>(3 803)</b>	<b>(11 869)</b>
<b>Specification of temporary differences</b>		
Tangible assets	8 888	(9 383)
Intangible assets	(10 232)	(15 336)
Losses carried forward	-	-
Interests disallowed	(6 770)	-
Onerous contracts	(743)	(1 417)
Other	(1 674)	(1 932)
<b>Total temporary differences</b>	<b>(10 531)</b>	<b>(28 068)</b>
Deferred tax asset at 22%	2 317	6 174
Allowance	-	-
<b>Book value at 31 December</b>	<b>2 317</b>	<b>6 174</b>

The Company provided for income taxes expected to be due in relation to on-going tax audits.



## Note 14 Other commitments

The Company's commitments under lease arrangements as at 31 December 2021 are as follows:

(i.e. million Norwegian kroner)	2021	2020	2019
Lysaker office	997	834	69

During 2013, the Company entered into a rental agreement for office premises at Lilleakerveien at NOK 13.6 million per annum (excluding service charges) commencing on 1 February 2014 with a term until 31 January 2024.

## Note 15 Related party transactions

Other companies in the Group are classified as related parties. In the ordinary course of business the Company enters into transactions with affiliated and associated entities (see notes 4, 5, 6 and 13). These transactions are at arms' lengths terms.

Trade accounts receivable and payable included the following amounts related to affiliates:

(i.e. million Norwegian kroner)	2021	2020
<b>Accounts receivable 1) from affiliated entities:</b>		
CGG Services SAS, Massy/France	68	656
Other	100	252
	<u>168</u>	<u>908</u>
<b>Accounts payable 2) to affiliated entities:</b>		
CGG Services SAS, Massy/France	-	92
CGG SA	3 067	-
CGG Holding BV	-	101
CGG Services (US) INC	1 441	621
CGG Services (UK) LTD	2 253	1 771
Other	54	-
	<u>6 815</u>	<u>2 585</u>

## Note 16 Financial risk

### General

During the normal course of business, the Company uses various financial instruments that expose the Company to interest rate, liquidity, exchange rate, credit and fair value risks. These relate to financial instruments that are reported in the balance sheet. If the counterparty fails to meet its payment obligations to the Company, the resulting losses are limited to the fair value of the instruments in question. The contract value or principal amount of the financial instruments serve only as an indication of the extent to which such financial instruments are used, and not of the value of the credit or market risks.

### Credit risk

The Company is exposed to credit risk as under the terms of agreements with customers. Since most of the customers are reliable and financially robust oil companies, the risk is assessed to be limited.

### Interest rate risk

The Company is partially exposed to risk resulting from changes in interest risks as most of its financial debt is financed at floating rates.

### Liquidity risk

The risk of not being able to meet the Company's obligations when due, is mitigated by having immediate access to funds within the Group.

### Exchange rate risk

The Company's financing, its revenues and as significant portion of its expenditures are denominated in the Company's functional currency US Dollar. The Company reduces its short-term exposure to other currencies (including NOK) by swapping part of its cash advances to such currencies.



## Note 17 Audit fees

Remuneration to Ernst & Young AS and their associates is as follows:

(US dollar thousand)	2021	2020
Audit services	36	32
Tax advisory services	-	-
Other services	18	21
<b>Total</b>	<b>54</b>	<b>54</b>

All amounts are exclusive VAT.

## Note 18 Board remuneration

In 2021 and 2020 there is no external board member.

Board members employed by CGG did not receive any remuneration in their capacity as a member of the Board.

The Company has not provided any loans or guarantees to its Directors or shareholder.

## Note 19 Exchange rates

Rates of exchange ("RoE) are as follows:

(NOK/US dollar)	Q4 Jan 2020	Average 2020	Q4 Jan 2021	Average 2021	31 Dec 2021
	8,7919	9,4004	8,4938	8,5991	8,8194

## Note 20 Leases

(US dollar thousand)	Balance	Changes	Total
<b>Historic cost</b>			
Balance at 31 December 2020	1 963	-	1 963
Additions	150	-	150
Termination of lease	(129)	-	(129)
Depreciations expense	(373)	-	(373)
<b>Balance at 31 December 2021</b>	<b>1 611</b>	<b>-</b>	<b>1 611</b>

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

(US dollar thousand)	
<b>Historic cost</b>	
Balance at 31 December 2020	2 501
Additions	150
FX effect	(56)
Accretion of interests	-
Payments	(889)
<b>Balance at 31 December 2021</b>	<b>1 706</b>
Current	873
Non-current	834

As allowed by IFRS 16 the Group decided to use the exemptions for short-term leases (<12 months) and leases of low-value assets (US\$5,000) which are not material.

## Note 21 Events after the end of the reporting period

CGG Services (Norway) AS received notification from the Tax Authorities in March 2022 for a VAT control on transaction costs during the period 2017-2021, a VAT audit is currently on-going.



Statsautoriserte revisorer  
Ernst & Young AS

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Medlemmer av Den norske Revisorforening

## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of CGG Services (Norway) AS

### Opinion

We have audited the financial statements of CGG Services (Norway) AS (the Company), which comprise the statement of financial position as at 31 December 2021, statement of comprehensive income 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 legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

### Basis for opinion

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

### Other information

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

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

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

### Responsibilities of management for the financial statements

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



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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

Oslo, 20 June 2022  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Asbjørn Rødal  
State Authorised Public Accountant (Norway)

Independent auditor's report - CGG Services (Norway) AS 2021

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## Asbjørn Rødal

Statsautorisert revisor

On behalf of: Ernst & Young AS

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**Skattedirektoratet**

Saksbehandler Torstein Kinden Helleland	Deres dato 22.10.2013	Vår dato 05.11.2013
Telefon 22078139	Deres referanse ML	Vår referanse 2013/826424

CGG SERVICES (NORWAY) AS  
Carl Konows gate 34  
5162 LAKSEVÅG

**Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk**

— Det vises til deres brev av 22. oktober 2013 samt telefonsamtale i sakens anledning. Det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

<b>CGG Marine (Norway) AS</b>	<b>org. nr. 979 905 483</b>
<b>CGG Geo Vessels AS</b>	<b>org. nr. 995 354 829</b>
<b>Robertson Geolab Nor AS</b>	<b>org. nr. 970 990 976</b>
<b>ProFocus Systems AS</b>	<b>org. nr. 983 250 475</b>
<b>CGG Seismic Imaging (Norway) AS</b>	<b>org. nr. 990 391 564</b>

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper 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**

De overnevnte selskapene inngikk tidligere i det nederlandske Fugro konsernet og hadde i vedtak (2012/554519) fått dispensasjon til å benytte engelsk språk. Selskapene er nå direkte eller indirekte eiet 100 % av det franske børsnoterte selskapet CGG SA. Konsernet er en av verdens største leverandører av geofysiske tjenester samt utstyr til bruk i geofysikkindustrien. Konsernet opererer i mange sektorer globalt. All kommunikasjon med konsernets primære kunder og kreditorer foregår på engelsk. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. Det interne arbeidsspråket i konsernet er også engelsk og all intern rapportering skjer på dette språket. 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.”

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

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

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at morselskapet er utenlandsk og at selskapene inngår i et internasjonalt konsern. Eierkretsen er således begrenset. Konsernets 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

seniorrådgiver

Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Torstein Kinden Helleland