



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Jane Eik Svanes
Dato for fastsettelse av årsregnskapet:	30.06.2024

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 06.08.2025



Resultatregnskap

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Other operating revenue	3	852 384	242 252
Sum inntekter		852 384	242 252
Kostnader			
Administration expenses	4	910 323	3 544 268
Sum kostnader		910 323	3 544 268
Driftsresultat		-57 940	-3 302 016
Finansinntekter og finanskostnader			
Income from investment in subsidiaries		16 899 757	253 749 001
Loss on investment in subsidiaries		-104 764	
Renteinntekt fra foretak i samme konsern	3	36 805 138	12 359 492
Annen renteinntekt			16 911 302
Sum finansinntekter		53 600 131	283 019 795
Rentekostnad til foretak i samme konsern	3	8 783 525	1 303 524
Annen rentekostnad	3, 5	37 012 039	31 714 734
Exchange loss (-) /gain (+)		13 850 731	7 992 334
Sum finanskostnader		59 646 295	41 010 592
Netto finans		-6 046 164	242 009 203
Ordinært resultat før skattekostnad		-6 104 103	238 707 187
Tax expenses	6		
Ordinært resultat etter skattekostnad		-6 104 103	238 707 187
Årsresultat		-6 104 103	238 707 187
Årsresultat etter minoritetsinteresser		-6 104 103	238 707 187
Totalresultat		-6 104 103	238 707 187
Overføringer og disponeringer			



Resultatregnskap

Beløp i: USD	Note	2023	2022
Konsernbidrag		29 491 566	
To other equity		-35 595 669	238 707 187
Sum overføringer og disponeringer	7	-6 104 103	238 707 187



Balanse

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	6		
Finansielle anleggsmidler			
Investering i datterselskap	8	674 068 528	669 612 199
Lån til foretak i samme konsern	9	202 505 380	304 457 420
Sum finansielle anleggsmidler		876 573 908	974 069 619
Sum anleggsmidler		876 573 908	974 069 619
Omløpsmidler			
Varer			
Fordringer			
Short-term loan to group companies	9		
Other short-term receivables		143 093	11 554
Receivables to group companies	9	74 188 066	54 768 821
Sum fordringer		74 331 159	54 780 375
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	10	39 743 861	23 370 145
Sum bankinnskudd, kontanter og lignende		39 743 861	23 370 145
Sum omløpsmidler		114 075 020	78 150 520
SUM EIENDELER		990 648 929	1 052 220 138
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	7, 11	10 650 123	10 650 123
Overkurs	7	423 503 601	423 503 601



Balanse

Beløp i: USD	Note	2023	2022
Sum innskutt egenkapital		434 153 725	434 153 725
Opptjent egenkapital			
Retained earnings	7	168 124 054	203 719 724
Sum opptjent egenkapital	7	168 124 054	203 719 724
Sum egenkapital		602 277 779	637 873 449
Gjeld			
Langsiktig gjeld			
Utsatt skatt	6		
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	5		237 055 104
Sum annen langsiktig gjeld			237 055 104
Sum langsiktig gjeld		0	237 055 104
Kortsiktig gjeld			
Short term debt to credit institutions	5	238 196 002	47 300 970
Leverandørgjeld		248 431	29 550
Kortsiktig konserngjeld	9		30 556 035
Liabilities to group companies	9	149 122 015	99 363 390
Other current liabilities		804 701	41 641
Sum kortsiktig gjeld		388 371 149	177 291 585
Sum gjeld		388 371 149	414 346 689
SUM EGENKAPITAL OG GJELD		990 648 929	1 052 220 138
POSTER UTENOM BALANSEN			
Garantistillelser	12		



Skattedirektoratet

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

SHEARWATER GEOSERVICES AS
Damsgårdsveien 131
5160 LAKSEVÅG

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

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

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

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

Bakgrunn

Fra søknaden gjengis:

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

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

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

Skattedirektoratets vurdering

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

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

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse: Sentralbord
Se www.skatteetaten.no 800 80 000
Org.nr: 996250318 Telefaks
E-post: skatteetaten.no/sendepost 22 17 08 60



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

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

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

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

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jeanette Munkvold Skovholt

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



To the General Meeting of Shearwater Geoservices AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Shearwater Geoservices AS (the Company), which comprise the statement of financial position as at 31 December 2023, 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 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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

Other Information

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

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

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

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

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.

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



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 2024

PricewaterhouseCoopers AS

Robert Lambach

State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Lambach, Robert	BANKID	2024-07-02 17:24

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ANNUAL REPORT 2023

Shearwater Geoservices AS

Damsgårdsveien 135
5160 Laksevåg

Business reg. no. 917 313 415 MVA

Content:

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



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Shearwater Geoservices AS Board of Directors' Report 2023

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

Shearwater Geoservices AS is subject to the Norwegian Transparency Act. The company's statement under the Act will be published on www.shearwatergeo.com no later than 30 June 2024, and will be accessible in the footer of the frontpage.

Aspects of 2023

In 2023, The company acquired the shares in Phoenix Engineering System and the company is now the direct holding company of Phoenix Engineering System.

Profit before tax in 2023 was negative USD 6 million (2022: positive USD 239 million). Net operating income in 2023 totals to negative USD 0.1 million (2022: negative 3 million).

Net financial items were negative USD 6 million (2022: positive USD 242 million). The change is mainly due to provisions of USD 253.6 million for dividend from Shearwater GeoServices Asset V AS of NOK 2,500 million.

The company's liquidity was USD 40 million as of 31.12.2023 (2022: USD 23 million). Cash flow from operating activities in 2023 was negative USD 20.4 million (2022: USD 20.7 million). Cash flow from investing activities was USD 112.8 million (2022: USD -4.3 million) due to repayment from subsidiaries. Net cash flow from financing activities was negative USD 76.1 million due to repayment of long-term loan including interests (2022: negative USD 35.9 million).

Future prospects

The group operations are exposed to developments in the markets for oil and gas exploration and production. In 2023, global energy markets remained tight as demand continued to recover towards the long-term trend, while several years of under-investment in the oil and gas sector continued to impact supply. Geopolitical conflicts remained an important factor impacting the global economy and underpinning the importance of reliable and affordable energy supply.

As a consequence, oil and gas companies have increased capex budgets for 2024 and investment expectations 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 ocean bottom seismic surveys. Growth opportunities are also emerging with increased investments in new markets such as CCS, offshore wind 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. A growing order book, combined with a strong balance sheet and support from shareholders, provides operational and financial strength for Shearwater to fully capitalise on a market recovery and to expand into energy transition activities.

In April 2024, Shearwater group refinanced its existing debt with USD 300 million bank facility and a USD 300 million bond placement at 9.5% interest rate, both with a five-year term. The bank- and bond-debt is secured in a pari-passu structure. The refinancing also included a super-senior secured USD 50 million revolving credit facility and a super-senior secured USD 50 million guarantee facility. This has increased the average maturity on debt to 4.6 years. The refinancing has optimised the Group capital structure, providing a strong liquidity runway whilst significantly reducing the annual cash-flow to debt service.

Financial risk

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

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

Interest rate risk is mainly related to the company's short-term debt USD 238 mill. The short-term loan is exposed to the development in USD interest rates and interest rate hedging agreements for parts of the loan have been entered to minimise the risk. The lenders are renowned Norwegian shipping-banks.



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

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

The company has not participated in research and development activities in 2023.

Going concern

The Board of Directors confirms that the financial statements for 2023 are prepared on the principle of going concern and that there is basis for adopting this principle in accordance with section 3-3 of the Norwegian Accountancy Act.

Social responsibility

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

Employees

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

Liability insurance

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

Environment

In 2020, the Group published the first ESG report and established an ESG committee to oversee the implementation of the ESG strategy. Shearwater has since strengthened the internal ESG organisation to coordinate and progress Group improvement initiatives and to ensure compliance with the relevant international regulations and stakeholders' expectations. Sustainability is a key element of the strategy execution. Shearwater is working towards reducing emissions in alignment with the Paris Agreement and the IMO decarbonization strategy for the maritime industry. In 2023, we revisited how Shearwater support the United Nations Sustainable goals (UNSDGs) as part of our sustainability maturity process, and we are currently making a positive contribution to nine of the seventeen goals.

Shearwater's Board of Directors, management and governance structures aim to ensure compliance with all relevant government requirements, laws, and regulations. The Group has established a Code of Conduct and corporate social responsibility policy which supports the safeguarding of the environment, employees, and society in general. Ethical, social, and environmental considerations are well-integrated into daily operations, and the values of safety, quality and integrity underpin everything Shearwater does. Shearwater manages the environmental risk of operations with scale and efficiency. All vessels seek operational improvements to prevent pollution, minimise other negative external impacts and comply with relevant laws and regulatory requirements in countries of operation. The scale of Shearwater's fleet provides the opportunity to reduce transit distance and lay-up vessels close to areas of operations. The investment in a vibrating source demonstrates the Group's commitment to minimising the impact of seismic operations. During 2023, the Group also moved its compute data centre from the UK to Iceland, the high power compute facility uses 100% geothermal energy.

In the 2023 sustainability report, Shearwater progresses towards alignment with the new EU Corporate Sustainability Reporting Directive (CSRD) and its draft standards (ESRSs). In 2023, as part of this process, Shearwater performed a double materiality analysis in accordance with the ESRS, identifying impacts, risks and opportunities that are material to the Company. This materiality assessment will form the cornerstone of the strategic sustainability initiatives for the coming years. In addition, Shearwater has further developed the Taskforce for Climate-Related Financial Disclosures and aligned emissions reporting with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard.

Shearwater's commitment to quality, health, safety, and environment (QHSE) spans a comprehensive five-year strategy, intricately woven into the annual planning cycle. The Group's management systems adhere rigorously to International Association of Oil & Gas Producers (IOGP) guidelines and ISO9001 certification across a significant portion of Shearwater's business scope. Central to the operational ethos is the profound emphasis placed on Occupational Health and Human factors, foundational pillars within the Group's practices.



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Shearwater implemented robust Behavioural Based Safety processes across all business lines, firmly anchoring the QHSE strategic plan and nurturing a culture of perpetual learning. Shearwater's fleet of state-of-the-art seismic vessels stands as a testament to our unwavering commitment to safety. Equipped with spacious back-deck layouts and redundant propulsion systems, these vessels provide inherently secure working environments for the crews, ensuring operational continuity even in the most extreme conditions or in close proximity to existing oilfield infrastructure.

In 2023, the Group's performance metrics improved with eleven total recordable incidents, eight high potential incidents and zero fatalities versus fifteen recordable incidents, ten high potential and zero fatalities in 2022. Shearwater understand the unique and varied hazards inherent in projects across different global locations. Leveraging Shearwater's extensive industry expertise, we meticulously identify, document, and mitigate potential risks to acceptable levels, safeguarding both Shearwater personnel and operational integrity.

Shearwater champion the use of proactive, leading indicators tailored to reflect the QHSE efforts of our workforce. These indicators serve as barometers of safety culture, enabling active monitoring of trends throughout projects and vessels. Continuously enhancing the performance of these indicators enables the Shearwater goal of zero loss, zero harm, and zero rework. As a Governing Member of EnerGeo, Shearwater stands at the forefront of industry leadership, driving excellence in QHSE practices across the sector.

Allocation of net income

The financial statement shows a net loss of USD 6,104,103 which is proposed covered by retained earnings.

Bergen, 30.06.2024

Board of Directors in Shearwater Geoservices AS

Trygve Lauvdal
Board member

Robert Hobbs
Chairman of the board

Stein Vidar Håland
Board member

Lars Erik Larsson
Board member

Vijay Babu Kasibhatla
Board member

Irene Waage Basili
General Manager



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Shearwater Geoservices AS Profit and Loss Account (USD)

OPERATING REVENUE AND EXPENSES	NOTE	2023	2022
Other operating revenue	3	852,384	242,252
		852,384	242,252
Administration expenses	4	910,323	3,544,268
Total operating expenses		910,323	3,544,268
Net operating income		-57,940	-3,302,016
FINANCIAL ITEMS			
Financial income		0	16,911,302
Financial expenses	3, 5	37,012,039	31,714,734
Income from investment in subsidiaries		16,899,757	253,749,001
Loss on investment in subsidiaries		104,764	0
Interest income from group entities	3	36,805,138	12,359,492
Interest cost to group entities	3	8,783,525	1,303,524
Exchange loss (-) /gain (+)		-13,850,731	-7,992,334
Net financial income and expenses		-6,046,164	242,009,203
Operating result before tax		-6,104,103	238,707,187
Tax expenses	6	0	0
Net income		-6,104,103	238,707,187
ALLOCATION OF NET INCOME			
Received group contribution (after tax)		-29,491,566	0
To other equity		-35,595,669	238,707,187
Total allocation	7	-6,104,103	238,707,187



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Shearwater Geoservices AS Statement of Financial Position (USD)

ASSETS	NOTE	2023	2022
NON-CURRENT FINANCIAL ASSETS			
Investments in subsidiaries	8	674,068,528	669,612,199
Loan to group companies	9	202,505,380	304,457,420
Total non-current financial assets		876,573,908	974,069,619
Total non-current assets		876,573,908	974,069,619
CURRENT ASSETS			
DEBTORS			
Other short-term receivables		143,093	11,554
Receivables to group companies	9	74,188,066	54,768,821
Total receivables		74,331,159	54,780,375
INVESTMENTS			
Cash and cash equivalents	10	39,743,861	23,370,145
Total current assets		114,075,020	78,150,520
Total assets		990,648,929	1,052,220,138



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Shearwater Geoservices AS Statement of Financial Position (USD)

EQUITY AND LIABILITIES	NOTE	2023	2022
PAID-IN CAPITAL			
Share capital	7, 11	10,650,123	10,650,123
Share premium reserve	7	423,503,601	423,503,601
Total paid-up equity		434,153,725	434,153,725
RETAINED EARNINGS			
Retained earnings	7	168,124,054	203,719,724
Total retained earnings	7	168,124,054	203,719,724
Total equity		602,277,779	637,873,449
LIABILITIES			
OTHER NON-CURRENT LIABILITIES			
Long term debt to credit institutions	5	0	237,055,104
Total other long term liabilities		0	237,055,104
CURRENT LIABILITIES			
Short term debt to credit institutions	5	238,196,002	47,300,970
Trade payables		248,431	29,550
Liabilities to group companies	9	149,122,015	99,363,390
Loan from shareholder	9	0	30,556,035
Other current liabilities		804,701	41,641
Total current liabilities		388,371,149	177,291,585
Total liabilities		388,371,149	414,346,689
Total equity and liabilities		990,648,929	1,052,220,138

Bergen, 30.06.2024

Stein Vidar Håland
Member of the boardTrygve Lauvdal
Member of the boardRobert Scott Hobbs
Chairman of the boardVijay Babu Kasibhatla
Member of the boardLars Erik Larsson
Member of the boardIrene Waage Basili
General Manager



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Shearwater GeoServices AS Cash Flow Statement (USD)

	NOTE	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES			
Net income before taxes		-6,104,103	238,707,187
Accrued dividend from subsidiary	9	-16,899,757	-253,619,150
Change in current assets / liabilities	9	827,294	20,546,906
Other changes no cash effect		213,340	271,543
Changes in intercompany balances	9	17,747,572	6,954,455
interest income not paid		-28,046,015	0
Adjustment currency effect long term loan		11,884,557	7,877,089
Net cash flow from operating activities		-20,377,112	20,738,028
CASH FLOW FROM INVESTING ACTIVITIES			
Net Investment in subsidiaries	8	-4,561,092	-4,308,005
Repayment long-term loan from subsidiaries		117,379,008	0
Net cash flow from investing activities		112,817,915	-4,308,005
CASH FLOW FROM FINANCING ACTIVITIES			
New long-term loan	5	0	127,804,681
Repayment long-term loan	5	-76,067,087	-163,729,606
Net cash flow from financing activities		-76,067,087	-35,924,925
Net increase in cash and cash equivalents		16,373,716	-19,494,902
Cash and cash equivalents at start of period		23,370,145	42,865,047
Cash and cash equivalents at end of period		39,743,861	23,370,145



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Shearwater Geoservices AS

Notes to the financial statement 2023

Note 1 - Accounting principles

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

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

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

Use of functional currency

The company is presenting its financial statements in USD, as this is defined as the presentation and functional currency. Transactions in foreign currencies are 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 Group 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.

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. Realized and unrealized gains and losses are classified as financial items.

Receivables

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

Investments in subsidiaries

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

Provision

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

Taxes

Taxes are expensed when incurred, which means the tax expense is related to the financial statements profit/loss before tax. Tax expenses consist of tax payable (tax on the financial years taxable income) and change in net deferred tax. The tax 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.



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Shearwater Geoservices AS

Notes to the financial statement 2023

Contingencies

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

Cash flow statement

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

Note 2 - Foreign exchange rates

CURRENCY	31.12.2023	31.12.2022	AVERAGE 2023	AVERAGE 2022
NOK/USD	0.0983	0.1014	0.0947	0.1039

Note 3 - Transactions with related parties

RELATED PARTY	RELATION
Shearwater GeoServices Holding AS	Parent company
Shearwater GeoServices Norway AS	Subsidiary
Reflection Marine UK Ltd	Subsidiary
Reflection Marine Corporation (US)	Subsidiary
SS Manufacturing Sdn Bhd	Subsidiary
Reflection Marine Norge AS	Subsidiary
Shearwater GeoServices Assets V AS	Subsidiary
Geophysical Resources PTE Ltd	Subsidiary
Shearwater GeoServices Singapore PTE Ltd	Subsidiary
Shearwater CharterCo AS	Subsidiary
Shearwater GeoServices Nederland B.V.	Subsidiary

Inter-company revenues in 2023:

TRANSACTION	RELATED PARTY	AMOUNT
Corporation fee	Shearwater Geoservices Norway AS	852,384
Interest income	Multiple group companies	36,805,138
Total		37,657,521

Inter-company cost in 2023:

TRANSACTION	RELATED PARTY	AMOUNT
Recharge of bank fees	Multiple group companies	-572,670
Interest cost	Multiple group companies	8,783,525
Total		8,210,855



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Shearwater Geoservices AS

Notes to the financial statement 2023

Note 4 - Salary and personnel expense

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

The company has expensed USD 39,405 excl VAT (USD 45,589 excl VAT in 2022) as remuneration to auditor this financial year. No tax advisory or other services outside the audit scope have been charged from the auditor in 2023.

Note 5 - Liabilities to financial institutions

Long-term liabilities as at 31.12.2023:

	AVERAGE INTEREST RATE 2023	AVERAGE MATURITY	BALANCE SHEET 2023
Mortgage debt with floating interest Secured	USD LIBOR + 6.7%	0.3 years	239,153,810
Amortisation effect, mortgage debt			-957,809
Accrued intrest expenses			472,057
Total			238,196,002
	Of which is classified as short-term debt:		238,196,002
	Of which is classified as long-term debt:		0

Booked value of assets pledged as security for Mortgage debt is USD 674 million in 2023. In addition vessels, equipment and machinery, bank deposits and vendor claims are pledged as security.

Long-term liabilities as at 31.12.2022:

	AVERAGE INTEREST RATE 2022	AVERAGE MATURITY	BALANCE SHEET 2022
Mortgage debt with floating interest Secured	USD LIBOR + 6.7%	2.3 years	286,857,671
Amortisation effect, mortgage debt			-2,501,597
Accrued intrest expenses			856,970
Total			285,213,044
	Of which is classified as short-term debt:		47,300,970
	Of which is classified as long-term debt:		237,055,104

Booked value of assets pledged as security for Mortgage debt was USD 672 million in 2022. In addition vessels, equipment and machinery, bank deposits and vendor claims are pledged as security.

The repayment schedule for the Group's long terms liabilities, including first years's instalments, at 31.12.2023:

USD	LONG TERM LOAN
Within 1 year	238,196,002
From 1 to 5 years	0
More than 5 years	0
Total	238,196,002

The most important covenants in its long-term financing agreements are:

- The Group shall on a consolidated basis always have an equity ratio of at least 30%.
- Shearwater GeoServices AS shall have free liquidity of more than USD 30 million on a consolidated basis.

The Group was in compliance with the financial covenants at 31 December 2023 and 31 Desember 2022.

In April 2024, Shearwater group has refinanced its existing debt with USD 300 million bank facility and a USD 300 million bond placement at 9.5% interest rate, both with a five-year term.



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Shearwater Geoservices AS

Notes to the financial statement 2023

Note 6 - Taxes

TAXES IN PROFIT AND LOSS	2023	2022
Tax payable	0	0
Change in deferred tax	0	0
Tax expenses	0	0
Taxable income		
Net income before tax*	-6,989,192	211,046,663
Permanent differences	-16,543,177	-253,619,145
Change in temporary differences	0	211,562
Interest brought forward	6,632,612	1,350,924
Group contribution	16,899,757	0
Taxable income	0	-41,009,996
Deferred tax assets/liabilities		
Interest loss brought forward	-64,857,921	-60,086,549
Losses brought forward	-73,279,087	-75,621,537
Basis for calculation of deferred tax	-138,137,008	-135,708,086
Deferred tax assets	-30,390,142	-29,855,779
Not recognised tax assets	30,390,142	29,855,779
Deferred tax / deferred tax assets	0	0

Based on taxable income in tax return for the respective tax years *)

Tax rate for tax payable	22%
Tax rate deferred tax 2023	22%
Tax rate deferred tax 2024	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 0.0983 in 2023 (NOK/USD 0.1014 in 2022).

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

Note 7 - Equity

	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TOTAL EQUITY
Equity as at 01.01.2023	10,650,123	423,503,601	203,719,724	637,873,449
Profit for the year			-6,104,103	-6,104,103
Group Contribution			-29,491,566	-29,491,566
Equity as at 31.12.2023	10,650,123	423,503,601	168,124,054	602,277,779



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Shearwater Geoservices AS

Notes to the financial statement 2023

Note 8 - Investment in subsidiaries

COMPANY	OWNERSHIP	BOOKED VALUE	NET PROFIT 2023	EQUITY 31.12.2023
Shearwater GeoServices Assets V AS	100 %	529,119,638	83,597,623	418,124,694
SW GeoServices Norway AS	100 %	29,808,460	18,668,003	20,149,101
Shearwater GeoServices LTD	100 %	2	-1,871,828	23,734,204
Reflection Marine Norge AS	100 %	104,255,885	-14,003,862	44,102,978
Shearwater Product Centre Sdn Bhd	100 %	1	4,752,354	5,100,374
Shearwater GeoServices Singapore Pte Ltd	100 %	1,673,000	-1,047,301	4,702,453
Reflection Marine Corp	100 %	1	-3,122,859	-24,683,122
Shearwater GeoServices CharterCo AS	100 %	6,646	663,354	5,893
Shearwater GeoServices Nederland B.V.	100 %	3,547	-75,447	-111,592
Geophysical Resources Pte Ltd	100 %	4,398,154	2,300,713	8,053,142
Delphis Ltd	100 %	150,102	0	186,405
Reflection Marine UK Ltd	100 %	1	-2,700,454	-19,645,886
Shearwater GeoServices Inc	100 %	1	-2,337,876	-19,798,955
Shearwater GeoServices Malaysia Sdn Bhd	70 %	92,000	-3,067,327	-1,871,275
Phoenix Engineering System Limited	100 %	4,561,092	278,877	3,640,872
Total		674,068,528		

During 2023, the Company acquired 100 % of the shares in Phoenix Engineering System, and is now the direct owner of this company.

The subsidiary Delphis Ltd was liquidated in January 2024. The expected liquidation settlement is less than the book value, hence the investment is impaired by USD 0.1 million at the balance sheet date.

The Company has considered the need for impairment for the remaining subsidiaries and found that, based on underlying values in subsidiaries as well as clear expectations for 2024 will be showing a similar or better return, there was no need for impairment at 31.12.2023.

The Company received in 2023 a group contribution amounting to USD 16.9 million from Shearwater GeoServices Norway AS. This is booked as income as it is assessed that the booked value of the investment in Shearwater GeoServices Norway AS can be justified because of the added value in this company's fixed assets.

Note 9 - Intercompany balances

SHORT TERM RECEIVABLES	2023	2022
Accounts receivable group companies	23,101,719	6,957,187
Cash pool	51,086,347	47,811,634
Total	74,188,066	54,768,821

LONG TERM RECEIVABLES	2023	2022
Long term receivables to group companies	202,505,380	304,457,420
Total	202,505,380	304,457,420

LIABILITIES	2023	2022
Other short term liabilities group companies	30,366,514	10,506,856
Cash pool	118,755,501	88,856,534
Shareholder loan	0	30,556,035
Total	149,122,015	129,919,424

The long-term receivables at 31.12.2023 totalling to USD 74.2 million consist of loans to multiple group companies, whereof USD 28.5 million is to Shearwater GeoServices Holding AS. The balance is planned to be settled by the group contribution received in 2023.



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Shearwater Geoservices AS

Notes to the financial statement 2023

The Company's short-term group receivables at year end 2023 consists of accounts receivables of USD 23.1 million and cash pool of USD 51.1 million. The Company's short-term group receivables at year end 2022 consist of accounts receivable to group companies of USD 1.3 million, cash pool of USD 47.8 million and accrued interests to group companies of USD 5.6 million.

The short-term liabilities to group companies at year end 2023 consist of group liabilities of USD 30.4 million and cash pool of USD 118.8 million.

Note 10 - Cash and cash equivalents

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

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

USD	2023	2022
Restricted cash	0	0
Bank deposit	39,743,861	23,370,145
Total	39,743,861	23,370,145

Note 11 – Shareholder information

The company's share capital consists of 300 shares à NOK 300,000, total NOK 90,000,000. Book value is USD 10,650,123

Shearwater GeoServices Holding AS owns 100% of the shares.

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

Note 12 - Subsequent events

In April 2024, Shearwater refinanced its existing external debt with a USD 300 million bank facility with an interest rate of SOFR + 4.1% margin, and a USD 300 million bond with fixed 9.5% interest rate, both with a five year term and secured in a pari passu structure. The refinancing also included a super-senior secured USD 50 million revolving credit facility and a super-senior secured USD 50 million guarantee facility.