



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 920 538 630
Organisasjonsform: Aksjeselskap
Foretaksnavn: REFLECTION MARINE NORGE AS
Forretningsadresse: Damsgårdsveien 135
5160 LAKSEVÅG

Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern: 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, 06.07.2025



Resultatregnskap

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Seismic equipment rental and lease	3	32 721 894	42 539 965
Hire of personnel	3	227 047	358 515
Other operating revenue	3	6 053 041	7 762 579
Sum inntekter	4	39 001 982	50 661 059
Kostnader			
Personell expenses	5	8 729 027	7 065 520
Depreciation	6, 7	10 085 142	11 751 221
Cost of sales		25 720 587	18 551 415
Administration expenses	5	6 864 751	721 236
Sum kostnader		51 399 508	38 089 391
Driftsresultat		-12 397 526	12 571 668
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	3	1 490	179 492
Annen renteinntekt		230	
Exchange loss (-) / gains (+)	8	243 049	7 987 086
Sum finansinntekter		244 769	8 166 578
Rentekostnad til foretak i samme konsern	3	2 773 951	6 225 872
Annen rentekostnad		545 722	66
Other financial expenses		6 217	8 571
Sum finanskostnader		3 325 890	6 234 509
Netto finans		-3 081 121	1 932 069
Ordinært resultat før skattekostnad		-15 478 646	14 503 736
Tax expenses	9	-1 481 126	463 331
Ordinært resultat etter skattekostnad		-13 997 521	14 040 405
Årsresultat		-13 997 521	14 040 405
Årsresultat etter minoritetsinteresser		-13 997 521	14 040 405



Resultatregnskap

Beløp i: USD	Note	2023	2022
Totalresultat		-13 997 521	14 040 405
Overføringer og disponeringer			
Udekket tap	10	-13 997 521	14 040 405
Sum overføringer og disponeringer		-13 997 521	14 040 405



Balanse

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Development	6	6 739 630	6 739 630
Patents, licences and software	6	13 753 350	16 574 550
Utsatt skattefordel	9		
Goodwill	6		445 400
Sum immaterielle eiendeler		20 492 980	23 759 580
Varige driftsmidler			
Seismic equipment	7	490 792	
Machinery and equipment	7	55 685 757	41 789 743
Sum varige driftsmidler		56 176 549	41 789 743
Finansielle anleggsmidler			
Investering i annet foretak i samme konsern	3		
Lån til foretak i samme konsern	3		
Investeringer i tilknyttet selskap	3		
Lån til tilknyttet selskap og felles kontrollert virksomhet	3		
Other long term receivables		7 422	
Sum finansielle anleggsmidler		7 422	
Sum anleggsmidler		76 676 950	65 549 323
Omløpsmidler			
Varer			
Inventories		43 328	453 452
Sum varer		43 328	453 452
Fordringer			
Accounts receivables		-4 396	147 834
Other short-term receivables		838 949	408 043
Receivables to group companies	11	17 323 108	33 899 311
Sum fordringer		18 157 661	34 455 188
Bankinnskudd, kontanter og lignende			



Balanse

Beløp i: USD	Note	2023	2022
Cash and cash equivalents	12	350 486	308 167
Sum bankinnskudd, kontanter og lignende		350 486	308 167
Sum omløpsmidler		18 551 475	35 216 807
SUM EIENDELER		95 228 425	100 766 129

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital	10, 13	3 838	3 838
Sum innskutt egenkapital		3 838	3 838

Opptjent egenkapital

Retained earnings	10	44 105 482	52 849 472
Udekket tap	10		
Sum opptjent egenkapital		44 105 482	52 849 472

Sum egenkapital

44 109 320 **52 853 310**

Gjeld

Langsiktig gjeld

Annen langsiktig gjeld

Obligasjonslån	11		
Other non-current liabilities	11		

Sum langsiktig gjeld

0 **0**

Kortsiktig gjeld

Leverandørgjeld		3 534 196	7 657 073
Public duties payable		685 459	601 609
Liabilities to group companies	11	45 769 944	32 792 790
Other current debt		1 129 506	6 861 347
Sum kortsiktig gjeld		51 119 105	47 912 819

Sum gjeld

51 119 105 **47 912 820**



Balanse

Beløp i: USD	Note	2023	2022
SUM EGENKAPITAL OG GJELD		95 228 425	100 766 129
POSTER UTENOM BALANSEN			
Garantistillelser	14		



Skatteetaten

Vår dato 22.01.2019	Din/Deres dato 18.12.2018	Saksbehandler Torstein Kinden Helleland
800 80 000 Skatteetaten.no	Din/Deres referanse Hilde Marie Bjerga	Telefon 22078139
Org.nr 974761076	Vår referanse 2019/5189777	Postadresse Postboks 9200 Grønland 0134 OSLO

SHEARWATER GEOSERVICES HOLDING AS
Postboks 1243, Sentrum
5811 BERGEN

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Det vises til deres brev av 18. desember 2018 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper.

Gecoship AS org.nr. **950 384 913**
Reflection Marine AS org.nr. **920 956 173**
Reflection Marine Norge AS org.nr. **920 538 630**

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 gjelder så lenge 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

Selskapene er et heleide datterselskap av Shearwater GeoServices Holding AS som har dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk. Øvrige konsernselskaper har også dispensasjon. Shearwater GeoServices Holding AS med datterselskaper tilbyr tjenester innen seismikkvirksomhet internasjonalt. Konsernet opererer i en bransje hvor engelsk klart er det dominerende arbeidsspråket. Konsernets arbeidsspråk er engelsk. Selskapet driver virksomhet i en internasjonal bransje. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

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

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



Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som 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.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapene er eid av et selskap som har dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk. Eierkretsen er begrenset. Øvrige konsernselskap har også dispensasjon fra språkkravet. Selskapene opererer i en internasjonal bransje. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Vennlig oppgi vår referanse ved henvendelse i saken.

Med hilsen

Henning Stokke
seniorrådgiver
Juridisk avdeling
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



To the General Meeting of Reflection Marine Norge AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Reflection Marine Norge 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/revisionsberetninger>

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

Reflection Marine Norge AS

Damsgårdsvein 135
5160 Laksevåg

Business org.no 920 538 630 MVA

Contents:

Report of Board of Directors
Financial Statement
Auditor's report



Reflection Marine Norge AS Board of Directors' Report 2023

Reflection Marine Norge AS corporate office is in Bergen and its main function is engineering and research and development related to the seismic market.

Reflection Marine Norge 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.

The company's holding company, Shearwater GeoServices AS, is a sub-group to the Shearwater GeoServices Holding group.

Future prospects

The company's 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 has 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.

Aspects of 2023

In 2023, the company continued to play a vital role in the Shearwater group delivering technology and innovation services along with supplying the marine operations with seismic equipment. In 2023, development of the proprietary Pearl node entered a new phase with the successful execution of a North Sea project with more than 300 nodes deployed on the seafloor collecting high-quality reservoir data. The production of new nodes continued, with around 4.800 units in inventory at year-end.

Profit before tax in 2023 is USD -15.5 mill. whilst net operating income in 2023 totals to USD -12.4 mill. Not taking depreciation into account, the company shows an operating loss of USD 2,3 mill. In 2023 financial items are negative by USD -3.1 mill. which is mainly intercompany interest expenses of USD 2.8 mill. and a positive currency effect USD 0,2 mill. (2022: positive USD 8.0 mill.) of the intercompany NOK loan.

The company's liquidity is USD 0.4 mill. as at 31.12.2023 (31.12.2022: USD 0.3 mill.). Cash flow from operating activities in 2023 was positive USD 21.2 mill (2022: USD 33.5 mill.). Cash flow from investment activities was negative USD 21,2 mill. due to investments in machinery, equipment and R&D. Cash flow from financing activities was USD 0 both 2023 and 2022.

Financial risk

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

Lack of or delayed payment from customers may significantly and adversely impair the company's revenue and liquidity. The concentration of the company's customers in the energy industry may impact its overall exposure to credit risk as customers may be similarly affected by prolonged changes in economic and industry conditions, as well as by the general constraints on liquidity resulting from the continued low oil prices. However, so far customers have been large corporations with a good credit quality and the company regards the counterparty risk satisfactory.

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

The company has during 2022 and 2023 been working on several development projects, some with support from external funders like Equinor and Lundin Energy Norway. There is always a risk that development



projects are proven unsuccessful, however the company strongly believes in the ongoing developments and will further support them during 2024.

Based on the above report of profit and loss for the company, 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.

Employees

During 2023, a total of 63 permanent full-time employees, and 1 temporary contracted personnel were working for the company.

At year end, the company had 63 permanent full time employees, 1 permanent part-time employee and 0 temporary contracted employee.

Of the permanent full time employees at year end 14% were women. The board of directors consists of one female and one male director. The company had a sick leave ratio of 1.1% in 2023.

Shearwater has made great efforts into building a strong organisational culture across the group through the Shearwater Focus program and has a strong emphasis on building a good working environment in the group's different locations. As an employer, the company does not accept discrimination of any kind of its employees or other parties involved in the company's activities. This includes any and all unjust treatment, exclusion or preference based on ethnicity, gender, age, sexual orientation, disability, religion, political persuasion or other circumstances.

There have been no registered injuries or accidents in the company in 2023.

Diversity

At year end, the gender balance in the Company was 86% men and 14% women in the permanent employee pool. For the temporary contracted employees, 100% were men and 0% were women. Reflection Marine Norway AS had employees from 18 unique nationalities during 2023, with the majority being Norwegian, followed by Dutch, German and Indian.

In Shearwater, we value collaboration across age groups, and see employees representing a variety of seniority levels and experiences as a key contributor to stimulate mentorship, innovation and inclusion. Our employees were distributed between the following age groups: <30 (10%), 30-40 (21%), 41-50 (21%), 51-60 (27%) and >60 (21%). In the age range 20-40 there is 21% women, and in the range 40->60 there is 12% women.

Absence

At year end, the average monthly sickness absence was 1.1%. Effective from January 1st. 2023, the Company expanded the number of available self-certification days from 12 to 24 days and increased the consecutive maximum from 3 to 8 days. The aim is for this to increase the flexibility around short-term sickness absence and decrease the need for Doctor's certification at the employee's own discretion.

A healthy work-life dynamic is important at Shearwater. The Company continues to offer parental leave in relation to the birth, adoption or fostering of a child. During 2023, no employees in the Company were on parental leave.

Initiatives

Ardenna Shearwater's Gender Inclusivity Network was launched in Dec 2021 and has seen good traction in its first active years. The Network offers bi-monthly events for the Group and launched its Mentorship Programme in November of 2022. The Program offers participants the opportunity to connect with a mentor/mentee across the Groups locations and vessels and gives an opportunity to network, seek guidance, and inspire young professionals in their careers.

Promoting equal opportunities, we successfully launched a Job Grading structure in the company in 2023. Through a systematic evaluation of all roles completed by Managers, with the support of the HR function, we have been able to map all roles within Shearwater to a hierarchy of grades and bands providing visibility of our structure as an organization. Grades and bands are organized into 'job families' that group positions of similar skills and competence. The evaluation completed considers only the role and not the ability or performance of the person(s) carrying out the role. This has enabled a structure for ensuring fair and equitable pay, as well as creating international alignment that enables global careers.



To further the Group's efforts to inspire the next generation, the success of internships was continued in 2023. In 2023, the Group launched a Graduate programme, aimed at hiring recent graduates into permanent positions following a bespoke training and development programme in their first active years. The aim is for this to continue to attract new talent into the industry and leverage the transfer of knowledge between experience levels.

Environment

Shearwater group's and therein the company's, seeing as it is now part of Shearwater group, 'Focus on Zero' initiative will continue to develop with the organisation going forward. The "safe" component of the new campaign remains the same: to "focus our intentions and behaviours on consistently striving towards Zero Harm, Zero Loss and Zero Rework." This includes, but is not limited to, focus on zero uncontrolled release of harmful substances to the natural environment.

Liability insurance

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

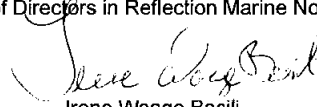
Allocation of net income

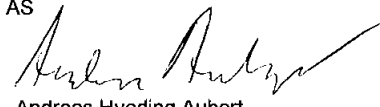
The financial statement shows a negative net income of USD -13,997,521,- which is proposed transferred from retained earnings.

Bergen, 30.06.2024

Board of Directors in Reflection Marine Norge AS

Peter Hooper
general manager


Irene Waage Basili
chairman of the board


Andreas Hveding Aubert
member of the board



Reflection Marine Norge AS Profit and Loss account (in USD)

OPERATING REVENUE AND EXPENSES	NOTE	2023	2022
Seismic equipment rental and lease	3	32,721,894	42,539,965
Hire of personnel	3	227,047	358,515
Other operating revenue	3	6,053,041	7,762,579
Total operating revenue	4	39,001,982	50,661,059
Cost of sales		25,720,587	18,551,415
Personell expenses	5	8,729,027	7,065,520
Administration expenses	5	6,864,751	721,236
Depreciation	6, 7	10,085,142	11,751,221
Total operating expenses		51,399,508	38,089,391
Net operating income		-12,397,526	12,571,668
FINANCIAL ITEMS			
Interest income from group entities	3	1,490	179,492
Other interest income		230	0
Interest expenses to group entities	3	2,773,951	6,225,872
Interest expenses		545,722	66
Other financial expenses		6,217	8,571
Exchange loss (-) / gains (+)	8	243,049	7,987,086
Net financial income and expenses		-3,081,121	1,932,069
Operating result before tax		-15,478,646	14,503,736
Tax expenses	9	-1,481,126	463,331
Net income		-13,997,521	14,040,405
ALLOCATION OF NET INCOME			
transferred to/from retained earnings	10	13,997,521	-14,040,405
Total allocation		-13,997,521	14,040,405



Reflection Marine Norge AS
Statement of Financial position (in USD)


ASSETS	NOTE	2023	2022
FIXED ASSETS			
INTANGIBLE ASSETS			
Development	6	6,739,630	6,739,630
Patents, licences and software	6	13,753,350	16,574,550
Goodwill	6	0	445,400
Total intangible assets		20,492,980	23,759,580
TANGIBLE ASSETS			
Seismic equipment	7	490,792	0
Machinery and equipment	7	55,685,757	41,789,743
Total tangible assets		56,176,549	41,789,743
Other long term receivables		7,422	0
Total non-current financial assets		7,422	0
Total fixed assets		76,676,950	65,549,323
CURRENT ASSETS			
Inventories		43,328	453,452
DEBTORS			
Accounts receivables		-4,396	147,834
Other short-term receivables		838,949	408,043
Receivables to group companies	11	17,323,108	33,899,311
Total receivables		18,157,661	34,455,188
Cash and cash equivalents	12	350,486	308,167
Total current assets		18,551,475	35,216,807
Total assets		95,228,425	100,766,129

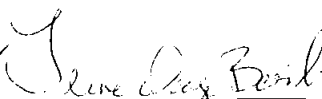


Reflection Marine Norge AS
Statement of Financial position (in USD)

EQUITY AND LIABILITIES	NOTE	2023	2022
PAID-IN CAPITAL			
Share capital	10, 13	3,838	3,838
Total paid-in capital		3,838	3,838
RETAINED EARNINGS			
Retained earnings	10	44,105,482	52,849,472
Total retained earnings		44,105,482	52,849,472
Total equity		44,109,320	52,853,310
LIABILITIES			
OTHER LONG-TERM LIABILITIES			
CURRENT DEBT			
Trade creditors		3,534,196	7,657,073
Public duties payable		685,459	601,609
Liabilities to group companies	11	45,769,944	32,792,790
Other current debt		1,129,506	6,861,347
Total current debt		51,119,105	47,912,819
Total liabilities		51,119,105	47,912,820
Total equity and liabilities		95,228,425	100,766,129

Bergen, 30.06.2024


Andreas Hveding Aubert
member of the board


Irene Waage Basili
chairman of the board

Peter Allan Hooper
general Manager



Cash Flow Statement (in USD)
Reflection Marine Norge AS

	NOTE	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		-15,478,646	14,503,736
Depreciation and write-down	6, 7	10,085,142	11,751,221
Change in accounts receivables / payables		-3,970,647	3,779,226
Adjustment currency effect long term loan	11	0	683,530
Change in current IC assets / liabilities	11	36,280,592	991,402
Change in other current assets / liabilities		-5,668,878	1,818,768
Net cash flow from operating activities		21,247,562	33,527,883
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in fixed assets	7	-21,205,243	-32,552,081
Investment in R&D	6	0	-3,067,654
Net cash flow from investing activities		-21,205,243	-35,619,736
Net increase in cash and cash equivalents		42,319	-2,091,853
Cash and cash equivalents at start of period		308,167	2,400,020
Cash and cash equivalents at end of period		350,486	308,167



Note 1 Accounting principles

Reflection Marine Norge AS is a Norwegian registered company with registered address in Bergen, founded 26. February 2018. The company's engineering personnel and equipment are located in Asker. The company's main focus is to provide geophysical services to the oil and gas industry, as well as investments in companies related to this business.

Financial statements for the Shearwater group can be located at the head office for Shearwater GeoServices Holding AS in Damsgårdsveien 135, Bergen.

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

Use of functional currency

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

Policies for revenue recognition

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

Classification of assets and liabilities in the financial statement

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

Receivables and liabilities in foreign currency

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

Property, plant and equipment

Property, plant and equipment acquired by the company are presented at historical cost less accumulated depreciation and impairment changes. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation on items of property, plant and equipment are mainly depreciated using the straight-line method to allocate their cost to their residual values.

If an indication of impairment exists, an impairment test is performed. If the recoverable amount of a tangible non-current asset is lower than book value, the asset will be written down to the higher of fair value less cost to sell and value in use. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses on derecognising of the asset calculated as the difference between the net disposal and the carrying amount of the asset is included in the income statement in the year the asset is derecognised.

Seismic equipment, leased and owned	3 - 7 years
Manufacturing and engineering equipment	1 - 7 years

The residual values and estimated useful lives of items of property, plant and equipment are reviewed, and adjusted annually as appropriate, at the year-end balance sheet date.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment. The cost of internally generated intangible asset is expensed as incurred.



Goodwill

The difference between the cost of an acquisition and the fair value of net identifiable assets on the acquisition date is recognised as goodwill.

Goodwill is depreciated over five years. It is tested for impairment if there are indications that the value should be impaired. The impairment test involves determining the recoverable amount of the cash-generating units, which corresponds to the highest of fair value less costs to sell or the value in use.

Patents, licenses and software

Patents, licenses and technology are stated at cost less accumulated amortisation and accumulated impairment. Amortisation is calculated on a straight-line basis over 10 years which is the estimated period of benefit.

Research and development

Research costs are expensed as incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if all of the following have been demonstrated: technical and commercial feasibility of completing the intangible assets so that it will be available for use or sale; the intention to complete the intangible asset and use or sell it; the ability to use or sell the intangible asset; how the intangible asset will generate probable future economic benefits; the availability of adequate technical, financial and other resources to complete the development to use or sell the intangible asset; and the ability to reliably measure the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date on which the intangible asset first satisfies the recognition criteria above. All other development costs are expensed as incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment, on the same basis as intangible assets acquired separately. Capitalised development costs are amortised on a straight-line basis over the estimated useful life of the asset.

Receivables

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

Cash

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

Provision

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

Taxes

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

Cash flow statement

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

**Contingencies**

Contingent losses are recognised 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 recognised but disclosed in the annual report or in the accompanying notes.

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 AS	Parent Company
Shearwater GeoServices Brasil LTDA	Sister Company
Shearwater GeoServices Norway AS	Sister Company
Shearwater GeoServices LTD	Sister Company
Shearwater GeoServices Inc	Sister Company
Geophysical Resources Pte Ltd	Sister Company
Shearwater GeoServices Singapore Pte Ltd	Sister Company
Shearwater Geoservices Assets V AS	Sister Company
Shearwater Product Centre Sdn Bhd	Sister Company

INTER COMPANY REVENUES IN 2023:

TRANSACTION	AMOUNT
Seismic Equipment Rental Income	32,721,894
Hire of personnel	242,127
Other operating revenue	94,482
Interest Income	1,490
Total	33,059,993

INTER COMPANY COST IN 2023:

TRANSACTION	AMOUNT
Interest Expenses	2,773,951
Cost of sales	27,478,138
Total	30,252,089



Note 4 - Operating revenue

Operating revenue both in 2023 and 2022 is related to the seismic market and mainly marine acquisition. The company operates worldwide and revenue in 2023 and 2022 is distributed between geographical regions as presented below. Hire of personnel is not included in the numbers presented below.

BY AREA	2023	2022
Europe, Africa and Middle East	23,039,735	31,750,226
North and South America	15,948,487	17,017,067
Asia Pacific	13,760	1,535,252
Total operating revenue	39,001,982	50,302,545

Note 5 Salary and personnel expense

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

SALARY AND BENEFITS COST	2023	2022
Salary cost	6,628,500	6,442,517
Social security	1,216,064	1,017,217
Pension and insurance cost	654,049	663,928
Other benefits	230,414	-1,058,142
Capitalised personell expenses	0	0
Total salary and benefits cost	8,729,027	7,065,520

Number of employees as of year end:

Office employees	63	56
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The company has a defined contribution plan as required by Norwegian law.

The members of the board as well as the managing director, are employed by another legal entity within the Shearwater group. The board members and managing director do not receive any additional remuneration for work performed for Reflection Marine Norge AS on top of the remuneration for their other functions within the group.

Auditor's fee in 2023 is related to statutory audit USD 21,407 and USD 0 for other services. In 2022 the auditor's fee was related to statutory audit USD 16,443 and USD 3,724 for other services. The amount is excluding VAT.



Note 6 Intangible assets

	RESEARCH AND DEVELOPMENT	PATENTS AND SOFTWARE	GOODWILL	TOTAL INTANGIBLE ASSETS
2023				
Costs as of 1 January	6,739,630	28,212,000	2,227,000	37,178,630
Additions to costs	0	0	0	0
Cost as of 31 December	6,739,630	28,212,000	2,227,000	37,178,630
Amortisation as of 1 January	0	11,637,450	1,781,600	13,419,050
Amortisation expense	0	2,821,200	445,400	3,266,600
Amortisation as of 31 December	0	14,458,650	2,227,000	16,685,650
Balance as of 31 December	6,739,630	13,753,350	0	20,492,979
Estimated useful life	10 years	10 years	5 years	
2022				
Costs as of 1 January	3,671,976	28,212,000	2,227,000	34,110,976
Additions to cost	3,067,654	0	0	3,067,654
Costs as of 31 December	6,739,630	28,212,000	2,227,000	37,178,630
Amortisation as of 1 January	0	8,816,250	1,336,200	10,152,450
Amortisation expense	0	2,821,200	445,400	3,266,600
Amortisation as of 31 December	0	11,637,450	1,781,600	13,419,050
Balance as of 31 December	6,739,630	16,574,550	445,400	23,759,580
Estimated useful life	10 years	10 years	5 years	

Research and development

The capitalised Research and Development reflect the direct consultants, materials and payroll cost related to the Pearl ocean bottom node project in 2021, 2022 and 2023. The nodes is commercial operation from 2023. Estimated useful lifetime for the finalised product is 10 years.

Patents and software

The patents and software were acquired as part of a carve out transaction in the Schlumberger group and are recognised at their fair value at date of acquisition and are subsequently amortised on a straight-line based on estimated useful lives. When estimating fair value, one considers the possibility that the theoretical lifetime of the patent agreement can deviate from the underlying technology's actual lifetime as technology can become outdated before the patent agreement expires. The company believes that the remaining patent life, which has an average lifetime of 10 years, is a reasonably proxy for the assets' useful life

Goodwill

The goodwill relates to key competence within the full range of geophysical acquisition techniques.

Impairment of intangible assets

The company tests as a principle whether intangible assets have suffered any impairment on an annual basis. At the end of 2023, the company finds that the assumptions the purchase price allocation finalised in 2019 was based on is still relevant. Even though the last years has shown how volatile both stock exchange and oil prices are when faced with unchartered events, the company is cautiously optimistic and trends show that activity levels have returned to pre-Covid levels and the company expects further increase in activity. No impairment was made for intangible assets.

**Note 7 Tangible assets**

	SEISMIC EQUIPMENT	ENGINEERING AND OFFICE EQUIPMENT	TOTAL
Acquisition cost at period start	93,885,236	8,454,730	102,339,965
Additions during the year	21,007,097	198,146	21,205,243
Acquisition cost at 31 Dec.	114,892,333	8,652,875	123,545,208
Accumulated depreciation:			
Balance at period start	52,476,922	807,300	60,550,222
Depreciation for the period	6,757,590	60,847	6,818,437
Accumulated depreciation at 31 Dec.	59,234,512	8,134,147	67,368,659
Balance sheet values at 31 Dec.	55,657,821	518,728	56,176,549
Estimated useful lifetime	3 to 7 years	1 to 7 years	

The equipment is pledged as security for a loan facility in Shearwater GeoServices AS, the holding company.

Impairment of seismic equipment

The company tests as a principle whether assets have suffered any impairment on an annual basis. Shearwater monitors the market for used seismic streamers closely to secure enough streamers for its operations and to be able to postpone a cash intensive investment in new streamers. The group entered into two streamer acquisitions, January 2020 and April 2021 respectively, for used streamers with an average age of 4 years from two different counterparties.

At year end 2023, the company looks towards the group transactions and find that assuming an indirect value for used equipment based on the acquisition of the streamers from both transactions, would imply a value considerably higher than book value given the same age of the packages. As such no impairment was made for seismic equipment.

Note 8 Financial exchange loss/gains

The net currency gain in 2023 is USD 243,049. The net currency gain in 2022 was USD 7,987,086.



Reflection Marine Norge AS

Notes to the financial statement 2023

Note 9 Taxes

Taxes in profit and loss:	2023	2022
Tax payable	-1,481,126	463 331
Change in deferred tax	0	0
Tax expenses	-1,481,126	463,331
Taxable income:		
Net income before tax*	-14 135 411	14,578,347
Permanent differences	0	-481 877
Adjusted for non deductible interests	2 120 711	2 106 050
Change in temporary differences	-5 064 363	545 229
Group contribution received	6 732 390	1 710 305
Løsses carried forward	0	-16 352 005
Net taxable income	-10,346,673	2,106,049
Temporary differences:		
Fixed assets	-8,370,984	-13 864 823
Interest cost brought forward	-34 441 193	-10 051 630
Losses brought forward	-11 860 981	-24 864 728
Deferred tax assets	-54,673,158	-48,781,181
Not recognised tax assets	54,673,158	48,781,181
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 0.09830 in 2023 (2022: NOK/USD 0.10140).

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 assets in the balance sheet.

The company received a reduction in payable tax of USD 463 331 in 2022 through the SkatteFunn tax deduction scheme for companies with research and development pprojects.

Note 10 Equity

	SHARE CAPITAL	RETAINED EARNINGS	TOTAL EQUITY
Equity as at 01.01.	3,838	52,849,472	52,853,310
Group contribution received, net of tax		5 253 531	5,253,531
Profit/loss for the year		-13,997,521	-13,997,521
Equity as at 31.12.	3,838	44,105,482	44,109,320



Reflection Marine Norge AS

Notes to the financial statement 2023

Note 11 Intercompany balances

RECEIVABLES	2023	2022
Short term receivables group companies	17,323,108	33,899,311
Sum	17,323,108	33,899,311

LIABILITIES	2023	2022
Short term liabilities group companies	-3,926,499	-8,392,188
Cash pool	-41,843,445	-24,400,603
Sum	-45,769,944	-32,792,790

Short term receivables consists of ordinary trade receivables with group companies.

Short term liabilities is a combination of short term loans from holding companies and ordinary trade payables to group companies.

All intercompany balances are subject to interest calculation if payments are unreasonably late.

Note 12 Cash and cash equivalents

Cash held for employee tax payments totals USD 350,485.6 as at 31.12.2023 (2022. USD 308,167.0). There are no other restricted cash items.

Note 13 Share capital

The company's share capital consists of 30 000 shares at NOK 1, a total of NOK 30 000. Booked value is USD 3,838.

Shearwater GeoServices AS owns 100% of the shares. Reflection Marine AS was the previous owner until merger with Shearwater GeoServices AS on 7 December 2021.

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

Note 14 Subsequent events

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