



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

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: 29.06.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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, 24.07.2024



Resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Seismic equipment rental and lease	3	42 539 965	18 807 371
Hire of personnel		358 515	953 931
Other operating revenue		7 762 579	3 354 480
Sum inntekter	4	50 661 059	23 115 782
Kostnader			
Personell expenses	5	7 065 520	7 196 648
Depreciation	6, 7	11 751 221	17 189 112
Cost of sales		18 551 415	14 883 270
Administration expenses	5	721 236	3 101 748
Sum kostnader		38 089 391	42 370 778
Driftsresultat		12 571 668	-19 254 997
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	3	179 492	27 370
Exchange loss (-) / gains (+)	8	7 987 086	2 662 122
Sum finansinntekter		8 166 578	2 689 493
Rentekostnad til foretak i samme konsern	3	6 225 872	3 896 010
Annen rentekostnad		66	53
Other financial expenses		8 571	1 921
Sum finanskostnader		6 234 509	3 897 984
Netto finans		1 932 069	-1 208 492
Ordinært resultat før skattekostnad		14 503 736	-20 463 488
Tax expenses	9	463 331	-283 950
Ordinært resultat etter skattekostnad		14 040 405	-20 179 538
Årsresultat		14 040 405	-20 179 538
Årsresultat etter minoritetsinteresser		14 040 405	-20 179 538



Resultatregnskap

Beløp i: USD	Note	2022	2021
Totalresultat		14 040 405	-20 179 538
Overføringer og disponeringer			
Udekket tap	10	14 040 405	-20 179 538
Sum overføringer og disponeringer		14 040 405	-20 179 538



Balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Development	6	6 739 630	3 671 976
Patents, licences and software	6	16 574 550	19 395 750
Utsatt skattefordel	9		
Goodwill	6	445 400	890 800
Sum immaterielle eiendeler		23 759 580	23 958 525
Varige driftsmidler			
Machinery and equipment	7	41 789 743	17 721 449
Sum varige driftsmidler		41 789 743	17 721 449
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		
Sum anleggsmidler		65 549 323	41 679 975
Omløpsmidler			
Varer			
Inventories		453 452	
Sum varer		453 452	
Fordringer			
Accounts receivables	3	147 834	891 470
Other short-term receivables		408 043	119 375
Receivables to group companies	11	33 899 311	112 635 192
Sum fordringer		34 455 188	113 646 037
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	12	308 167	2 400 020
Sum bankinnskudd, kontanter og lignende		308 167	2 400 020



Balanse

Beløp i: USD	Note	2022	2021
Sum omløpsmidler		35 216 807	116 046 057
SUM EIENDELER		100 766 129	157 726 032
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	52 849 472	37 098 762
Udekket tap	10		
Sum opptjent egenkapital		52 849 472	37 098 762
Sum egenkapital		52 853 310	37 102 599
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Obligasjonslån	11		104 249 962
Other non-current liabilities	11		
Sum annen langsiktig gjeld			104 249 962
Sum langsiktig gjeld		0	104 249 962
Kortsiktig gjeld			
Leverandørgjeld	3, 11	7 657 073	4 621 483
Public duties payable		601 609	763 190
Liabilities to group companies	11	32 792 790	7 314 083
Other current debt	11	6 861 347	3 674 715
Sum kortsiktig gjeld		47 912 819	16 373 471
Sum gjeld		47 912 820	120 623 433
SUM EGENKAPITAL OG GJELD		100 766 129	157 726 032



Balanse

Beløp i: USD	Note	2022	2021
POSTER UTENOM BALANSEN			
Garantistillelser	14		



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 2022, 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 2022, 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.

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



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Bergen, 29 June 2023
PricewaterhouseCoopers AS

Jon Haugervåg
State Authorised Public Accountant
(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Haugervåg, Jon	BANKID	2023-06-30 14:00

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of the document.



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.

Vennligs 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.



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ANNUAL REPORT 2022

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



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Reflection Marine Norge AS Board of Directors' Report 2022

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 2023, 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 2022, the outbreak of the war in Ukraine has resulted in a demand of reliable and affordable energy, and the global oil and gas exploration expenditures increased over the year. This is reflected in a growing seismic contract marked and increased tendering activity, a trend that is continuing into 2023.

Growth opportunities are also emerging with increased investments in new markets such as wind, carbon storage, geothermal and other areas. Shearwater is well positioned to capture these opportunities as the largest provider of marine seismic acquisition services with a low-cost base and limited capex requirement over the coming years.

In 2023, Shearwater has further progressed the fleet renewal strategy with the conversion of the SW Tasman to the first multifunctional deepwater dual ROV OBN deployment vessel with remotely operated vehicles (ROV) to deploy ocean bottom nodes (OBN) onboard. Operational from mid-2023, it enables Shearwater to meet increased ocean bottom seismic demand with in-house capacity independent of the market availability for ROV vessels.

Aspects of 2022

In 2022, 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. The company has continued the projects it started in 2019 with development of next generation seismic equipment. Backed by external funding, the company is hopeful that the new technologies will play a vital role in the seismic industry in the years to come. In 2022, the company has received funding from Equinor and Lundin Energy Norway.

Profit before tax in 2022 is USD 14,5 mill. whilst net operating income in 2022 totals to USD 12,6 mill. Not taking depreciation into account, the company shows an operating gain of USD 24,3 mill. In 2022 financial items are positive by USD 1,9 mill. which is mainly intercompany interest expenses of USD 5,7 mill. and a positive currency effect USD 8 mill. (2021: positive USD 2,7 mill.) of the intercompany NOK loan.

The company's liquidity is USD 0,3 mill. as at 31.12.2022 (31.12.2021: USD 2,4 mill.). Cash flow from operating activities in 2022 was positive USD 33,5 mill (2021: USD 17,4 mill.). Cash flow from investment activities was negative USD 35,6 mill. due to investments in machinery, equipment and R&D. Cash flow from financing activities was USD 0 both 2022 and 2021.

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



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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 2021 and 2022 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 2023.

Based on the above report of profit and loss for the company, the Board of Directors confirms that the financial statements for 2022 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 2022, recruitment picked back up after exiting from the Covid-19 restrictions and seeing positive movement in the market. During the year, a total of 62 permanent full-time employees, and 4 temporary contracted personnel were working for the company.

At year end, the company had 56 permanent full time employees, 0 permanent part-time employee and 1 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 2022.

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 2022.

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, 75% were men and 25% were women. Reflection Marine Norway AS had employees from 18 unique nationalities during 2022, with the majority being Norwegian, followed by Dutch and German.

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.

Equal opportunities

The Shearwater Geoservices Group continues its devotion to being an equal opportunities employer. In our People Policy, it is stated that Shearwater commits to recruit based on competence and promote a diverse workforce throughout the company, with equal opportunities for growth and development. We do not tolerate any discriminatory measures in the hiring, retaining or promoting of our employees.

To follow this commitment, we have a focus on gender-inclusive language throughout our recruitment advertisement. We also allow all candidates applying via our online portal the selection between three genders, or to refrain from providing the information if desired. To inform fair treatment based on competency/skill and not personal factors in employment, the Group implemented a Global Job Leveling System to be launched in 2023. The system will allow for internal auditing of equal impact jobs in matters such as promotions, alignments and remuneration.



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Moreover, the Company is committed to being a supporter of a healthy work-life dynamic, and offer employees flexibility in the form of paid time off for short personal leaves, including moving house, taking care of close family, breastfeeding and children's introduction to kindergarten.

Through the internal HR analyses conducted throughout the year, the main risk factor to diversity and equality in the Company is related to imbalance in age and gender in our employee population. Operating in a male-dominated industry, Shearwater recognizes it's responsibility to attract and retain a diverse workforce. Therefore, the Group has invested in several initiatives focusing on this topic, such as the Inclusivity network and recruitment of early careers professionals.

The company organizes its work around equality and non-discrimination according to the statutory four-step working methodology. 1. Examines whether there is a risk of discrimination or other obstacles to equality. 2. Analyzes the causes of identified risks. 3. Takes appropriate action. 4. Assess the results of step 1 to 3.

Absence

At year end, the average monthly sickness absence was 1.1%. At the end of the year, the HR team in collaboration with the Work Environment Committee performed an analysis on sickness trends, and identified an opportunity to expand the current self-certification policy. Effective from Jan 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.

The Company continues to offer parental leave in relation to the birth, adoption or fostering of a child. During 2022, 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 year. 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.

Moreover, in 2022 the Group performed an all-company talent and succession review, where the performance and potential of each employee were considered. The process included identification of successors for key positions, as well as the creation of bespoke development plans and strategies for high performers and high potentials. The goal of this process is to aid the professional development of our people and inform decisions in internal promotions.

To further the Group's efforts to inspire the next generation, the success of internships was continued in 2022. The Company hosted three interns during the summer period and have successfully recruited three more for the 2023 period. At the end of 2022, the Group also decided that a Graduate programme will be launched in 2023, 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. The first Graduate pool is expected to start following the summer of 2023.

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.



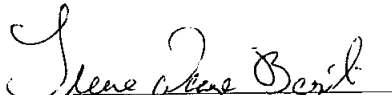
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Allocation of net income

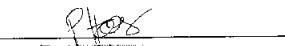
The financial statement shows a positive net income of USD 14 040 405,- which is proposed transferred to loss brought forward.

Bergen, 29.06.2023

Board of Directors in Reflection Marine Norge AS


Irene Waage Basili
chairman of the board


Andreas Hveding Aubert
member of the board


Peter Hooper
managing director



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

OPERATING REVENUE AND EXPENSES	NOTE	2022	2021
Seismic equipment rental and lease	3	42 539 965	18 807 371
Hire of personnel		358 515	953 931
Other operating revenue		7 762 579	3 354 480
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Depreciation	6, 7	11 751 221	17 189 112
Total operating expenses		38 089 391	42 370 778
Net operating income		12 571 668	-19 254 997
FINANCIAL ITEMS			
Interest income from group entities	3	179 492	27 370
Interest expenses to group entities	3	6 225 872	3 896 010
Interest expenses		66	53
Other financial expenses		8 571	1 921
Exchange loss (-) / gains (+)	8	7 987 086	2 662 122
Net financial income and expenses		1 932 069	-1 208 492
Operating result before tax		14 503 736	-20 463 488
Tax expenses	9	463 331	-283 950
Net income		14 040 405	-20 179 538
ALLOCATION OF NET INCOME			
Loss brought forward	10	-14 040 405	20 179 538
Total allocation		14 040 405	-20 179 538



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

ASSETS	NOTE	2022	2021
FIXED ASSETS			
INTANGIBLE ASSETS			
Development	6	6 739 630	3 671 976
Patents, licences and software	6	16 574 550	19 395 750
Goodwill	6	445 400	890 800
Total intangible assets		23 759 580	23 958 525
TANGIBLE ASSETS			
Machinery and equipment	7	41 789 743	17 721 449
Total tangible assets		41 789 743	17 721 449
Total fixed assets		65 549 323	41 679 975
CURRENT ASSETS			
Inventories		453 452	0
DEBTORS			
Accounts receivables	3	147 834	891 470
Other short-term receivables	9	408 043	119 375
Receivables to group companies	11	33 899 311	112 635 192
Total receivables		34 455 188	113 646 037
Cash and cash equivalents	12	308 167	2 400 020
Total current assets		35 216 807	116 046 057
Total assets		100 766 129	157 726 032

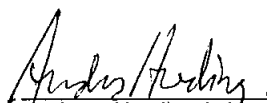


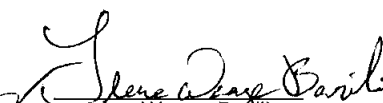
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Reflection Marine Norge AS Statement of Financial position (in USD)

EQUITY AND LIABILITIES	NOTE	2022	2021
PAID-IN CAPITAL			
Share capital	10, 13	3 838	3 838
Total paid-in capital		3 838	3 838
RETAINED EARNINGS			
Retained earnings	10	52 849 472	37 098 762
Total retained earnings		52 849 472	37 098 762
Total equity		52 853 310	37 102 599
LIABILITIES			
OTHER LONG-TERM LIABILITIES			
Long term liabilities to group companies	11	0	104 249 962
Total other long term liabilities		0	104 249 962
CURRENT DEBT			
Trade creditors	3, 11	7 657 073	4 621 483
Public duties payable		601 609	763 190
Liabilities to group companies	11	32 792 790	7 314 083
Other current debt	11	6 861 347	3 674 715
Total current debt		47 912 819	16 373 471
Total liabilities		47 912 820	120 623 433
Total equity and liabilities		100 766 129	157 726 032

Bergen, 29.06.2023


Andreas Hveding Aubert
member of the board


Irene Waage Basili
chairman of the board


Peter Allan Hooper
general Manager



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Cash Flow Statement (in USD) Reflection Marine Norge AS

	NOTE	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		14 503 736	-20 463 488
Depreciation and write-down	6, 7	11 751 221	17 189 112
Change in accounts receivables / payables		29 257 933	3 073 452
Adjustment currency effect long term loan	11	683 530	-2 810 948
Change in current IC assets / liabilities	11	-24 487 305	16 369 500
Change in other current assets / liabilities		1 818 768	4 069 664
Net cash flow from operating activities		33 527 883	17 427 292
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in fixed assets	7	-32 552 081	-12 577 636
Investment in R&D	6	-3 067 654	-3 671 976
Net cash flow from investing activities		-35 619 736	-16 249 612
Net increase in cash and cash equivalents			
		-2 091 853	1 177 681
Cash and cash equivalents at start of period		2 400 020	1 222 340
Cash and cash equivalents at end of period	12	308 167	2 400 020



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Reflection Marine Norge AS

Notes to the financial statement 2022

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.



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Reflection Marine Norge AS

Notes to the financial statement 2022

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	31.12.2022	31.12.2021	AVERAGE 2022	AVERAGE 2021
NOK/USD	0,1014	0,1134	0,1039	0,1163

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
Reflection Marine Corporation (US)	Sister Company

INTER COMPANY REVENUES IN 2022:

TRANSACTION	RELATED PARTY	AMOUNT
Seismic Equipment Rental Income	Shearwater Geoservices Assets V AS	25 204 383
Seismic Equipment Rental Income	Shearwater GeoServices Brasil LTDA	17 017 067
Interest Income	Shearwater GeoServices Brasil LTDA	84 930
Interest Income	Shearwater GeoServices Norway AS	52 055
Interest Income	Reflection Marine Corporation (US)	42 506
Crew Income	Shearwater GeoServices Assets V AS	533 168
Crew Income	Shearwater GeoServices LTD	92 993
Crew Income	Shearwater GeoServices Singapore	31 103
Total		43 058 205

INTER COMPANY COST IN 2022:

TRANSACTION	RELATED PARTY	AMOUNT
Interest Expenses	Shearwater GeoServices Norway AS	6 168 001
Interest Expenses	Shearwater GeoServices Inc	57 851
Crew Cost	Shearwater GeoServices Norway AS	226 539
Crew Cost	Geophysical Resources Pte Ltd	34 966
Total		6 487 357



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Reflection Marine Norge AS

Notes to the financial statement 2022

Note 4 - Operating revenue

Operating revenue both in 2022 and 2021 is related to the seismic market and mainly marine acquisition. The company operates worldwide and revenue in 2022 and 2021 is distributed between geographical regions as presented below. Hire of personnel is not included in the numbers presented below.

BY AREA	2022	2021
Europe, Africa and Middle East	31 750 226	14 294 394
North and South America	17 017 067	7 357 735
Asia Pacific	1 535 252	509 723
Total operating revenue	50 302 545	22 161 851

Note 5 Salary and personnel expense

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

SALARY AND BENEFITS COST	2022	2021
Salary cost	6 442 517	7 763 935
Social security	1 017 217	1 275 747
Pension and insurance cost	663 928	604 829
Other benefits	-1 058 142	-812 976
Capitalised personell expenses	0	-1 634 887
Total salary and benefits cost	7 065 520	7 196 648

Number of employees as of year end:

Office employees	56	48
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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 2022 is related to statutory audit USD 16 443 and USD 3 724 for other services. In 2021 the auditor's fee was related to statutory audit USD 21 217 and USD 4 240 for other services. The amount is excluding VAT.



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Reflection Marine Norge AS

Notes to the financial statement 2022

Note 6 Intangible assets

	RESEARCH AND DEVELOPMENT	PATENTS AND SOFTWARE	GOODWILL	TOTAL INTANGIBLE ASSETS
2022				
Costs as of 1 January	3 671 976	28 212 000	2 227 000	34 110 976
Additions to costs	3 067 654	0	0	3 067 654
Cost 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	23 759 579
Estimated useful life	10 years	10 years	5 years	
2021				
Costs as of 1 January	0	28 212 000	2 227 000	30 439 000
Additions to cost	3 671 976	0	0	3 671 976
Costs as of 31 December	3 671 976	28 212 000	2 227 000	34 110 976
Amortisation as of 1 January	0	5 995 050	890 800	6 885 850
Amortisation expense	0	2 821 200	445 400	3 266 600
Amortisation as of 31 December	0	8 816 250	1 336 200	10 152 450
Balance as of 31 December	3 671 976	19 395 750	890 800	23 958 526
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 and 2022. It is expected that the nodes will be in commercial operation from mid 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 the 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 2022, 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.



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Reflection Marine Norge AS

Notes to the financial statement 2022

Note 7 Tangible assets

	SEISMIC EQUIPMENT	ENGINEERING AND OFFICE EQUIPMENT	TOTAL
Acquisition cost at period start	61 688 909	8 098 975	69 787 884
Additions during the year	32 196 327	355 754	32 552 081
Acquisition cost at 31 Dec.	93 885 236	8 454 730	102 339 965
Accumulated depreciation:			
Balance at period start	44 120 994	7 945 440	52 066 434
Depreciation for the period	8 355 928	127 860	8 483 788
Accumulated depreciation at 31 Dec.	52 476 922	8 073 300	60 550 222
Balance sheet values at 31 Dec.	41 408 314	381 429	41 789 743
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 2022, 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 2022 is USD 7 987 086. The net currency gain in 2021 was USD 2 662 122.



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Reflection Marine Norge AS

Notes to the financial statement 2022

Note 9 Taxes

Taxes in profit and loss:	2022	2021
Tax payable	463 331	0
Change in deferred tax	0	-283 950
Tax expenses	463 331	-283 950
Taxable income:		
Net income before tax*	14 578 347	-22 443 490
Permanent differences	- 481 877	0
Adjusted for non deductible interests	2 106 050	3 796 732
Change in temporary differences	545 229	6 960 317
Group contribution received	1 710 305	1 290 683
Losses carried forward	-16 352 005	0
Net taxable income	2 106 049	-10 395 758
Temporary differences:		
Fixed assets	-13 864 823	-14 887 094
Interest cost brought forward	-10 051 630	-8 880 646
Losses brought forward	-24 864 728	-46 067 272
Deferred tax assets	-48 781 181	-69 835 012
Not recognised tax assets	48 781 181	69 835 012
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 2022	22%
Tax rate deferred tax 2023	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 0,10140 in 2022 (2021: NOK/USD 0,11339).

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.

In 2022, The company has received SkatteFunn on USD 481 877 which is booked against the company's tax expenses on USD 463 331, which gives a receivable on USD 18 546.

Note 10 Equity

	SHARE CAPITAL	RETAINED EARNINGS	TOTAL EQUITY
Equity as at 01.01.	3 838	37 098 762	37 102 599
Group contribution received, net of tax		1 710 305	1 710 305
Profit/loss for the year		14 040 405	14 040 405
Equity as at 31.12.	3 838	52 849 472	52 853 310



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Reflection Marine Norge AS

Notes to the financial statement 2022

Note 11 Intercompany balances

RECEIVABLES	2022	2021
Short term receivables group companies	33 899 311	112 635 192
Sum	33 899 311	112 635 192

LIABILITIES	2022	2021
Short term liabilities group companies	-8 392 188	7 314 083
Cash pool	-24 400 603	0
Sum	-32 792 790	7 314 083

Short term receivables consists of ordinary trade receiveables 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 308 167,0 as at 31.12.2022 (2021: USD 338 536,6). There are no other restricted cash items.

Note 13 Share capital

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

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.



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