



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	921 186 134
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	MAGSEIS FF AS
Forretningsadresse:	Askekroken 11 0277 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021
-------------------------	-------------------------

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Carel Hooijkaas
Dato for fastsettelse av årsregnskapet:	30.06.2022

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 03.08.2023



Resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad	2	7 000	4 000
Sum kostnader		7 000	4 000
Driftsresultat		-7 000	-4 000
Verdireduksjon andre finansielle instrumenter vurdert til virkelig verdi			0
Other Finance Cost	3	579 000	753 000
Impairment of investments in subsidiaries	9	29 738 000	0
Sum finanskostnader		30 317 000	753 000
Netto finans		-30 317 000	-753 000
Ordinært resultat før skattekostnad		-30 324 000	-757 000
Ordinært resultat etter skattekostnad		-30 324 000	-757 000
Skattekostnad på ekstraordinære poster	4	-87 000	
Årsresultat		-30 237 000	-757 000
Overføringer og disponeringer			
Overføring til/fra fond	8	-30 237 000	-757 000
Sum overføringer og disponeringer		-30 237 000	-757 000



Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap		0	
Investering i annet foretak i samme konsern	9	74 003 000	104 050 000
Andre fordringer	5	399 000	
Sum finansielle anleggsmidler		74 402 000	104 050 000
Sum anleggsmidler		74 402 000	104 050 000
Omløpsmidler			
Varer			
Fordringer			
Other current assets			1 000
Sum fordringer			1 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende			1 000
Sum bankinnskudd, kontanter og lignende			1 000
Sum omløpsmidler		0	2 000
SUM EIENDELER		74 402 000	104 052 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	8	7 000	4 000
Overkurs	8	72 357 000	86 117 000
Sum innskutt egenkapital		72 364 000	86 121 000



Balanse

Beløp i: USD	Note	2021	2020
Sum egenkapital		72 364 000	86 121 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	5	0	15 902 000
Sum annen langsiktig gjeld		0	15 902 000
Sum langsiktig gjeld		0	15 902 000
Kortsiktig gjeld			
Other current liabilities	7	2 029 000	2 029 000
Intercompany liability	5	9 000	0
Sum kortsiktig gjeld		2 038 000	2 029 000
Sum gjeld		2 038 000	17 931 000
SUM EGENKAPITAL OG GJELD		74 402 000	104 052 000



Vår dato 05.06.2019	Din/Deres dato 10.04.2019	Saksbehandler Henning Stokke
800 80 000 Skatteetaten.no	Din/Deres referanse Nina Midttie	Telefon 800 80 000
Org.nr 974761076	Vår referanse 2019/5861875	Postadresse Postboks 9200 Grønland 0134 OSLO

Magseis FF AS
Strandveien 10
1366 LYSAKER

Tillatelse til å utarbeide årsberetning og årsregnskap på engelsk språk for Magseis FF AS, org.nr. 921 186 134

Vi viser til deres brev av 10. april 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Magseis FF AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Magseis FF AS 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

Fra søknaden gjengis:

Magseis FF AS er datterselskap til Magseis Fairfield ASA. Det børsnoterte morseselskapet Magseis Fairfield ASA med org.nr 994 547 852 (2013/107005 og søsterselskapet Magseis Operations AS med org.nr 911 689 324 (2016/887690) har fått innvilget dispensasjon til å benytte engelsk språk tidligere.

Magseis gruppens hovedaktivitet er utvikling av geofysiske utstyr og metoder, generering, markedsføring og salg av eksklusive og ikke-eksklusive geofysiske undersøkelser samt annen virksomhet som faller inn under dette, herunder investering i slik virksomhet. Magseis gruppen opererer internasjonalt, alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk, arbeidsspråket er engelsk og hovedvekten av kundene er internasjonale olje og gass-selskaper.

Selskapet det søkes om er et holdingsselskap for Magseis gruppens USA aktiviteter. Herunder finansiering i USD. På samme måte som for resten av gruppen, vil det påfalle administrasjonen uhensiktsmessig mye arbeid å oversette all periodisk finans og skatterapportering til norsk, uten at dette vil ha noen nytte for selskapet. 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 særlig vekt på at selskapet er eid av selskap som har fått dispensasjon. Eierkretsen er begrenset. Arbeidsspråket er engelsk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Inger Helene Iversen
seniorrådgiver
Juridisk avdeling, næring
Skattedirektoratet

Henning Stokke

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

Side 2 / 2



MAGSEIS FAIRFIELD ASA

June 30, 2022

Magséis FF AS

Strandveien 50, 1366 Lysaker
NORWAY

Dear Sirs

We hereby confirm that we are willing and able to provide continuing financial support from a minimum of the next twelve months from the date of this letter to enable the above company to meet its liabilities as and when required.

Yours very truly,

Carel Hooijkaas
Chief Executive Officer

OFFICE
Magséis Fairfield ASA, Strandveien 50
1366 Lysaker
NORWAY



BOARD OF DIRECTORS' REPORT 2021 Magseis FF AS – org nr 921 186 134

Operations and locations

Magseis FF AS, located at Strandveien 50, 1366 Lysaker. The company is a holding company and own the subsidiary Magseis Fairfield LLC 100 percent. Magseis Fairfield LLC is a leading provider of ocean bottom seismic systems and services.

Going concern

The financial results for the Group and the Company's subsidiaries were characterized by continued financial and operational challenges in 2021, due to the COVID-19 pandemic and volatile market environment. The impact on the E&P industry has been profound and Magseis Fairfield's clients have cut their capex and cancelled or postponed their investment plans to preserve cash. However, Magseis Fairfield has maintained a strong focus on cost and capital expenditures to preserve cash and safeguard business continuity.

The Group's backlog for 2021 increased during the fourth quarter 2021 and the first months of 2022, offering increasing support for the 2022 budget and forecasts. Magseis Fairfield forecasts a market growth in 2022 of 25 percent and new contracts are being secured at increasing margins. This backlog and tendering activity for 2022 provides a basis for optimism, although the Group acknowledges the risks and uncertainties regarding future market development.

The Group ended the year with USD 29.7 million in cash and cash equivalents. Given the current activity level and financial forecasts, it is the Board of Directors' view that Magseis Fairfield will have sufficient liquidity through 2022. The liquidity forecast is subject to certain risk factors, such as project execution, timely collections from customers or changes in phasing and scope of projects. Although there are uncertainties related to events or conditions that might impact the future cash flows, the Board and Management are of the opinion that the going concern assumption is appropriate and the accounts are prepared under this assumption.

In addition the going concern assumptions is further supported by an irrevocable Letter of Support issued by Magseis Fairfield ASA (parent company) covering the period for a minimum of 12 months from when the Financial Statements are dated, where they confirm that Magseis Fairfield ASA will supply necessary liquidity to the Company in order for the Company to cover its obligations at any time and that claims on the Company will have priority after other creditors' claims and will not be collected unless sufficient funds are available.

Although there are uncertainties related to events or conditions that might impact the future cash flows, such as Covid-19 pandemic and a weaker market environment due to lower and more volatile oil prices.

The Board is of the opinion that the going concern assumption is appropriate and the accounts are prepared under this assumption. This assessment is also based on the presence of the Letter of Support and the assessment of the Board that Magseis Fairfield ASA is financially able to provide this support if needed.



Comments related to the financial statements

The company is a holding company with no activity beyond shareholding. The negative result in the 2021 is mainly due to impairment of investment in subsidiaries. Please refer to note 9 in the financial statements.

There have been no significant cash flows in the year. Similar, there were no significant cash flows in 2020.

Risk

Magseis FF AS is exposed to a variety of risk factors through its investment, including risk related to global economic growth and demand for and prices of oil and gas products. These factors affect the oil and gas companies' capital spending for exploration and development expenditures such as seismic services.

The working environment and personnel

There are no employees in the company.

Environment

The company is a holding company and does not pollute the external environment, but it may invest in companies where their business has an impact on the environment. For more information, please see the annual report for Magseis Fairfield ASA available at www.magseisfairfield.com.

Lysaker, 30 June 2022

Carel Hooijkaas
Chairman of the board

Kenneth Hanssen
Board member



Deloitte.

Deloitte AS
Dronning Eufemias gate 14
Postboks 221 Sentrum
NO-0103 Oslo
Norway

Tel: +47 23 27 90 00
www.deloitte.no

To the General Meeting of Magseis FF AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Magseis FF AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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

Other Information

The Board of Directors (management) is 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 legal requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTL and each DTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTL does not provide services to clients. Please see www.deloitte.no to learn more.

© Deloitte AS

Registrert i Foretaksregisteret Medlemmer av Den norske Revisorforening
Organisasjonsnummer: 980 211 282

Penneo Dokumentnøkkel: 8MUEG-KNPPK-VS4LW-2A07A-GLG0Z-XZAPG



Deloitte.

side 2
Independent Auditor's Report -
Magseis FF AS

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.

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

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

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

Oslo, 30 June 2022
Deloitte AS

Lars Atle Lauvsnes
State Authorised Public Accountant

Penneo Dokumentnøkkel: 8MUEG-KNPPK-VS4LW-2A07A-GLG0Z-XZAPG



PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur".
De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Lars Atle Lauvsnes

Statsautorisert revisor

Serienummer: 9578-5997-4-351154

IP: 51.174.xxx.xxx

2022-06-30 12:41:04 UTC



Penneo Dokumentnøkkel: 8MUJEG-KNPPK-VS4LW-2A07A-GLG0Z-X2APG

Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig).

Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service <penneo@penneo.com>**. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validate>



Magseis FF AS
Financial Statements

2021



Statement of Profit and Loss

USD thousands	Note	2021	2020
Revenues			
Revenues		-	-
Operating expenses			
Other operating expenses	2	(7)	(4)
Total operating expenses		(7)	(4)
Operating profit/(loss)		(7)	(4)
Finance income and costs			
Other finance costs	3	(579)	(753)
Impairment of investments in subsidiaries	9	(29 738)	-
Net finance income/(costs)		(30 317)	(753)
Net profit/(loss) before tax		(30 325)	(757)
Income tax expense	4	87	-
Net profit/(loss)		(30 238)	(757)
Allocation of net profit/(loss) and equity transfers			
Transferred to uncovered losses	8	(30 238)	(757)
Total allocations and equity transfers		(30 238)	(757)



Balance sheet at 31 December

USD thousands	Note	2021	2020
Non-current assets			
Investment in subsidiaries	9	74 003	104 050
Total non-current assets		74 003	104 050
Current assets			
Cash and cash equivalents	6	-	1
Intercompany receivables	5	398	-
Total current assets		398	1
Total assets		74 402	104 051
Equity			
Share capital	8	7	4
Share premium	8	72 357	86 118
Other equity	8	-	-
Total shareholders' equity		72 364	86 121
Non-current liabilities			
Intercompany payables	5	-	15 902
Total non-current liabilities		-	15 902
Current liabilities			
Intercompany payables	5	9	-
Other current liabilities	7	2 029	2 029
Total current liabilities		2 038	2 029
Total liabilities		2 038	17 930
Total equity and liabilities		74 402	104 051

Lysaker, 30 June 2022

Carel Hooijkaas
Chairman of the board

Kenneth Hanssen
Board member



Statement of Cash Flow

USD thousands	Note	2021	2020
Cash flows from operating activities			
Profit /(loss) before tax		(30 325)	(757)
Finance expense	5	579	-
Impairment of investment in subsidiaries		29 739	-
Intercompany loans	5	-	759
Change in trade and other receivables	5	(398)	-
Change in trade and other payables	5	9	-
Change in other current assets and other liabilities	7	395	(1)
Net cash from operating activities		(1)	1
Cash flows from investing activities			
Net cash from investment activities		-	-
Cash flows from financing activities			
Net cash from financing activities		-	-
Net change in cash and cash equivalents	6	(1)	
Cash and cash equivalents at period start	6	1	1
Cash and cash equivalents at period end		-	1



Notes to the financial statements

1. GENERAL INFORMATION AND ACCOUNTING POLICIES

General information

The parent company Magseis Fairfield ASA has its registered offices in Strandveien 50, 1366 Lysaker, where the consolidated accounts which include the company can be obtained.

Accounting Principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway.

Magseis FF AS has been given permission file the Company's annual report in English. The Company's functional and presentation currency is USD.

Magseis FF AS has not prepared consolidated accounts, as the company qualifies for the exemption as listed in the Accounting Act § 3-7.

Use of estimates

The preparation of financial statements in accordance with the Accounting Act requires the use of estimates. The application of the Company's accounting principles also requires management to apply judgement. Areas which to a great extent contain such judgement, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the relevant notes.

Operating expenses

Operating expenses are recognized in the same period as the revenue to which they relate.

Financial income and expenses

Financial income comprises interest income on cash balances and gains on foreign currency transactions that are recognized in profit or loss.

Financial expenses comprises interest expense, impairment losses recognized on financial assets, losses on foreign currency transactions and fair value measurement of financial transactions that are recognized in profit or loss

Income tax

Income tax consists of current tax, effect of change in deferred tax positions and withholding tax. Income tax is recognized in the statement of profit or loss except to the extent that it relates to items recognized directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date that will be paid during the next 12 months. Current tax also includes any adjustment of taxes from previous years.

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for taxation purposes. Deferred tax is measured at the tax rates expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognized for unused tax losses, tax credits



and deductible temporary differences. Deferred tax asset is only recognized to the extent it is considered probable that future taxable profits will be available to utilize the credits.

Valuation and classification of assets and liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria. Current assets are valued at the lower of historical cost and fair value. Other long-term liabilities, as well as short-term liabilities, are valued at nominal value.

Shares in subsidiaries and investment in associates

Shares in subsidiaries and investments in associates are carried at cost, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, according to generally accepted accounting principles. Received dividends and group contributions are recognized as other financial income.

Foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Receivables

Accounts receivables and intercompany receivables are carried at their anticipated realizable value, which is the original invoice amount less an estimated valuation allowance for impairment of these receivables. A valuation allowance for impairment of trade receivables is made when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivable.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation, such as contingencies, claims and other uncertain liabilities, including tax contingencies. These accruals are adjusted periodically as assessments change or new additional information become available. The provisions carrying amount is measured at cost.

Provision is made where there is objective evidence that the Company will be unable to recover balances in full from trade and other receivables. Balances are written off when the probability of recovery is assessed as being remote."



Events after the balance sheet date

A distinction is made between events both favorable and unfavorable that provide evidence of conditions that existed at the balance sheet date (adjusting events) and those that are indicative of conditions that arose after the balance sheet date (non-adjusting events). Financial statements will only be adjusted to reflect adjusting events (although there are disclosure requirements for non-adjusting events).

Cash flow statement

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

Rounding

The financial information presented in United States Dollar (USD) has been rounded to the nearest thousand (USD 1 000), therefore the subtotals and totals in some of the tables may not equal the sum of the amounts shown.



2. OTHER OPERATING EXPENSES

USD thousands	2021	2020
Professional services	7	4
Other expenses	-	-
Total other operating expenses	7	4

There were no employess in Magseis FF AS in 2021.
Magseis FF AS has not appointed a managing director in 2021.
No remunerations have been paid to board members in 2021.

Auditors remuneration:

USD thousands	2021	2020
Audit services		
Audit of annual financial statements	5	4
Other services		
Other assurance services	-	-
Total audit remuneration	5	4

3. FINANCE INCOME AND COSTS

USD thousands	2021	2020
Interest expense	(579)	(753)
Total other finance costs	(579)	(753)

Interest charges are related to the intercompany loan with the parent entity, Magseis Fairfield ASA. The maturity date is from January 1, 2022 to January 1, 2023. The interest rate was 3 month USD LIBOR + 4.25%.

As of 31 December 2021, the intercompany loan has been converted to equity.



4. TAXES

USD thousands	2021	2020
Result before taxes	(30 325)	(757)
Permanent differences	29 738	384
Basis for the tax expense for the year	(586)	(372)
Change in temporary differences	-	-
Taxable income (basis for payable taxes in the balance sheet)	(586)	(372)
Tax payable	-	-
Change in deferred tax	(87)	-
Tax expense	(87)	-

USD thousands	Change	2021	2020
Net temporary differences	-		
Tax losses carried forward	(174)	657	483
Basis for deferred tax		657	483
Deferred tax		145	106
Deferred tax benefit not recognized in the balance sheet		(145)	(106)
Deferred tax in the balance sheet		-	-

USD thousands	2021	2020
<i>Reconciliation of the tax expense</i>		
Result before taxes	(30 325)	(757)
Calculated tax expense	(6 671)	(167)
Recognized tax expense	(87)	
Difference	(6 585)	(167)

The difference consists of:

Tax effect of permanent differences	6 542	85
Change in deferred tax benefit not recognized in the balance sheet	42	82
Sum explained differences	6 585	167



5. RELATED PARTY AND INTERCOMPANY TRANSACTIONS

2021 USD thousands	Income statement	Balance sheet		
	Net interest	Current receivables	Current liabilities	Net Inter-company loans
Magseis Fairfield ASA	579	398	(9)	-
Total	579	398	(9)	-

2020 USD thousands	Income statement	Balance sheet		
	Net interest	Current receivables	Current liabilities	Net Inter-company loans
Magseis Fairfield ASA	753	-	-	15 902
Total	753	-	-	15 902

6. CASH AND CASH EQUIVALENTS

USD thousands	2021	2020
Unrestricted cash balances		
Unrestricted cash balances	-	1
Restricted cash balances		
Deposits	-	-
Total restricted cash balances	-	-
Total cash and cash equivalents	-	1

7. OTHER CURRENT ASSETS AND LIABILITIES

Other current assets

USD thousands	2021	2020
Other receivables	-	1
Total other current assets	-	1

Other current liabilities

USD thousands	2021	2020
Other	2 029	2 029
Total other current liabilities	2 029	2 029



In 20120 and 2021, other current liabilities consist of contingent liability related to the acquisition of Fairfield Geotechnologies LLC from Fairfield Maxwell Ltd, USD thousand 2 029.

8. SHAREHOLDERS' EQUITY

USD thousands	Share capital	Share premium reserve	Other equity	Total
Balance 1 January 2021	4	86 118	-	86 121
Capital increase	3	16 477		16 480
Group contribution				-
Profit/(Loss) for the period			(30 238)	(30 238)
Allocation retained deficit		(30 238)	30 238	-
Balance 31 December 2021	7	72 357	0	72 364

The share capital of NOK 60 000 consists of 300 shares with nominal value of NOK 200 per share. There is only one type of shares, and the shares are 100 % owned by Magseis Fairfield ASA.

9. INVESTMENTS IN SUBSIDIARIES

Company name	Main business	Ownership	Voting power	Net book value	Equity	Net profit 2021
Magseis Fairfield LLC	Geophysical services	100%	100%	74 312	74 312	(32 552)

Magseis Fairfield LLC has a registered office in Houston, USA. The subsidiaries main business is geophysical services. USD 29.7 million impairment of investment in subsidiary Magseis FF LLC was recognized in 2021.

10. SECURITIES AND GUARANTEES

Magseis Fairfield ASA has a secured loan facility with DNB Bank ASA and. The following security has been provided to DNB Bank ASA, which secures both the loan agreement and any guarantee facility provided by DNB Bank ASA:

Magseis FF AS:

- Guarantee of USD 60 million plus interest and expenses
- Pledge over the shares in Magseis FF LLC
- Floating charges over operating assets, inventory and trade receivables
- Pledge over Norwegian bank accounts



Magseis FF LLC:

- Guarantee of USD 60 million plus interest and expenses
- Security over all or substantially all assets, including patents/IP and bank accounts

11. SUBSEQUENT EVENTS AND GOING CONCERN

There are no significant events after the balance sheet date.

The financial results for the Group and the Company's subsidiaries were characterized by continued financial and operational challenges in 2021, due to the COVID-19 pandemic and volatile market environment. The impact on the E&P industry has been profound and Magseis Fairfield's clients have cut their capex and cancelled or postponed their investment plans to preserve cash. However, Magseis Fairfield has maintained a strong focus on cost and capital expenditures to preserve cash and safeguard business continuity.

The Group's backlog for 2021 increased during the fourth quarter 2021 and the first months of 2022, offering increasing support for the 2022 budget and forecasts. Magseis Fairfield forecasts a market growth in 2022 of 25 percent and new contracts are being secured at increasing margins. This backlog and tendering activity for 2022 provides a basis for optimism, although the Group acknowledges the risks and uncertainties regarding future market development.

The Group ended the year with USD 29.7 million in cash and cash equivalents. Given the current activity level and financial forecasts, it is the Board of Directors' view that Magseis Fairfield will have sufficient liquidity through 2022. The liquidity forecast is subject to certain risk factors, such as project execution, timely collections from customers or changes in phasing and scope of projects.

Although there are uncertainties related to events or conditions that might impact the future cash flows, the Board and Management are of the opinion that the going concern assumption is appropriate and the accounts are prepared under this assumption.

In addition the going concern assumptions is further supported by an irrevocable Letter of Support issued by Magseis Fairfield ASA (parent company) covering the period for a minimum of 12 months from when the Financial Statements are dated, where they confirm that Magseis Fairfield ASA will supply necessary liquidity to the Company in order for the Company to cover its obligations at any time and that claims on the Company will have priority after other creditors' claims and will not be collected unless sufficient funds are available.

Although there are uncertainties related to events or conditions that might impact the future cash flows, such as Covid-19 pandemic and a weaker market environment due to lower and more volatile oil prices,

The Board is of the opinion that the going concern assumption is appropriate and the accounts are prepared under this assumption. This assessment is also based on the presence of the Letter of Support and the assessment of the Board that Magseis Fairfield ASA is financially able to provide this support if needed.