



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 950 384 913
Organisasjonsform: Aksjeselskap
Foretaksnavn: SHEARWATER GEOSERVICES ASSETS V AS
Forretningsadresse: Damsgårdsveien 135
5160 LAKSEVÅG

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

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: Hilde Marie Bjerga
Dato for fastsettelse av årsregnskapet: 26.08.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 21.07.2022



Resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Operating revenue	10, 11	250 352 189	130 661 309
Other operating revenue	10		2 000 000
Sum inntekter		250 352 189	132 661 309
Kostnader			
Depreciation	3	33 440 372	33 449 778
Nedskrivning av varige driftsmidler og immaterielle eiendeler		4 420 103	
Cost of sales	2, 11	183 183 663	66 734 315
Sum kostnader		221 044 137	100 184 093
Driftsresultat		29 308 052	32 477 216
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	11	2 205 757	1 311 864
Annen renteinntekt		4 373	36 014
Realised exchange loss (-) / gains (+)		-320 486	-79 366
Sum finansinntekter		1 889 645	1 268 512
Rentekostnad til foretak i samme konsern	11	66 211	251 092
Annen rentekostnad		5 398	11 080
Other financial expenses		1 019	7 598
Sum finanskostnader		72 628	269 770
Netto finans		1 817 016	998 742
Ordinært resultat før skattekostnad		31 125 069	33 475 958
Tax expenses	9	280 974	748 653
Ordinært resultat etter skattekostnad		30 844 095	32 727 304
Årsresultat		30 844 095	32 727 304
Årsresultat etter minoritetsinteresser		30 844 095	32 727 304
Totalresultat		30 844 095	32 727 304



Resultatregnskap

Beløp i: USD	Note	2020	2019
Overføringer og disponeringer			
To other equity	6	30 844 095	32 727 304
Sum overføringer og disponeringer		30 844 095	32 727 304



Balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	9		
Varige driftsmidler			
Vessels and marine equipment	3	420 353 855	449 590 619
Sum varige driftsmidler		420 353 855	449 590 619
Finansielle anleggsmidler			
Other long term receivables		36 089	1 603 484
Sum finansielle anleggsmidler		36 089	1 603 484
Sum anleggsmidler		420 389 944	451 194 103
Omløpsmidler			
Varer			
Inventories	4	2 519 630	4 711 892
Sum varer		2 519 630	4 711 892
Fordringer			
Accounts receivables		10 091 264	8 261 378
Other short-term receivables		3 703 301	4 840 585
Receivables to group companies	5	118 489 287	69 665 874
Sum fordringer		132 283 851	82 767 838
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	8	19 335 591	17 278 662
Sum bankinnskudd, kontanter og lignende		19 335 591	17 278 662
Sum omløpsmidler		154 139 072	104 758 392
SUM EIENDELER		574 529 017	555 952 494

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: USD	Note	2020	2019
Egenkapital			
Innskutt egenkapital			
Share capital	6, 7	7 210 628	7 210 628
Beholdning av egne aksjer	6		
Overkurs	6	587 291 485	587 291 485
Sum innskutt egenkapital		594 502 113	594 502 113
Opptjent egenkapital			
Retained earnings	6	-36 230 422	-67 074 516
Udekket tap	6		
Sum opptjent egenkapital		-36 230 422	-67 074 516
Sum egenkapital		558 271 691	527 427 597
Gjeld			
Langsiktig gjeld			
Utsatt skatt	9	141 496	171 880
Sum avsetninger for forpliktelser		141 496	171 880
Annen langsiktig gjeld			
Sum langsiktig gjeld		141 496	171 880
Kortsiktig gjeld			
Leverandørgjeld		4 085 451	1 710 838
Tax payable	9	311 357	793 893
Liabilities to group companies	5	8 354 473	19 593 723
Other current debt		3 364 548	6 254 563
Sum kortsiktig gjeld		16 115 829	28 353 017
Sum gjeld		16 257 325	28 524 897
SUM EGENKAPITAL OG GJELD		574 529 017	555 952 494



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.



ANNUAL REPORT 2020

Shearwater Geoservices Assets V AS

Damsgårdsveien 135
5160 Laksevåg

Business reg. no 950 384 913 MVA

Content:

Report of the Board of directors
Financial Statement
Auditor's report



Shearwater Geoservices Assets V AS Board of Directors' Report 2020

Shearwater Geoservices Assets V AS is a Norwegian registered company with corporate office in Bergen. The company owns modern purpose built seismic vessels.

The company was bought by the Shearwater GeoServices Group 14. November 2018. The group's consolidated financial statement is available at the corporate head office in Damsgårdsveien 135, Bergen.

Future prospects

The company's operation is exposed to the development in the markets for oil and gas exploration and - production (E&P). Business activity in the Shearwater group in the first half of 2020 reflected improved market rates as demand for seismic data rebounded in 2019 after several years depressed E&P activity following the oil price collapse in 2014. The positive trend was however disrupted by the Covid-19 pandemic and as OPEC and Russia failed to agree on oil production quotas. The corresponding negative impact on commodity markets and subsequent reductions in E&P investments is expected to lead to a significant decline in demand for seismic services in the second half of the year.

Despite the challenging market conditions, Shearwater group continued to secure new contracts with E&P clients to a large extent prioritising production related seismic over exploration surveys. Going into 2021, this trend has continued, and market activity has started to recover amid and the roll-out of vaccination programs and rebounding oil prices.

Longer-term, the global economic activity will recover from Covid-19 and drive increased demand for oil and gas which together with more focus on enhanced oil recovery will require the E&P sector to resume and increase exploration and development investments. This provides a positive outlook for the seismic market. Still, the seismic market recovery is from historically low levels reflecting years of reduced exploration across the E&P industry.

We would like to emphasise the inherent uncertainty that exists when it comes to predicting future events and conditions.

Aspects of 2020

The company owns twelve vessels at year end, seven high capacity seismic vessel, three multipurpose vessels and two source vessels. Early January the Shearwater group acquired seven vessels from CGG and entered into a strategic partnership with CGG where CGG committed to utilise vessel capacity corresponding to two vessel years per year over a five year period. Of the seven vessels, the company hired five of the vessels on a five year bareboat contract from another group company, Shearwater GeoServices CharterCo AS. The capacity agreement secures the company and group cashflow and activity for multiple years.

As the group had a relatively good backlog going into 2020 and most contracts were followed through, the company managed to keep a good vessel utilisation throughout most of the year. The covid-19 outbreak did however affect the seismic market with a reduction of available contracts which could be seen with lower utilisation particularly in the fourth quarter. Several vessels have during the year been active in Brasil and Argentina for TGS and CGG, as well as for CGG in Australia. Active vessels not chartered to external clients have been time chartered or bareboat chartered to Shearwater group companies. Mid-December the company entered into a five year bareboat contract with Shearwater GeoServices Assets II AS for the vessel "SW Empress". At year end five of the company's vessels were on hire.

Profit before tax in 2020 is USD 31.1 mill. compared with USD 33.5 mill. in 2019. Net operating income in 2020 totals to USD 29.3 mill. compared with USD 32.5 mill. in 2019. The positive change in net income relates to higher utilisation of the company's vessels. In 2020 financial items are positive by USD 1.8 mill. compared to USD 1.0 mill. previous year. The increase is mainly due to interest income from IC balances during the year.

The company's liquidity is USD 19,3 mill. as at 31.12.2020 (2019: USD 17,3 mill.). Cash flow from operating activities in 2020 was positive USD 66,9 mill. (2019: positive USD 62,6 mill.) as more vessels were in operation in 2020. Cash flow from investment activities was negative USD -8,6 mill. (2019: negative USD -7,5 mill.). Investment in 2020 and 2019 is related to reactivation of vessels. Net cash flow from financing activities was negative USD -55,9 mill. (2019: negative USD -51,0 mill.). The negative cash stream in 2020 and 2019 is mainly deferred payment of intercompany receivables.



Financial risk

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

Credit risks: The company's owned and hired vessels have in 2020 mainly been let to group companies in the group. The external customer in 2020 is part of a large corporation with a good credit quality. The company regards the counterparty risk satisfactory.

As the company has no long term loan, and all interest bearing transactions with group companies are short term, interest rate risk is assumed low.

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

The company has not participated in research and development activities in 2020.

Based on the above report of profit and loss for the company, the Board of Directors confirms that the financial statements for 2020 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

The company has no employees. The administration of the company is taken care of by Shearwater GeoServices Norway AS which is a company in the Shearwater GeoServices group.

Environment

The company is part of the Shearwater group and hence included in the 'Focus on Zero' initiative. The "safe" component in the Focus initiative is: 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.

Together with the maritime ship managers, Reflection Marine UK limited, targets are established and monitored in order to minimise the vessel fuel consumption and environmental footprint.

The company has obtained a modern fleet with high technical quality. During 2020 operations were accomplished with limited technical downtime.

Allocation of net income

The financial statement shows a negative net income of USD 30,844,095,- which is proposed transferred to retained earnings.

Bergen, 26.08.2021

Board of Directors in Shearwater Geoservices Assets V AS

Irene Waage Basili
chairman of the board

Andreas Hveding Aubert
member of the board

Peter Hooper
managing director



Shearwater Geoservices Assets V AS

Profit and Loss account (in USD)

OPERATING REVENUE AND EXPENSES	NOTE	2020	2019
Operating revenue	10, 11	250,352,189	130,661,309
Other operating revenue	10	0	2,000,000
		250,352,189	132,661,309
Cost of sales	2, 11	183,183,663	66,734,315
Depreciation	3	33,440,372	33,449,778
Write-down		4,420,103	0
Total operating expenses		221,044,137	100,184,093
Net operating income		29,308,052	32,477,216
FINANCIAL ITEMS			
Interest income from group entities	11	2,205,757	1,311,864
Other interest income		4,373	36,014
Interest expenses to group entities	11	66,211	251,092
Interest expenses		5,398	11,080
Other financial expenses		1,019	7,598
Realised exchange loss (-) / gains (+)		-320,486	-79,366
Net financial income and expenses		1,817,016	998,742
Operating result before tax		31,125,069	33,475,958
Tax expenses	9	280,974	748,653
Net income		30,844,095	32,727,304
ALLOCATION OF NET INCOME			
To other equity	6	30,844,095	32,727,304
Total allocation		30,844,095	32,727,304



Shearwater Geoservices Assets V AS
Statement of Financial position (in USD)

ASSETS	NOTE	2020	2019
FIXED ASSETS			
TANGIBLE ASSETS			
Vessels and marine equipment	3	420,353,855	449,590,619
Total tangible assets		420,353,855	449,590,619
FINANCIAL FIXED ASSETS			
Other long term receivables		36,089	1,603,484
Total financial fixed assets		36,089	1,603,484
Total fixed assets		420,389,944	451,194,103
CURRENT ASSETS			
Inventories	4	2,519,630	4,711,892
DEBTORS			
Accounts receivables		10,091,264	8,261,378
Other short-term receivables		3,703,301	4,840,585
Receivables to group companies	5	118,489,287	69,665,874
Total receivables		132,283,851	82,767,838
Cash and cash equivalents	8	19,335,591	17,278,662
Total current assets		154,139,072	104,758,392
Total assets		574,529,017	555,952,494



Shearwater Geoservices Assets V AS
Statement of Financial position (in USD)

EQUITY AND LIABILITIES	NOTE	2020	2019
PAID-UP EQUITY			
Share capital	6, 7	7,210,628	7,210,628
Share premium reserve	6	587,291,485	587,291,485
Total paid-up equity		594,502,113	594,502,113
RETAINED EARNINGS			
Retained earnings	6	-36,230,422	-67,074,516
Total retained earnings		-36,230,422	-67,074,516
Total equity		558,271,691	527,427,597
LIABILITIES			
Deferred tax	9	141,496	171,880
Total provisions		141,496	171,880
CURRENT DEBT			
Trade creditors		4,085,451	1,710,838
Tax payable	9	311,357	793,893
Liabilities to group companies	5	8,354,473	19,593,723
Other current debt		3,364,548	6,254,563
Total current debt		16,115,829	28,353,017
Total liabilities		16,257,325	28,524,897
Total equity and liabilities		574,529,017	555,952,494

Bergen, 26.08.2021

Irene Waage Basili
chairman of the board

Andreas Hveding Aubert
member of the board

Peter Allan Hooper
general Manager



Utkast 15/07/2021

SHEARWATER GEOSERVICES ASSETS V AS CASH FLOW 2020

CASH FLOW STATEMENT

USD		2020	2019
Cash flow from operating activities:			
Profit before tax		31,125,069	33,475,958
Tax payable		-630,883	-172,353
Depreciation and write-down	3	37,860,475	33,449,778
Change in accounts receivables / payables		544,727	-4,231,883
Net financial items		-1,817,016	-998,742
Change in other current assets / liabilities		-139,911	1,113,639
Net cash flow from operating activities		66,942,461	62,636,397
Cash flow from investing activities:			
Investments in fixed assets	3	-8,623,711	-7,511,529
Net cash flow from investing activities		-8,623,711	-7,511,529
Cash flow from financing activities			
Net interest income (expenses)		2,137,502	1,078,108
Change in short term liabilities to group companies		-58,034,999	-52,104,144
Net cash flow from financing activities		-55,897,497	-51,026,036
Net increase in cash and cash equivalents		2,421,254	4,098,832
Cash and cash equivalents at start of period		17,278,662	13,258,756
Currency effect cash and cash equivalents		-364,325	-78,926
Cash and cash equivalents at end of period		19,335,591	17,278,662



Note 1

Shearwater Geoservices Assets V AS is a Norwegian registered company with corporate office in Bergen. The company owns modern purpose built seismic vessels.

The company was bought by the Shearwater GeoServices Group 14. November 2018. The group's consolidated financial statement is available at the corporate head office in Damsgårdsveien 135, Bergen.

Accounting principles

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 functional currency. The main activities in the company is predominantly in USD. The Group's presentation currency is USD.

Policies for revenue recognition

Revenue is recognised when it is probable that transactions will generate future economic benefits that will accrue to the company and the value of such benefits can be estimated reliably. Income and expenses related to the vessels' journeys are accrued based on the number of days the journey lasts before and after the end of the year and such income is classified as charter income.

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. The first year's installments on long-term debt are classified as short-term debt.

Transactions in foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary items are translated at the current exchange rate, non-monetary items that are measured at historical cost are translated at the rate in effect on the original transaction date, and non-monetary items that are measured at fair value are translated at the exchange rate in effect at the time when the fair value was determined.

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 to year-end exchange rates are recognised in the income statement.

Stores on the vessels

Stores on vessels are valued at the lower of cost and net realisable value. Costs incurred are accounted for using the FIFO (first in-first out) method and include costs accrued in acquiring the stores and bringing the stores to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated sales cost.

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.

Fixed assets

For fixed assets, the straight line method for ordinary depreciation is applied, based on an economic life of 25 years for vessels. Improvements and upgrading are capitalised and depreciated over the remaining economic life of the vessel. The straight line method for ordinary depreciation based on a period of 2.5 to 5 years is applied for periodic maintenance. The straight line method for ordinary depreciation based on a life of 3 to 10 years is applied for other depreciable assets.



Impairment of fixed assets

The depreciation period and method are assessed annually to ensure that the method and period used are in accordance with the financial realities of the fixed asset. The same applies to the scrap value. The scrap value of the vessels is calculated by multiplying the steel weight of the vessel by the prevailing market price for steel 1.1. in the current year.

Fixed assets are valued at acquisition cost less any accumulated depreciation and write-downs. When assets are sold or disposed of, the acquisition cost and accumulated depreciation are reversed in the accounts and any loss or gain on the disposal is recognised in the income statement.

Fixed assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Write-downs recorded in previous periods are reversed when there is information indicating that the recoverable amount is higher than the carrying amount.

Periodical maintenance

The company capitalises expenses incurred at the docking of the vessels and amortises these expenses over the period until the next docking ("the capitalisation method").

Receivables

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

Cash and bank deposits

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

Taxes

The company is structured in accordance with the Norwegian tonnage tax system. At entry to the tonnage tax system operational profit is non taxable. Tonnage tax is accounted as operational cost.

A tax percentage of 22% is used on taxable financial income. Temporary differences related to financial assets/debts are offset when estimating deferred tax/- tax assets, which is 22% of net temporary differences. The accounting follow the general rules of valuation for recognition.

Cash flow statement

The company's cash flow statement shows the company's 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 - Payroll expenses, number of employees, remunerations

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

The company has expensed USD 52,899 excl VAT as remuneration to auditor this financial year. No tax advisory or other services outside the audit scope have been charged from the auditor in 2020.

**Note 3 - Tangible fixed assets**

	Vessels	Periodical Maintenance	Total Vessels
Acquisition cost as at 1.1.	745 059 695	93 759 627	838,819,322
+ Additions during the year	2 659 084	5 964 627	8,623,711
Acquisition cost as at 31.12.	747,718,779	99,724,254	847,443,033
Accumulated depreciation at 1.1.	231 117 237	89 602 970	320,720,207
Accumulated impairment at 1.1.	68,508,496	0	68,508,496
+ Depreciation for the year	30,626,459	2,813,912	33,440,372
+ Impairment	4,420,103		4,420,103
Accumulated depreciation and impairment at 31.12.	334,672,295	92,416,882	427,089,178
Carrying amount as at 31.12.	413,046,484	7,307,372	420,353,855
Depreciation rate	25 years	2.5 - 5 years	

As the company was part of an acquisition between Schlumberger (previous owner) and Shearwater, the company obtained market values from reputable brokers. Based on these valuations the company finds no need for impairment of any of its vessels.

The vessels are pledged as security for a loan facility in Shearwater GeoServices AS, the holding company for the Reflection Marine group.

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As of 31 December 2020, the company via Shearwater Group, obtained vessel market values from two reputable brokers for the company's vessels. Impairment testing has been performed in order to calculate the recoverable amount for the vessels. Each vessel constitutes a separate cash-generating unit, which is tested separately for impairment. The recoverable amount is tested against each vessel's book value. When the recoverable amount is lower than book value of the vessel, the vessel is written down to its recoverable amount. The recoverable amount is the highest of the assumed fair value less cost of disposal (net sales value) and value in use.

The Shearwater Group has been affected by drop in demand due to Covid-19 in 2020, but does see an increase in activity at the end of the year, working its way up towards pre-covid levels which gives confidence that the impairment testing and conclusions are correct. Due to the often short-term nature of seismic contracts the company believes that net sales value based on independent broker estimates gives a reasonable indicator of the recoverable amount. The company compared an average of the valuations with a reduction of sales commission, against book value. As fair values are subject to uncertainty, the company via Shearwater Group sought to substantiate the broker valuations, inter alia with tests of reasonableness of implicit rates derived from the valuations.

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Note 4 - Inventories

Fuel onboard vessels are presented as inventories, a total of USD 2,519,630.

**Note 5 - Intercompany balances**

Short term receivables to group companies totals USD 118.5 mill. (2019: USD 69.7 mill.) and consists mainly of ordinary accounts receivables.

Short term liabilities to group companies totals USD 8.4 mill. (USD 19.6 mill. i 2019) of which is a combination of short term loan from holding company and ordinary accounts payable to group companies.

Intercompany balances have been subject to interest calculation.

Note 6 - Equity

	Share capital	Share premium reserve	Retained earnings	Total equity
Equity as at 01.01.	7,210,628	587,291,485	-67,074,516	527,427,597
Net income for the year			30,844,095	30,844,095
Equity as at 31.12.	7,210,628	587,291,485	-36,230,421	558,271,691

Note 7 - Share capital

The share capital consists of 59 160 000 shares at NOK 1. Carrying amount of the share capital in the financial statement is USD 7 210 628.

Reflection Marine AS owns 100 % of the shares at year end 2020.

Note 8 - Bank deposits, cash etc.

The company has no restricted cash of any sort.

Note 9 - Taxes

	2020	2019
Tax over profit and loss:		
Tax payable to Norway	311 357	793 893
Change in deferred taxes	-30,384	-45 240
Tax expense/-income	280,973	748,653
Deferred tax/-tax asset:		
Gain and loss account	643 161	781 272
Basis for calculation of deferred tax 31.12.	643,161	781,272
Tax rate	22 %	22 %
Deferred tax/deferred tax asset in the balance sheet (-)	141,495	171,880

**Note 10 - Operating revenue**

The company owns vessels and the entirety of the operating revenue relates to the seismic segment both in 2020 and 2019.

By area	2020	2019
Norway	52 478 320	43 621 120
South and North America	101 434 137	46 893 416
Asia and New Zealand	27 667 953	5 756 333
Europe	67 731 779	36 270 440
Russia	120 000	120 000
Africa	920 000	0
Total operating revenue	250,352,189	132,661,309

Note 11 - Transactions with related parties

The company timechartered several of its vessels to three sistercompanies; Shearwater GeoServices Norway AS, Shearwater GeoServices Ltd and Shearwater GeoServices Singapore Pte Ltd during parts of 2020 and 2019.

The company hired several of its vessels on a bareboat charter in 2020 to four sistercompanies; Shearwater GeoServices Norway AS, Shearwater GeoServices Ltd, Shearwater GeoServices Singapore Pte Ltd and Polar Ship Invest IV AS. (2019: "SW Cook" in November and December 2019 to Shearwater GeoServices Singapore Pte Ltd).

Intercompany timecharter hire this year totals USD 72.0 mill., bareboat hire totals USD 10.0 mill. The transactions are part of the ordinary business.

The company hired six vessels on bareboat charter from its sistercompany Shearwater GeoServices CharterCo AS in total USD 57.3 mill and timechartered "SW Empress" from Polar Ship Invest AS in total USD 9.3 mill (2019: USD 1.6 mill). In addition, the company hired equipment from Reflection Marine Norge AS in total USD 7.8 mill in 2020 (2019: USD 9.5 mill).

The company has hired marine personnel from its sistercompany Geophysical Resources Pte Ltd total USD 5.7 mill. (2019: Reflection Marine Resources Ltd and Geophysical Resources Pte Ltd in total USD 6,5 mill.).

Interest on intercompany receivables and liabilities have been charged with USD 2.2 mill. and USD -0.1 mill. respectively.

Accounting and other administrative services is purchased from Shearwater GeoServices Norway AS, a total of USD 353,904 in 2020 (2019: USD 259,592).

All transactions mentioned above have been part of the ordinary business.

Note 12 - Financial risks

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

Credit risks: The company's owned and hired vessels have in 2020 mainly been let to group companies in the group. The external customer in 2020 is part of a large corporation with a good credit quality. The company regards the counterparty risk satisfactory.

As the company has no long term loan, and all interest bearing transactions with group companies are short



term, interest rate risk is assumed low.

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

Note 13 - Subsequent events

The Covid-19 pandemic continued to affect the Shearwater group throughout 2020. However, the uncertainty the group saw in the first half of 2020 has subsided and been replaced by improved visibility and modest optimism, and more specifically for the industry, oil prices are back at levels motivating customers to resume E&P activities and demand more seismic data. The company still expects the current market situation to prevail for the remainder of 2021.



ANNUAL REPORT 2020

Shearwater Geoservices Assets V AS

Damsgårdsveien 135
5160 Laksevåg

Business reg. no 950 384 913 MVA

Content:

Report of the Board of directors
Financial Statement
Auditor's report



Shearwater Geoservices Assets V AS Board of Directors' Report 2020

Shearwater Geoservices Assets V AS is a Norwegian registered company with corporate office in Bergen. The company owns modern purpose built seismic vessels.

The company was bought by the Shearwater GeoServices Group 14. November 2018. The group's consolidated financial statement is available at the corporate head office in Damsgårdsveien 135, Bergen.

Future prospects

The company's operation is exposed to the development in the markets for oil and gas exploration and -production (E&P). Business activity in the Shearwater group in the first half of 2020 reflected improved market rates as demand for seismic data rebounded in 2019 after several years depressed E&P activity following the oil price collapse in 2014. The positive trend was however disrupted by the Covid-19 pandemic and as OPEC and Russia failed to agree on oil production quotas. The corresponding negative impact on commodity markets and subsequent reductions in E&P investments is expected to lead to a significant decline in demand for seismic services in the second half of the year.

Despite the challenging market conditions, Shearwater group continued to secure new contracts with E&P clients to a large extent prioritising production related seismic over exploration surveys. Going into 2021, this trend has continued, and market activity has started to recover amid and the roll-out of vaccination programs and rebounding oil prices.

Longer-term, the global economic activity will recover from Covid-19 and drive increased demand for oil and gas which together with more focus on enhanced oil recovery will require the E&P sector to resume and increase exploration and development investments. This provides a positive outlook for the seismic market. Still, the seismic market recovery is from historically low levels reflecting years of reduced exploration across the E&P industry.

We would like to emphasise the inherent uncertainty that exists when it comes to predicting future events and conditions.

Aspects of 2020

The company owns twelve vessels at year end, seven high capacity seismic vessel, three multipurpose vessels and two source vessels. Early January the Shearwater group acquired seven vessels from CGG and entered into a strategic partnership with CGG where CGG committed to utilise vessel capacity corresponding to two vessel years per year over a five year period. Of the seven vessels, the company hired five of the vessels on a five year bareboat contract from another group company, Shearwater GeoServices CharterCo AS. The capacity agreement secures the company and group cashflow and activity for multiple years.

As the group had a relatively good backlog going into 2020 and most contracts were followed through, the company managed to keep a good vessel utilisation throughout most of the year. The covid-19 outbreak did however affect the seismic market with a reduction of available contracts which could be seen with lower utilisation particularly in the fourth quarter. Several vessels have during the year been active in Brasil and Argentina for TGS and CGG, as well as for CGG in Australia. Active vessels not chartered to external clients have been time chartered or bareboat chartered to Shearwater group companies. Mid-December the company entered into a five year bareboat contract with Shearwater GeoServices Assets II AS for the vessel "SW Empress". At year end five of the company's vessels were on hire.

Profit before tax in 2020 is USD 31.1 mill. compared with USD 33.5 mill. in 2019. Net operating income in 2020 totals to USD 29.3 mill. compared with USD 32.5 mill. in 2019. The positive change in net income relates to higher utilisation of the company's vessels. In 2020 financial items are positive by USD 1.8 mill. compared to USD 1.0 mill. previous year. The increase is mainly due to interest income from IC balances during the year.

The company's liquidity is USD 19,3 mill. as at 31.12.2020 (2019: USD 17,3 mill.). Cash flow from operating activities in 2020 was positive USD 66,9 mill. (2019: positive USD 62,6 mill.) as more vessels were in operation in 2020. Cash flow from investment activities was negative USD -8,6 mill. (2019: negative USD -7,5 mill.). Investment in 2020 and 2019 is related to reactivation of vessels. Net cash flow from financing activities was negative USD -55,9 mill. (2019: negative USD -51,0 mill.). The negative cash stream in 2020 and 2019 is mainly deferred payment of intercompany receivables.



Financial risk

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

Credit risks: The company's owned and hired vessels have in 2020 mainly been let to group companies in the group. The external customer in 2020 is part of a large corporation with a good credit quality. The company regards the counterparty risk satisfactory.

As the company has no long term loan, and all interest bearing transactions with group companies are short term, interest rate risk is assumed low.

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

The company has not participated in research and development activities in 2020.

Based on the above report of profit and loss for the company, the Board of Directors confirms that the financial statements for 2020 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

The company has no employees. The administration of the company is taken care of by Shearwater GeoServices Norway AS which is a company in the Shearwater GeoServices group.

Environment

The company is part of the Shearwater group and hence included in the 'Focus on Zero' initiative. The "safe" component in the Focus initiative is: 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.

Together with the maritime ship managers, Reflection Marine UK limited, targets are established and monitored in order to minimise the vessel fuel consumption and environmental footprint.

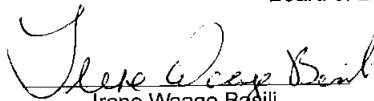
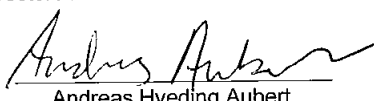

The company has obtained a modern fleet with high technical quality. During 2020 operations were accomplished with limited technical downtime.

Allocation of net income

The financial statement shows a negative net income of USD 30,844,095,- which is proposed transferred to retained earnings.

Bergen, 26.08.2021

Board of Directors in Shearwater Geoservices Assets VAS

 Irene Waage Basili chairman of the board	 Andreas Hveding Aubert member of the board	 Peter Hooper managing director
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Shearwater Geoservices Assets V AS

Profit and Loss account (in USD)

OPERATING REVENUE AND EXPENSES	NOTE	2020	2019
Operating revenue	10, 11	250,352,189	130,661,309
Other operating revenue	10	0	2,000,000
		250,352,189	132,661,309
Cost of sales	2, 11	183,183,663	66,734,315
Depreciation	3	33,440,372	33,449,778
Write-down		4,420,103	0
Total operating expenses		221,044,137	100,184,093
Net operating income		29,308,052	32,477,216
FINANCIAL ITEMS			
Interest income from group entities	11	2,205,757	1,311,864
Other interest income		4,373	36,014
Interest expenses to group entities	11	66,211	251,092
Interest expenses		5,398	11,080
Other financial expenses		1,019	7,598
Realised exchange loss (-) / gains (+)		-320,486	-79,366
Net financial income and expenses		1,817,016	998,742
Operating result before tax		31,125,069	33,475,958
Tax expenses	9	280,974	748,653
Net income		30,844,095	32,727,304
ALLOCATION OF NET INCOME			
To other equity	6	30,844,095	32,727,304
Total allocation		30,844,095	32,727,304



Shearwater Geoservices Assets V AS
Statement of Financial position (in USD)

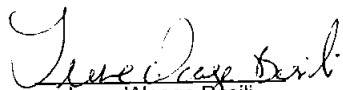
ASSETS	NOTE	2020	2019
FIXED ASSETS			
TANGIBLE ASSETS			
Vessels and marine equipment	3	420,353,855	449,590,619
Total tangible assets		420,353,855	449,590,619
FINANCIAL FIXED ASSETS			
Other long term receivables		36,089	1,603,484
Total financial fixed assets		36,089	1,603,484
Total fixed assets		420,389,944	451,194,103
CURRENT ASSETS			
Inventories	4	2,519,630	4,711,892
DEBTORS			
Accounts receivables		10,091,264	8,261,378
Other short-term receivables		3,703,301	4,840,585
Receivables to group companies	5	118,489,287	69,665,874
Total receivables		132,283,851	82,767,838
Cash and cash equivalents	8	19,335,591	17,278,662
Total current assets		154,139,072	104,758,392
Total assets		574,529,017	555,952,494

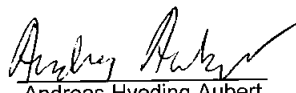


Shearwater Geoservices Assets V AS Statement of Financial position (in USD)

EQUITY AND LIABILITIES	NOTE	2020	2019
PAID-UP EQUITY			
Share capital	6, 7	7,210,628	7,210,628
Share premium reserve	6	587,291,485	587,291,485
Total paid-up equity		594,502,113	594,502,113
RETAINED EARNINGS			
Retained earnings	6	-36,230,422	-67,074,516
Total retained earnings		-36,230,422	-67,074,516
Total equity		558,271,691	527,427,597
LIABILITIES			
Deferred tax	9	141,496	171,880
Total provisions		141,496	171,880
CURRENT DEBT			
Trade creditors		4,085,451	1,710,838
Tax payable	9	311,357	793,893
Liabilities to group companies	5	8,354,473	19,593,723
Other current debt		3,364,548	6,254,563
Total current debt		16,115,829	28,353,017
Total liabilities		16,257,325	28,524,897
Total equity and liabilities		574,529,017	555,952,494

Bergen, 26.08.2021


Irene Waage Basili
chairman of the board


Andreas Hveding Aubert
member of the board


Peter Allan Hooper
general Manager



SHEARWATER GEOSERVICES ASSETS V AS CASH FLOW 2020

CASH FLOW STATEMENT

USD	2020	2019
Cash flow from operating activities:		
Profit before tax	31,125,069	33,475,958
Tax payable	-630,883	-172,353
Depreciation and write-down	3 37,860,475	33,449,778
Change in accounts receivables / payables	544,727	-4,231,883
Net financial items	-1,817,016	-998,742
Change in other current assets / liabilities	-139,911	1,113,639
Net cash flow from operating activities	66,942,461	62,636,397
Cash flow from investing activities:		
Investments in fixed assets	3 -8,623,711	-7,511,529
Net cash flow from investing activities	-8,623,711	-7,511,529
Cash flow from financing activities		
Net interest income (expenses)	2,137,502	1,078,108
Change in short term liabilities to group companies	-58,034,999	-52,104,144
Net cash flow from financing activities	-55,897,497	-51,026,036
Net increase in cash and cash equivalents	2,421,254	4,098,832
Cash and cash equivalents at start of period	17,278,662	13,258,756
Currency effect cash and cash equivalents	-364,325	-78,926
Cash and cash equivalents at end of period	19,335,591	17,278,662



Note 1

Shearwater Geoservices Assets V AS is a Norwegian registered company with corporate office in Bergen. The company owns modern purpose built seismic vessels.

The company was bought by the Shearwater GeoServices Group 14. November 2018. The group's consolidated financial statement is available at the corporate head office in Damsgårdsveien 135, Bergen.

Accounting principles

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 functional currency. The main activities in the company is predominantly in USD. The Group's presentation currency is USD.

Policies for revenue recognition

Revenue is recognised when it is probable that transactions will generate future economic benefits that will accrue to the company and the value of such benefits can be estimated reliably. Income and expenses related to the vessels' journeys are accrued based on the number of days the journey lasts before and after the end of the year and such income is classified as charter income.

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. The first year's installments on long-term debt are classified as short-term debt.

Transactions in foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary items are translated at the current exchange rate, non-monetary items that are measured at historical cost are translated at the rate in effect on the original transaction date, and non-monetary items that are measured at fair value are translated at the exchange rate in effect at the time when the fair value was determined.

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 to year-end exchange rates are recognised in the income statement.

Stores on the vessels

Stores on vessels are valued at the lower of cost and net realisable value. Costs incurred are accounted for using the FIFO (first in-first out) method and include costs accrued in acquiring the stores and bringing the stores to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated sales cost.

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.

Fixed assets

For fixed assets, the straight line method for ordinary depreciation is applied, based on an economic life of 25 years for vessels. Improvements and upgrading are capitalised and depreciated over the remaining economic life of the vessel. The straight line method for ordinary depreciation based on a period of 2.5 to 5 years is applied for periodic maintenance. The straight line method for ordinary depreciation based on a life of 3 to 10 years is applied for other depreciable assets.



Impairment of fixed assets

The depreciation period and method are assessed annually to ensure that the method and period used are in accordance with the financial realities of the fixed asset. The same applies to the scrap value. The scrap value of the vessels is calculated by multiplying the steel weight of the vessel by the prevailing market price for steel 1.1. in the current year.

Fixed assets are valued at acquisition cost less any accumulated depreciation and write-downs. When assets are sold or disposed of, the acquisition cost and accumulated depreciation are reversed in the accounts and any loss or gain on the disposal is recognised in the income statement.

Fixed assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Write-downs recorded in previous periods are reversed when there is information indicating that the recoverable amount is higher than the carrying amount.

Periodical maintenance

The company capitalises expenses incurred at the docking of the vessels and amortises these expenses over the period until the next docking ("the capitalisation method").

Receivables

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

Cash and bank deposits

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

Taxes

The company is structured in accordance with the Norwegian tonnage tax system. At entry to the tonnage tax system operational profit is non taxable. Tonnage tax is accounted as operational cost.

A tax percentage of 22% is used on taxable financial income. Temporary differences related to financial assets/debts are offset when estimating deferred tax/- tax assets, which is 22% of net temporary differences. The accounting follow the general rules of valuation for recognition.

Cash flow statement

The company's cash flow statement shows the company's 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 - Payroll expenses, number of employees, remunerations

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

The company has expensed USD 52,899 excl VAT as remuneration to auditor this financial year. No tax advisory or other services outside the audit scope have been charged from the auditor in 2020.



Shearwater Geoservices Assets V AS

Notes to the financial statement 2020

Note 3 - Tangible fixed assets

	Vessels	Periodical Maintenance	Total Vessels
Acquisition cost as at 1.1.	745 059 695	93 759 627	838,819,322
+ Additions during the year	2 659 084	5 964 627	8,623,711
Acquisition cost as at 31.12.	747,718,779	99,724,254	847,443,033
Accumulated depreciation at 1.1.	231 117 237	89 602 970	320,720,207
Accumulated impairment at 1.1.	68,508,496	0	68,508,496
+ Depreciation for the year	30,626,459	2,813,912	33,440,372
+ Impairment	4,420,103		4,420,103
Accumulated depreciation and impairment at 31.12.	334,672,295	92,416,882	427,089,178
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Depreciation rate	25 years	2.5 - 5 years	

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The vessels are pledged as security for a loan facility in Shearwater GeoServices AS, the holding company for the Reflection Marine group.

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Tax over profit and loss:		
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Change in deferred taxes	-30,384	-45 240
Tax expense/-income	280,973	748,653
Deferred tax/-tax asset:		
Gain and loss account	643 161	781 272
Basis for calculation of deferred tax 31.12.	643,161	781,272
Tax rate	22 %	22 %
Deferred tax/deferred tax asset in the balance sheet (-)	141,495	171,880

**Note 10 - Operating revenue**

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By area	2020	2019
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South and North America	101 434 137	46 893 416
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The company timechartered several of its vessels to three sistercompanies; Shearwater GeoServices Norway AS, Shearwater GeoServices Ltd and Shearwater GeoServices Singapore Pte Ltd during parts of 2020 and 2019.

The company hired several of its vessels on a bareboat charter in 2020 to four sistercompanies; Shearwater GeoServices Norway AS, Shearwater GeoServices Ltd, Shearwater GeoServices Singapore Pte Ltd and Polar Ship Invest IV AS. (2019: "SW Cook" in November and December 2019 to Shearwater GeoServices Singapore Pte Ltd).

Intercompany timecharter hire this year totals USD 72.0 mill., bareboat hire totals USD 10.0 mill. The transactions are part of the ordinary business.

The company hired six vessels on bareboat charter from its sistercompany Shearwater GeoServices CharterCo AS in total USD 57.3 mill and timechartered "SW Empress" from Polar Ship Invest AS in total USD 9.3 mill (2019: USD 1.6 mill). In addition, the company hired equipment from Reflection Marine Norge AS in total USD 7.8 mill in 2020 (2019: USD 9.5 mill).

The company has hired marine personnel from its sistercompany Geophysical Resources Pte Ltd total USD 5.7 mill. (2019: Reflection Marine Resources Ltd and Geophysical Resources Pte Ltd in total USD 6,5 mill.).

Interest on intercompany receivables and liabilities have been charged with USD 2.2 mill. and USD -0.1 mill. respectively.

Accounting and other administrative services is purchased from Shearwater GeoServices Norway AS, a total of USD 353,904 in 2020 (2019: USD 259,592).

All transactions mentioned above have been part of the ordinary business.

Note 12 - Financial risks

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

Credit risks: The company's owned and hired vessels have in 2020 mainly been let to group companies in the group. The external customer in 2020 is part of a large corporation with a good credit quality. The company regards the counterparty risk satisfactory.

As the company has no long term loan, and all interest bearing transactions with group companies are short



term, interest rate risk is assumed low.

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

Note 13 - Subsequent events

The Covid-19 pandemic continued to affect the Shearwater group throughout 2020. However, the uncertainty the group saw in the first half of 2020 has subsided and been replaced by improved visibility and modest optimism, and more specifically for the industry, oil prices are back at levels motivating customers to resume E&P activities and demand more seismic data. The company still expects the current market situation to prevail for the remainder of 2021.



To the General Meeting of Shearwater Geoservices Assets V AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Shearwater Geoservices Assets V AS, which comprise the statement of financial position as at 31 December 2020, 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 accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 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

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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State authorised public accountants, members of The Norwegian Institute of Public Accountants, and
authorised accounting firm*



Independent Auditor's Report - Shearwater GeoServices Assets V AS



Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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>

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

(2)



Independent Auditor's Report - Shearwater GeoServices Assets V AS



Bergen, 26 August 2021
PricewaterhouseCoopers AS

Jon Haugervåg
State Authorised Public Accountant

(This document is signed electronically)

(3)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Haugervåg, Jon	BANKID_MOBILE	2021-08-26 21:40

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