



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

| | |
|----------------------|-------------------------------------|
| Organisasjonsnummer: | 914 633 338 |
| Organisasjonsform: | Aksjeselskap |
| Foretaksnavn: | SHEARWATER GEOSERVICES NORWAY AS |
| Forretningsadresse: | Damsgårdsveien 135 5160 LAKSEVÅG |

Regnskapsår

| | |
|-------------------------|-------------------------|
| Årsregnskapets periode: | 01.01.2022 - 31.12.2022 |
|-------------------------|-------------------------|

Konsern

| | |
|---------------------------|-----|
| Morselskap i konsern: | Ja |
| Konsernregnskap lagt ved: | Nei |

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

| | |
|--|-----------------|
| Bekreftet av representant for selskapet: | Jane Eik Svanes |
| Dato for fastsettelse av årsregnskapet: | 29.06.2023 |

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 24.07.2024



Resultatregnskap

| Beløp i: USD | Note | 2022 | 2021 |
|---|------|--------------------|-------------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Operating revenue | 4, 5 | 112 000 130 | 82 138 348 |
| Other operating revenue | 5 | 9 726 755 | 9 225 261 |
| Sum inntekter | | 121 726 885 | 91 363 609 |
| Kostnader | | | |
| Personell expenses | 6, 7 | 11 960 189 | 11 208 477 |
| Depreciation | 8 | 252 936 | 396 253 |
| Cost of sales | 5 | 111 995 084 | 76 984 124 |
| Administration expenses | 7 | 1 317 564 | 1 514 342 |
| Sum kostnader | | 125 525 773 | 90 103 197 |
| Driftsresultat | | -3 798 888 | 1 260 412 |
| Finansinntekter og finanskostnader | | | |
| Renteinntekt fra foretak i samme konsern | 5 | 225 534 | 514 504 |
| Annen renteinntekt | | 151 855 | 121 |
| Sum finansinntekter | | 377 389 | 514 625 |
| Rentekostnad til foretak i samme konsern | 5 | 63 868 | 243 899 |
| Annen rentekostnad | | 10 502 | 35 113 |
| Other financial expenses | | 250 471 | 29 539 |
| Exchange loss (-) /gain (+) | 9 | -371 367 | -89 064 |
| Sum finanskostnader | | -46 526 | 219 487 |
| Netto finans | | 423 914 | 295 138 |
| Ordinært resultat før skattekostnad | | -3 374 973 | 1 555 550 |
| Tax expenses | 10 | | |
| Ordinært resultat etter skattekostnad | | -3 374 973 | 1 555 550 |
| Årsresultat | | -3 374 973 | 1 555 550 |
| Årsresultat etter minoritetsinteresser | | -3 374 973 | 1 555 550 |



Resultatregnskap

| Beløp i: USD | Note | 2022 | 2021 |
|--|-------------|-------------------|------------------|
| Totalresultat | | -3 374 973 | 1 555 550 |
| Overføringer og disponeringer | | | |
| To other equity | | | 1 555 550 |
| From other equity | | -3 374 973 | |
| Sum overføringer og disponeringer | 11 | -3 374 973 | 1 555 550 |



Balanse

| Beløp i: USD | Note | 2022 | 2021 |
|--|------|-------------------|-------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Utsatt skattefordel | 10 | | |
| Varige driftsmidler | | | |
| Office equipment | 8 | 104 564 | 357 499 |
| Sum varige driftsmidler | | 104 564 | 357 499 |
| Finansielle anleggsmidler | | | |
| Investering i datterselskap | 12 | 1 142 053 | 490 278 |
| Lån til foretak i samme konsern | 13 | | 6 208 730 |
| Sum finansielle anleggsmidler | | 1 142 053 | 6 699 008 |
| Sum anleggsmidler | | 1 246 616 | 7 056 507 |
| Omløpsmidler | | | |
| Varer | | | |
| Inventory and pre-payments | | 8 281 142 | 3 299 845 |
| Sum varer | | 8 281 142 | 3 299 845 |
| Fordringer | | | |
| Accounts receivables | | 10 365 720 | 7 782 437 |
| Other short-term receivables | | 1 437 006 | 975 492 |
| Receivables to group companies | 13 | 40 814 168 | 26 701 424 |
| Sum fordringer | | 52 616 894 | 35 459 352 |
| Bankinnskudd, kontanter og lignende | | | |
| Cash and cash equivalents | 14 | 473 535 | 438 623 |
| Sum bankinnskudd, kontanter og lignende | | 473 535 | 438 623 |
| Sum omløpsmidler | | 61 371 571 | 39 197 821 |
| SUM EIENDELER | | 62 618 187 | 46 254 328 |



Balanse

| Beløp i: USD | Note | 2022 | 2021 |
|---------------------------------------|--------|-------------------|-------------------|
| BALANSE - EGENKAPITAL OG GJELD | | | |
| Egenkapital | | | |
| Innskutt egenkapital | | | |
| Share capital | 11, 15 | 3 480 | 3 480 |
| Overkurs | 11 | | |
| Annen innskutt egenkapital | 11 | 29 008 383 | 29 008 383 |
| Sum innskutt egenkapital | | 29 011 863 | 29 011 863 |
| Opptjent egenkapital | | | |
| Retained earnings | 11 | -9 047 447 | -5 672 474 |
| Udekket tap | 11 | | |
| Sum opptjent egenkapital | | -9 047 447 | -5 672 474 |
| Sum egenkapital | | 19 964 416 | 23 339 389 |
| Gjeld | | | |
| Langsiktig gjeld | | | |
| Utsatt skatt | 10 | | |
| Annen langsiktig gjeld | | | |
| Sum langsiktig gjeld | | 0 | 0 |
| Kortsiktig gjeld | | | |
| Leverandørgjeld | | 4 996 140 | 5 707 059 |
| Public duties payable | | 842 682 | 765 778 |
| Liabilities to group companies | 13 | 9 643 511 | 10 642 364 |
| Other current liabilities | | 27 171 437 | 5 799 738 |
| Sum kortsiktig gjeld | | 42 653 771 | 22 914 939 |
| Sum gjeld | | 42 653 771 | 22 914 939 |
| SUM EGENKAPITAL OG GJELD | | 62 618 187 | 46 254 328 |
| POSTER UTENOM BALANSEN | | | |
| Garantistillelser | 16 | | |



Skattedirektoratet

| | | |
|--|-----------------------------------|-------------------------------|
| Saksbehandler Torstein Kinden Helleland | Deres dato 05.12.2017 | Vår dato 11.12.2017 |
| Telefon 22078139 | Deres referanse Kristian Rådal | Vår referanse 2017/1254176 |

SHEARWATER GEOSERVICES AS
Postboks 1243, Sentrum
5811 BERGEN

MOTTATT
13 DES. 2017

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Shearwater GeoServices Norway AS, org.nr. 914 633 338

Vi viser til deres brev av 5. desember 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Shearwater GeoServices Norway AS.

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

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

Bakgrunn

Shearwater GeoServices Holding AS er eid av Shearwater GeoServices Holding AS som har dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk. Shearwater GeoServices Holding AS med datterselskaper tilbyr tjenester innen seismikkvirksomhet internasjonalt. Konsernet operer 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

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



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

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

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

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

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Jeanette Munkvold Skovholt
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



To the General Meeting of Shearwater Geoservices Norway AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Shearwater Geoservices Norway AS (the Company), which comprise the statement of financial position as at 31 December 2022, the profit and loss account and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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

Other Information

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

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

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

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

PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Bergen, 29 June 2023
PricewaterhouseCoopers AS

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



 Securely signed with Brevio

Revisjonsberetning

Signers:

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

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- The electronic signatures. These are not visible in the document, but are electronically integrated.



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of the document.



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ANNUAL REPORT 2022

Shearwater Geoservices Norway AS

Damsgårdsveien 135
5160 Laksevåg

Business org.no 914 633 338 MVA

Contents:

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



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Shearwater Geoservices Norway AS Board of Directors' Report 2022

Shearwater Geoservices Norway AS corporate office is in Bergen and is part of the Shearwater GeoServices group from 22. December 2016. The company operates within marine acquisition in the seismic market.

Future prospects

The company's operations are exposed to developments in the markets for oil and gas exploration and production. In 2022, the outbreak of the war in Ukraine has resulted in a demand of reliable and affordable energy, and the global oil and gas exploration expenditures increased over the year. This is reflected in a growing seismic contract marked and increased tendering activity, a trend that is continuing into 2023.

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

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

Aspects of 2022

The company has had seven of the group's vessels on hire during parts of the year. The vessels have been hired on time charter and bareboat terms from group companies and DOF Subsea and have been working on both 3-D, 4-D and node projects in Norway, Brazil, Congo and Suriname.

Profit before tax in 2022 is USD -3,4 mill. compared with USD 1,6 mill. in 2021. Net operating income in 2022 totals to USD -3,8 mill. compared with USD 1,3 mill. in 2021.

In 2022 financial items are positive by USD 0,4 mill. compared to USD 0,3 mill. previous year. The change is mainly due to an exchange gain increase of USD 0,2 mill and a reduction of net intercompany interest income of USD 0,1 mill compared to 2021.

The company's liquidity is USD 0,5 mill. as at 31.12.2022 (2021: USD 0,4 mill.). Cash flow from operating activities in 2022 was negative USD -5,5 mill. (2021: positive USD 6,5 mill.). Cash flow from investment activities was 5,6 in 2022 (2021: USD -6,4 mill.). Net cash flow from financing activities was USD 0,0 mill. (2021: USD 0,0 mill.).

Financial risk

The majority of the company's revenue is in USD. The company's expenses are mainly in USD 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.

Lack of or delayed payment from customers may significantly and adversely impair the company's revenue and liquidity. The concentration of the company's customers in the energy industry may impact its overall exposure to credit risk as customers may be similarly affected by prolonged changes in economic and industry conditions, as well as by the general constraints on liquidity resulting from the continued low oil prices. Further, laws in some jurisdictions in which the company operates could make collection difficult or time consuming. The company gives due consideration to the credit quality of its potential clients during contract negotiations to minimise the credit risk. Historically, counterparty risk has been satisfactory.

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



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Employees

During 2022, recruitment picked back up after exiting from the Covid-19 restrictions and seeing positive movement in the market. During the year, a total of 91 permanent full-time employees, and 6 temporary contracted personnel were working for the company.

At year end, the company had 83 permanent full-time employees, 1 permanent part-time employee and 4 temporary contracted employees.

Diversity

At year end, the gender balance in the Company was 61% men and 39% women in the permanent full-time employee pool. In the part-time pool, 100% of employees were men. For the temporary contracted employees, 50% were men and 50% were women. Shearwater Geoservices Norway AS had employees from 17 unique nationalities during 2022, with the majority being Norwegian, followed by British, Indonesian, Spanish and Trinidadian/Tobagonian.

Of our part-time employees, non were considered to be under involuntary part-time

In Shearwater, we value collaboration across age groups, and see employees representing a variety of seniority levels and experiences as a key contributor to stimulate mentorship, innovation, and inclusion. Our employees were distributed between the following age groups: <30 (7%), 30-40 (27%), 41-50 (29%), 51-60 (24%) and >60 (13%). In the age range 20-40 there is 45% women, and in the range 40->60 there is 32% women.

Equal opportunities

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

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

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

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

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

Initiatives

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



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

To further the Group's efforts to inspire the next generation, the success of internships was continued in 2022. The Company hosted one intern and one trainee during the summer period. At the end of 2022, the Group also decided that a Graduate programme will be launched in 2023, aimed at hiring recent graduates into permanent positions following a bespoke training and development programme in their first active years. The aim is for this to continue to attract new talent into the industry and leverage the transfer of knowledge between experience levels. The first Graduate pool is expected to start following the summer of 2023.

Absence

At year end, the average monthly sickness absence was 4.5%. At the end of the year, the HR team in collaboration with the Work Environment Committee performed an analysis on sickness trends and identified an opportunity to expand the current self-certification policy. Effective from Jan 1st 2023, the Company expanded the number of available self-certification days from 12 to 24 days, and increased the consecutive maximum from 3 to 8 days. The aim is for this to increase the flexibility around short-term sickness absence and decrease the need for Doctor's certification at the employee's own discretion.

A healthy work-life dynamic is important at Shearwater. We therefore offer all employees parental leave in relation to the birth, adoption or fostering of a child. During 2022, 9 employees were on parental leave, of which 55% were men and 45% were women. On average, the women were on leave for 18.5 weeks, and the men 4.7 weeks.

Human and labour rights

Shearwater supports the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, the UK Modern Slavery Act 2015 and the standards advocated by the International Labour Organisation. We comply with the above legislation and principles and adopt them in our agreements with our suppliers. This is also clearly stated in our Code of Conduct³.

The Norwegian Transparency Act

Shearwater Geoservices Norway AS is subject to the Norwegian Transparency Act. The company's statement under the Act will be published on www.shearwatergeo.com no later than 30 June 2023, and will be accessible in the footer of the frontpage.

Environment

As part of the Shearwater GeoServices group, management systems are aligned to IOGP guidelines, certified to ISO9001 and compliant with ISO14001 and ISO45001 standards. Shearwater have implemented best-in-class Integrated Management System software to actively facilitate and transparently communicate QHSE compliance. The system's architecture is based on the ISO and IOGP 510 models, and the software is widely used in other industries where compliance to safe working practices is paramount.

The group's fleet of modern seismic vessels provide inherently safe working environments for the crews, with proven seaworthiness and spacious back-deck layouts. The well-tested but seldom-used redundant propulsion systems allow any one of them to be confidently deployed in extreme environments, or in and around existing oilfield infrastructure. The technical capabilities of the vessels provide a cornerstone for safe and efficient surveys.

Marine seismic acquisition projects can be exposed to unique and variable hazards depending upon where in the world prospects are located. Shearwater's extensive experience within the industry enables the group to thoroughly identify potential hazards, accurately document their effects and secure the appropriate resources to mitigate the potential risks to acceptable levels. The group promotes the use of proactive, leading indicators that are specifically configured to reflect the level of QHSE effort from the workforce. Calculation and publication of such indicators are used, for example, to actively



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monitor trends in the safety culture of each crew over the duration of a project, or between vessels. Continually improving upon the performance of these indicators drives the group's ongoing effort towards our goal of zero loss, zero harm and zero rework. Shearwater is a Governing Member of IAGC.

Liability insurance

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

Allocation of net income

The financial statement shows a net income of USD -3 374 973,- which is proposed allocated to retained earnings.

Bergen, 29.06.2023

Board of Directors in Shearwater Geoservices Norway AS

Irene Waage Basili
chairman of the board

Andreas Hveding Aubert
member of the board

Peter Hooper
managing director



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Shearwater Geoservices Norway AS Profit and Loss Account (in USD)

| OPERATING REVENUE AND EXPENSES | NOTE | 2022 | 2021 |
|--|-----------|--------------------|-------------------|
| Operating revenue | 4, 5 | 112 000 130 | 82 138 348 |
| Other operating revenue | 5 | 9 726 755 | 9 225 261 |
| Total operating revenue | | 121 726 885 | 91 363 609 |
| Cost of sales | 5 | 111 995 084 | 76 984 124 |
| Personell expenses | 6, 7 | 11 960 189 | 11 208 477 |
| Administration expenses | 7 | 1 317 564 | 1 514 342 |
| Depreciation | 8 | 252 936 | 396 253 |
| Total operating expenses | | 125 525 773 | 90 103 197 |
| Net operating income | | -3 798 888 | 1 260 412 |
| FINANCIAL ITEMS | | | |
| Interest income from group entities | 5 | 225 534 | 514 504 |
| Other interest income | | 151 855 | 121 |
| Interest cost to group entities | 5 | 63 868 | 243 899 |
| Interest expenses | | 10 502 | 35 113 |
| Other financial expenses | | 250 471 | 29 539 |
| Exchange loss (-) /gain (+) | 9 | 371 367 | 89 064 |
| Net financial income and expenses | | 423 914 | 295 138 |
| Operating result before tax | | -3 374 973 | 1 555 550 |
| Tax expenses | 10 | 0 | 0 |
| Net income | | -3 374 973 | 1 555 550 |
| ALLOCATION OF NET INCOME | | | |
| To other equity | | 0 | 1 555 550 |
| From other equity | | 3 374 973 | 0 |
| Total allocation | 11 | -3 374 973 | 1 555 550 |



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Shearwater Geoservices Norway AS Statement of Financial Position (in USD)

| ASSETS | NOTE | 2022 | 2021 |
|--|-----------|-------------------|-------------------|
| NON-CURRENT ASSETS | | | |
| PROPERTY, PLANT AND EQUIPMENT | | | |
| Office equipment | 8 | 104 564 | 357 499 |
| Total property, plant and equipment | | 104 564 | 357 499 |
| NON-CURRENT FINANCIAL ASSETS | | | |
| Investments in subsidiaries | 12 | 1 142 053 | 490 278 |
| Loan to group companies | 13 | 0 | 6 208 730 |
| Total non-current financial assets | | 1 142 053 | 6 699 008 |
| Total non-current assets | | 1 246 616 | 7 056 507 |
| CURRENT ASSETS | | | |
| Inventory and pre-payments | | 8 281 142 | 3 299 845 |
| DEBTORS | | | |
| Accounts receivables | | 10 365 720 | 7 782 437 |
| Other short-term receivables | | 1 437 006 | 975 492 |
| Receivables to group companies | 13 | 40 814 168 | 26 701 424 |
| Total receivables | | 52 616 894 | 35 459 352 |
| Cash and cash equivalents | 14 | 473 535 | 438 623 |
| Total current assets | | 61 371 571 | 39 197 821 |
| Total assets | | 62 618 187 | 46 254 328 |

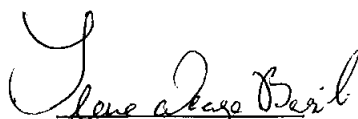



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Shearwater Geoservices Norway AS Statement of Financial Position (in USD)

| EQUITY AND LIABILITIES | NOTE | 2022 | 2021 |
|-------------------------------------|--------|-------------------|-------------------|
| PAID-IN CAPITAL | | | |
| Share capital | 11, 15 | 3 480 | 3 480 |
| Other paid in capital | 11 | 29 008 383 | 29 008 383 |
| Total paid-up equity | | 29 011 863 | 29 011 863 |
| RETAINED EARNINGS | | | |
| Retained earnings | 11 | -9 047 447 | -5 672 474 |
| Total retained earnings | | -9 047 447 | -5 672 474 |
| Total equity | | 19 964 416 | 23 339 389 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade payables | | 4 996 140 | 5 707 059 |
| Public duties payable | | 842 682 | 765 778 |
| Liabilities to group companies | 13 | 9 643 511 | 10 642 364 |
| Other current liabilities | | 27 171 437 | 5 799 738 |
| Total current liabilities | | 42 653 771 | 22 914 939 |
| Total liabilities | | 42 653 771 | 22 914 939 |
| Total equity and liabilities | | 62 618 187 | 46 254 328 |

Bergen, 29.06.2023


Irene Waage Basili
chairman of the board


Andreas Hveding Aubert
member of the board


Peter Allan Hooper
general Manager



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Cash Flow Statement Shearwater Geoservices Norway AS

| | NOTE | 2022 | 2021 |
|---|------|-------------------|-------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit before tax | | -3 374 973 | 1 555 550 |
| Depreciation and write-down | 8 | 252 936 | 396 253 |
| Change in inventories | | -4 981 296 | 173 651 |
| Change in accounts receivables /payables | | -3 294 201 | 7 200 435 |
| Change in intercompany balances | 13 | -15 111 598 | -1 526 148 |
| Change in other current assets / liabilities | | 20 987 089 | -1 346 352 |
| Net cash flow from operating activities | | -5 522 043 | 6 453 389 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Investments in fixed assets | 8 | 0 | -203 828 |
| Investment in subsidiaries | 12 | 651 775 | 1 778 |
| Loan to subsidiaries | 13 | 0 | 6 208 730 |
| Payments from subsidiaries | 13 | 6 208 730 | 0 |
| Net cash flow from investing activities | | 5 556 955 | -6 414 336 |
| Net increase in cash and cash equivalents | | 34 912 | 39 053 |
| Cash and cash equivalents at start of period | | 438 623 | 399 570 |
| Cash and cash equivalents at end of period | 14 | 473 535 | 438 623 |



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Shearwater Geoservices Norway AS

Notes to the financial statement 2022

Note 1 - Accounting principles

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

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

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

Use of functional currency

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

Policies for revenue recognition

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

Processing

The company performs processing services for specific customers. Sales of services under processing contracts are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Exclusive contracts

The company performs seismic services for specific customers under exclusive contracts. Sales of services under contracts are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Mobilisation revenue and cost

Mobilisation revenue and the related mobilisation costs relates to moving the seismic vessel and its crew from one location to the location specified by the contract. Such cost includes in the Multi-Client survey or exclusive contract with which the costs are associated. The mobilisation costs related to Multi-Client survey are capitalised as a part of the Multi-Client library as mentioned. Steaming costs on exclusive surveys are deferred and charged to expense based upon the percentage of completion of the project. The estimated probable future economic inflows are documented at inception and cover the costs capitalised or deferred. If the projects are not able to cover all of the costs which could be capitalised or deferred then only those costs that are recoverable are capitalised/deferred.

Classification of assets and liabilities in the financial statement

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

Receivables and liabilities in foreign currency

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

Receivables

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



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Shearwater Geoservices Norway AS

Notes to the financial statement 2022

Cash and cash equivalents

Cash and bank deposits, etc. include bank deposits, cash in hand and short-term bank deposits with an original maturity of three months or less. The company participates in a shared group bank account scheme. Overdraft is presented as a liabilities to group companies..

Investments in subsidiaries

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

Provision

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

Taxes

Taxes are expensed when incurred, which means the tax expense is related to the financial statements profit/loss before tax. Tax expenses consist of tax payable (tax on the financial years taxable income) and change in net deferred tax. The tax expense is distributed between ordinary profit/loss and extraordinary profit/loss according to the tax basis. Deferred tax assets are not recognized in the balance sheet.

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



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Shearwater Geoservices Norway AS

Notes to the financial statement 2022

Note 2 - Financial risk

The majority of the company's revenue is in USD. The company's expenses are mainly in USD 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.

Lack of or delayed payment from customers may significantly and adversely impair the company's revenue and liquidity. The concentration of the company's customers in the energy industry may impact its overall exposure to credit risk as customers may be similarly affected by prolonged changes in economic and industry conditions. Further, laws in some jurisdictions in which the company operates could make collection difficult or time consuming. The company gives due consideration to the credit quality of its potential clients during contract negotiations to minimise the credit risk. Historically, counterparty risk has been satisfactory.

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

Note 3 - Foreign exchange rates

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

Note 4 - Operating revenue

Operating revenue both in 2022 and 2021 is related to the seismic market and mainly marine acquisition. The company operates worldwide and revenue in 2022 and 2021 is distributed between geographical regions as presented below.

| BY AREA | 2022 | 2021 |
|--------------------------------|--------------------|-------------------|
| Europe, Africa and Middle East | 84 409 583 | 53 525 145 |
| North and South America | 27 590 547 | 28 613 203 |
| Total operating revenue | 112 000 130 | 82 138 348 |



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Shearwater Geoservices Norway AS

Notes to the financial statement 2022

Note 5 - Transactions with related parties

| RELATED PARTY | RELATION |
|------------------------------------|----------------|
| Shearwater GeoServices AS | Parent company |
| Shearwater GeoServices Brasil Ltda | Subsidiary |
| Shearwater GeoServices Assets V AS | Sister Company |
| Geophysical Resources Ltd PTE | Sister Company |

| INTER COMPANY REVENUES IN 2022: | | |
|--|------------------------------------|------------------|
| TRANSACTION | RELATED PARTY | AMOUNT |
| Intercompany corporate services income | Multiple group companies | 6 454 606 |
| Interest income | Shearwater GeoServices Brasil Ltda | 175 906 |
| Interest income | Shearwater GeoServices AS | 49 628 |
| Total | | 6 680 140 |

| INTER COMPANY COST IN 2022: | | |
|-----------------------------|------------------------------------|-------------------|
| TRANSACTION | RELATED PARTY | AMOUNT |
| TC hire | Shearwater Geoservices Assets V AS | 35 302 298 |
| Hired personell | Geophysical Resources Ltd PTE | 15 020 298 |
| BB hire | Shearwater Geoservices Assets V AS | 2 619 666 |
| Interest cost | Shearwater GeoServices AS | 46 283 |
| Total | | 52 988 545 |

Note 6 - Pensions

Defined contribution plan

The contributions in 2022 have been provided to pension plans covering 83 employees at the end of the year (2021: 78 employees). The pension premium is recognised as an expense the year that it falls due and amounts to USD 682 750 for 2022 (2021: USD 680 410).



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Shearwater Geoservices Norway AS

Notes to the financial statement 2022

Note 7 - Salary and personnel expense

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

| SALARY AND BENEFITS COST (USD 1000) | 2022 | 2021 |
|--|---------------|---------------|
| Salary cost | 8 485 | 8 863 |
| Social security | 1 340 | 1 553 |
| Pension and insurance cost | 683 | 680 |
| Other benefits | 1 452 | 112 |
| Total salary and benefits cost | 11 960 | 11 208 |

NUMBER OF EMPLOYEES AS OF YEAR END:

| | | |
|------------------|----|----|
| Office employees | 83 | 78 |
|------------------|----|----|

The increase in salary and benefits costs is mainly due to an increase in personnel during the year.

There has been no remuneration to the board of directors during the year.

Remuneration for the managing director is as follows:

| (USD 1000) | 2022 | 2021 |
|---------------------------|-------------|-------------|
| Salary | 385 | 417 |
| Bonus | 0 | 244 |
| Pension | 21 | 24 |
| Other benefits | 4 | 4 |
| Total remuneration | 410 | 689 |

Auditor's fee

Auditor's fee in 2022 is related to statutory audit USD 33 570 and USD 1 372 for other services. In 2021 the auditor's fee was related to statutory audit USD 22 411 and USD 8 786 for other services. The amount is excluding VAT.

Note 8 -Office equipment

| COST: | OFFICE EQUIPMENT |
|---|-------------------------|
| Acquisition cost at 1.1. | 1 605 147 |
| Additions in the period | 0 |
| Acquisition cost at 31.12. | 1 605 147 |
| Accumulated depreciation: | |
| Accumulated depreciation at 1.1. | 1 247 648 |
| Depreciation for the period | 252 936 |
| Accumulated depreciation at 31.12. | 1 500 583 |
| Carrying amount as at 31.12 | 104 564 |

Office equipment is depreciated over three years on a straight line basis.



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Shearwater Geoservices Norway AS

Notes to the financial statement 2022

Note 9 - Exchange loss / gain

| EXCHANGE LOSS / GAIN | 2022 | 2021 |
|-----------------------------|-----------------|----------------|
| Exchange loss | 1 383 366 | 1 093 656 |
| Exchange gain | -1 754 733 | -1 182 720 |
| Total | -371 367 | -89 064 |

Note 10 - Taxes

| TAXES IN PROFIT AND LOSS | 2022 | 2021 |
|--|-------------------|-------------------|
| Tax payable | 0 | 0 |
| Change in deferred tax | 0 | 0 |
| Tax expenses | 0 | 0 |
| Taxable income | | |
| Net income before tax | -946 873 | 2 060 753 |
| Permanent differences | 82 528 | 154 364 |
| Non deductible interest cost | 0 | 0 |
| Change in temporary differences | 148 099 | 131 052 |
| Losses brought forward | 0 | -2 346 169 |
| Taxable income | -716 246 | 0 |
| Deferred tax assets/liabilities | | |
| Fixed assets | -371 001 | -312 126 |
| Interest loss brought forward | -971 608 | -1 085 950 |
| Losses brought forward | -824 051 | -120 491 |
| Basis for calculation of deferred tax | -2 166 660 | -1 518 568 |
| Deferred tax assets | -476 665 | -334 085 |
| Not recognised tax assets | 476 665 | 334 085 |
| Deferred tax / deferred tax assets | 0 | 0 |
| Tax rate for tax payable | 22% | |
| Tax rate deferred tax 2022 | 22% | |
| Tax rate deferred tax 2023 | 22% | |

The company's functional currency is USD but for tax purposes the company holds a dual accounting in NOK. The dual accounting is the basis for the income tax return and also figures in the tax note. The amounts have all been translated with the exchange rate at the balance sheet date NOK/USD 0,1014 in 2022 (NOK/USD 0,1134 in 2021).

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

Note 11 - Equity

| | SHARE CAPITAL | OTHER PAID IN CAPITAL | RETAINED EARNINGS | TOTAL EQUITY |
|----------------------------|----------------------|------------------------------|--------------------------|---------------------|
| Equity as at 01.01. | 3 480 | 29 008 383 | -5 672 474 | 23 339 389 |
| Profit for the year | | | -3 374 973 | -3 374 973 |
| Equity as at 31.12. | 3 480 | 29 008 383 | -9 047 447 | 19 964 416 |



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Shearwater Geoservices Norway AS

Notes to the financial statement 2022

Note 12 - Investment in subsidiaries and associated companies

| COMPANY | OWNERSHIP | BOOKED VALUE | NET PROFIT 2022 | EQUITY 31.12.2022 |
|---------------------------------------|-----------|------------------|-----------------|-------------------|
| Shearwater GeoServices Do Brazil Ltda | 99 % | 488 500 | -9 815 917 | -8 250 909 |
| Shearwater Geoservices India | 26 % | 653 553 | 1 996 700 | 4 506 991 |
| Total | | 1 142 053 | | |

Shearwater GeoServices Ltd, Shearwater GeoServices Do Brazil Ltda and Shearwater Geoservices India are not consolidated in the financial statement of Shearwater GeoServices Norway AS being a sub-group of the group Shearwater GeoServices Holding AS.

Shearwater Geoservices India Private Limited is owned 74% by Shearwater GeoServices Ltd, Shearwater GeoServices Do Brazil Ltda is owned 1% by Shearwater GeoServices Ltd.

Note 13 - Intercompany balances

| RECEIVABLES | 2022 | 2021 |
|---------------------|-------------------|-------------------|
| Accounts receivable | 10 837 992 | 26 701 424 |
| Cash pool | 29 976 177 | 0 |
| Total | 40 814 168 | 26 701 424 |

| LOANS | 2022 | 2021 |
|--|----------|------------------|
| Loan to Shearwater GeoServices do Brasil | 0 | 6 208 730 |
| Total | 0 | 6 208 730 |

| LIABILITIES | 2022 | 2021 |
|------------------------------|------------------|-------------------|
| Other short term liabilities | 7 106 579 | 7 353 058 |
| Cash pool | 2 536 932 | 3 289 306 |
| Total | 9 643 511 | 10 642 364 |

Note 14 - Cash and cash equivalents

Cash held for employee tax payments totals MUSD 0,5 as at 31.12.2022.

The entity is part of a group account scheme. Overdraft in the group account scheme is presented as liabilities to group companies.

Note 15 - Share capital

The company's share capital consists of 30 shares at NOK 1 000, a total of NOK 30 000. Booked value is USD 3 480.

Shearwater GeoServices AS owns 100% of the shares.

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



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Shearwater Geoservices Norway AS

Notes to the financial statement 2022

Note 16 - Subsequent events

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



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