



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

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: Monica Tøsdal
Dato for fastsettelse av årsregnskapet: 30.06.2022

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 19.07.2023



Resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Operating revenue	10, 11	202 218 580	250 352 189
Other operating revenue	10		
Sum inntekter		202 218 580	250 352 189
Kostnader			
Depreciation	3	39 342 247	33 440 372
Nedskrivning av varige driftsmidler og immaterielle eiendeler	3	12 439 079	4 420 103
Cost of sales	2, 11	168 043 599	183 183 663
Sum kostnader		219 824 925	221 044 137
Driftsresultat		-17 606 345	29 308 052
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	11	6 208 923	2 205 757
Annen renteinntekt		100	4 373
Realised exchange loss (-) / gains (+)		668	-320 486
Sum finansinntekter		6 209 691	1 889 645
Rentekostnad til foretak i samme konsern	11		66 211
Annen rentekostnad		760	5 398
Other financial expenses		7 242	1 019
Sum finanskostnader		8 003	72 628
Netto finans		6 201 688	1 817 016
Ordinært resultat før skattekostnad		-11 404 656	31 125 069
Tax expenses	9	1 613 155	280 974
Ordinært resultat etter skattekostnad		-13 017 811	30 844 095
Årsresultat		-13 017 811	30 844 095
Årsresultat etter minoritetsinteresser		-13 017 811	30 844 095
Totalresultat		-13 017 811	30 844 095



Resultatregnskap

Beløp i: USD	Note	2021	2020
Overføringer og disponeringer			
To other equity	6	-13 017 811	30 844 095
Sum overføringer og disponeringer		-13 017 811	30 844 095



Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	9		
Varige driftsmidler			
Machinery and equipment	3	26 203 333	
Vessels and marine equipment	3	479 702 339	420 353 855
Sum varige driftsmidler		505 905 672	420 353 855
Finansielle anleggsmidler			
Other long term receivables			36 089
Sum finansielle anleggsmidler			36 089
Sum anleggsmidler		505 905 672	420 389 944
Omløpsmidler			
Varer			
Inventories	4	2 161 250	2 519 630
Sum varer		2 161 250	2 519 630
Fordringer			
Accounts receivables		14 839 376	10 091 264
Other short-term receivables		2 829 546	3 703 301
Receivables to group companies	5	52 325 169	118 489 287
Sum fordringer		69 994 091	132 283 851
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	8	340 782	19 335 591
Sum bankinnskudd, kontanter og lignende		340 782	19 335 591
Sum omløpsmidler		72 496 122	154 139 072
SUM EIENDELER		578 401 795	574 529 017



Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
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	-49 248 233	-36 230 422
Udekket tap	6		
Sum opptjent egenkapital		-49 248 233	-36 230 422
Sum egenkapital		545 253 880	558 271 691
Gjeld			
Langsiktig gjeld			
Utsatt skatt	9	109 515	141 496
Sum avsetninger for forpliktelser		109 515	141 496
Annen langsiktig gjeld			
Sum langsiktig gjeld		109 515	141 496
Kortsiktig gjeld			
Leverandørgjeld		3 776 714	4 085 451
Tax payable	9	1 645 145	311 357
Liabilities to group companies	5	21 577 422	8 354 473
Other current liabilities		6 039 118	3 364 548
Sum kortsiktig gjeld		33 038 399	16 115 829
Sum gjeld		33 147 914	16 257 325
SUM EGENKAPITAL OG GJELD		578 401 794	574 529 017



Skatteetaten

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

SHEARWATER GEOSERVICES HOLDING AS
Postboks 1243, Sentrum
5811 BERGEN

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

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

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

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

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

Bakgrunn

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

Skattedirektoratets vurdering

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

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



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

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

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

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

Vennlig oppgi vår referanse ved henvendelse i saken.

Med hilsen

Henning Stokke
seniorrådgiver
Juridisk avdeling
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



To the General Meeting of Shearwater Geoservices Assets V AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Shearwater Geoservices Assets V AS (the Company), which comprise the statement of financial position as at 31 December 2021, 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 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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

Other Information

The Board of Directors 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.

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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



Independent Auditor's Report - Shearwater Geoservices Assets V AS



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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for 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, 30 June 2022
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_MOBILE	2022-07-01 10:25

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ANNUAL REPORT 2021

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



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Shearwater Geoservices Assets V AS Board of Directors' Report 2021

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 operations are exposed to developments in the markets for oil and gas exploration and production. The energy markets experienced a significant tightening through 2021 as demand recovered towards the long-term trend whereas supply struggled to keep up. Several years of under-investment in the oil and gas sector has not been sufficiently compensated by investments in renewable energy and the second half of 2021 saw shortages and increasing energy prices. The war in Ukraine further underlined the importance of reliable and affordable energy.

As a result of this, energy companies are increasing their capex budgets for 2022 and guidance for the coming years. National oil companies represent the largest increases, but the oil majors are also communicating higher spending going forward. Shearwater is experiencing increased tender volume, both for streamer seismic and for OBS.

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.

Aspects of 2021

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 onhire.

Profit before tax in 2021 is USD -11.4 mill. compared with USD 31.1 mill. in 2020. Net operating income in 2021 totals to USD -17.6 mill. compared with USD 29.3 mill. in 2020. The positive change in net income relates to higher utilisation of the company's vessels. In 2021 financial items are positive by USD 6.2 mill. compared to USD 1.8 mill. previous year. The increase is mainly due to interest income from IC balances during the year.

The company's liquidity is USD 0.3 mill. as at 31.12.2021 (2020: USD 19,3 mill.). Cash flow from operating activities in 2021 was positive USD 32.8 mill. (2020: positive USD 66.9 mill.). Cash flow from investment activities was negative USD -137.3 mill. (2020: negative USD -8.6 mill.). Investment in 2021 and 2020 is related to reactivation of vessels. Net cash flow from financing activities was USD 85.6 mill. (2020: negative USD -55.9 mill.).



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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 2021 mainly been let to group companies in the group. The external customer in 2021 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 2021.

Based on the above report of profit and loss for the company, the Board of Directors confirms that the financial statements for 2021 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.

Liability insurance

Shearwater has a directors, officers and company liability insurance with a sum insured of NOK 150 mill. The insurance applies to all subsidiaries with more than 50% ownership.

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 2021 operations were accomplished with limited technical downtime.

Allocation of net income

The financial statement shows a negative net income of USD -13,017,811,- which is proposed transferred to retained earnings.

Bergen, 30.06.2022

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



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Shearwater Geoservices Assets V AS
Profit and Loss account (in USD)

OPERATING REVENUE AND EXPENSES	NOTE	2021	2020
Operating revenue	10, 11	202,218,680	250,352,189
		202,218,580	250,352,189
Cost of sales	2, 11	168,043,599	183,183,663
Depreciation	3	39,342,247	33,440,372
Write-down	3	12,439,079	4,420,103
Total operating expenses		219,824,925	221,044,137
Net operating income		-17,606,345	29,308,052
FINANCIAL ITEMS			
Interest income from group entities	11	6,208,923	2,205,757
Other interest income		100	4,373
Interest expenses to group entities	11	0	66,211
Interest expenses		760	5,398
Other financial expenses		7,242	1,019
Realised exchange loss (-) / gains (+)		668	-320,486
Net financial income and expenses		6,201,688	1,817,016
Operating result before tax		-11,404,656	31,125,069
Tax expenses	9	1,613,155	280,974
Net income		-13,017,811	30,844,095
ALLOCATION OF NET INCOME			
To other equity	6	-13,017,811	30,844,095
Total allocation		-13,017,811	30,844,095



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

ASSETS	NOTE	2021	2020
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Machinery and equipment	3	26,203,333	0
Vessels and marine equipment	3	479,702,339	420,353,855
Total property, plant and equipment		505,905,672	420,353,855
NON-CURRENT FINANCIAL ASSETS			
Other long term receivables		0	36,089
Total non-current financial assets		0	36,089
Total non-current assets		505,905,672	420,389,944
CURRENT ASSETS			
Inventories	4	2,161,250	2,519,630
DEBTORS			
Accounts receivables		14,839,376	10,091,264
Other short-term receivables		2,829,546	3,703,301
Receivables to group companies	5	52,325,169	118,489,287
Total receivables		69,994,091	132,283,851
Cash and cash equivalents	8	340,782	19,335,591
Total current assets		72,496,122	154,139,072
Total assets		578,401,795	574,529,017

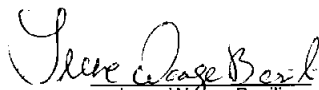


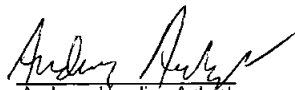
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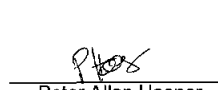
Shearwater Geoservices Assets V AS
Statement of Financial position (in USD)

EQUITY AND LIABILITIES	NOTE	2021	2020
PAID-IN CAPITAL			
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	-49,248,233	-36,230,422
Total retained earnings		-49,248,233	-36,230,422
Total equity		545,253,880	558,271,691
LIABILITIES			
Deferred tax	9	109,515	141,496
Total provisions		109,515	141,496
CURRENT LIABILITIES			
Trade payables		3,776,714	4,085,451
Tax payable	9	1,645,145	311,357
Liabilities to group companies	5	21,577,422	8,354,473
Other current liabilities		6,039,118	3,364,548
Total current liabilities		33,038,399	16,115,829
Total liabilities		33,147,914	16,257,325
Total equity and liabilities		578,401,794	574,529,017

Bergen, 30.06.2022


Irene Waage Basili
chairman of the board


Andreas Hveding Aubert
member of the board


Peter Allan Hooper
general Manager



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SHEARWATER GEOSERVICES ASSETS V AS CASH FLOW 2021

CASH FLOW STATEMENT

USD	2021	2020
Cash flow from operating activities:		
Profit before tax	-11,404,656	31,125,069
Tax payable	-311,357	-630,883
(Gain) loss on sale of fixed assets	7,966	-
Depreciation and write-down	3 51,781,326	37,860,475
Change in accounts receivables / payables	-5,056,849	544,727
Net financial items	-6,201,688	-1,817,016
Change in other current assets / liabilities	3,959,744	-139,911
Net cash flow from operating activities	32,774,486	66,942,461
Cash flow from investing activities:		
Investments in fixed assets	3 -137,891,369	-8,623,711
Sale of fixed assets	550,261	-
Net cash flow from investing activities	-137,341,108	-8,623,711
Cash flow from financing activities		
Net interest income (expenses)	6,201,021	2,137,502
Change in short term liabilities to group companies	79,387,067	-58,034,999
Net cash flow from financing activities	85,588,088	-55,897,497
Net increase in cash and cash equivalents	-18,978,534	2,421,254
Cash and cash equivalents at start of period	19,335,591	17,278,662
Currency effect cash and cash equivalents	-16,275	-364,325
Cash and cash equivalents at end of period	340,782	19,335,591



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Shearwater Geoservices Assets V AS

Notes to the financial statement 2021

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 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 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.



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Shearwater Geoservices Assets V AS

Notes to the financial statement 2021

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 49,866 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 2021.



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Shearwater Geoservices Assets V AS

Notes to the financial statement 2021

Note 3 - Tangible fixed assets

	Streamer sections	Vessels	Periodical Maintenance	Total Vessels
Acquisition cost as at 1.1.	0	747 718 779	99 724 254	847,443,033
+ Additions during the year	29,900,000	106,322,009	1,669,361	137,891,370
- Disposals during the year	0	558 227	0	558,227
Acquisition cost as at 31.12.	29,900,000	853,482,561	101,393,615	984,776,176
Accumulated depreciation at 1.1.	0	261,743,696	92,416,882	354,160,578
Accumulated impairment at 1.1.	0	72,928,599	0	72,928,599
+ Depreciation for the year	3,696,667	32,386,478	3,259,102	39,342,247
+ Impairment		12,439,079		12,439,079
Accumulated depreciation and impairment at 31.12.	3,696,667	379,497,852	95,675,984	478,870,503
Carrying amount as at 31.12.	26,203,333	473,984,708	5,717,632	505,905,672
Depreciation rate	5 years	25 years	2.5 - 5 years	

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

Impairment

As of 31 December 2021, 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 2021, 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.

As a result of the impairment testing, the company has made an impairment of USD 4.1 mill. for "SW Duke" and USD 5.5 mill for "SW Duchess", based on the average valuation less estimated sales cost. For the vessel "SW Marquis" a sale contract was in place at year end. To reflect the estimated net scrap sales value the vessel is impaired with USD 2.9 mill. The total impairment in 2021 is USD 12.4 mill.

Note 4 - Inventories

Fuel onboard vessels are presented as inventories, a total of USD 2,161,250.



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Shearwater Geoservices Assets V AS

Notes to the financial statement 2021

Note 5 - Intercompany balances

Short term receivables to group companies totals USD 52.3 mill. (2020: USD 118.5 mill.), of the total USD 26.7 mill. are ordinary accounts receivables and USD 25.7 mill. are cash pool.

Short term liabilities to group companies totals USD 21.6 mill. (2020: USD 8.4 mill) 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	-36,230,422	558,271,691
Net income for the year			-13,017,811	-13,017,811
Equity as at 31.12.	7,210,628	587,291,485	-49,248,232	545,253,880

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.

Shearwater GeoServices AS owns 100 % of the shares at year end 2021.

Note 8 - Bank deposits, cash etc.

The company has no restricted cash of any sort.

Note 9 - Taxes

	2021	2020
Tax over profit and loss:		
Tax payable to Norway	1,645,145	311 357
Change in deferred taxes	-31,981	-30,384
Tax expense/-income	1,613,155	280,973
Deferred tax/-tax asset:		
Gain and loss account	497,797	643 161
Basis for calculation of deferred tax 31.12.	497,797	643,161
Tax rate	22 %	22 %
Deferred tax/deferred tax asset in the balance sheet (-)	109,515	141,496



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Shearwater Geoservices Assets V AS

Notes to the financial statement 2021

Note 10 - Operating revenue

The company owns vessels and the entirety of the operating revenue relates to the seismic segment both in 2021 and 2020.

By area	2021	2020
Norway	34,071,115	52 478 320
South and North America	59,837,483	101 434 137
Asia and New Zealand	31,208,066	27 667 953
Europe	76,989,882	67 731 779
Russia	120,000	120 000
Africa	-7,966	920 000
Total operating revenue	202,218,580	250,352,189

Note 11 - Transactions with related parties

The company timechartered several of its vessels to five sistercompanies; Shearwater GeoServices Norway AS, Shearwater GeoServices Ltd, Shearwater GeoServices Singapore Pte Ltd, Shearwater GeoServices do Brasil Ltda and Shearwater GeoServices Malaysia Sdn. Bhd during parts of 2021 and 2020.

The company hired two of its vessels on bareboat charter in 2021 to two sistercompanies; Polar Ship Invest AS and Shearwater GeoServices Singapore Pte Ltd. (2020: Five vessels to Shearwater GeoServices Norway AS, Shearwater GeoServices Ltd, Shearwater GeoServices Singapore Pte Ltd and Polar Ship Invest IV AS).

Shearwater GeoServices Singapore Pte Ltd started mobilisation for a seismic survey late 2021. The project was cancelled after the mobilisation and after the survey had commenced. Shearwater received a cancellation fee from the client of USD 12.8 million according to the termination clauses of the contract. The total cancellation fee was shared between Shearwater GeoServices Singapore Pte Ltd USD 7.9 million as the operating company and Shearwater GeoServices Assets V AS USD 4.9 million as the vessel owner.

Intercompany timecharter hire this year totals USD 103.7 mill. (2020: 72.0 mill.), bareboat hire totals USD 3.1 mill. (2020: 10.0 mill.). The transactions are part of the ordinary business.

The company hired in total seven vessels on bareboat charter from three sistercompanies; Shearwater GeoServices CharterCo AS, Shearwater GeoServices Assets II AS and Shearwater Invest AS, in total USD 67.3 mill. in 2021 (2020: six vessels from Shearwater GeoServices CharterCo AS in total USD 57.3 mill.). There were no timecharter hire from group companies in 2021, while "SW Empress" was timechartered from Polar Ship Invest AS in total USD 9.3 mill in 2020. In addition, the company hired equipment from Reflection Marine Norge AS in total USD 8.0 mill in 2021 (2020: USD 7.8 mill).

Ship management services are purchased from its sistercompany Reflection Marine UK Ltd in total USD 2.8 mill. in 2021 (2020: USD 1.8 mill.). The company has hired marine personnel from its sistercompany Geophysical Resources Pte Ltd total USD 5.9 mill. and Reflection Marine Norge AS total USD 0.6 mill. in 2021 (2020: Geophysical Resources Pte Ltd total USD 5.7 mill. and Reflection Marine Norge AS USD 0.7 mill.).

Interest on intercompany receivables and liabilities have been charged with USD 6.2 mill. and USD 0.0 mill. respectively.

Accounting and other administrative services is purchased from Shearwater GeoServices Norway AS, a total of USD 513,125 in 2021 (2020: USD 353,904). Sales services is purchased from Shearwater GeoServices Ltd, a total of USD 654,020 in 2021 (2020: USD 1,299,534).

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



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Shearwater Geoservices Assets V AS

Notes to the financial statement 2021

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 2021 mainly been let to group companies in the group. The external customers in 2021 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, USD and EUR. The company considers liquidity risk as limited.

Note 13 - Subsequent events

The Covid-19 pandemic continued to affect the Shearwater group throughout 2021. However, the uncertainty the group saw in the first half of 2021 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 2022.

In February 2022 Russia invaded Ukraine. The ongoing invasion is widely condemned in the international community and sanctions have been imposed on Russian businesses, certain nationals, and the state. The war has led to widespread business disruptions, impacted the global economy and commodity prices, and triggered significant short-term volatility in international debt and equity markets. There is great uncertainty with regards to the extent and duration of the conflict and its impact on the global economy, as well as the Group's performance over time. Oil and gas prices have increased from already high levels before the invasion due to Russia being a leading exporter of gas, oil and coal to Europe. There is uncertainty regarding the potential impact on safe and reliable energy supply, as well as to the market prices of oil, gas and other commodities which may impact the Group's future operations and results. Geopolitical risk also impacts survey operations in certain parts of the world and Shearwater manages this by close engagement with our clients and local authorities.