



29% of the Earth is covered by land,
we cover the rest

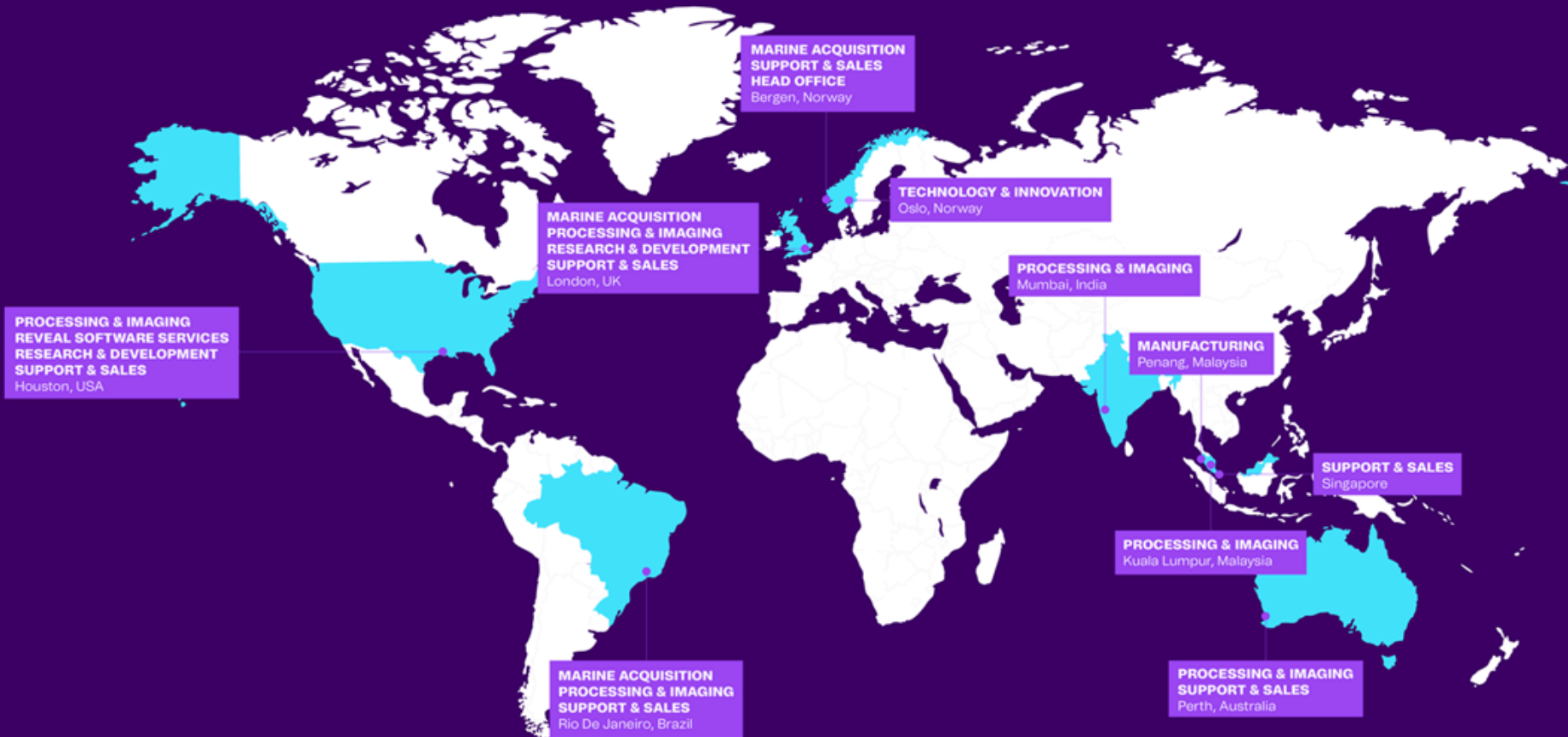
FOURTH QUARTER 2024 REPORT

shearwater

Shearwater in brief

Shearwater Geoservices AS is a global marine geoscience and technology business that specialises in collecting data offshore. The organisation uses state-of-the-art seismic vessels and equipment to explore the seabed and processes the data using market-leading proprietary software. These insights help clients understand the Earth and make informed decisions about accelerating responsible use of its resources.

Shearwater's Headquarters are in Bergen, Norway, with additional facilities at strategic locations around the globe. The company currently employs around 1280 people.



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Progress

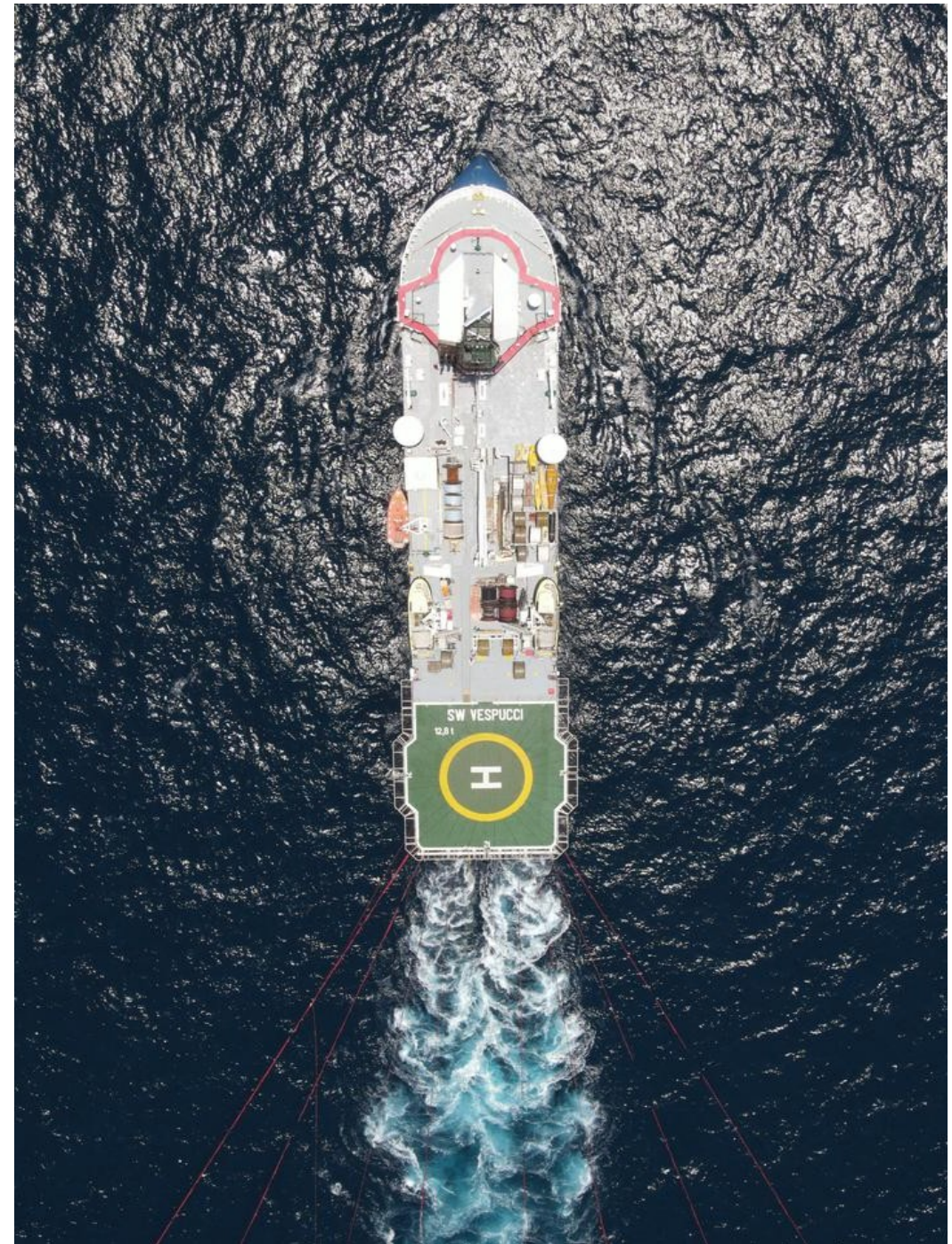
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KEY INSIGHTS

Highlights

Decreased streamer acquisition activity through Q4 in line with expectations

Successful completion of expanded India OBN survey and mobilisation of the SW Tasman/Pearl node platform to consecutive West Africa contracts

Mobilising for second Pelotas Basin multi-client 3D acquisition season in Brazil, capitalising on successful 2024

Year-end contract backlog of USD 337 million following high tender and award activity

Limited visibility of whether recent year-over-year increase tender activity will continue throughout the year

REVENUE USD

103.5M

compared to USD 179.2 million in Q4 2023

EBITDA USD

13.2M

compared to USD 20.5 million in Q4 2023

EBIT USD

-23.9M

compared to USD -17.9 million in Q4 2023



▼ CEO Comment

“Marine seismic acquisition activity was muted towards year-end extending the weaker-than-expected 2024 market. This was also reflected in the fourth quarter financial performance. Still, the pace of contract awards was encouraging, with three new OBN- and six new streamer-contracts, supporting visibility into the first quarter of 2025.

Several contracts delayed in 2024 are moving ahead, adding to the underlying market demand. While these signs are positive, our outlook remains influenced by our client's continued cautiousness and capital discipline. Therefore we cannot assume that the year-over-year increase in activity at the start of 2025 will continue. That said, we are well positioned to benefit from a tighter market as an industry consolidator with available swing capacity and technology leadership.

Our unique OBN platform, comprising SW Tasman and the Pearl node has, since completion of contracts in India, moved to West-Africa for several consecutive projects. At completion of current contract pipeline, the SW Tasman/Pearl kit will have had about 18 months of consecutive operations since Jan'24.

Shearwater maintains an opportunistic yet disciplined multi-client strategy. At year-end, we were mobilising for our second season of multi-client acquisition over the attractive Pelotas Basin in Brazil to respond to key clients interests after our successful 2024 season, by that further strengthening our position within the multi-client segment.

We remain focused on optimising operations and financial performance amid demand fluctuations, by proactively adjusting our active fleet. This includes evaluating optimal size and capacity of Shearwater's total fleet. The uptick in tenders and awards provides ample room for industry discipline to ensure long-term sustainable rates and for us to position for delivering efficient operations, improved fleet utilisation and solid results."

- Irene Waage Basili, CEO of Shearwater Geoservices

Key financial figures

	Unit	Quarter ended		Year to date	
		31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Operating revenue	USD million	104	179	620	922
EBITDA ⁽¹⁾	USD million	13	21	159	243
EBITDA margin		13%	11%	26%	26%
EBIT	USD million	-24	-18	17	112
Net income before taxes	USD million	-37	-30	-48	50
Net income/ (loss)	USD million	-39	-31	-53	48
Cash flow from operations	USD million	0	86	92	310
Free cash flow ⁽²⁾	USD million	-25	66	9	243
Cash and cash equivalents	USD million	49	106	49	106
Net Working Capital	USD million	129	126	129	126
Net Interest-bearing Debt	USD million	554	456	554	456
Total Assets	USD million	1,258	1,262	1,258	1,262
Book Equity	USD million	534	587	534	587
Book Equity Ratio %		42%	47%	42%	47%
NIBD / EBITDA last 12 months		3.5	1.9	3.5	1.9
Backlog ⁽³⁾	USD million	337	585	337	585
Fleet Utilisation Rate % ⁽⁴⁾		50%	68%	63%	78%
Active vessels ⁽⁵⁾		9.9	9.2	9.8	12.9

⁽¹⁾ Refer to EBITDA calculation in the [Alternative Performance Measures-section](#)

⁽²⁾ Refer to Free cash flow calculation in the [Alternative Performance Measures-section](#)

⁽³⁾ Refer to backlog-definition in the [Alternative Performance Measures-section](#)

⁽⁴⁾ Percentage of Shearwater's owned fleet on contract and transiting to a contract as a percentage of the active fleet

⁽⁵⁾ Active vessels include all owned vessels that are not warm or cold stacked.

PROGRESS

Operational Review

In the fourth quarter of 2024, marine seismic acquisition decreased in line with expectations, due to project delays earlier in the year. An uptick in the number of tenders and awards during the second half of the year did not impact actual acquisition activity. During the quarter, Shearwater was awarded three OBN- and six streamer-contracts, equivalent of approximately 26 vessel months, supporting visibility into 2025.

Shearwater operated an average of 9.9 active vessels in the quarter, compared to 11.1 active vessels in the third quarter of 2024 and 9.2 in the fourth quarter of 2023. The decline from the previous quarter reflected the project delays and lower activity in key regions such as India and Brazil. Utilisation of the active fleet was 50% compared to 61% in the previous quarter and 68% in the fourth quarter of 2023.

Streamer acquisition activity was focused on India, South-East Asia and Brazil, in line with the typical seasonal patterns.

After completion of the extended OBN contract for ONGC in the quarter, the SW Tasman mobilised to the Ivory Coast. In early 2025, it successfully completed the first survey as a combined node deployment and source vessel, eliminating the need to mobilise a stand-alone source vessel. This was also an industry first, reducing survey cost and environmental footprint and the debut use of the Pearl node in West Africa. The SW Tasman has since moved to Angola for two TotalEnergies OBN surveys. At completion, the SW Tasman/Pearl kit will have had about 18 months of continuous operations since launch of this unique OBN platform in early 2024, generating approximately USD 200 million of revenue.

At year-end, preparations were ongoing for a second acquisition season for the Pelotas Basin multi-client 3D seismic survey in Brazil. Data acquisition commenced in early 2025, using the SW Empress. Shearwater experiences strong customer interest for data from this attractive frontier region in Brazil and the company aims to capitalise on the successful 2024 season and further strengthen the position in the multi-client segment.

On 31 December 2024, the backlog was USD 337 million compared to USD 239 million at the end of the third quarter of 2024 and USD 585 million at the end of 2023. The year-over-year backlog reduction is mainly tied to the CGG capacity agreement which expired

in January 2025, partly offset by increased order intake during the fourth quarter due to higher tender activity in the second half of the year.

There were three recordable HSE incidents in the fourth quarter of 2024 with none of these recorded as high potential. This compared to three recordable HSE incident in the same period of 2023 of which none were recorded as high potential.

As part of the company's fleet management strategy for optimising operations and financial performance, Shearwater continues to proactively adjust the active fleet. Accordingly, the high-end streamer vessel Amazon Conqueror was cold stacked during the fourth quarter to reduce costs and adjust supply during the winter season. The ongoing evaluation of optimal size and seismic technology platform of Shearwater's total fleet capacity continued against a backdrop of increasing interest for high-quality vessels from other segments of the offshore industry.

On 2 January 2025, Shearwater's USD 300 million senior secured bond was listed and started trading on Euronext Oslo Børs.



Financial review - IFRS

Profit and loss

Total operating revenue was USD 103.5 million, a decrease of 42% from USD 179.2 million in the fourth quarter 2023, mainly due to lower activity with fewer vessels in operation as utilisation of the active fleet was 50% compared to 68% a year earlier. Marine Acquisition represented 79% of revenue in the period while the Software, Processing & Imaging and Multi-Client segments accounted for the remaining 6% and 14%, respectively.

The multi-client revenue of USD 14.0 million in the quarter relates to the first Pelotas season in Brazil and Namibia late sales. At year-end, Shearwater had more than USD 30 million of additional unrecognised multi-client revenue related to already acquired, but not yet delivered data. The unrecognised revenue will be reported in the income statement when data has been delivered to the customer according to the client contract.

Total operating expenses were USD 127.4 million compared to USD 197.2 million in the same period of 2023, reflecting the lower activity year-over-year. EBITDA was USD 13.2 million compared to USD 20.5 million a year earlier.

Depreciation and amortisation increased due to investments in node technology and fleet growth following recent vessel acquisitions. EBIT was negative USD 23.9 million compared to negative USD 17.9 million for the same quarter last year.

Loss before taxes was USD 37.3 million compared to a loss of USD 29.5 million in the fourth quarter of 2023. Tax expenses was USD 2.0 million compared to USD 1.8 million a year earlier. The net loss was USD 39.3 million compared to a net loss of USD 31.3 million a year earlier.

Cash flows

Net cash flow from operating activities in the fourth quarter was negative USD 0.2 million compared to positive USD 86.0 million in same period last year. The difference between net cash flow from operations and EBITDA in the quarter reflects primarily working capital items. Working capital may fluctuate significantly depending on fleet status and timing of seasonal transits.

Net cash flow used in investing activities amounted to USD 24.3 million compared to USD 52.1 million a year earlier, relating to investments in vessels, equipment and the multi-client library.

Net cash flow from financing activities was negative USD 19.6 million, mainly reflecting repayment of debt and interest costs. This compares to net cash flow from financing activities of negative USD 5.9 million in the fourth quarter of 2023.

Net decrease in cash holdings for the quarter was USD 44.1 million compared to an increase of USD 27.9 million a year earlier.

Financial position

On 31 December 2024, total assets amounted to USD 1,258.0 million compared to USD 1,265.7 million on 30 September 2024 and USD 1,261.6 million on 31 December 2023. Intangible assets increased due to the inclusion of USD 25 million of multi-client library related to the Brazil Pelotas basin project, up from USD 20.3 million on 30 September 2024. There was no capitalised multi-client library investment in the balance sheet on 31 December 2023. Tangible assets decreased compared to both 30 September 2024 and 31 December 2023 as depreciation offset capital expenditures, while current assets increased due to an increase in receivables and other current assets caused by the timing of working capital items.

Book equity was USD 534.0 million, equalling an equity ratio of 42%, compared to USD 573.4 million and 45% on 30 September 2024. At year-end 2023, the corresponding figures were USD 587.3 million and 47%, respectively. Cash holdings at year-end 2024 was USD 49.3 million compared to USD 93.8 million 30 September 2024 and USD 106 million 31 December 2023.

On 31 December 2024, the Group's total interest-bearing debt was USD 603.1 million compared to USD 608.5 million at 30 September 2024 and USD 562.0 million at the end of 2023. Net interest-bearing debt (NIBD) was USD 553.8 million compared to USD 514.7 million on 30 September 2024 and USD 456.1 million at year-end 2023.

Summary of the full-year 2024

Profit and loss

The 2024 full-year operating revenue amounted to USD 619.8 million, down from USD 922.0 million in 2023, due to lower activity with 63% utilisation of the active fleet compared to 78% a year earlier. Marine Acquisition represented 92% of revenue, Software, Processing & Imaging 4% and the Multi-Client segment 3%. EBITDA was USD 159.0 million, a decrease from USD 242.5 million in 2023. Tax expenses was USD 5.1 million compared to USD 2.3 million last year. Net loss for the year was USD 53.4 million compared to a net profit of USD 47.8 million in 2023.

Cash flows

Net cash flow from operating activities for the full-year amounted to USD 92.5 million compared to USD 309.6 million in 2023. For the year, the difference between cash flow from operations and EBITDA reflects primarily working capital items.

Net cash flow used in investing activities amounted to USD 122.4 million compared to USD 97.2 million a year earlier. The difference in cash flows from the comparable period is primarily due to investment in multi-client library, as investment in vessels and equipment were in line with the previous period.

Net cash flow from financing activities was negative USD 25.6 million compared to negative USD 156.0 million in 2023. The underlying cash flows mainly reflect instalment on debt and payment of interests, although the primary difference comparing the current year to the last being the refinancing of the Group's bank facilities and issuance of a bond loan in April 2024, positively impacting cash flows.

Net decrease in cash holdings for the year was USD 55.5 million compared to an increase of USD 56.4 million a year earlier.

Market and Outlook

Acquisition activity has rebounded into the first quarter of 2025 and several contracts delayed in 2024 are now moving ahead, adding to the underlying market demand. While these signs are positive, outlook remains uncertain as clients continue to be cautious and show capital discipline. Based on developments year-to-date, Shearwater expects to report an active fleet for the first quarter of 2025 in line with the fourth quarter of 2024, but with significantly improved utilisation with more vessels allocated towards contract work following recent awards and active fleet management.

The ocean-bottom node (OBN) market remains competitive with Shearwater selectively bidding for projects based on the unique SW Tasman and Pearl node platform. Shearwater has an attractive OBN backlog with the SW Tasman fully utilised through the first half of 2025.

Shearwater maintains an opportunistic multi-client strategy with clear return requirements and is increasing the activity in a disciplined manner, mainly in cooperation with other multi-client focused companies. In line with this strategy, following positive client interest and the successful 2024 campaign, the second season of data acquisition in the Pelotas Basin in Brazil commenced this January.

Global energy demand is set to continue to increase in coming years, requiring material oil and gas exploration and production investments, and new renewable energy solutions, supporting growth opportunities for emerging markets such as carbon capture and

storage (CCS) and offshore wind. Shearwater is well positioned to capture these opportunities owning the majority of the global fleet of high-end seismic vessels, controlling the market swing capacity with a low-cost base and limited capital expenditure requirements. The company has a dynamic approach to adjusting the active fleet and is continuously evaluating the optimal size of the fleet and seismic acquisition platform. Combined with a strong balance sheet and support from shareholders, the company is set to fully capitalise on an improved market as well as expand into energy transition activities.

Following a weaker-than expected 2024, the backlog and pipeline of potential projects for first half of 2025 is encouraging, however visibility for the second half of 2025 remains low.

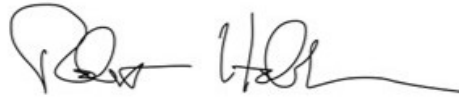
Board's approval

Risks and risk management

Shearwater Geoservices AS has not identified any additional risk exposure beyond the risks described in the Board of Directors Report included in the 2023 Annual Report of the Company's parent company Shearwater Geoservices Holding AS. Reference is also made to the [Market & Outlook section](#) and [Note 1](#) of this report.

Bergen, 27 February 2025

The Board of Directors and Chief Executive Officer of Shearwater Geoservices AS



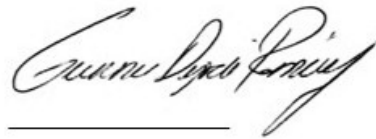
Robert Hobbs

Chairman of the Board



Roar Skuland

Board member



Gunnvor Dyrði Remøy

Board member



Irene Waage Basili

Chief Executive Officer

RESULTS

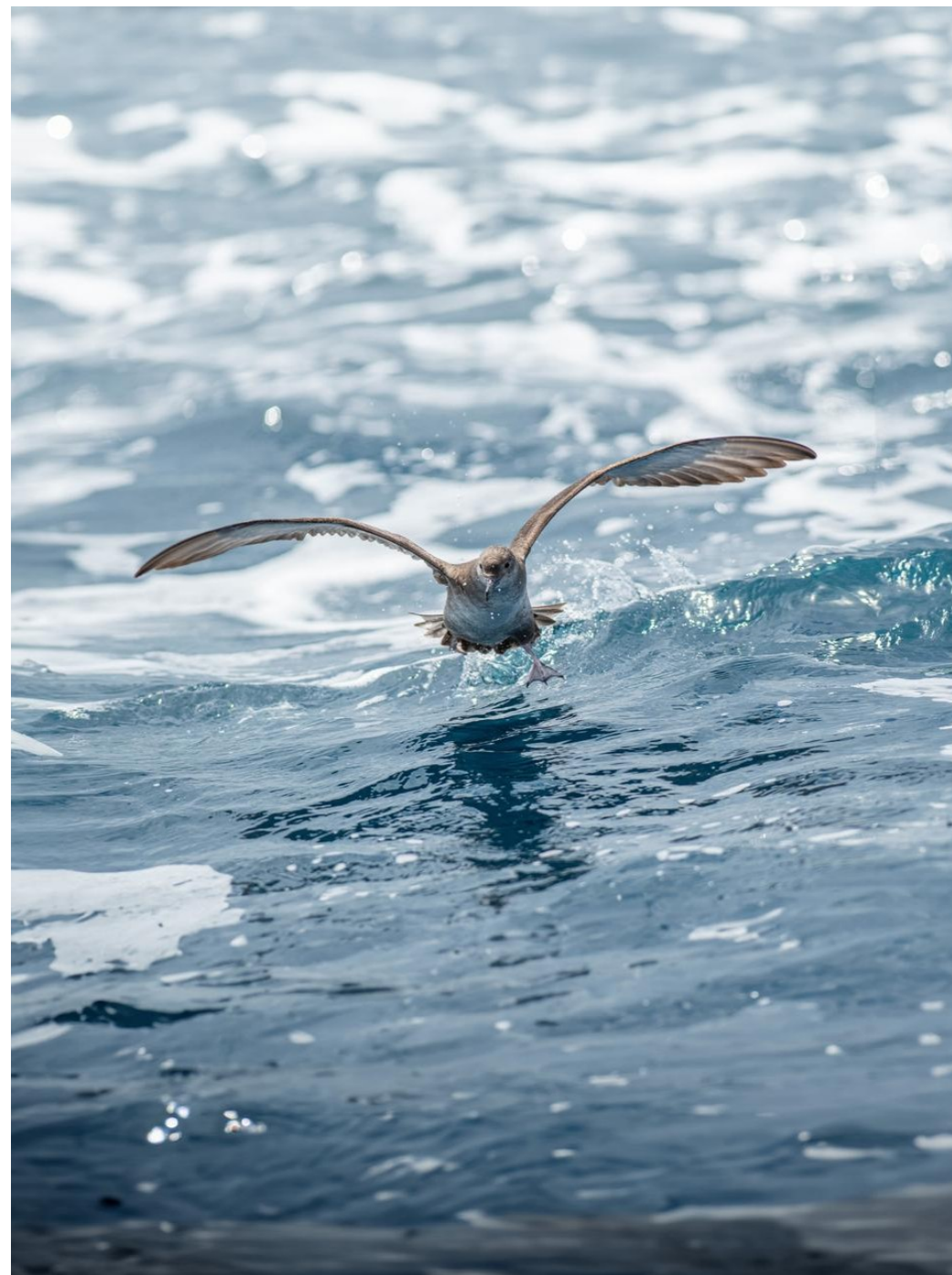
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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

THE SHEARWATER GEOSERVICES AS GROUP

(In thousands of USD)	Notes	Quarter ended		Year to date	
		31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Total Revenue and Other Income	2	103,501	179,239	619,821	921,971
Operating expenses					
Cost of sales	3	81,730	150,445	426,685	649,823
Depreciation and amortisation	4	38,851	36,489	144,157	128,951
Amortisation and write-down Multi-Client		442	-	442	-
Sales, general and administration cost		8,537	8,279	34,093	29,643
Other losses (gains) net		(2,203)	1,948	(2,673)	1,285
Total operating expenses		127,357	197,161	602,703	809,702
Operating profit (EBIT)		(23,857)	(17,922)	17,117	112,270
Financial income		1,119	3,800	3,225	5,621
Financial expenses		(14,567)	(15,400)	(68,668)	(67,768)
Net financial items (+profit/-loss)		(13,448)	(11,600)	(65,444)	(62,147)
Net income before taxes		(37,305)	(29,522)	(48,326)	50,122
Taxes	6	2,022	1,822	5,071	2,325
Net income (+profit/-loss)		(39,326)	(31,344)	(53,397)	47,798

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Other comprehensive income

<i>Items which will not be reclassified over profit and loss</i>	-	-	-	-	
<i>Items which may be reclassified over profit and loss in subsequent periods</i>	282	-	104	-	
Exchange differences on translation of foreign operations	282	-	104	-	
Other comprehensive income for the period	282	-	104	-	
Total comprehensive income for the period		(39,044)	(31,344)	(53,293)	47,798

The above unaudited condensed consolidated statement of profit or loss and unaudited consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

THE SHEARWATER GEOSERVICES AS GROUP

(In thousands of USD)	Notes	Quarter ended	
		31 Dec 2024	31 Dec 2023
ASSETS			
Goodwill		3,267	3,267
Multi-Client		25,023	-
Intangible assets		18,446	21,193
Deferred tax asset	6	2,039	120
Total Intangible Assets		48,775	24,581
Vessel and marine equipment	4	865,372	895,249
Seismic equipment and other equipment	4	84,270	94,754
Right of use assets	4	7,578	7,145
Manufacturing equipment	4	1,961	1,964
Total Tangible Assets		959,181	999,111
Investments in shares		350	-
Total Financial Non-Current Assets		350	-
Total Non-Current Assets		1,008,307	1,023,692
Other current assets		60,561	43,065
Trade receivables		108,536	73,215
Other receivables		31,282	15,766
Cash and cash equivalents		49,296	105,834
Total current assets		249,676	237,880
Total Assets		1,257,982	1,261,572

(In thousands of USD)	Notes	Quarter ended	
		31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES			
Share capital		10,653	10,653
Share premium		621,190	621,190
Retained earnings		(97,820)	(44,525)
Total Equity		534,023	587,317
Deferred tax liability	6	46	-
Long-term debt	5	516,484	219,862
Lease liabilities	5	6,542	5,510
Total Long-Term Liabilities		523,073	225,371
Current portion of long-term debt	5	50,000	333,860
Short-term debt	5	28,011	533
Lease liabilities	5	2,059	2,211
Trade payables		74,366	79,519
Taxes payable	6	4,181	-
Other short-term liabilities		42,270	32,756
Total Short-Term Liabilities		200,886	448,878
Total Liabilities		723,959	674,250
Total Equity and Liabilities		1,257,982	1,261,572

The above unaudited condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

THE SHEARWATER GEOSERVICES AS GROUP

(In thousands of USD)	Notes	Quarter ended		Year to date	
		31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Cash Flow from Operating Activities:					
Net income before taxes		(37,305)	(29,522)	(48,326)	50,122
Paid tax		(404)	(949)	(2,149)	(2,321)
Depreciation and write down	4	39,293	36,489	144,598	128,951
Capitalised depreciation	4	-	(298)	-	(1,324)
Profit/loss on sale of equipment and vessels	4	15	(3,516)	(35)	(3,767)
Interest expenses		13,264	16,179	62,382	63,536
Change in current assets / liabilities		(15,085)	67,574	(63,979)	74,372
Net Cash Flow From Operating Activities		(221)	85,957	92,490	309,570
Cash Flow from Investing Activities:					
Payments related to CAPEX	4	(19,109)	(17,646)	(58,792)	(63,108)
Payments related to purchase of vessels	4	-	(40,500)	(41,200)	(40,500)
Payments for sale of equipment and vessels	4	(15)	6,000	185	7,550
Net cash flow from investment in subsidiaries		-	-	(350)	(1,130)
Investment in Multi-Client Library		(5,174)	-	(22,198)	-
Net Cash Flow From Investing Activities		(24,298)	(52,146)	(122,355)	(97,189)
Cash Flow from Financing Activities:					
Drawdown of loans	5	-	40,500	671,200	40,500
Repayment of loans	5	(12,500)	(31,999)	(650,921)	(110,821)
Repayment of shareholder loan	5	-	(1,525)	-	(30,273)
Payment-/ +Drawdown of overdraft account	5	15,000	651	5,000	(5,178)
Repayment of financial lease		(638)	(2,069)	(2,957)	(3,208)
Transaction costs		-	-	(8,950)	-
Net Interest paid		(21,473)	(11,482)	(39,002)	(47,004)
Net Cash Flow From Financing Activities		(19,611)	(5,941)	(25,630)	(155,984)
Net Increase in Cash and Cash Equivalents		(44,130)	27,870	(55,495)	56,397
Net currency translation effects		(357)	87	(1,042)	(2,543)
Cash and cash equivalents at start of period		93,784	77,877	105,834	51,979
Cash and cash equivalents at end of period		49,296	105,834	49,296	105,834

The above unaudited condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

THE SHEARWATER GEOSERVICES AS GROUP

For the twelve months ended 31 December 2024

(In thousands of USD)	Share capital	Share premium	Retained earnings	Total equity
Balance at 01 January 2024	10,653	621,190	(44,525)	587,317
Net income for the period			(53,397)	(53,397)
Other comprehensive income			104	104
Other changes			1	1
Total equity at 31 December 2024	10,653	621,190	(97,820)	534,023

For the twelve months ended 31 December 2023

(In thousands of USD)	Share capital	Share premium	Retained earnings	Total equity
Balance at 01 January 2023	10,653	621,190	(59,712)	572,131
Net income for the period			47,798	47,798
Other comprehensive income			-	-
Group contribution submitted to parent			(32,735)	(32,735)
Other changes			124	124
Total equity at 31 December 2023	10,653	621,190	(44,525)	587,317

The above unaudited condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Selected notes to the quarterly financial statements

NOTE 1: BASIS FOR ACCOUNTING AND ACCOUNTING POLICIES

Shearwater Geoservices AS is a Norwegian registered company with corporate office in Bergen, Norway. The parent company of Shearwater Geoservices AS is Shearwater Geoservices Holding AS. The majority shareholder of the parent company is the investment entity RASMUSSENGRUPPEN AS. References to Shearwater or the Group in these condensed consolidated financial statements include Shearwater Geoservices AS and its subsidiaries.

These interim financial statements for the twelve months ended 31 December 2024 have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU and the IFRSs as issued by the Internal Accounting Standards Board (IASB), including IAS 34.

A restructuring of the Shearwater Geoservices AS Group took place in April 2024, consolidating all group entities under Shearwater Geoservices AS by transferring shares from Shearwater Geoservices Holding AS. Shearwater Geoservices AS Group, being a sub-group of Shearwater Geoservices Holding AS Group, applies the same accounting principles as those outlined in the Shearwater Geoservices Holding AS Group's consolidated financial statements for the year ended 31 December 2023. The current, comparable and prior year figures are prepared as if Shearwater Geoservices AS were the shareholder of all group entities in the current and comparable (quarter and year-to-date) interim periods, and the immediately preceding financial year.

This report does not include all information required in a complete annual report and it should therefore be read in conjunction with the Shearwater Geoservices Holding AS Group's Annual Report 2023.

Effective 2024, and in accordance with IFRS Accounting Standards, Shearwater has implemented capitalisation of intangible assets under the heading multi-client library. This applies to contracts that meet the criteria outlined in [Note 2](#) under the Multi-Client segment reporting.

The preparation of these condensed interim financial statements requires management to make estimates, judgements and assumptions that affect the application of accounting policies and recognised amounts of assets and liabilities, income and expense. Actual results may differ from these estimates, judgements and assumptions.

These interim financial statements were authorised for issue by the Company's board of directors on 27 February 2025.

These interim financial statements are unaudited.

NOTE 2: REVENUE AND SEGMENT INFORMATION

2.1: Segment information

The Chief Executive Officer, the Chief Financial Officer and the Chief Commercial Officer are responsible for following up and ensuring that the Group's performance is in line with the Group's existing strategy both from a product perspective as well as enabling the Group to evolve within its given parameters. Within the Group there are three main segments: Marine Acquisition, Software, Processing & Imaging (SPI) and Multi-Client.

Segments

Marine Acquisition

The Group owns and operates the world's largest fleet of purpose-built seismic vessels designed for safe and efficient seismic acquisition. The Group offers a wide range of seismic services in 2D, 3D and 4D mode, including towed streamers and Ocean Bottom Surveys. With 23 high-end vessels, Shearwater is offering the seismic services on a world-wide basis. For this segment the product is the delivery of high quality unprocessed seismic data.

Software, Processing & Imaging

The Group process and re-process both land and marine seismic data by combining the latest processing software with experienced geophysicists and efficient hardware. Our onboard and onshore processing teams provide expertise and service to achieve the highest quality imaging both in Streamer and OBN datasets.

The Group's Reveal software provides advanced processing and imaging algorithms from Real Time QC on vessels, through to model building and depth imaging.

Multi-Client

A project will be reported under the multi-client business segment when Shearwater has either full or partial ownership of the seismic data being acquired and has the economic benefit to licence fees from multiple clients over the lifetime of the data. Any revenues from projects commencing prior to the year-end 2023 which were booked as converted Marine Acquisition revenues have been booked as late sales in 2024 under the multi-client segment. Projects commenced from 2024 is capitalised as a multi-client asset and amortised over a four-year life. In accordance with IFRS, pre-funding revenues and late sales revenues is recognised at the point in time when the final data is delivered to the client.

Other

Other include research and development, engineering services, and sales, general and administration cost. The Group has extensive competence in engineering, development and manufacturing of streamers and nodes. From 2023, Manufacturing has been included in the Marine Acquisition segment as there are no material external sales and this segment exclusively services Marine Acquisition.

Management primarily uses a measure of earnings before interest, tax, depreciation, and amortisation (EBITDA, see below) to assess the performance of the operating segments. The Group operates world-wide and while the geographical markets have a central place at the project planning stage and when presenting the Group's backlog, it is not considered a separate segment in the internal financial reporting.

	Marine Acquisition	Multi-Client	Software, Processing & Imaging	Other	Total
Quarter ended 31 December 2024					
(In thousands of USD)					
Income statement					
Total operating revenue and other income *	81,930	14,008	6,133	1,430	103,501
Operating expenses	70,786	-	5,517	13,964	90,267
EBITDA **	11,144	14,008	616	(12,535)	13,234
Depreciation and amortisation					38,851
Amortisation and write-down Multi-Client					442
Other losses (gains) net					(2,203)
Operating profit EBIT					(23,857)
Financial income					1,119
Financial expense					(14,567)
Income tax expense					2,022
Net Income					(39,326)
Quarter ended 31 December 2023					
(In thousands of USD)					
Income statement					
Total operating revenue and other income *	166,851	-	7,914	4,475	179,239
Operating expenses	142,303	-	5,759	10,662	158,724
EBITDA **	24,548	-	2,155	(6,187)	20,515
Depreciation and amortisation					36,489
Other losses (gains) net					1,948
Operating profit EBIT					(17,922)
Financial income					3,800
Financial expense					(15,400)
Income tax expense					1,822
Net Income					(31,344)

*Part of the income for the "Other"-column is funding received from external organisations in connection with research and development projects.

**EBITDA is earnings before interest, tax, depreciation, and amortisation. Costs related to Mergers and Acquisition (M&A) is not included in EBITDA as it is not considered ordinary operating expense. EBITDA is used internally to continuously measure the Group's ability to serve its debt and capital cost.

	Marine Acquisition	Multi-Client	Software, Processing & Imaging	Other	Total
Year to date 31 December 2024					
(In thousands of USD)					
Income statement					
Total operating revenue and other income *	572,095	18,397	27,591	1,738	619,821
Operating expenses	386,674	-	24,477	49,627	460,778
EBITDA **	185,421	18,397	3,114	(47,889)	159,043
Depreciation and amortisation					144,157
Amortisation and write-down Multi-Client					442
Other losses (gains) net					(2,673)
Operating profit EBIT					17,117
Financial income					3,225
Financial expense					(68,668)
Income tax expense					5,071
Net Income					(53,397)

	Marine Acquisition	Multi-Client	Software, Processing & Imaging	Other	Total
Year to date 31 December 2023					
(In thousands of USD)					
Income statement					
Total operating revenue and other income *	883,615	-	27,789	10,567	921,971
Operating expenses	606,852	-	22,448	50,166	679,466
EBITDA **	276,764	-	5,341	(39,599)	242,505
Depreciation and amortisation					128,951
Other losses (gains) net					1,285
Operating profit EBIT					112,270
Financial income					5,621
Financial expense					(67,768)
Income tax expense					2,325
Net Income					47,798

*Part of the income for the "Other"-column is funding received from external organisations in connection with research and development projects.

**EBITDA is earnings before interest, tax, depreciation, and amortisation. Costs related to Mergers and Acquisition (M&A) is not included in EBITDA as it is not considered ordinary operating expense. EBITDA is used internally to continuously measure the Group's ability to serve its debt and capital cost.

2.2: Revenue from contract with customers

The Company earns revenue from the following categories of customer contracts:

PRODUCTS AND SERVICE LINES (In thousands of USD)	Quarter ended		Year to date	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Marine Acquisition	81,930	166,851	572,095	883,615
Multi-client	14,008	-	18,397	-
Software, Processing & Imaging	6,133	7,914	27,591	27,789
Revenue from contract with customers	102,071	174,765	618,083	911,404
Other income Marine Acquisition	-	-	-	3,767
Other income	1,430	4,475	1,738	6,800
Total	103,501	179,239	619,821	921,971

All amounts are in thousands of USD.

Timing of revenue recognition	Quarter ended		Year to date	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Point in time	15,177	495	20,407	2,222
Services transferred over time	86,894	174,270	597,676	909,182
Total revenue from contract with customers	102,071	174,765	618,083	911,404

Net operating revenue by geography	Quarter ended		Year to date	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Europe, Africa and Middle East - EAME	40,620	81,395	211,824	374,544
Asia / Pacific - APAC	47,533	58,214	339,309	251,820
North and South America - NSA	15,348	39,630	68,688	295,607
Total	103,501	179,239	619,821	921,971

NOTE 3: SPECIFICATION COST OF SALES

(In thousands of USD)	Quarter ended		Year to date	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Vessel operating cost	70,786	142,303	386,674	606,852
Software, Processing & Imaging cost	5,517	5,759	24,477	22,448
Other segments	5,427	2,383	15,534	20,523
Total Cost of Sales*	81,730	150,445	426,685	649,823

*Cost of Sales is excluding depreciation

(In thousands of USD)	Quarter ended		Year to date	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Operating costs	50,689	120,866	297,674	528,791
Personnel costs	28,099	25,866	121,284	114,312
Other costs	2,942	3,713	7,727	6,720
Total Cost of Sales*	81,730	150,445	426,685	649,823

*Cost of Sales is excluding depreciation

NOTE 4: TANGIBLE, NON-CURRENT ASSETS

(In thousands of USD)	Seismic vessels	Seismic equipment	Other equipment	Other assets (Right of use)	Manufacturing equipment	Total
Cost:						
Acquisition cost at 01 January 2024	1,183,874	349,884	8,557	20,192	13,402	1,575,909
Additional capital expenditures	63,261	31,763	4,722	3,080	245	103,071
Acquisition cost at 31 December 2024	1,247,135	381,647	13,279	23,272	13,647	1,678,980
Accumulated depreciation:						
Balance at 01 January 2024	288,626	258,720	4,910	13,105	11,438	576,799
Depreciation for the period	70,032	45,817	1,210	2,590	248	119,897
Depreciation periodical maintenance	23,106	-	-	-	-	23,106
Accumulated depreciation at 31 December 2024	381,764	304,537	6,119	15,695	11,686	719,802
Carrying amount at 31 December 2024	865,372	77,110	7,160	7,578	1,961	959,181
<i>Estimated useful lifetime</i>	<i>25 years</i>	<i>3 to 7 years</i>	<i>3 to 5 years</i>	<i>1 to 5 years</i>	<i>3 to 7 years</i>	

Other Assets (Right of Use) are office and warehouse buildings previously identified as operating leases under IAS 17 as well as lease of processing equipment. Short-term leases, such as Bareboat or Time charter hire of support/chase vessels have not been capitalised as all lease contracts are 12 months or less.

NOTE 5: LONG-TERM DEBT/LIABILITIES

The Group's long-term liabilities, including first year's instalments, are summarised as follows:

(In thousands of USD)

	31 Dec 2024	31 Dec 2023
Secured:		
Mortgage debt with floating interest, USD LIBOR + 6.0%, due 2024/2025/2027	-	473,971
Mortgage debt with fixed interest, USD CIRR 2.4% + 2.5%, due 2024/2025/2027	-	80,715
Senior secure bank facility, USD SOFR 3M + 4.1%, due 2029	275,000	-
Senior secure Bond, 9.5%, due 2029	300,000	-
Revolving credit facility, USD SOFR 3M + 4.1%, due 2024	15,000	-
Unsecured:		
Lease liabilities, due 2024-2029	8,601	7,747
Drawn on overdraft facility, USD LIBOR +4.2 %	-	-
Amortisation effect, mortgage debt	(8,516)	(990)
Accrued interest expenses	13,011	533
Total	603,097	561,975
Classification in the statement of financial position:		
Long-term debt	516,484	219,862
Long-term lease liabilities	6,542	5,510
Current portion of long-term debt	50,000	333,860
Short-term debt	28,011	533
Short-term lease liabilities	2,059	2,211

In April 2024, Shearwater refinanced its existing external debt with a USD 300 million bank facility with an interest rate of SOFR + 4.1% margin, and a USD 300 million bond with fixed 9.5% interest rate, both with a five-year term and secured in a pari passu structure. The refinancing also included a super-senior secured USD 50 million revolving credit facility and a super-senior secured USD 50 million guarantee facility.

NOTE 6: TAXES

(In thousands of USD)	Quarter ended		Year to date	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Tax payable	2,039	1,840	5,088	2,343
Change in deferred tax	(17)	(18)	(17)	(18)
Income tax expense	2,022	1,822	5,071	2,325

Taxes are calculated based on profit or loss for each individual entity based on local tax regulations. Local profits and fluctuations in exchange rates impact the taxes on a quarterly and an annual basis.

NOTE 7: SUBSEQUENT EVENTS

On 2 January 2025, Shearwater's USD 300 million senior secured bond was listed and started trading on Euronext Oslo Børs. There has been no other significant events or transactions after the reporting period that needs to be disclosed in the quarterly report.

APPENDIX

Alternative performance measures

Shearwater's financial information is prepared in accordance with IFRS. In addition, Shearwater provides alternative performance measures to enhance the understanding of Shearwater's performance. The alternative performance measures presented by Shearwater may be determined or calculated differently by other companies.

EBITDA

(In thousands of USD)	Notes	Quarter ended		Year to date	
		31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Total income	2	103,501	179,239	619,821	921,971
Cost of sales	3	81,730	150,445	426,685	649,823
Sales, General and Administration costs		8,537	8,279	34,093	29,643
EBITDA		13,234	20,515	159,043	242,505
<i>EBITDA ratio</i>		13 %	11 %	26 %	26 %

Free Cash Flow

Free Cash Flow is net cash flow from operating activities less net cash flow from investing activities adjusted for M&A capex and leasing payments.

(In thousands of USD)	Quarter ended		Year to date	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Net cash flow from operating activities	(221)	85,957	92,490	309,570
Net cash flow from investing activities	(24,298)	(52,146)	(122,355)	(97,189)
Adjusted for M&A transactions	15	34,500	41,365	34,081
Adjusted for leasing payments	(638)	(2,069)	(2,957)	(3,208)
Free cash flow	(25,142)	66,242	8,544	243,254

Net interest-bearing debt

Net interest-bearing debt (NIBD) is defined as the sum of non-current (long-term) and current (short-term) interest-bearing debt, less cash and cash equivalents and amortised transaction cost related to loans.

(In thousands of USD)	31 Dec 2024	31 Dec 2023
Borrowings	594,496	554,254
Financial leases	8,601	7,721
Interest-bearing debt	603,097	561,975
Cash and Cash equivalents	49,296	105,834
Net interest-bearing debt	553,800	456,141

Backlog and future coverage

Backlog is the future revenue coverage based on signed contracts and binding letter of awards at the reporting date, although it does not include any multi-client work.

Backlog value (In thousands of USD)	31 Dec 2024	31 Dec 2023
Contract seismic	337,237	585,353
Total backlog	337,237	585,353

The CGG capacity agreement expired in January 2025, explaining a significant portion of the reduction in backlog 31 Dec 2023 to 31 Dec 2024.

Cautionary note regarding forward-looking statements

This report contains forward-looking statements and information which are subject to uncertainties and assumptions as to future events that are difficult to predict and may not prove accurate. All statements in this report that are not of historical facts should be considered as forward-looking and the actual outcome of such statements can be significantly different than indicated herein. Forward-looking statements and information are given only at the time of the release of this report and are subject to change without notice. Shearwater undertake no responsibility or obligation to update or alter forward-looking statements. Shearwater do not give any security that the forward-looking statements will come to pass, and any form of investment decisions should be based on investors own due diligence.

ABOUT SHEARWATER



Shearwater is a global marine geoscience and technology business that specialises in collecting data offshore. The organisation uses state-of-the-art seismic vessels and equipment to explore the seabed and processes the data using market-leading proprietary software. These insights help clients understand the Earth and make informed decisions about accelerating responsible use of its resources.

Shearwater's headquarters is in Bergen, Norway, with more facilities all around the globe. The company employs around 1280 people.

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Financial calendar

Q1 2025
30 May 2025

Q2 2025
29 August 2025

Q3 2025
28 November 2025

Shearwater reserves the right to make changes to the financial calendar

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