



Seismic thinking
Decisive action

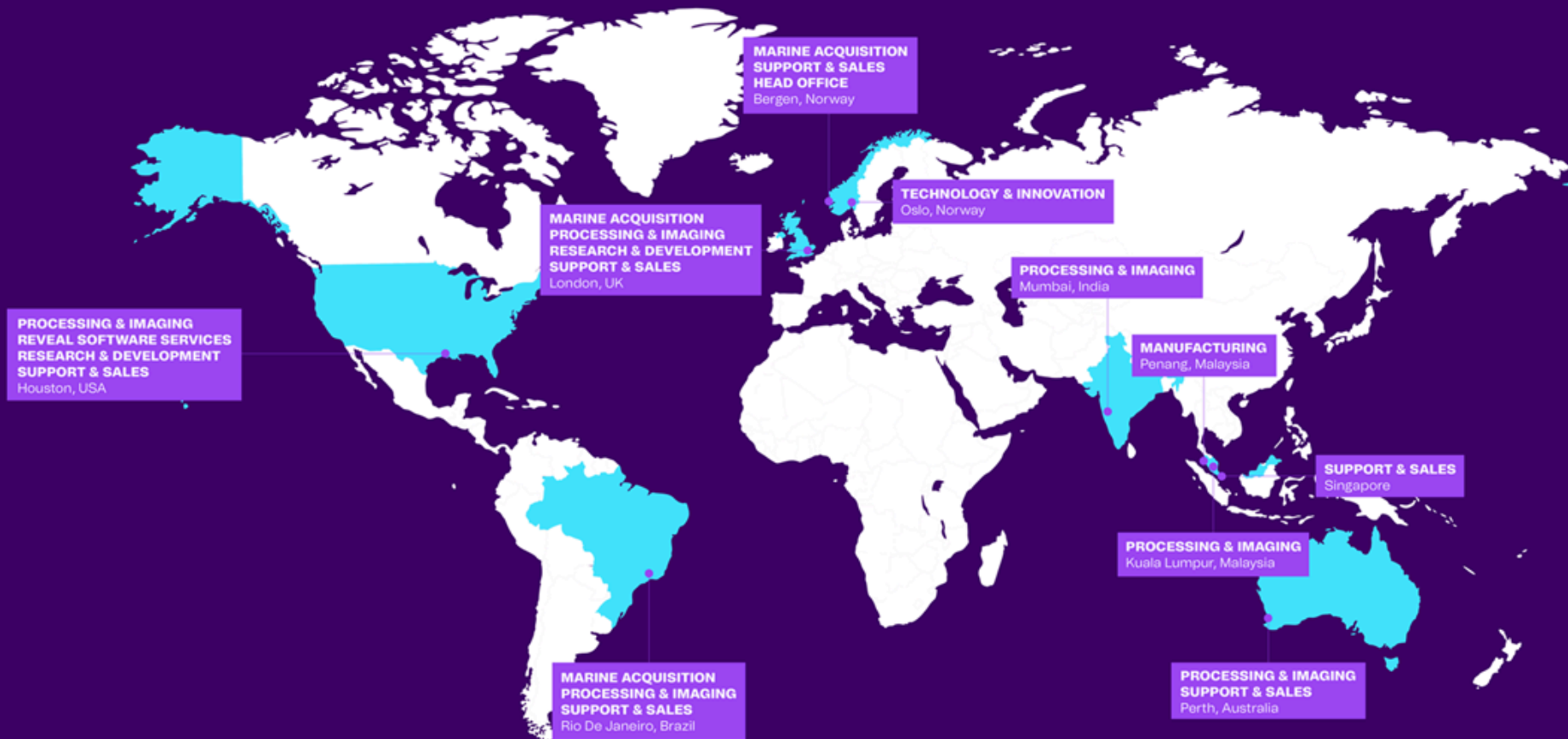
SHEARWATER GEOSERVICES AS
**FIRST
QUARTER
2025
REPORT**

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 beneath 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 1270 people.



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KEY INSIGHTS

Key takeaways

Strong operational performance in line with expectations

Record-high 94% utilisation for the active fleet of nine vessels

Signed innovative global capacity reservation agreement with TotalEnergies

Awarded major ExxonMobil OBN survey in key production asset in Guyana

Backlog increased to USD 400 million at end March

Proactively optimising capacity and utilisation to match expected softer market short to medium term

REVENUE USD
189.4M

compared to USD 123.4 million in Q1 2024

EBITDA USD
58.1M

compared to USD 15.1 million in Q1 2024

EBIT USD
23.9M

compared to USD -18.4 million in Q1 2024



CEO Comment

“We delivered strong operational and financial results for the first quarter of 2025 with record-high 94% fleet utilisation and good cash generation. This reflects higher activity coming into 2025 as expected and diligent execution of Shearwater’s operational model with continuous matching of active vessels to the underlying market conditions.

We also recognised material commercial wins led by the industry-first three-year capacity reservation agreement with TotalEnergies and we were awarded a large 4D ocean bottom node (OBN) survey for ExxonMobil in Guyana. Both reflect our focus on innovation and disciplined growth.

The aggregate marine seismic market is expected to follow the same trend line as the past three years. However, the visibility for the coming quarters remains low due to fewer contracts awarded for the mid-year period and we will align active vessels with demand. Oil and gas (E&P) companies’ investment budgets continue to reflect geopolitical uncertainty and market volatility, while capital discipline remains in focus. In response to the prevailing market dynamics, we are proactively assessing costs and investment levels to optimise cash flow. Considering the market outlook for the mid-year and due to higher working capital requirements resulting from back-end loaded payment terms with several clients, we have proactively initiated dialogue with key stakeholders to ensure balance sheet resilience.

Longer-term, our ambitions are unchanged. The oil and gas exploration and production industry will need to invest more in marine seismic data acquisition, processing and imaging to rebuild reserves, maintain production and ensure energy security. In light of this, despite current short-term volatility, the tender pipeline is encouraging and is expected to support continued sustainable margins.

Against this backdrop, we focus on building a resilient Shearwater. Our high-end asset portfolio and in-house technology platform are competitive strengths, enabling us to leverage streamer market leadership to grow within the OBN and multi-client segments in a disciplined manner.”

- Irene Waage Basili, CEO of Shearwater Geoservices AS

Key figures

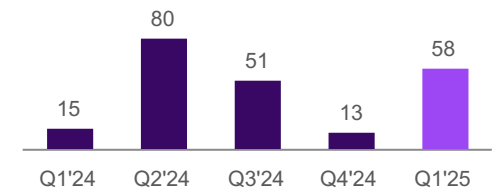
	Unit	Quarter ended		Year Ended
		31 Mar 2025	31 Mar 2024	31 Dec 2024
Operating revenue	USD million	189	123	620
EBITDA ⁽¹⁾	USD million	58	15	159
EBITDA margin		31%	12%	26%
EBIT	USD million	24	-18	17
Net income before taxes	USD million	10	-35	-48
Net income	USD million	9	-37	-53
Cash flow from operations	USD million	64	-13	92
Free cash flow ⁽¹⁾	USD million	45	-27	9
Cash and cash equivalents	USD million	90	68	49
Net Working Capital	USD million	166	148	129
Net Interest-bearing Debt ⁽¹⁾	USD million	524	539	554
Total Assets	USD million	1,309	1,291	1,258
Book Equity	USD million	542	582	533
Book Equity Ratio %		41%	45%	42%
NIBD / EBITDA last 12 months		2.6	2.9	3.5
Backlog ⁽¹⁾	USD million	400	469	337
Fleet Utilisation Rate % ⁽²⁾		94%	58%	63%
Active vessels ⁽³⁾		9.0	8.3	9.8

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

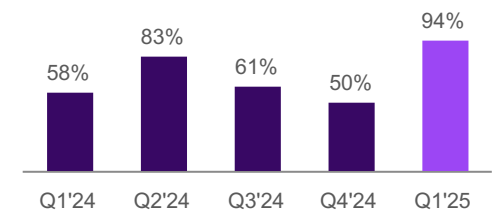
⁽²⁾ Shearwater's owned fleet on contract/Multi-Client work and transiting to a contract/Multi-Client work as a percentage of the active vessels

⁽³⁾ Active vessels include all owned vessels that are not warm or cold stacked.

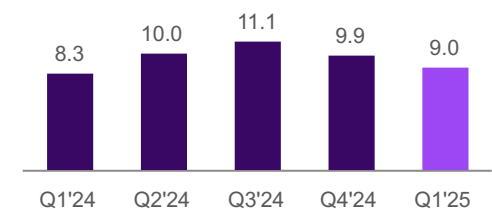
EBITDA USD million



Fleet Utilisation Rate



Active vessels



PROGRESS

Operational review

In line with expectations, marine seismic activity was strong in the first quarter due to high pace of order intake ahead of 2025.

The active fleet utilisation is a key margin driver for Shearwater. Leading into 2024, several vessels were on standby due to delays in project awards and local client permitting processes. Into 2025, Shearwater has been more assertive in applying the operational model with cost-efficient fleet adjustments to align active vessels with short-term market visibility to reduce costs and support cash flow generation, resulting in record-high utilisation of the active fleet in the quarter.

Shearwater operated an average of 9.0 active vessels with 94% utilisation. This compares to 9.9 active vessels in the fourth quarter of 2024 (50% utilisation) and 8.3 in the first quarter of 2024 (58% utilisation). The sequential decline in the active fleet reflects Shearwater's focused approach on matching the active fleet with demand.

The high marine streamer acquisition activity in the quarter was focused on contract work across multiple seismic data collection modes and geographical regions. This included several 2D/3D contracts in India, a 3D project in Suriname and a 4D survey in Ghana. In Brazil, Shearwater commenced two 4D contracts.

The Pelotas Basin is emerging as one of the world's most promising regions for hydrocarbon exploration as a conjugate to the Orange Basin, where multibillion-barrel discoveries have been made over the past four years. Capitalising on a successful first season at Pelotas Basin in 2024, Shearwater commenced, with solid interest from clients, in January 2025 the second season of multi-client data acquisition from this attractive basin. By the end of the second season, Shearwater has acquired approximately 10,000 sq.km with strong support from the industry. Shearwater will, through focused and disciplined investments, continue to strengthen the Group's position in the Multi-Client segment.

In the OBN market, the SW Tasman and Pearl node platform continued to operate on consecutive contracts in West Africa. In February, the Company was awarded a six-month 4D OBN seismic survey for ExxonMobil in Guyana. Mobilisation of a second OBN crew

using a Shearwater 3D streamer as source vessel and chartering-in an external vessel for ROV node deployment, commenced immediately while offshore activity started mid Q2.

In March, Shearwater signed an innovative three-year firm capacity reservation agreement (CRA) with TotalEnergies. This strategic agreement covers worldwide marine seismic streamer acquisition services and guarantees a minimum of 18 months of vessel activity. The agreement provides improved visibility through the allocation of base-load utilisation over the next three years for Shearwater's active fleet. Moreover, the agreement is a strong platform for further collaboration and extracting synergies for both Shearwater and TotalEnergies.

At 31 March 2025, the backlog was USD 400 million, which includes the estimated revenue for remaining vessel months under the CRA's minimum commitment. This is an increase from USD 337 million at the end of 2024 and compares to USD 469 million at the end of the first quarter of 2024.

There were two recordable HSE incidents in the first quarter of 2025, of which none were high potential. This compared to two recordable HSE incidents in the same period of 2024, of which none were high potential.



Financial review - IFRS

Profit and loss

Total revenue in the first quarter of 2025 was USD 189.4 million, an increase of 54% from USD 123.4 million in the first quarter of 2024, mainly driven by higher utilisation of the active fleet. Marine Acquisition represented 88% (95%) of the revenue, the Multi-Client segment 8% (0%) and the Software, Processing & Imaging (SPI) 3% (5%). The Multi-Client revenue of USD 15.2 million in the quarter relates to the first Pelotas season in Brazil and Namibia Orange Basin late sales. Data acquisition for the second Pelotas season was ongoing at quarter-end.

Total operating expenses were USD 165.6 million compared to USD 141.8 million in the same period of 2024, reflecting the increased utilisation. EBITDA was USD 58.1 million compared to USD 15.1 million a year earlier.

Depreciation, amortisation and write-down were USD 37.3 million, up from USD 35.1 million in the year-ago-period. The amount includes accelerated amortisation of the Multi-Client Library. Additionally, seismic equipment had write-down of USD 3.6 million due to isolated operational events in the quarter. Underlying linear depreciation of tangible assets were lower in the quarter due to equipment in use being fully depreciated. EBIT was positive USD 23.9 million compared to negative USD 18.4 million in the same quarter last year.

Net income before taxes was USD 10.2 million compared to a loss of USD 35.4 million in the first quarter of 2024. Tax expenses were USD 1.3 million compared to USD 2.0 million a year earlier. The net income for the quarter was USD 8.9 million compared to a net loss of USD 37.4 million a year earlier.

Cash flows

Net cash flow from operating activities was positive USD 64.1 million compared to negative USD 13.4 million in same period last year. The difference between net cash flow from operations and EBITDA in the quarter reflects working capital items in addition to increased results as the utilisation of the active fleet was higher in the current quarter. Working capital may fluctuate significantly depending on fleet status and timing of seasonal transits.

Net cash flow used in investing activities was USD 18.3 million compared to USD 53.4 million a year earlier, primarily related to multi-client library investments in the quarter. In the same period a year ago, Shearwater acquired a seismic vessel.

Net cash flow from financing activities was negative USD 5.4 million, mainly reflecting repayment of debt and interest costs, partly offset by drawdown on the revolving credit. This compares to net cash flow from financing activities of positive USD 29.4 million in the first quarter of 2024, as the Group had a net drawdown on debt in the year ago period.

Net increase in cash holdings for the quarter was USD 40.3 million compared to a decrease of USD 37.4 million a year earlier.

Financial position

At 31 March 2025, total assets amounted to USD 1,309.2 million compared to USD 1,258.0 million at 31 December 2024. In the quarter, Shearwater commenced the second season of multi-client data acquisition from the Pelotas Basin in Brazil, increasing the carrying value (net of amortisation) of the multi-client library from USD 25.0 million at 31 December 2024 to USD 35.0 million at 31 March 2025. Tangible assets decreased compared to 31 December 2024 as depreciation offset capital expenditures, while current assets increased due to the higher utilisation of the vessels in operation drove up working capital items in the balance sheet. Cash holdings at 31 March 2025 was USD 89.6 million compared to USD 49.3 million at 31 December 2024.

Book equity was USD 542.2 million, corresponding to an equity ratio of 41%, compared to USD 533.3 million and 42% at 31 December 2024.

At 31 March 2025, the Group's total interest-bearing debt was USD 613.7 million compared to USD 603.1 million at the start of the year. Net interest-bearing debt (NIBD) was USD 524.0 million compared to USD 553.8 million at 31 December 2024. Shearwater's debt financing comprises primarily secured bank facilities and an issued bond. Shearwater was in compliance with all financial covenants at 31 March 2025.

Market and outlook

Recent client discussions and public statements by E&P companies reinforce oil and gas' critical long-term position within the global energy mix. Shearwater believes that balancing energy security, affordability and sustainability will require more investments in seismic data acquisition, processing and imaging. Both energy majors and national E&P companies need to offset years of underinvestment in energy production amid growing demand and focus on security of supply in the current geopolitical and macro-economic environment.

Geopolitical tension and trade uncertainties continue to impact the global economy in the short-term and it remains to be seen to what extent the increased financial markets and oil price volatility after the US tariffs announcement on 2 April will impact activity in the marine seismic market.

Given current lead-times on investment decisions and geopolitical situation, Shearwater expects it will take some time before required investments in upstream energy production translates into a shift in demand for marine geophysical services. In the short-to medium-term, Shearwater plans for aggregate market activity to remain in line with the overall trend seen over the past three years, as clients remain cautious and show disciplined capital allocation.

Against this backdrop, Shearwater is focused on maintaining a resilient business by optimising operational and financial performance. The Group has initiated a set of targeted measures that individually and collectively will drive progress towards this

objective. The measures include a cost-reduction programme to align cost base to the current market outlook, optimisation of capital expenditures focused on maintaining the operational capacity of core assets, and proactively match the flexible fleet with demand visibility to ensure high utilisation of active vessels.

Considering the market outlook for the mid-year and due to higher working capital requirements resulting from back-end loaded payment terms with several clients, Shearwater has proactively initiated dialogue with key stakeholders to ensure balance sheet resilience.

Shearwater continues to consider the long-term capacity requirements against sustained interest from potential buyers of vessels for use in other offshore markets. This to ensure an optimal composition of high-end swing capacity when the expected future increase in demand for marine seismic data acquisition materialises, as well as strengthening Shearwater's balance sheet.

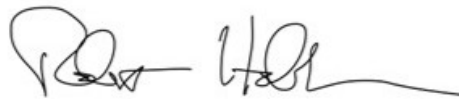
Following a high pace of awards going into the year and robust marine acquisition activity in the first quarter, contract awards for the mid-year period has been slower-than-expected to date. As a result, Shearwater expects a decline in operational activity and financial performance in the second quarter of the year, compared to the first quarter. In contrast, the tendering activity and pipeline of potential projects for the second half of the year, weighted toward late-year prospects, is encouraging.



Board's approval

Bergen, 28 May 2025

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



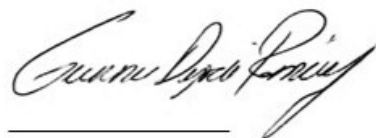
Robert Hobbs

Chairman of the Board



Roar Skuland

Board member



Gunnvor Dyrði Remøy

Board member



Irene Waage Basili

Chief Executive Officer

RESULTS

Interim financial statements (IFRS)

Condensed consolidated financial statements

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

THE SHEARWATER GEOSERVICES AS GROUP

(In thousands of USD)		Quarter ended		Year ended
	Notes	31 Mar 2025	31 Mar 2024	31 Dec 2024
Total Revenue and Other Income	2	189,411	123,352	619,821
Operating expenses				
Cost of sales	3	121,961	99,312	426,685
Depreciation, amortisation and write-down	4	37,267	35,079	144,598
Sales, general and administration cost		9,399	8,978	34,093
Other losses (gains) net		(3,072)	(1,598)	(2,673)
Total operating expenses		165,554	141,771	602,703
Operating profit (EBIT)		23,857	(18,418)	17,117
Financial income		1,377	438	3,225
Financial expenses		(14,987)	(17,393)	(68,669)
Net financial items income/(expenses)		(13,611)	(16,954)	(65,444)
Net income before taxes profit/(loss)		10,246	(35,373)	(48,326)
Taxes	6	1,334	2,033	5,088
Net income profit/(loss)		8,912	(37,406)	(53,414)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Other comprehensive income

Items which may be reclassified over profit and loss in subsequent periods

Exchange differences on translation of foreign operations	(18)	-	104
Other comprehensive income for the period	(18)	-	104
Total comprehensive income for the period	8,894	(37,406)	(53,310)

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		Year ended
		31 Mar 2025	31 Mar 2024	31 Dec 2024
ASSETS				
Goodwill		3,267	3,267	3,267
Multi-Client Library		34,972	-	25,023
Intangible assets		12,201	21,117	18,446
Deferred tax asset	6	2,164	255	2,039
Total Intangible Assets		52,605	24,639	48,775
Vessel and marine equipment	4	841,990	919,552	865,372
Seismic equipment and other equipment	4	85,758	89,638	84,270
Right-of-use assets	4	8,352	6,523	7,578
Manufacturing equipment	4	1,891	1,999	1,961
Total Tangible Assets		937,991	1,017,712	959,181
Investments in shares		350	-	350
Total Financial Non-Current Assets		350	-	350
Total Non-Current Assets		990,946	1,042,351	1,008,307
Other current assets		61,521	57,020	60,561
Trade receivables		133,215	77,803	108,536
Other receivables		33,854	46,186	31,282
Cash and cash equivalents		89,644	68,137	49,296
Total Current Assets		318,234	249,146	249,676
Total Assets		1,309,180	1,291,497	1,257,982

(In thousands of USD)	Notes	Quarter ended		Year ended
		31 Mar 2025	31 Mar 2024	31 Dec 2024
EQUITY AND LIABILITIES				
Share capital		10,653	10,653	10,653
Share premium		621,190	621,190	621,190
Retained earnings		(89,656)	(49,906)	(98,550)
Total Equity		542,187	581,937	533,293
Deferred tax liability	6	761	714	760
Long-term debt	5	534,487	-	531,484
Lease liabilities	5	7,308	4,865	6,542
Total Long-Term Liabilities		542,556	5,579	538,787
Current portion of long-term debt	5	50,000	599,969	50,000
Short-term debt	5	19,676	612	13,011
Lease liabilities	5	2,184	2,077	2,059
Trade payables		85,853	74,313	74,366
Taxes payable	6	5,070	1,087	4,197
Other short-term liabilities		61,654	25,923	42,270
Total Short-Term Liabilities		224,437	703,981	185,903
Total Liabilities		766,993	709,560	724,689
Total Equity and Liabilities		1,309,180	1,291,497	1,257,982

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 ended
		31 Mar 2025	31 Mar 2024	31 Dec 2024
Cash Flow from Operating Activities:				
Net income (loss) before taxes		10,246	(35,373)	(48,326)
Paid tax		(592)	(356)	(2,149)
Depreciation, amortisation and write down	4	37,267	35,079	144,598
Profit/loss on sale of equipment and vessels	4	-	(50)	(35)
Interest income		(1,377)	(438)	(3,076)
Interest expenses		13,666	16,058	59,713
Interest received		1,354	438	3,076
Other non-cash financial items		404	62	5,269
Change in current assets / liabilities		3,094	(28,832)	(66,579)
Net Cash Flow From Operating Activities		64,062	(13,412)	92,490
Cash Flow from Investing Activities:				
Payments related to CAPEX	4	(4,636)	(12,404)	(58,792)
Payments related to purchase of vessels	4	-	(41,200)	(41,200)
Payments for sale of equipment and vessels	4	-	200	185
Net cash flow from investment in subsidiaries		-	-	(350)
Investment in Multi-Client Library		(13,657)	-	(22,198)
Net Cash Flow From Investing Activities		(18,293)	(53,404)	(122,355)
Cash Flow from Financing Activities:				
Drawdown of loans	5	15,000	67,200	706,200
Repayment of loans	5	(12,500)	(27,249)	(680,921)
Repayment of financial lease		(726)	(830)	(2,957)
Transaction costs		-	-	(8,950)
Net Interest paid		(7,214)	(9,704)	(39,002)
Net Cash Flow From Financing Activities		(5,440)	29,418	(25,630)
Net Increase in Cash and Cash Equivalents		40,329	(37,398)	(55,496)
Net currency translation effects on cash and cash equivalents		19	(299)	(1,042)
Cash and cash equivalents at start of period		49,296	105,834	105,834
Cash and cash equivalents at end of period		89,644	68,137	49,296

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 three months ended 31 March 2025

(In thousands of USD)	Share capital	Share premium	Retained earnings	Total equity
Balance at 01 January 2025	10,653	621,190	(98,550)	533,293
Net income for the period	-	-	8,912	8,912
Other comprehensive income	-	-	(18)	(18)
Total equity at 31 March 2025	10,653	621,190	(89,656)	542,187

For the three months ended 31 March 2024

(In thousands of USD)	Share capital	Share premium	Retained earnings	Total equity
Balance at 01 January 2024	10,653	621,190	(12,499)	619,344
Net income for the period	-	-	(37,406)	(37,406)
Other comprehensive income	-	-	-	-
Total equity at 31 March 2024	10,653	621,190	(49,906)	581,937

For the year 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	(12,499)	619,344
Net income for the year	-	-	(53,414)	(53,414)
Other comprehensive income	-	-	104	104
Group contribution submitted to parent	-	-	(32,735)	(32,735)
Other changes	-	-	(6)	(6)
Total equity at 31 December 2024	10,653	621,190	(98,550)	533,293

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 (the Company) is a Norwegian registered company with corporate office in Bergen, Norway. The registered business address is Damsgårdsveien 135, 5160 Laksevåg, Norway. The Company is the parent in the Shearwater Geoservices AS Group ("Shearwater", or "the Group") and the Company is owned 100% by Shearwater Geoservices Holding AS, who in turn has its majority of shares owned by the investment entity RASMUSSENGRUPPEN AS. Shearwater has a fleet of high-end purpose-built seismic vessels and the Group is a global provider of marine seismic data acquisitions in 2D, 3D and 4D mode, including towed streamers and ocean bottom nodes (OBN). Additionally, Shearwater delivers land and marine processing and imaging products, data processing software and manufacturing. The Group's operation is described in more detail in Note 2.1.

These interim financial statements for the three months ended 31 March 2025 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.

These interim financial statements were authorised for issue by the Company's board of directors on 28 May 2025. These interim financial statements are unaudited.

This report does not include all information required in a complete annual report and it should therefore be read in conjunction with the Company's Annual Report for 2024, available on www.shearwatergeo.com. 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.

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, Multi-Client and Software, Processing & Imaging (SPI).

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, it is not considered a separate segment in the internal financial reporting.

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 node (OBN) surveys. With 23 high-end vessels, Shearwater is offering the seismic services on a worldwide basis. For this segment the product is the delivery of high-quality unprocessed seismic data.

Multi-Client

Shearwater established a focused multi-client business unit in 2024 to manage converted contracts and traditional multi-client projects. Generally, a converted contract is a contract survey executed in multi-client mode with most of the funding coming from one client and generally with limited late sales potential, while traditional multi-client generally focuses on offering data libraries to a more diverse client base. 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. In accordance with IFRS, pre-funding revenues (revenues committed to prior to completion of a project) and late sales revenues are recognised at the point in time when the customer receives access to, or delivery of, data according to the contracted terms with the customer (the performance obligation).

Software, Processing & Imaging

The Group processes and re-processes both land and marine seismic data by combining the latest processing software with experienced geophysicists and efficient hardware. The Group's offshore 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 quality control on vessels, through model building and depth imaging.

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.

	Marine Acquisition	Multi-Client	Software, Processing & Imaging	Other	Total
Quarter ended 31 March 2025					
(In thousands of USD)					
Income statement					
Total operating revenue and other income *	167,286	15,214	5,615	1,296	189,411
Cost of sales	110,777	-	5,877	5,307	121,961
Sales, general and administration cost	-	-	-	9,399	9,399
EBITDA **	56,509	15,214	(262)	(13,409)	58,052
Depreciation, amortisation and write-down					37,267
Other losses (gains) net					(3,072)
Operating profit EBIT					23,857
Financial income					1,377
Financial expense					(14,987)
Income tax expense					1,334
Net Income					8,912
	Marine Acquisition	Multi-Client	Software, Processing & Imaging	Other	Total
Quarter ended 31 March 2024					
(In thousands of USD)					
Income statement					
Total operating revenue and other income *	116,571	-	6,731	50	123,352
Cost of sales	89,438	-	6,348	3,526	99,312
Sales, general and administration cost	-	-	-	8,978	8,978
EBITDA **	27,133	-	383	(12,454)	15,062
Depreciation, amortisation and write-down					35,079
Other losses (gains) net					(1,598)
Operating profit EBIT					(18,418)
Financial income					438
Financial expense					(17,393)
Income tax expense					2,033
Net Income					(37,406)

*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 service its debt and capital cost.

Year ended 31 December 2024	Marine Acquisition	Multi-Client	Software, Processing & Imaging	Other segments	Total
Income statement					
Total operating revenue and other income *	572,095	18,397	27,591	1,738	619,821
Cost of sales	386,674	-	24,477	15,534	426,685
Sales, general and administration cost	-	-	-	34,093	34,093
EBITDA **	185,421	18,397	3,114	(47,889)	159,043
Depreciation, amortisation and write-down					144,598
Other losses (gains) net					(2,673)
Operating profit EBIT					17,117
Financial income					3,225
Financial expense					(68,669)
Income tax expense					5,088
Net Income					(53,414)

*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 service its debt and capital cost.

2.2: Revenue from contracts with customers

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

PRODUCTS AND SERVICE LINES

(In thousands of USD)

	Quarter ended		Year ended
	31 Mar 2025	31 Mar 2024	31 Dec 2024
Marine Acquisition	167,286	116,571	572,095
Multi-Client	15,214	-	18,397
Software, Processing & Imaging	5,615	6,731	27,591
Revenue from contract with customers	188,115	123,302	618,083
Other income Marine Acquisition	-	50	35
Other income	1,296	-	1,703
Total	189,411	123,352	619,821

All amounts are in thousands of USD.

	Quarter ended		Year ended
	31 Mar 2025	31 Mar 2024	31 Dec 2024
Timing of revenue recognition			
Point in time	15,562	307	20,407
Services transferred over time	172,553	122,995	597,676
Total revenue from contract with customers	188,115	123,302	618,083

	Quarter ended		Year ended
	31 Mar 2025	31 Mar 2024	31 Dec 2024
Net operating revenue by geography			
Europe, Africa and Middle East - EAME	70,076	58,674	210,254
Asia / Pacific - APAC	58,137	59,604	340,833
North and South America - NSA	61,198	5,075	68,734
Total	189,411	123,352	619,821

NOTE 3: SPECIFICATION COST OF SALES

(In thousands of USD)	Quarter ended		Year ended
	31 Mar 2025	31 Mar 2024	31 Dec 2024
Vessel operating cost	110,777	89,438	386,674
Software, Processing & Imaging cost	5,877	6,348	24,477
Other segments	5,307	3,526	15,534
Total Cost of Sales*	121,961	99,312	426,685

*Cost of Sales is excluding depreciation

(In thousands of USD)	Quarter ended		Year ended
	31 Mar 2025	31 Mar 2024	31 Dec 2024
Operating costs	86,341	67,681	297,674
Personnel costs	34,186	29,812	121,284
Other costs	1,434	1,820	7,727
Total Cost of Sales*	121,961	99,312	426,685

*Cost of Sales is excluding depreciation

NOTE 4: TANGIBLE, NON-CURRENT ASSETS

(In thousands of USD)	Seismic vessels	Seismic equipment	Office equipment	Other assets (Right of use)	Manufacturing equipment	Total
Cost:						
Acquisition cost at 01 January 2025	1,247,135	381,648	13,279	23,272	13,647	1,678,981
Additional capital expenditures	673	10,219	(89)	1,488	11	12,302
Write-down during the period	-	(4,353)	-	-	-	(4,353)
Acquisition cost at 31 March 2025	1,247,808	387,514	13,190	24,760	13,658	1,686,930
Accumulated depreciation:						
Balance at 01 January 2025	381,764	304,537	6,120	15,694	11,686	719,801
Depreciation for the period	17,365	3,926	357	714	82	22,443
Depreciation periodical maintenance	6,360	-	-	-	-	6,360
Less write-down during the period	-	(729)	-	-	-	(729)
Deferred mobilisation cost	330	735	-	-	-	1,065
Accumulated depreciation at 31 March 2025	405,819	308,469	6,476	16,408	11,768	748,940
Carrying amount at 31 March 2025	841,990	79,044	6,714	8,352	1,891	937,991
<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.

In Q1 2025, USD 6.2 million of the seismic equipment capital expenditure is a capitalisation of R&D costs that was included in the carrying amount of the intangible asset opening balance for the year.

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 Mar 2025	31 Mar 2024	31 Dec 2024
Secured:			
Mortgage debt with floating interest, USD LIBOR + 6.0%, due 2024/2025/2027	-	527,722	-
Mortgage debt with fixed interest, USD CIRR 2.4% + 2.5%, due 2024/2025/2027	-	73,077	-
Senior secure bank facility, USD SOFR 3M + 4.1%, due 2029	262,500	-	275,000
Senior secure Bond, 9.5%, due 2029	300,000	-	300,000
Revolving credit facility, USD SOFR 3M + 4.1%	30,000	-	15,000
Amortisation effect, mortgage debt	(8,013)	(855)	(8,516)
Accrued interest expenses	19,676	637	13,011
Total secured long-term debt/liabilities	604,163	600,581	594,496
Unsecured:			
Lease liabilities, due 2024-2029	9,492	6,942	8,601
Total unsecured long-term debt/liabilities	9,492	6,942	8,601
Total long-term debt/liabilities	613,655	607,523	603,097
Classification in the statement of financial position:			
Long-term debt	534,487	-	531,484
Long-term lease liabilities	7,308	4,865	6,542
Current portion of long-term debt	50,000	599,969	50,000
Short-term debt	19,676	612	13,011
Short-term lease liabilities	2,184	2,077	2,059

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 ended
	31 Mar 2025	31 Mar 2024	31 Dec 2024
Tax payable	1,334	2,033	5,670
Change in deferred tax	-	-	(582)
Income tax expense	1,334	2,033	5,088

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

There has been no significant events or transactions after the reporting period that needs to be disclosed in this quarterly report.

APPENDIX

Alternative performance measures

Shearwater believes that the financial figures disclosed in the Group's condensed consolidated financial statements do not always reflect the underlying performance of the Group's operations. To manage and monitor the Group's business, management has developed key operational performance indicators and alternative performance measures (non-IFRS measures) that Shearwater believe provide useful information to understand the Group's performance. Shearwater's financial information is prepared in accordance with IFRS Accounting Standards as adopted by the EU and the IFRSs as issued by the International Accounting Standards Board (IASB). In addition, Shearwater provides alternative performance measures (APMs) that supplement the financial statements. These measures are not defined under IFRS and may not be directly comparable with APMs for other companies. The APMs represent important measures for how Shearwater's management monitors the Group and its business activity. The APMs are not intended to be a substitute for, or superior to, any IFRS measures. Some of the financial information presented in the Group's first quarter report for 2025 contains APMs. These include EBITDA, Free Cash Flow, Net interest-bearing debt and backlog. The Group's definition of these APMs and reconciliation with IFRS measures is disclosed below.

EBITDA

Definition

EBITDA stands for Earnings Before Interests, Taxes, 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 a non-IFRS financial measure, calculated by subtracting each of the following items from Total Revenue and Other Income, as set forth in the consolidated statement of profit or loss prepared in accordance with IFRS:

- Cost of sales
- Sales, general and administration costs

The calculation of EBITDA can also be done by excluding each of the following items from Operating Profit (EBIT), as set forth in the consolidated statement of profit or loss prepared in accordance with IFRS:

- Depreciation, amortisation and write-down
- Other losses (gains) net

Rationale

Shearwater uses EBITDA because it is useful when evaluating the underlying performance of the Group's business, financial results and profitability, as it excludes historical values from depreciation, amortisation and write-down related to investments in tangible and intangible assets that occurred in the past. Also, the measure excludes currency translation effects, both realised and unrealised, from receivables, liabilities, loans and cash balances, which are contained on the financial statement line item Other losses (gains) net. EBITDA is used internally in Shearwater to continuously measure the Group's ability to serve its debt and capital cost.

(In thousands of USD)	Notes	Quarter ended		Year ended
		31 Mar 2025	31 Mar 2024	31 Dec 2024
Total income	2	189,411	123,352	619,821
Cost of sales	3	121,961	99,312	426,685
Sales, General and Administration costs		9,399	8,978	34,093
EBITDA		58,052	15,062	159,043
<i>EBITDA ratio</i>		31 %	12 %	26 %

Free Cash Flow

Definition

Free cash flow (FCF) is a non-IFRS measure prepared by Shearwater, calculated by adding net cash flow from operating activities together with net cash flow from investment activities. These two measures are subtotal line items available in the consolidated cash flow statement prepared in accordance with IFRS. In addition, Shearwater adjust FCF by excluding mergers and acquisition (M&A) transactions from net cash flow from investing activities, which is presented as an inverse figure in the reconciliation below. M&A transactions are also reconciled below. Lastly, Shearwater include leasing payments in the free cash flow calculation, which is presented with a net cash outflow as it only contains payments. Leasing payments is included in net cash flow from financing activities in the consolidated cash flow statements prepared according to IFRS.

Rationale

Shearwater uses Free Cash Flow as it is useful when evaluating the underlying performance of the Group's business, financial results and cash generation, isolating the movement in cash from operations while also considering net investment in tangible assets, multi-client library and payment on rental of operational capacity (leases).

(In thousands of USD)	Quarter ended		Year ended
	31 Mar 2025	31 Mar 2024	31 Dec 2024
Net cash flow from operating activities	64,062	(13,412)	92,490
Net cash flow from investing activities	(18,293)	(53,404)	(122,355)
Adjusted for M&A transactions	-	41,000	41,365
Adjusted for leasing payments	(726)	(830)	(2,957)
Free cash flow	45,043	(26,646)	8,544

Net interest-bearing debt

Definition

Shearwater's net interest-bearing debt (NIBD) as of the end of a period is equal to the aggregate of the non-current and current interest-bearing indebtedness (net of amortised transaction costs related to loans), including leasing liabilities, of the Group as set forth in the statement of financial position prepared according to IFRS, minus the cash and cash equivalents.

Rationale

Net interest-bearing liabilities is a measure that captures Shearwater's net borrowing commitments. It is a measure that is useful to assess the financial robustness and flexibility of the Group's capital structure.

(In thousands of USD)	31 Mar 2025	31 Mar 2024	31 Dec 2024
Borrowings	604,163	600,581	594,496
Financial leases	9,492	6,942	8,601
Interest-bearing debt	613,655	607,523	603,097
Cash and Cash equivalents	89,644	68,137	49,296
Net interest-bearing debt	524,011	539,386	553,800

Backlog and future coverage

Definition

Shearwater's backlog is the future revenue coverage based on signed contracts and binding letter of awards at the reporting date for proprietary contract work. The backlog figure does not include any multi-client work.

Rationale

The backlog, being the future revenue coverage based on signed contracts and binding letter of awards at the report date for proprietary work, is useful as it indicates committed and future activity of the Group.

Backlog value

(In thousands of USD)	31 Mar 2025	31 Mar 2024	31 Dec 2024
Contract seismic	399,719	468,714	337,237
Total backlog	399,719	468,714	337,237

The CGG capacity agreement expired in January 2025. The three-year capacity reservation agreement for TotalEnergies, which was announced in March 2025 and guarantees a minimum of 18 months of vessel activity, is included in the backlog at the estimated operational revenue for the remaining vessel months under the minimum commitment of the agreement.

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 undertakes no responsibility or obligation to update or alter forward-looking statements. Shearwater does 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 beneath 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 1270 people.

Contact

Visiting and postal address (HQ)

Damsgårdsveien 135
5160 Laksevåg
Norway

Telephone (HQ)

+47 55 38 75 00

Website

www.shearwatergeo.com

Group Management

Irene Waage Basili
CEO

Andreas Hveding Aubert
CFO

Peter Hooper
CCO

Antonio Stempel
SVP Marine Acquisition

Simon Telfer
SVP Software, Processing & Imaging (SPI)

Tanya Herwanger
SVP Strategy & New Markets

Philippa Box
SVP Human Resources

Gunnvor Dyrdi Remøy
General Counsel

Financial calendar

Q2 2025
29 August 2025

Q3 2025
28 November 2025

Shearwater reserves the right to make changes to the financial calendar

Investor Relation Contact

Kristian Rådal
Investor Relations Manager
T: +47 99 23 61 58

Investor relations e-mail
ir@shearwatergeo.com

shearwater