



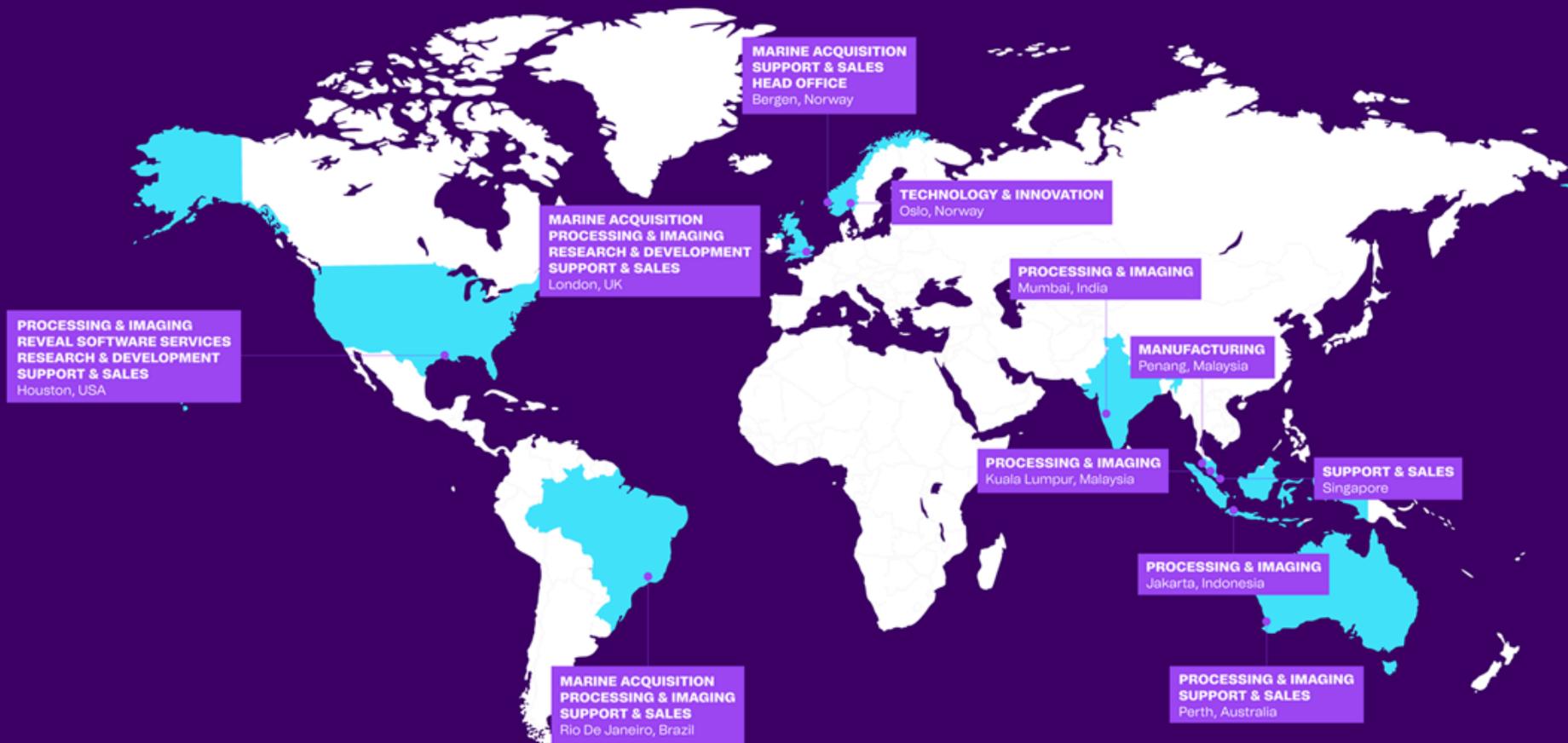
Seismic thinking
Decisive action

SHEARWATER GEOSERVICES AS
**FOURTH
QUARTER
2025
REPORT**

shearwater

Shearwater in brief

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 1,000 people.



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KEY INSIGHTS

Key takeaways

Material Q4 multi-client revenue of USD 48.8 million, supporting improved financial results

67% fleet utilisation across 8.8 active vessels, including two OBN crews

Commenced third season of multi-client data acquisition in Pelotas Basin in Brazil with strong industry funding

Cost reduction and efficiency programme on track with ~20% reduction in headcount

Client discussions are increasingly focused on reserve replacement

Backlog of USD 316 million at the end of Q4 including multi-client commitments

REVENUE USD
168.9M

compared to USD 103.5 million in Q4 2024

EBITDA USD
44.1M

compared to USD 13.2 million in Q4 2024

EBIT USD
-15.1M

compared to USD -23.9 million in Q4 2024



▼ CEO Comment

"While marine acquisition activity remained low in the quarter, strong multi-client revenues drove a significant improvement in our results, underscoring the value-creation potential of our multi-client strategy.

Recent client discussions increasingly emphasise reserve replacement, which is encouraging for the industry's long-term fundamentals. Over time, rebuilding reserves to sustain production and energy security will require renewed investment in seismic acquisition and imaging, fully aligned with our strategic direction. To date, however, this shift has not translated into increased activity in our tendering pipeline, and we therefore expect the sideways-trending market and competitive landscape to continue into 2026. Against this backdrop, Shearwater has taken decisive measures to strengthen liquidity, simplify the organisation, and deliver material cost reduction to improve cash flow development.

We maintain a leading market position built on disciplined, strategic investments over recent years, which are now gaining tangible traction. We continue to strengthen our position in deepwater ocean bottom seismic, supported by broad client adoption of the Pearl node platform, with the SW Tasman demonstrating the ability to generate a continuous project pipeline exceeding 24 months. Our multi-client business model remains a key strategic enabler, having increased backlog, broadened the revenue base, and built a profitable, cash-generative library. Building on this position of strength, we prioritise growth in the converted contract market while remaining selective in pursuing high-quality multi-client investments.

The headcount reductions implemented in 2025, while demanding, were necessary to streamline the organisation and align the cost base with near-term market conditions. Together with broader cost-reduction initiatives, structural efficiency measures, and continued expansion of our multi-client portfolio, these actions position Shearwater well for a future market recovery and long-term value creation."

- Irene Waage Basili, CEO of Shearwater Geoservices AS

Key figures

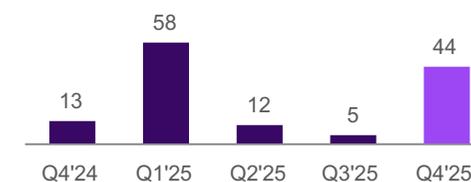
	Unit	Quarter ended		Year to date	
		31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Operating revenue	USD million	169	104	639	620
EBITDA ⁽¹⁾	USD million	44	13	119	159
EBITDA margin ⁽¹⁾		26%	13%	19%	26%
EBIT	USD million	-15	-24	-40	17
Net income before taxes	USD million	-30	-37	-99	-48
Net income	USD million	-37	-39	-107	-53
Cash flow from operations	USD million	26	0	122	92
Free cash flow ⁽¹⁾	USD million	7	-25	63	9
Cash and cash equivalents	USD million	65	49	65	49
Net Working Capital	USD million	119	129	119	129
Net Interest-bearing Debt ⁽¹⁾	USD million	554	554	554	554
Total Assets	USD million	1,232	1,258	1,232	1,258
Book Equity	USD million	427	533	427	533
Book Equity Ratio %		35%	42%	35%	42%
NIBD / EBITDA last 12 months		4.6	3.5	4.6	3.5
Backlog ⁽¹⁾	USD million	316	337	316	337
Fleet Utilisation Rate % ⁽²⁾		67%	50%	77%	63%
Active vessels ⁽³⁾		8.8	9.9	8.4	9.8

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

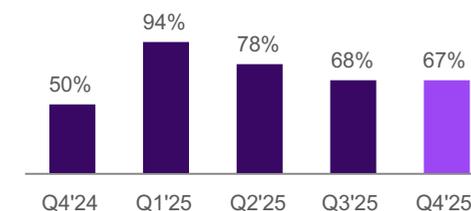
⁽²⁾ Shearwater's owned fleet working on and/or transiting to a contract/Multi-Client work as a percentage of the active vessels

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

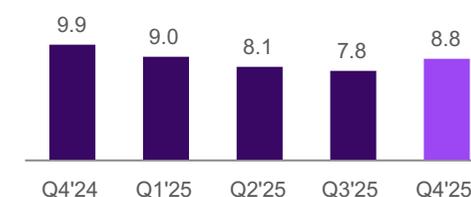
EBITDA USD million



Fleet Utilisation Rate



Active vessels



PROGRESS

Operational review

As anticipated, marine seismic activity in the fourth quarter of 2025 remained low as muted intake and uncertainty related to project-timing continued to weigh on fleet scheduling and profitability.

In the quarter, Shearwater operated an average of 8.8 active vessels compared to 7.8 active vessels in the third quarter of 2025 and 9.9 in the fourth quarter of 2024. The sequential increase reflects the reactivation of Oceanic Sirius, which was warm stacked throughout the previous quarter. Utilisation of the active fleet was 67% compared to 68% in the previous quarter and 50% in the fourth quarter of 2024.

In the streamer contract market, the Oceanic Sirius and the SW Bly commenced a combined seven vessel-month 2D and 3D survey for Oil India during the quarter. In November, the SW Bly experienced a streamer incident during the 3D phase of the survey. Shearwater leveraged the flexible fleet and streamer pool to rapidly mitigate the operational and financial impact by mobilising Oceanic Vega to support the survey in the first quarter of 2026.

Two OBN crews were active during the quarter. In Guyana, Shearwater completed the deepwater 4D OBN reservoir surveillance program for ExxonMobil which had employed the high-end streamer vessel Amazon Warrior since early second quarter. In late October, the SW Tasman and the Pearl node platform mobilised for the first deepwater ocean-bottom node project offshore Ghana, supported by the SW Gallien as source vessel. The two-month contract for Tullow was concluded in early January 2026.

In the multi-client segment, SW Empress continued the industry-supported 2D survey off West Africa through late October. In November, the vessel mobilised to Brazil for a third season of wide-tow multi-client acquisition over the Pelotas Basin, conducted in partnership with Searcher Seismic with strong industry funding. Data acquisition is expected to conclude early in the second quarter of 2026.

In December, Shearwater announced an industry-funded 3D multi-client survey in Nigeria. The SW Duchess mobilised for the project at year-end and data acquisition started in late January. Shearwater experienced strong multi-client sales throughout the quarter, contributing positively to the Group's profitability, cash flow and financial position.

At 31 December 2025, the backlog was USD 316.3 million, compared to USD 412.5 million at the end of the previous quarter. This compares to USD 337.2 million at 31 December 2024. Since the end of September 2025, Shearwater includes committed multi-client funding in the reported backlog. Figures from earlier periods are not restated.

In November, Shearwater announced a 4D OBN contract for a Shell operated field offshore Sabah, Malaysia, commencing early 2026. The SW Tasman is executing the two-month survey in a single vessel deployment-and-source configuration, marking over two years of continuous activity for the vessel. In January 2026, Shearwater was awarded a five-month 3D survey for ExxonMobil in Trinidad and Tobago for the high-capacity Amazon Warrior using Isometrix streamer technology. Data acquisition commenced in February. Also in January, Shearwater was awarded a two-month 3D seismic acquisition contract in the Timor Sea by Eni, scheduled to start late in the first quarter.

Shearwater maintains a disciplined fleet management strategy, aligning active capacity with demand visibility. The cost and efficiency programme launched in 2025 is progressing as planned, with several measures to reduce the cost base. The measures are designed to strengthen financial resilience and preserve flexibility, positioning Shearwater to optimise operations as market conditions improve, while maintaining operational execution capacity and service quality for clients. During 2025, the number of full-time employees was reduced by approximately 20%. Simultaneously, the annual cost base has been reduced by ~USD 35 million compared with that of the first half of 2025. The cost base reduction is expected to contribute positively to the financial performance during the first half of 2026. Additional actions are expected to bring the total cost reductions towards the targeted USD 40 million on an annual basis. On 31 December 2025, the Group had approximately 1,000 employees, down from ~1,280 at the end of 2024.

There were four recordable HSE incidents in the fourth quarter of 2025, of which none were high potential. This compared to three recordable HSE incidents in the same period of 2024, which also were not recorded as high potential.

Q4 financial review - IFRS

Profit and loss

Total revenue in the fourth quarter of 2025 was USD 168.9 million, an increase of 63% from USD 103.5 million in the year-ago period. Marine Acquisition represented 58% (79%) of the revenue, the multi-client segment 29% (14%) and the Software, Processing & Imaging (SPI) 5% (6%). Shearwater concluded several multi-client sales during the quarter, contributing to increased segment revenue, as anticipated and communicated at the third-quarter earnings in November. While the multi-client business continues to develop, quarterly segment revenue variability is expected to persist into 2026. For the first quarter of 2026, Shearwater expects to recognise more than USD 10 million in multi-client sales revenues.

Operating expenses included in EBITDA were USD 124.8 million compared to USD 90 million in the same period of 2024. The increase was primarily driven by cost of sales due to higher vessel utilisation quarter-over-quarter.

EBITDA increased to USD 44.1 million compared to USD 13.2 million a year earlier, primarily due to the higher multi-client sales revenues.

Depreciation, amortisation and write-down were USD 49.3 million compared to USD 39.3 million in the year-ago-period. Of this, straight-line and accelerated amortisation of the multi-client library totalled USD 20.3 million, compared with USD 0.4 million in the year-ago period.

Total operating expenses were USD 183.9 million compared to USD 127.4 million in the same period of 2024. EBIT was negative USD 15.1 million compared to negative USD 23.9 million in the same quarter last year.

Net loss before taxes was USD 30.3 million compared to a loss of USD 37.3 million in the fourth quarter of 2024. Tax expense was USD 6.4 million compared to USD 2.0 million a year earlier. The net loss for the quarter was USD 36.7 million compared to a net loss of USD 39.3 million a year earlier.

Cash flows

Net cash flow from operating activities was positive USD 25.9 million compared to negative USD 0.2 million in same period last year. The difference between net cash flow from operations and EBITDA in the quarter reflects working capital items. Working capital

may fluctuate significantly depending on fleet status, project mix, the timing of accounts receivable and accounts payable settlements, and timing of seasonal transits.

Net cash flow used in investing activities was USD 18.3 million compared to USD 24.3 million a year earlier. As communicated, the Group reduced non-business-critical maintenance and growth investments to conserve capital in light of the current market outlook. Capital expenditures were USD 2.7 million in the quarter, compared to USD 19.1 million in the year-ago period. Investments in multi-client library were USD 15.6 million, compared to USD 5.2 million in the year-ago quarter.

Net cash flow from financing activities was negative by USD 21.8 million, mainly reflecting interests paid. This compares to net cash flow from financing activities of negative USD 19.6 million in the fourth quarter of 2024. As previously communicated, the Group has agreed with the bank syndicate to defer the loan instalments for the fourth quarter of 2025 to the first quarter of 2027.

Net decrease in cash holdings (excluding translation effects on the cash balance) for the quarter was USD 14.2 million compared to a decrease of USD 44.1 million a year earlier.

Financial position

At 31 December 2025, total assets amounted to USD 1,232.3 million compared to USD 1,234.9 million at 30 September 2025. The value of the multi-client library (net of amortisation) increased from USD 46.9 million at 30 September 2025 to USD 48.3 million at 31 December 2025. Tangible assets were USD 863.9 million. This compares to USD 887.0 million at 30 September 2025. Current assets increased from USD 285.1 million at 30 September 2025 to USD 305.1 million at 31 December 2025. Cash holdings at 31 December 2025 were USD 64.7 million compared to USD 80.5 million at 30 September 2025.

Book equity was USD 426.7 million, corresponding to an equity ratio of 35%. This compares to USD 463.5 million and 38% at 30 September 2025. At 31 December 2025, the Group's total interest-bearing debt was USD 618.4 million compared to USD 621.7 million at 30 September 2025. Net interest-bearing debt (NIBD) was USD 553.7 million compared to USD 541.1 million at 30 September 2025. Shearwater's debt financing is comprised primarily of secured bank facilities and an issued bond. Shearwater was in compliance with all financial covenants at 31 December 2025. The leverage ratio measured by net interest-bearing debt over last twelve months EBITDA was 4.6 at year-end.

Full year summary

The operating revenue in the full-year 2025 amounted to USD 638.6 million, up from USD 619.8 million in 2024. In the year, Shearwater operated an average of 8.4 active vessels compared to 9.8 active vessels in 2024, and fleet utilisation was 77% compared to 63% in the previous year. The decline in active vessels reflects alignment of capacity with demand visibility and order intake ahead of 2025. This supported high utilisation in the first quarter, which subsequently tapered off quarter-by-quarter through 2025, reflecting muted order intake during the year.

The Marine Acquisition segment represented 81% (92%) of Group revenue, Multi-Client 12% (3%) and Software, Processing & Imaging (SPI) 5% (4%). Marine streamer acquisition activity was focused on contract work across multiple seismic data collection modes and geographic regions. During the period, Shearwater completed the second season and commenced the third season of multi-client data acquisition in the prospective Pelotas Basin, Brazil. In the OBN market, the SW Tasman/Pearl node platform operated throughout the year, while the Amazon Warrior was utilised as a source vessel on a second OBN crew under a contract spanning April until December.

EBITDA was USD 119.2 million, a decrease from USD 159.0 million in 2024, reflecting the different contract mix and increasingly competitive streamer market throughout the year.

Tax expenses were USD 7.6 million compared to USD 5.1 million in the year-ago period. Net loss for the full year was USD 106.6 million compared to a net loss of USD 53.4 million in 2024.

Net cash flow from operating activities for 2025 amounted to USD 122.4 million compared to USD 92.5 million in 2024. The difference between cash flow from operations and EBITDA reflects working capital items. Net cash flow used in investing activities amounted to USD 56.9 million compared to USD 122.4 million a year earlier. The reduction in cash used reflects lower investments in vessels and equipment as the Group has implemented measures to preserve capital amidst a soft market outlook, which was offset by increased multi-client investments in 2025 in line with strategy. Additionally, Shearwater acquired a seismic vessel in 2024. Net cash flow from financing activities was negative USD 47.8 million compared to negative USD 25.6 million in the year-ago period.

Net increase in cash holdings (excluding translation effects on the cash balance) in 2025 was USD 17.7 million compared to a decrease of USD 55.5 million in the year-ago period.

Market and outlook

In the first quarter of 2026, the active fleet is expected to remain broadly in line with the end of the fourth quarter of 2025. Continued competitive conditions in the streamer and OBN markets are expected to weigh on margins. A relatively high allocation to multi-client activity, including Pelotas season three and the Nigeria 3D survey during the first quarter of 2026, will affect the timing of both fleet utilisation and earnings recognition. The SW Tasman, which is capable of executing single vessel deployment-and-source configuration projects, will operate as the Group's active OBN-crew heading into 2026.

The marine seismic market activity has been soft over the past 18 months, reflected in a muted order intake as clients continue to exercise caution and defer upstream investments. This continues to impact Shearwater's fleet scheduling and profitability. The Group expects that the current market environment will continue into 2026 as there are no clear signs of a near-term recovery in activity.

Shearwater remains focused on long-term value creation and maintaining resilience across market cycles. In 2025, the Company implemented measures to enhance near-term liquidity and structurally optimise its cost base. Heading into 2026, Shearwater maintains a proactive dialogue with key stakeholders to safeguard financial flexibility.

Ongoing fleet capacity evaluations are conducted to strengthen Shearwater's balance sheet. As part of this process, Shearwater has engaged in discussions regarding potential vessel divestments. The Group has entered into an agreement for the sale of one cold-stacked streamer vessel into a different market segment, subject to certain buy-side conditions. In parallel, Shearwater continues to explore additional potential vessel transactions to further streamline the asset base and reduce debt.

Shearwater's strategic direction remains firm. Recent client discussions increasingly emphasise reserve replacement, which supports the long-term fundamentals of the seismic industry. To meet rising energy demand and strengthen energy security, international majors and national oil companies must address years of underinvestment amid ongoing geopolitical and macroeconomic uncertainty. This will require increased investment in marine seismic acquisition, processing, and imaging. Against this backdrop, it is encouraging that a major E&P company such as ExxonMobil is contracting the Amazon Warrior for 3D seismic acquisition less than half a year after investing in new acreage offshore Trinidad and Tobago, demonstrating that actionable demand can accelerate quickly.

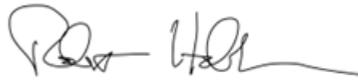
Board's approval

Condensed consolidated financial statements and interim management report

Today, 25 February 2026, the Board of Directors and the Chief Executive Officer have reviewed and approved the Shearwater Geoservices AS' condensed consolidated financial statements and the management report for the twelve months period ending 31 December 2025.

Bergen, 25 February 2026

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



Robert Hobbs

Chairman of the Board



Roar Skuland

Board member



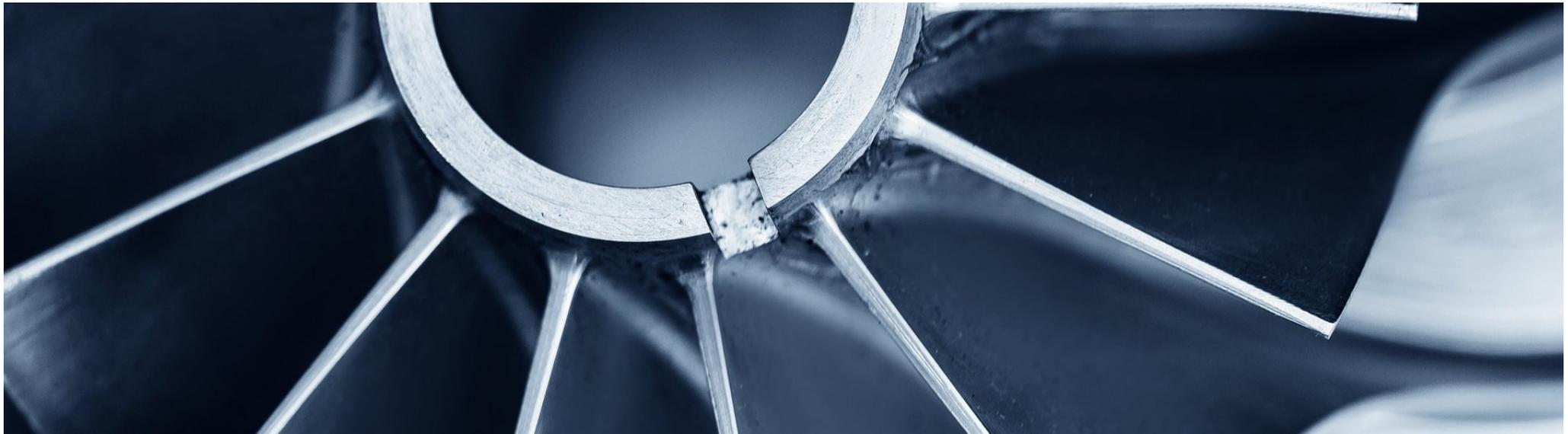
Gunnvor Dyrdi Remøy

Board member



Irene Waage Basili

Chief Executive Officer



RESULTS

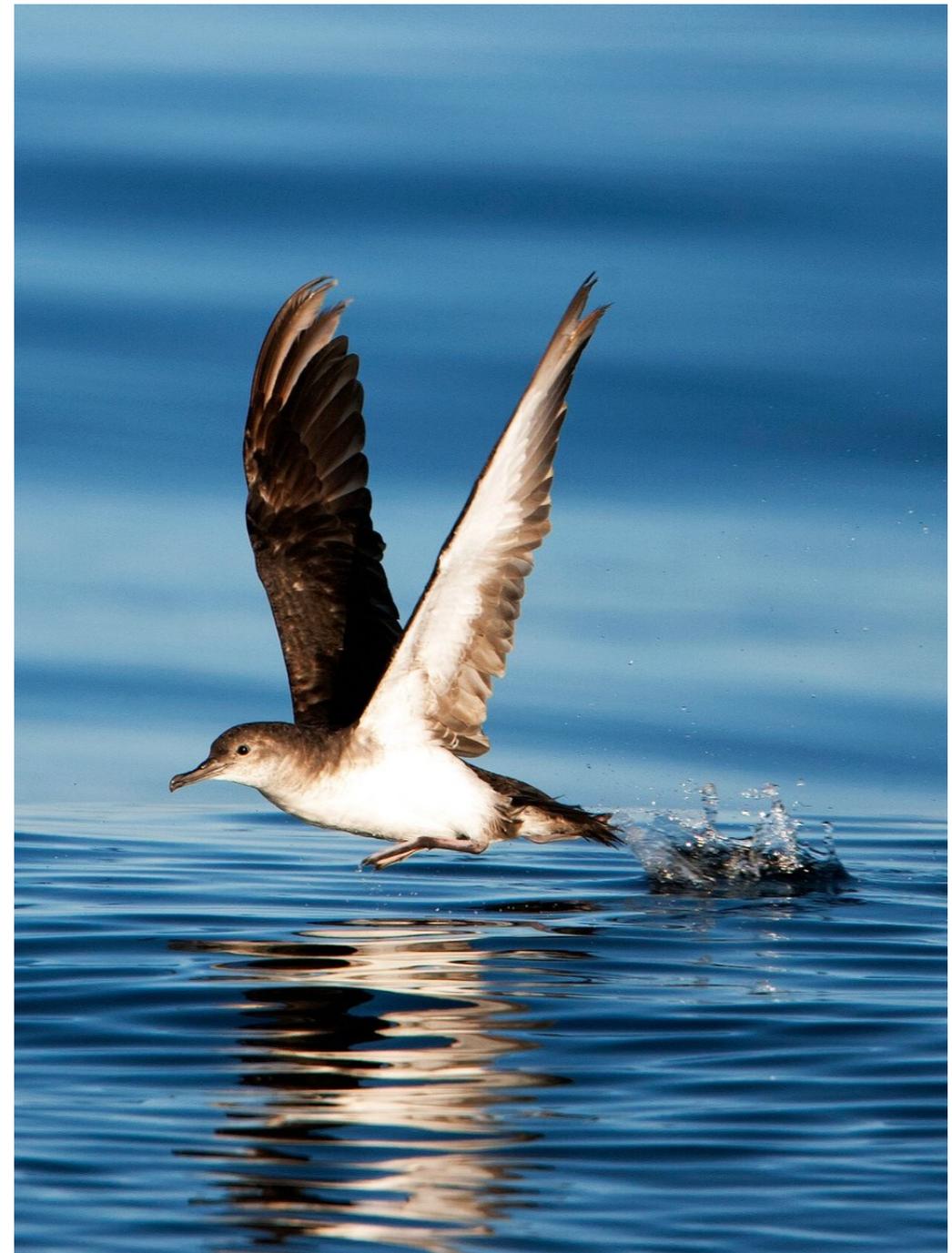
Interim financial statements (IFRS)

Condensed consolidated financial statements

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The Shearwater Geoservices AS Group

(In thousands of USD)

	Notes	Quarter ended		Year to date	
		31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Total revenue and other income	2	168,852	103,501	638,600	619,821
Operating expenses					
Cost of sales	3	110,606	81,730	482,556	426,685
Depreciation, amortisation and write-down	4	49,284	39,293	148,754	144,598
Sales, general and administration cost		14,154	8,537	36,797	34,093
Other losses (gains) net		9,869	(2,203)	10,506	(2,673)
Total operating expenses		183,913	127,357	678,613	602,703
Operating profit (EBIT)		(15,061)	(23,857)	(40,013)	17,117
Financial income		32	1,119	1,749	3,225
Financial expenses		(15,313)	(14,567)	(60,692)	(68,669)
Net financial items income/(expenses)		(15,281)	(13,448)	(58,943)	(65,444)
Net income before taxes profit/(loss)		(30,343)	(37,305)	(98,956)	(48,326)
Taxes	6	6,376	2,038	7,634	5,088
Net income profit/(loss)		(36,719)	(39,343)	(106,590)	(53,414)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The Shearwater Geoservices AS Group

(In thousands of USD)

	Notes	Quarter ended		Year to date	
		31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Net income for the period		(36,719)	(39,343)	(106,590)	(53,414)
Other comprehensive income					
<i>Items which may be reclassified over profit and loss in subsequent periods</i>					
Exchange differences on translation of foreign operations		(7)	282	125	104
Other comprehensive income for the period		(7)	282	125	104
Total comprehensive income for the period		(36,726)	(39,061)	(106,465)	(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	
		31 Dec 2025	31 Dec 2024
ASSETS			
Goodwill		3,267	3,267
Multi-Client Library		48,323	25,023
Intangible assets		9,453	18,446
Deferred tax asset	6	1,890	2,039
Total Intangible Assets		62,934	48,775
Vessel and marine equipment	4	777,241	865,372
Seismic equipment and other equipment	4	73,793	84,270
Right-of-use assets	4	10,864	7,578
Manufacturing equipment	4	2,001	1,961
Total Tangible Assets		863,900	959,181
Investments in shares		350	350
Total Financial Non-Current Assets		350	350
Total Non-Current Assets		927,184	1,008,307
Other current assets		54,965	60,561
Trade receivables		156,730	108,536
Other receivables		28,671	31,282
Cash and cash equivalents		64,730	49,296
Total Current Assets		305,095	249,676
Total Assets		1,232,279	1,257,982

The Shearwater Geoservices AS Group

(In thousands of USD)

	Notes	Quarter ended	
		31 Dec 2025	31 Dec 2024
EQUITY AND LIABILITIES			
Share capital		10,653	10,653
Share premium		621,190	621,190
Retained earnings		(205,098)	(98,550)
Total Equity		426,745	533,293
Deferred tax liability	6	757	760
Long-term debt	5	543,632	531,484
Lease liabilities	5	8,553	6,542
Total Long-Term Liabilities		552,942	538,787
Current portion of long-term debt	5	50,000	50,000
Short-term debt	5	12,621	13,011
Lease liabilities	5	3,612	2,059
Trade payables		90,388	74,366
Taxes payable	6	3,787	4,197
Other short-term liabilities		92,183	42,270
Total Short-Term Liabilities		252,591	185,903
Total Liabilities		805,534	724,689
Total Equity and Liabilities		1,232,279	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 to date	
		31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Cash Flow from Operating Activities:					
Net income (loss) before taxes		(30,343)	(37,305)	(98,956)	(48,326)
Paid tax		(786)	(404)	(2,962)	(2,149)
Depreciation, amortisation and write down	4	49,284	39,293	148,754	144,598
Profit/loss on sale of equipment and vessels	4	-	15	-	(35)
Interest income		(32)	(3,076)	(1,749)	(3,076)
Interest expenses		14,144	10,595	54,863	59,713
Interest received		32	3,076	1,749	3,076
Other non-cash financial items		5	5,269	827	5,269
Change in current assets / liabilities		(6,383)	(17,685)	19,864	(66,579)
Net Cash Flow From Operating Activities		25,921	(221)	122,390	92,490
Cash Flow from Investing Activities:					
Payments related to CAPEX	4	(2,694)	(19,109)	(13,562)	(58,792)
Payments related to purchase of vessels	4	-	-	-	(41,200)
Payments for sale of equipment and vessels	4	-	(15)	-	185
Net cash flow from investment in subsidiaries		-	-	-	(350)
Investment in Multi-Client Library		(15,636)	(5,174)	(43,341)	(22,198)
Net Cash Flow From Investing Activities		(18,330)	(24,298)	(56,903)	(122,355)
Cash Flow from Financing Activities:					
Drawdown of loans	5	-	15,000	35,000	706,200
Repayment of loans	5	-	(12,500)	(25,000)	(680,921)
Repayment of financial lease		(643)	(638)	(2,780)	(2,957)
Transaction costs		-	-	-	(8,950)
Net Interest paid		(21,155)	(21,473)	(55,057)	(39,002)
Net Cash Flow From Financing Activities		(21,798)	(19,611)	(47,837)	(25,630)
Net Increase in Cash and Cash Equivalents		(14,207)	(44,130)	17,650	(55,496)
Net currency translation effects on cash and cash equivalents		(1,613)	(357)	(2,217)	(1,042)
Cash and cash equivalents at start of period		80,550	93,784	49,296	105,834
Cash and cash equivalents at end of period		64,730	49,296	64,730	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 twelve months ended 31 December 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	-	-	(106,590)	(106,590)
Other comprehensive income	-	-	125	125
Other changes	-	-	(83)	(83)
Total equity at 31 December 2025	10,653	621,190	(205,098)	426,745

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	(12,499)	619,344
Net income for the period	-	-	(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 owns 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 twelve months ended 31 December 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 25 February 2026. These interim financial statements are unaudited.

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.

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.

Reference marks for the accompanying tables in this 2.1: Segment information

**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.*

	Marine Acquisition	Multi-Client	Software, Processing & Imaging	Other	Total
Quarter ended 31 December 2025					
(In thousands of USD)					
Income statement					
Total operating revenue and other income *	97,683	48,826	7,612	14,731	168,852
Cost of sales	86,583	-	6,902	17,121	110,606
Sales, general and administration cost	-	-	-	14,154	14,154
EBITDA **	11,100	48,826	710	(16,544)	44,092
Depreciation, amortisation and write-down					49,284
Other losses (gains) net					9,869
Operating profit EBIT					(15,061)
Financial income					32
Financial expense					(15,313)
Income tax expense					6,376
Net Income					(36,719)
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
Cost of sales	70,786	-	5,517	5,427	81,730
Sales, general and administration cost	-	-	-	8,537	8,537
EBITDA **	11,144	14,008	616	(12,535)	13,233
Depreciation, amortisation and write-down					39,293
Other losses (gains) net					(2,203)
Operating profit EBIT					(23,857)
Financial income					1,119
Financial expense					(14,567)
Income tax expense					2,038
Net Income					(39,343)

	Marine Acquisition	Multi-Client	Software, Processing & Imaging	Other	Total
Year to date 31 December 2025					
(In thousands of USD)					
Income statement					
Total operating revenue and other income *	515,962	75,984	29,703	16,951	638,600
Cost of sales	430,057	-	25,775	26,724	482,556
Sales, general and administration cost	-	-	-	36,797	36,797
EBITDA **	85,905	75,984	3,927	(46,569)	119,247
Depreciation, amortisation and write-down					148,754
Other losses (gains) net					10,506
Operating profit EBIT					(40,013)
Financial income					1,749
Financial expense					(60,692)
Income tax expense					7,634
Net Income					(106,590)

	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
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)

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 to date	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Marine Acquisition	97,683	81,930	515,962	572,060
Multi-Client	48,826	14,008	75,984	18,397
Software, Processing & Imaging	7,612	6,133	29,703	27,591
Revenue from contract with customers	154,120	102,071	621,649	618,048
Other income Marine Acquisition	-	-	-	35
Other income	14,731	1,430	16,951	1,738
Total	168,852	103,501	638,600	619,821

All amounts are in thousands of USD.

Timing of revenue recognition	Quarter ended		Year to date	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Point in time	50,690	15,177	77,848	20,407
Services transferred over time	103,431	86,894	543,801	597,641
Total revenue from contract with customers	154,120	102,071	621,649	618,048

Net operating revenue by geography	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	Europe, Africa and Middle East - EAME	84,155	40,620	318,785
Asia / Pacific - APAC	2,988	47,533	11,050	340,833
North and South America - NSA	81,710	15,348	308,766	68,734
Total	168,852	103,501	638,600	619,821

NOTE 3: SPECIFICATION COST OF SALES

(In thousands of USD)	Quarter ended		Year to date	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Vessel operating cost	86,583	70,786	430,057	386,674
Software, Processing & Imaging cost	6,902	5,517	25,775	24,477
Other segments	17,121	5,427	26,724	15,534
Total Cost of Sales*	110,606	81,730	482,556	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	381,647	13,279	23,273	13,647	1,678,981
Additional capital expenditures	5,907	13,455	4	6,600	375	26,341
Write-down during the period	-	(3,624)	-	-	-	(3,624)
Acquisition cost at 31 December 2025	1,253,042	391,478	13,283	29,873	14,022	1,701,698
Accumulated depreciation:						
Balance at 01 January 2025	381,763	304,537	6,119	15,695	11,685	719,799
Depreciation for the period	68,222	20,953	1,426	3,314	335	94,250
Depreciation periodical maintenance	25,815					25,815
Deferred mobilisation cost		(2,068)				(2,068)
Accumulated depreciation at 31 December 2025	475,800	323,422	7,545	19,009	12,020	837,796
Carrying amount at 31 December 2025	777,241	68,055	5,738	10,864	2,001	863,902
<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 2025, USD 6.2 million of the seismic equipment capital expenditure for the year relates to capitalisation of R&D costs that was included in the carrying amount of the intangible asset's 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 Dec 2025	31 Dec 2024
Senior secure bank facility, USD SOFR 3M + 4.1%, due 2029	250,000	275,000
Senior secure Bond, 9.5%, due 2029	300,000	300,000
Revolving credit facility, USD SOFR 3M + 4.1%	50,000	15,000
Amortisation effect, mortgage debt	(6,368)	(8,516)
Accrued interest expenses	12,621	13,011
Total secured long-term debt/liabilities	606,253	594,496
Lease liabilities, due 2024-2029	12,165	8,601
Total unsecured long-term debt/liabilities	12,165	8,601
Total long-term debt/liabilities	618,418	603,097
Classification in the statement of financial position:		
Long-term debt	543,632	531,484
Long-term lease liabilities	8,553	6,542
Current portion of long-term debt	50,000	50,000
Short-term debt	12,621	13,011
Short-term lease liabilities	3,612	2,059

In April 2024, Shearwater refinanced its external debt through a USD 300 million secured bank facility and a USD 300 million secured bond loan, both with five-year maturities and pari passu ranking. The bank facility carries interest at SOFR plus 4.1%, while the bond loan bears a fixed rate of 9.5%. Shearwater also maintains super-senior revolving credit and guarantee facilities of USD 50 million each.

In June 2025, the Group introduced measures to strengthen financial resilience, including a temporary leverage ratio covenant of 5.00x (net interest-bearing debt divided by 12-month rolling EBITDA) until the first quarter of 2026, deferral of second half of 2025 instalments to January 2027, and an expanded liquidity definition.

In the second quarter report on 29 August 2025, the Group also communicated an expectation for significant multi-client segment revenue in the second half of 2025, with uncertainty on the timing of quarterly distribution between the third and fourth quarter of the year. A major multi-client sale expected in the third quarter was recognised in the fourth quarter, impacting EBITDA and leverage ratio. The leverage ratio at 30 September 2025 was 6.1, which exceeded the 5.00x threshold under the bank facility agreement. A provision in the bank facility agreement provides Shearwater with the option to repair ("cure") a quarter-end financial covenant test within the relevant reporting date of the facility. The Group has maintained a close dialogue with the bank syndicate and obtained a leverage ratio waiver for the third-quarter financial covenant test. In the third quarter report, Shearwater anticipated significant multi-client revenues to be recognised in the fourth quarter of 2025. By the end of the fourth quarter, USD 48.8 million in multi-client revenues were recognised in the income statement, positively impacting Shearwater's leverage ratio, which stood at 4.6 at year end, compared with 6.1 at the end of September 2025.

Shearwater was as at 31 December 2025 in compliance with all financial covenants.

NOTE 6: TAXES

(In thousands of USD)

	Quarter ended		Year to date	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Tax payable	6,376	2,620	7,634	5,670
Change in deferred tax	-	(582)	-	(582)
Income tax expense	6,376	2,038	7,634	5,088

NOTE 7: SUBSEQUENT EVENTS

There have been no significant events or transactions after the reporting period, other than the contract awards to date in Q1'26, as disclosed in the operational review section of this report.

APPENDIX

Alternative performance measures

Shearwater prepares its financial statements in accordance with IFRS Accounting Standards as adopted by the EU and issued by the IASB. To provide additional insight into operational performance, management uses key operational indicators and alternative performance measures (APMs) that supplement IFRS figures. These non-IFRS measures, which include EBITDA, Free Cash Flow, Net Interest-Bearing Debt and backlog, help monitor business activity but are not intended to replace IFRS measures. APMs may differ from those used by other companies.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)

Definition

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. Costs related to Mergers and Acquisition (M&A) is not included in EBITDA as it is not considered ordinary operating expense.

Rationale

Shearwater uses EBITDA to assess underlying business performance, financial results and profitability. The measure excludes depreciation, amortisation and write-downs on past investments in tangible and intangible assets, as well as realised and unrealised currency translation effects from receivables, liabilities, loans and cash balances (reported under Other losses/gains, net). Internally, EBITDA is a key metric for evaluating the Group's ability to service debt and capital costs.

(In thousands of USD)	Notes	Quarter ended		Year to date	
		31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Total revenue and other income	2	168,852	103,501	638,600	619,821
Cost of sales	3	110,606	81,730	482,556	426,685
Sales, general and administration cost		14,154	8,537	36,797	34,093
EBITDA		44,092	13,233	119,247	159,043
<i>EBITDA ratio (EBITDA / Total revenue and other income)</i>		26 %	13 %	19 %	26 %

Free Cash Flow (FCF)

Definition

Free Cash Flow (FCF) is a non-IFRS measure calculated by combining net cash flow from operating activities and investing activities, both subtotal line items in the IFRS cash flow statement. Shearwater adjusts FCF by excluding M&A transactions from investing activities (shown as an inverse figure in the reconciliation) and includes leasing payments as a net cash outflow. Leasing payments appear under financing activities in the IFRS cash flow statement.

Rationale

Shearwater uses Free Cash Flow to assess underlying business performance, financial results and cash generation. The measure isolates cash from operations while factoring in net investment in tangible assets, the multi-client library and lease payments for operational capacity.

(In thousands of USD)	Quarter ended		Year to date	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Net cash flow from operating activities	25,921	(221)	122,390	92,490
Net cash flow from investing activities	(18,330)	(24,298)	(56,903)	(122,355)
Adjusted for M&A transactions	-	15	-	41,365
Adjusted for leasing payments	(643)	(638)	(2,780)	(2,957)
Free cash flow	6,948	(25,142)	62,707	8,544

Net interest-bearing debt (NIBD)

Definition

Shearwater's NIBD equals total current and non-current interest-bearing debt (net of amortised loan costs), including lease liabilities, minus cash and cash equivalents.

Rationale

Net interest-bearing liabilities reflect Shearwater's net borrowing commitments and provide a useful measure of the Group's financial strength and capital structure flexibility.

(In thousands of USD)	31 Dec 2025	31 Dec 2024
Borrowings	606,253	594,496
Financial leases	12,165	8,601
Interest-bearing debt	618,418	603,097
Cash and Cash equivalents	64,730	49,296
Net interest-bearing debt	553,688	553,800

Backlog and future coverage

Definition

Shearwater's backlog represents future revenue from signed contracts and binding letters of award at the reporting date. From the third quarter of 2025, multi-client commitments are included in the backlog. Backlog figures from earlier periods are not restated.

Rationale

The backlog, representing future revenue from signed contracts, binding letters of award and committed multi-client projects, indicates the Group's committed and upcoming activity.

(In thousands of USD)	31 Dec 2025	31 Dec 2024
Total backlog	316,345	337,237

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

Corporate overview and investor information



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.

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SVP Marine Acquisition

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General Counsel

Financial calendar

Q1 2026

29 May 2026

Q2 2026

27 August 2026

Q3 2026

27 November 2026

Shearwater reserves the right to make changes to the financial calendar

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shearwater