Axxis Geo Solutions ASA

(A Public Limited Liability Company organised under the Laws of Norway)

Listing of up to 37,500,000 new shares issued in connection with a private placement
Subsequent Offering and listing of up to 8,333,333 Offer Shares, each with a par value of NOK 1.39431124614644, at a Subscription Price of NOK 6.00 per Offer Share, with Subscription Rights for Eligible Shareholders
Subscription Period for the Subsequent offering: From 09:00 (CET) on 7 November 2019 to 16:30 (CET) on 21 November 2019

This prospectus (the "**Prospectu**s") relates to and has been prepared in connection with (i) the listing (the "**Listing**") by Axxis Geo Solutions ASA (the "**Company**" or "**AGS**"), a public limited liability company incorporated under the laws of Norway (together with its subsidiaries, the "**Group**"), on Oslo Axess, a regulated market operated by Oslo Børs ASA (the "**Oslo Axess**") of 9,435,074 new shares in the Company each with a par value of NOK 1.394311246 issued at a subscription price of NOK 6.00 (the "**Tranche 1 Private Placement Shares**") and 28,064,926 new shares in the Company with a par value of NOK 1.39431124614644 issued at a subscription price of NOK 6.00 (the "**Tranche 2 Private Placement Shares**", and together with the Tranche 1 Private Placement Shares, the "**Private Placement Shares**") in connection with a private placement raising gross proceeds of approximately NOK 225 million conducted on 10 October 2019 (the "**Private Placement**"), and (ii) the subsequent offering (the "**Subsequent Offering**") and listing on the Oslo Axess of up to 8,333,333 new shares in the Company, each with a par value of NOK 1.39431124614644 (the "**Offer Shares**") to be issued at a subscription price of NOK 6.00 per Offer Share (the "**Subscription Price**").

The shareholders of the Company as of close of trading on 10 October 2019 (and being registered as such in the Norwegian Central Securities Depository (the "**VPS**") on 14 October 2019 pursuant to the two days' settlement procedure (the "**Record Date**")), and who were not allocated shares in the Private Placement and who are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action (the "**Eligible Shareholders**"), will be granted non-transferable subscription rights (the "**Subscription Rights**") that, subject to applicable law, provide preferential rights to subscribe for and be allocated Offer Shares at the Subscription Price.

Each Eligible Shareholder will be granted 1.07 Subscription Rights for every existing share registered as held by such Eligible Shareholder as of the Record Date. Each Subscription Right will give the right to subscribe for, and be allocated, one Offer Share rounded down to the nearest whole share, subject to applicable securities laws. Over-subscription will be permitted, however, subscription without Subscription Rights will not be permitted. The subscription period will commence on 7 November 2019 at 09:00, Central European Time ("**CET**"), and expire on 21 November 2019 at 16:30 CET (the "**Subscription Period**").

Subscription Rights that are not used to subscribe for Offer Shares before the expiry of the Subscription Period will have no value and will lapse without compensation to the holder.

The Company's existing shares are, and the Private Placement Shares and the Offer Shares will be, listed on the Oslo Axess under the ticker code "AGS".

Except where the context requires otherwise, references in this Prospectus to "Shares" will be deemed to include the existing shares in the Company, the Private Placement Shares and the Offer Shares. All of the existing shares and the Tranche 1 Private Placement Shares are, and the Tranche 2 Private Placement Shares and the Offer Shares will be, registered in the VPS in book-entry form. The Tranche 1 Private Placement Shares have been placed on a separate ISIN pending publication of this Prospectus, and will be listed and admitted to trading on the Oslo Axess following publication of this Prospectus. All of the Shares rank pari passu with one another and each carry one vote.

Investing in the Company's Shares, including the Offer Shares, involves a high degree of risk. Prospective investors should read the entire document and, in particular, consider Section 2 "*Risk Factors*" beginning on page 14 when considering an investment in the Company.

The Subscription Rights and the Offer Shares are being offered only in those jurisdictions in which, and only to those persons to whom, offers and sales of the Offer Shares (pursuant to the exercise of Subscription Rights) may lawfully be made and, for jurisdictions other than Norway, would not require any filing, registration or similar action. The Shares have not been, and will not be, registered under United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or with any securities regulatory authority of any state or other jurisdiction in the United States of America ("**U.S.**" or "**United States**"), and are being offered and sold: (i) in the United States only to Qualified Institutional Buyers ("**QIBs**") in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S. Prospective purchasers are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. See Section 19 "*Selling and Transfer Restrictions*".

The due date for the payment of the Offer Shares is expected to be on or about 25 November 2019. Delivery of the Offer Shares is expected to take place on or about 2 December 2019 through the facilities of the VPS. Trading in the Offer Shares on the Oslo Axess is expected to commence on or about 2 December 2019, under the ticker code "AGS".

Managers

ABG Sundal Collier ASA | **Fearnley Securities AS** | **SpareBank 1 Markets AS**

The date of this Prospectus is 6 November 2019

IMPORTANT INFORMATION

This Prospectus, dated 6 November 2019, has been prepared by Axxis Geo Solutions ASA in order to provide information about the Company and its business in connection with the Subsequent Offering and listing on the Oslo Axess of the Private Placement Shares and the Offer Shares.

For the definitions of terms used throughout this Prospectus, see Section 21 "*Definitions and Glossary of Terms*".

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as implemented in Norway (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language.

This Prospectus will be published at the Company's website www.axxisgeo.com. Information presented at the Company's website or at any other website, is not a part of this Prospectus, and the shareholders of the Company should not rely on such information. However, as an exception from the above, the information incorporated by reference into the Prospectus according to Section 20.3 below, which is available under the Company's ticker on www.newsweb.no, is part of the Prospectus.

The Company has engaged ABG Sundal Collier ASA, Fearnley Securities AS and SpareBank 1 Markets AS as managers and joint bookrunners of the Private Placement, the Subsequent Offering and the Listing (the "**Managers**"). The Managers are acting for the Company and no one else in relation to the Listing and the Subsequent Offering. The Managers will not be responsible to anyone other than the Company for providing the protections afforded to clients of the Managers or for providing advice in relation to the Subsequent Offering or the Listing. In the ordinary course of their businesses, the Managers and certain of their respective affiliates have engaged, and may continue to engage, in investment and commercial banking transactions with the Company and its subsidiaries.

The information contained herein is as of the date of this Prospectus and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, every significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Shares and which arises or is noted between the date of this Prospectus and before the Listing, will be presented in a supplement to this Prospectus. The publication of this Prospectus shall not create any implication that there has been no change in the Company's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

All inquiries relating to this Prospectus must be directed to the Company or the Managers. No other person is authorised to give information or to make any representation in connection with the transactions described herein. If any such information is given or made, it must not be relied upon as having been authorised by the Company or by any of its employees, affiliates or advisers.

No action has been or will be taken in any jurisdiction other than Norway by the Company that would permit the possession or distribution of this Prospectus, any documents relating thereto, or any amendment or supplement thereto, in any country or jurisdiction where this is unlawful or specific action for such purpose is required. The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus may come are required by the Company to inform themselves about and to observe such restrictions. The Company shall not be responsible or liable for any violation of such restrictions by prospective investors. The restrictions and limitations listed and described herein are not exhaustive, and other restrictions and limitations in relation to this Prospectus that are not known or identified at the date of this Prospectus may apply in various jurisdictions.

NOTICE TO NEW HAMPSHIRE RESIDENTS

Neither the fact that a registration statement or an application for a license has been filed under chapter 421-B of the New Hampshire revised statutes with the state of New Hampshire nor the fact that a security is effectively registered or a person is licensed in the state of New Hampshire constitutes a finding by the secretary of state of New Hampshire that any document filed under RSA 421-B is true, complete and not misleading. Neither any such fact nor the fact that an exemption or exception is available for a security or a transaction means that the secretary of state has passed in any way upon the merits or qualifications of, or recommended or given approval to, any person, security or transaction. It is unlawful to make, or cause to be made, to any prospective purchaser, customer or client any representation inconsistent with the provisions of this paragraph.

NOTICE TO INVESTORS IN THE UNITED STATES

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares. The Offer Shares and the Subscription Rights have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. All offers and sales in the United States will be made only to QIBs as defined in Rule 144A or in other transactions exempt from registration requirements under the U.S. Securities Act. All offers and sales outside the United States will be made in reliance on Regulation S. Prospective purchasers are hereby notified that the Company as seller of Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. See Section 19.2.1 "*United States*".

Any Offer Shares or Subscription Rights offered or sold in the United States will be subject to certain transfer restrictions and each purchaser will be deemed to have made acknowledgements, representations and agreements, as set forth under Section 19.2.1 "*United States*". None of the Managers are SEC registered broker dealers and will only participate in the Subsequent Offering outside the United States.

Neither the Offer Shares nor the Subscription Rights have not been recommended by any United States federal or state securities commission or regulatory authority. Further, the foregoing authorities have not passed upon the merits of the Subsequent Offering or confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense under the laws of the United States.

In the United States, this Prospectus is being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the particular securities described herein. The information contained in this Prospectus has been provided by the Company and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized and any disclosure of its contents, without prior written consent of the Company, is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Offer Shares or subscribe for or otherwise acquire any Shares.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the "**UK**") or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). The Offer Shares and the Subscription Rights are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

Each Manager has represented, warranted and agreed (i) that it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Offer Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company and

(ii) that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving the UK.

NOTICE TO INVESTORS IN THE EEA

In any member state of the European Economic Area (the "**EEA**") that has implemented the EU Prospectus Regulation, other than Norway (each, a "**Relevant Member State**"), this communication is only addressed to and is only directed at qualified investors in that Relevant Member State within the meaning of the EU Prospectus Regulation. The Prospectus has been prepared on the basis that all offers of Offer Shares and Subscription Rights outside Norway will be made pursuant to an exemption under the EU Prospectus Regulation from the requirement to publish a prospectus for offer of shares. Accordingly, any person making or intending to make any offer in that Relevant Member State of Offer Shares which are the subject of the offering contemplated in this Prospectus may only do so in circumstances in which no obligation arises for the Company or the Managers to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or a supplement to a prospectus pursuant to Article 23 of the EU Prospectus Regulation, in each case, in relation to such offer. Neither the Company nor any of the Managers have authorized, nor do they authorize, the making of any offer of Shares through any financial intermediary, other than offers made by the Managers which constitute the final placement of Offer Shares contemplated in this Prospectus.

Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway or Eligible Shareholders, who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company that:

a) it is a qualified investor as defined in the EU Prospectus Regulation; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 5(1) of the EU Prospectus Regulation, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of one of the Managers has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purposes of this provision, the expression an "offer of securities to the public" in relation to any of the Offer Shares in any Relevant Member State means the communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and any Offer Shares to be offered, so as to enable an investor to decide to purchase or subscribe for the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Regulation in that Relevant Member State and the expression "EU Prospectus Regulation" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

See Section 19 "*Selling and transfer restrictions*" for certain other notices to investors.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "**Positive Target**

Market"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II. Distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the "**Negative Target Market**", and, together with the Positive Target Market, the "**Target Market Assessment**").

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Subsequent Offer. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions. A majority of the members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the Company's senior management (the "**Management**") are not residents of the United States, and a substantial portion of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company or its Board Members and members of Management in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons, including judgments based on the civil liability provisions of the securities laws of the United States or any State or territory within the United States. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act.

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1 SUMMARY

SECTION A | INTRODUCTION AND WARNINGS

(i) The name and international securities identification number (ISIN) of the securities:

The Company has one class of shares, and all shares are equal in all respects. The shares are registered in VPS with ISIN NO 001 0778095.

The Subscription rights are registered with the VPS under ISIN NO0010868227 and the Private Placement Shares are registered with the VPS under ISIN NO 001 0866783 and will be transferred to the Company's ordinary ISIN pending publication of this Prospectus.

(ii) The identity and contact details of the issuer, including its legal entity identifier (LEI):

Axxis Geo Solutions ASA (registration number 917 811 288), Strandveien 50, N-1366 Lysaker, Norway.

LEI: 5967007LIEEXZXKC2G83.

(iii) Where applicable, the identity and contact details of the offeror, including its LEI if the offeror has legal personality, or of the person asking for admission to trading on a regulated market:

Not applicable.

(iv) The identity and contact details of the competent authority approving the Prospectus:

The Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*), Revierstredet 3, P.O. Box 1187 Sentrum, N-0107 Oslo, Norway.

(v) The date of approval of the Prospectus:

6 November 2019.

(vi) Warning

This summary should be read as an introduction to the Prospectus. Any decision to invest in the Shares should be based on a consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital.

Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

SECTION B | KEY INFORMATION ON THE ISSUER

(i) Who is the issuer of the securities?

The Company is a Norwegian public limited liability company incorporated in Norway under the Norwegian Public Limited Liability Companies Act with registration number 917 811 288. The Company's LEI is 5967007LIEEXZXKC2G83.

AGS is a player within the seismic industry operating worldwide. The Company has an asset light setup primarily based on chartering of vessels and nodes, specialising in flexible and hands-on project management and executions. AGS is targeting both the contract acquisition and the multi-client acquisition seismic market, focusing on ocean bottom seismic surveys in shallow and midwater regions, up to 500 meters depth.

The Company has the following five subsidiaries:

- Neptune Seismic AS, incorporated in Norway (100%);
- Axxis Geo Solutions, Inc., incorporated in the US (100%);
- PT Axxis Geo Solutions, incorporated in Indonesia (49%, but controlling 100% of the votes);
- Axxis Multi Client AS, incorporated in Norway (100%); and
- Axxis Production AS, incorporated in Norway (100%)

In addition, Axxis Multi Client International AS, is currently under establishment (100%).

As of 6 November 2019 and to the best of the Company's knowledge, the following shareholders in the Company have holdings in excess of the statutory thresholds for disclosure requirements:

- Havila Holding AS holds 15,549,434 Shares, equal to 26.44% of the total number of the issued Shares;
- Songa Investments AS holds 6,399,283 Shares, equal to 10.88% of the total number of the issued Shares;
- Rome AS, a company owned by former board member Jogeir Romestrand, currently holds 3,699,257 Shares, equal to 6.29% of the total number of issued Shares; and

The Company's management consists of the following persons:

- Lee Parker, CEO
- Svein Knudsen, CFO
- Rick Dunlop, EVP Operations
- Neville Mathers, Global Operations Manager

The Company's independent auditor is Ernst & Young AS ("**EY**"), with registration number 976 389 387, and business address at Dronning Eufemias gate 6, N-0191 Oslo, Norway. EY was elected as the Company's auditor in the Extraordinary General Meeting held on 1 November 2019 (the "**EGM**") due to EY's historical knowledge of the AGS business.

(ii) What is the key financial information regarding the issuer?

The Company (former Songa Bulk ASA) – pre-Merger financial information

The following summary of consolidated financial data has been derived from the Company's (formerly Songa Bulk ASA) audited consolidated financial statements as of and for the year ended 31 December 2018 with comparable figures for the financial period ended 31 December 2017, prepared in accordance with IFRS, and the unaudited interim consolidated financial statements as of and for the six months' period ended 30 June 2019 prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 24) as adopted by the EU (together referred to as the "**Songa Financial Statements**").

<u>Consolidated statement of comprehensive income</u>

(all figures in USD thousand)	**For the year ended 31 December**		**For the six months' ended 30 June**	
	2018	2017	2019 *(unaudited)*	2018 *(unaudited)*
Total comprehensive income	22 486	388	-311	-1 593
Operating loss	-200	-200	-311	-1 593
Net profit / loss	22 486	388	-311	-1 593

<u>Consolidated balance sheet</u>

(all figures in USD thousand)	**For the year ended 31 December**		**For the six months' ended 30 June**	
	2018	2017	2019 *(unaudited)*	2018 *(unaudited)*

Total assets	11 187	316 888	627	11 187
Total equity	799	174 165	488	799

Consolidated cash flow statement

(all figures in USD thousand)	For the year ended 31 December		For the six months' ended 30 June	
	2018	2017	2019 *(unaudited)*	2018 *(unaudited)*
Net cash flows from operating activities from discontinued operations*	2 890	3 214	-346	9 462
Net cash flows from investment activities from discontinued operations	113 769	-258 349	-	-30 781
Net cash flows from financing activities from discontinued operations	-147 106	238 464	9 702	-3 586

*Included in the net cash flow from operating activities from discontinued operations is USD 200 thousand in operating expenses from continuing operations.

AGS AS/the Group's post-Merger financial information

The following summary of consolidated financial data has been derived from AGS AS' audited consolidated financial statements as of and for the year ended 31 December 2018 with comparable figures for the financial period ended 31 December 2017 (the "**AGS Financial Statements**"), prepared in accordance with IFRS, and the unaudited consolidated financial statements for the three and nine months ended 30 September 2019 and 2018.

Consolidated income statement

(all figures in NOK thousand)	Three months ended 30 September		Nine months ended 30 September		For the year ended 31 December	
	2019	**2018**	**2019**	**2018**	**2018**	**2017**
Revenue	8 814	160	576 359	17 583	53 378	34 071
Operating profit (loss)	-34 261	-10 619	75 198	-19 732	-63 703	-39 923
Profit (loss) attributable to the owners of the parent	-42 717	-8 663	-29 129	-14 536	-64 992	-13 869

Consolidated balance sheet

(all figures in NOK thousand)	As at 30 September		As at 31 December	
	2019	**2018**	**2018**	**2017**
Total assets	873 308	480 989	586 402	121 650
Total equity	166 853	77 488	29 602	90 791

Consolidated cash flow statement

(all figures in NOK thousand)	Three months ended 30 September		Nine months ended 30 September		For the year ended 31 December	
	2019	**2018**	**2019**	**2018**	**2018**	**2017**
Net cash flows from operating activities	297 458	92 761	286 678	360 366	359 830	-23 665
Net cash flows from investment activities	-293 586	-225 643	-428 331	-341 150	-315 444	-30 976
Net cash flows from	-4 602	-294	78 999	-294	21 250	57 071

financial activities			

Pro forma financial information

Not applicable. The Prospectus does not contain any pro forma financial information.

Description of any qualifications in the audit report relating to the historical financial information

Not applicable. The audit reports do not include any qualifications.

(iii) What are the key risks that are specific to the issuer?

- The Group operates on a smaller scale than some of its competitors and may not be as financially or operationally robust to manage cyclical down-turns;
- Failure by the Group to respond to changes in technology and innovations may render the Group's operations non-competitive;
- The Group is currently dependent on a limited number of suppliers which provide critical elements to the Group's operations, such as processing capacity, nodes and node handling equipment;
- The business of the Group currently only has a limited number of potential customers, and a few existing customers which provide a large part of the total revenues which expose the Group to the risk of losing substantial revenue if one or a small number of customers are unable to perform their obligations under, or terminates, their contracts with the Group;
- The Group's seismic acquisition operations are exposed to extreme weather, hazardous conditions and activity in the work area;
- The Group's seismic acquisition operations are exposed to seagoing pirates;
- Delayed or loss of payments from the Group's customers/clients may adversely impair the Group's liquidity;
- The multi-client business of the Group is, when taking into account the Group's size and resources, to some extent dependent on securing pre-funding from oil companies or credit arrangements linked to sales with collaborating partners prior to initiating surveys;
- If the Group is not able to recover from sales of its seismic data the costs of acquiring and processing the data, development and production of multi-client data, the value of such seismic data would be impaired;
- The Company cannot assure that its business will generate sufficient cash flow from operations or that future debt and equity financings will be available to it in an amount sufficient to enable it to pay its debt, or to fund its other liquidity needs; and
- The Company is unable to predict with certainty the mid- and long-term working capital needs for the Group's business going forward.

SECTION C | KEY INFORMATION ON THE SECURITIES

(i) What are the main features of the securities?

The Company has one class of shares, and all Shares are equal in all respects. The Shares are registered in VPS with ISIN NO 001 0778095.

As at the date of this Prospectus, the Company's registered share capital is NOK 81,999,356.54426363, divided into 58,809,937 Shares, each with a par value of NOK 1.39431124614644.

All shares in the Company rank pari passu in all respects and carry full and equal rights in the Company. All Shares have voting rights and other rights and obligations that are standard under the Norwegian Public Limited Liability Companies Act and are governed by Norwegian law.

Pursuant to Norwegian law, the shareholder rights attaching to the Company's Shares are subordinated any other Company creditor in the event of insolvency.

The Shares are freely transferable subject to local regulatory transfer restrictions.

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account applicable legal restrictions, as set out in the Norwegian Public Limited Liability Companies Act, the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Liability Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors. AGS has not paid dividends in 2018 or 2017.

As of the date of this Prospectus, AGS has not established a dividend policy. In accordance with the Company's corporate governance policy, the Company will establish a clear and predictable dividend policy for the Company going forward.

There can be no assurance that a dividend will be proposed or declared in any given period.

(ii) Where will the securities be traded?

The Shares of the Company are listed on Oslo Axess under the ticker code "AGS".

The Tranche 1 Private Placement Shares and the Tranche 2 Private Placement Shares are currently registered on a separate ISIN and will be transferred to the Company's ordinary and thereby becoming tradable upon publication of this Prospectus. The Offer Shares will be issued electronically on the Company's ISIN NO 001 0778095 with the VPS system and are expected to be listed on Oslo Axess on or about 2 December 2019, without application for admission to trading on the Oslo Axess.

(iii) What are the key risks that are specific to the securities?

- Investors will have limited historical operational and financial on which to base any decision to invest in the Company's Shares;
- The ability to bring action against the Company may be limited under Norwegian law; and
- Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not NOK.
- Pre-emptive rights may not be available to US-holders of the Shares

SECTION D | KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

(i) Under which conditions and timetable can I invest in this security?

The Subsequent Offering consists of up to 8,333,333 at a subscription price of NOK 6.00 per Offer Share, equal to the per Share subscription price in the Private Placement. For each Share recorded as held in the Company as of expiry of the Record Date (14 October 2019), each Eligible Shareholder will granted 1.07 non-transferrable Subscription Rights. One (1) Subscription Right will, subject to applicable securities law, give the right to subscribe for one (1) Offer Share, rounded down to the nearest whole share. Over-subscription will be permitted, however, subscription without Subscription Rights will not be permitted. Subscription Rights that are not used to subscribe for Offer Shares before the expiry of the Subscription Period will have no value and will lapse without compensation to the holder.

The Eligible Shareholders who do not use their Subscription Rights will experience a dilution. The Subscription Rights would normally have an economic value if the shares trade above the Subscription Price during the Subscription Period.

The Subscription Period will commence on 7 November 2019 at 09:00 CET and expire on 21 November 2019 at 16:30 CET. Notifications of allocation in the Subsequent Offering are expected to be issued on or about 22 November 2019. The Payment Date is 25 November 2019. Issue of the Offer Shares and recording of the Offer Shares with the VPS is expected to take place on or about 29 November 2019, subject to timely payment. Delivery of the Offer Shares to investors' VPS accounts is expected to take place on or about 2 December 2019, subject to timely payment.

The Private Placement Shares are currently registered on a separate ISIN pending publication of this Prospectus upon which they will be transferred to the Company's ordinary ISIN. The Private Placement Shares are expected to be listed on Oslo Axess on or about 7 November 2019.

The immediate dilutive effect on the ownership of the Company's shareholders who did not participate in the Private Placement was approximately 63.76%. The immediate dilutive effect on the ownership of the Company's shareholders who did not participate in the Private Placement and whom will not participate in the Subsequent Offering is 68.26% (assuming subscription of the maximum number of Offer Shares in the Subsequent Offering).

Transaction costs and all other directly attributable costs in connection with the Private Placement that will be borne by the Company are approximately NOK 12.0 million excluding VAT. In addition, NOK 3.6 million has incurred in guarantee commission, resulting in net proceeds of approximately NOK 209.4 million from the Private Placement. The net proceeds from the Subsequent Offering are expected to be approximately NOK 47.3 million, assuming that all the Offer Shares are issued.

No expenses or taxes will be charged by the Company or any of the Managers to the subscribers in the Private Placement or the Subsequent Offering.

(ii) Why is this Prospectus being produced?

In addition to the consideration of the equal treatment of the Company's shareholders following the Private Placement, the Company seeks to raise capital through the Subsequent Offering to fund further growth capital expenditures needed to meet increased ocean bottom node activity, upscaling its operations with a second crew as well as general corporate purposes. This Prospectus is also prepared for the listing of the Private Placement Shares.

The Company has applied, and further intends to apply, the net proceeds from the Private Placement and the Subsequent Offering to partly repay the promissory note to TGS, to strengthen the working capital balance by repaying trade debt and to fund further growth and capital expenditures needed to meet increased ocean bottom node activity, upscaling its operations with a second crew as well as general corporate purposes.

NOK 120,000,000 of the deposit for the Private Placement was underwritten against a guarantee commission equal to 3% of the guaranteed amount.

The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers, their employees and any affiliate may currently own Shares in the Company. The Managers receive a fixed fee in connection with the Private Placement and the Subsequent Offering. Further, in connection with the Subsequent Offering, the Managers, their employees and any affiliate acting as an investor for its own account may be entitled to be allocated Offer Shares in the Subsequent Offering (if they were registered as shareholders of the Company as of expiry of the Record Date) and may exercise their right to take up such Offer Shares. Also, Members of the Management of the Company and the board of directors may be entitled to exercise any rights to subscribe for Offer Shares.

2 RISK FACTORS

An investment in the Shares involves inherent risk. In this Section 2, a number of risk factors are illustrated, both general risks pertaining to the Group's business operations and risks relating to the Shares. If any of these risks or uncertainties would materialise, the business, prospects, financial position, reputation and results of operations of the Group could be materially and adversely affected. The risks presented herein are not exhaustive, and other risks not discussed herein, not currently known or not currently considered to be material, may also affect the Group's future operations, performance and financial position. Potential investors should carefully consider the information contained in this Section and make an independent evaluation before making an investment in the Shares.

The risk factors are organised in the following categories:

Risk factors specific and material to the Company and the Group

I. *Risks related to the Group's business activities and industry*
II. *Risks related to the Group's financial situation*
III. *Legal and regulatory risk*

Risk factors specific and material to the Shares

I. *Risks related to the nature of the Shares*

Where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor. The most material risk factor in a category is presented first under that category, where the materiality has been determined based on the probability of occurrence and expected magnitude of negative impact of the risk. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence.

2.1 Risk factors specific and material to the Company and the Group

2.1.1 Risks related to the Group's business activities and industry

The Group operates on a smaller scale than some of its competitors

The offshore seismic industry has from time to time experienced excess capacity and supply. The Group operates on a smaller scale than some of its competitors. Consequently, the Group may not be as financially or operationally robust to manage cyclical down-turns as its larger competitors. Further, the Group has an asset-light business model and is dependent on suppliers to ensure access to necessary equipment for its seismic operations. Such access may be difficult to obtain in the event that suppliers question the financial viability of the Group's operations. In addition, the Company could be required to perform material depreciations on its balance sheet, primarily related to the value of its seismic libraries, which in turn would have a negative effect on the Company's profit and loss accounts.

Technological changes

The seismic and oil service industry see frequent changes and developments in technology. Such changes and developments can often be driven by competitors of the Company with substantial greater resources than those of the Company. The Group's technology such as its ocean bottom node acquisition method, and any further technology under development may not prove to be viable or efficient, and efforts to respond to technological innovations may require significant financial investments and resources.

Failure by the Group to respond to changes in technology and innovations may render the Group's operations non-competitive and may have a material, negative effect on the Company's results of operation, financial condition and future prospects.

Limited number of key suppliers

The Group is currently dependent on a limited number of suppliers which provide critical elements to the Group's operations, such as processing capacity, nodes and node handling equipment. This is expected to continue to be the case going forward. The Group currently owns no processing equipment and relies on chartering vessels suited for seismic acquisition, which may in a situation of shortage of vessels or processing capacity involve a disadvantage towards its competitors.

The Company will exclusively sub-contract services to process the acquired seismic data, and is hence highly dependent on the availability of such services, at reasonable terms/prices, being delivered with a sufficient level of quality. There can be no guarantee that there will be available processing capacity for the Company's requirements in the future. Further, being highly dependent on a limited number of suppliers, supply for nodes and node-handling equipment may impede or restrict the Group in obtaining improved terms for the supplies. If any of the foregoing occurs, it may have a material, negative effect on the Company's revenues, financial position and prospects.

Limited number of existing and potential customers

The business of the Group currently only has a limited number of potential customers, and a few existing customers which provide a large part of the total revenues. This creates a risk of losing substantial revenue if one or a small number of customers are unable to perform their obligations under, or terminates, their contracts with the Group. The Group may also experience a significant drop in revenues if such contracts are not renewed or replaced when they expire according to their terms. Further, being highly dependent on a limited number of clients may impede or restrict the Group's in obtaining improved terms for its services.

The Group's seismic acquisition operations are exposed to extreme weather, hazardous conditions and activity in the work area

The seismic acquisition operations of the Group are exposed to extreme weather and other hazardous conditions as the Group, inter alia, operates and expects to operate in waters subject to rapidly shifting and harsh weather conditions world-wide. Due to this, and for other reasons, the operations of the Group will be subject to the risks of capsizing, grounding, collision, interruption and damage or loss from severe weather conditions, fire, explosions and environmental contamination from spillage. Any of these risks could result in damage or destruction of vessels or equipment; personal injury and property damage; suspension of operations or environmental damage. If any of these risks materialize, the business of the Group could be interrupted and could incur significant liabilities. Furthermore, foul weather conditions are regularly impacting safe and efficient performance, the data quality as well as other activity performed in the acquisition area such as fisheries and other oil & gas related activities. Production will be stopped at a certain wave size, varying from one area to another and dependent on the vessel capacities. The Group may also have to share the production time in the survey area or stop for a period of time, if own or third-party operations cause disturbance to the other effecting anyone's safety or quality in the production. If any of the foregoing occurs, the Group will lose production time which in turn will have a negative effect on Company's revenues, financial position and prospects.

The Group's seismic acquisition operations are exposed to seagoing pirates

The Group may operate in areas known to have pirate activity from time to time. Due to its capability to perform node seismic acquisition in shallow waters, close to shore, and moving at a slow speed with relatively open vessels, the Group may be attractive to acts of piracy. If this risk materialize the Group may have to suspend operations or acting to late, suffer to lose control over its crew, vessel and equipment for a time or permanently. If any of the foregoing occurs, it may have a material, negative effect on the Company's revenues, financial position and prospects.

2.1.2 Risks related to the Group's financial situation

Credit risk

Delayed or loss of payments from the Group's customers/clients may adversely impair the Group's liquidity. The concentration of the Group's customers, presently few, in the oil and gas industry may impact the Group's overall exposure to credit risk as customers may be similarly affected by prolonged changes in economic- and industry conditions.

Prefunding and/or other credit arrangements

The multi-client business of the Group is, when taking into account the Group's size and resources, to some extent dependent on securing pre-funding from oil companies or credit arrangements linked to sales with collaborating partners prior to initiating surveys. Thus, the Group will be dependent on close cooperation and good working relationships with its customers and/or collaborating partners. There can be no guarantee that pre-funding or willingness from collaborating partners to enter credit arrangements linked to sales will be available at sufficient levels, or at all, which may materially adversely affect the Company's multi-client business and prospects.

Potential late-sales of multi-client seismic data

The Group has invested in acquisition of seismic data through acquisition of multi-client libraries. The Group's future sales of seismic data from multi-client surveys are uncertain and depend on a variety of factors, many of which are beyond the Company's control. In addition, the timing of these sales is unpredictable, and sales can vary greatly from period to period.

Technological changes could make data in multi-client libraries obsolete, and regulatory changes may affect the ability of the Group's' customers (generally or in a specific location) to develop exploration programs, which could materially adversely affect the value of the Group's seismic data. Unexpected release of data by authorities could also adversely affect the value of the Group's' seismic data.

No guarantee can be given that the Group will be able to meet expectations neither with respect to how much seismic data it will be able to sell nor at which price the seismic data will be sold in the future. As the Group is a relatively small participant in the industry with a limited library, achieved sales and revenue, each project may have significant impact on the Company's results and financial condition. If the Group is not able to recover from sales of its seismic data the costs of acquiring and processing the data, development and production of multi-client data, the value of such seismic data would be impaired.

Existing and future restrictive debt covenants

The Group has *inter alia* incurred NOK 29 million in secured debt towards Eksportkreditt Norge AS, and has recently obtained a waiver from certain financial covenants which were not met by the Group. The Group may in the future incur other debt or other financial obligations which could have important consequences to its business and holders of the Shares, such as making it difficult to satisfy the Group's obligations with respect to the such indebtedness and thereby placing the Group in a default position towards its creditors, and further with respect to creating restrictions on the Group's ability to do acquisitions, divestments, taking on new financial indebtedness and entering in to certain commercial agreements. Such restrictions may thus have as a consequence that the Group cannot do transactions or enter into agreements which would have been to the benefit of the Group and the shareholders of the Company.

The Group will require a significant amount of cash to service current and future debt to sustain its operations

The Group's ability to make payments on, or repay or refinance, any debt and to fund working capital and capital investments, will depend on its future operating performance and ability to generate sufficient cash. As the Group's current business is recently established, it lacks credit history and funding relations normally associated with larger and more established companies which may make it more difficult for the Group to obtain financing than its competitors. Accordingly, the Company cannot assure that its business will generate sufficient cash flow from operations or that future debt and equity financings will be available to it in an amount sufficient to enable it to pay its debt, or to fund its other liquidity needs. No assurance can be given that the Company will be able to refinance any debt on commercially reasonable terms or at all.

Working capital level

The Company is unable to predict with certainty the mid- and long-term working capital needs for the Group's business going forward. This is primarily due to the Group's business strategy being based on adjusting the operational cost level to the prevailing activity level. This means that the working capital requirement will increase when the activity level increases, either from growth or re-start after paused activity. These changes could also lead to possible capital expenditures in new equipment and technology. In addition, under certain contracts, the Group will have to commence its activities and deliver its services prior to invoicing. For the Group, the time and cost for mobilizing to a contract can vary between a few days to a month, normal invoicing milestones may be less than monthly and due dates for payment of invoices may deviate from the industry standard of 30 days.

Foreign exchange risk

The Group's significant operations in foreign countries expose it to risks related to foreign currency movements. Currency exchange rates fluctuate due to several factors, including international balance of payments, economic and financial conditions, government intervention, speculation and other factors. Changes in currency exchange rates relative to the USD may affect the USD valued assets of the Group; primarily the one vessel owned by the Company. Changes in currency may also affect the Group's local expenses when operating abroad. The Group's expenses are primarily in USD and NOK. As such, the Group's earnings are exposed to fluctuations in the foreign currency market.

2.1.3 Legal and regulatory risk

Regulatory approvals for acquisition of seismic data

The Group's acquisition of geophysical data is, in most jurisdictions, dependent on regulatory approval such as licenses, permits or similar which must be obtained before geophysical data may be acquired. For its multi-client projects in particular, there may be a risk that such regulatory approvals are not obtained or will only be obtained on conditions not acceptable to the Group. Should this occur with short or no advance notice, there may not be alternative employment available for the Group. This may have a negative impact on the Company's revenue and profits from operations. The Group's multi-client business relies on a certain period of exclusivity in controlling the distribution of the acquired data through licenses to customers. The exclusivity period granted by local authorities can typically be 10 years but may be shortened during that period for reasons outside the Group's control. Any such change in business assumptions to the Group's investment in multi-client data may have a negative impact on the Company's revenues, profits and may cause impairment of remaining book values.

Misappropriation or infringement of technology and intellectual property

Should the Group become involved in any disputes related to misappropriation or infringement of technology or intellectual property, substantial attention and time from its management will be required, substantial costs are likely to be incurred and disputes may be adversely resolved. Considering the size of the Group and its management, as well as the Company's cash reserves, a dispute related to misappropriation or infringement of technology and intellectual property may have material adverse consequences on the Company's business, results of operation and financial condition.

2.2 Risk factors specific and material to the Shares

Limited operating history

The current business of the Group is recently established. As of the date of this Prospectus, the Group has limited operating history and has only completed one major acquisition of seismic data and the acquisition of data under its second major project is underway. Accordingly, investors will have limited historical operational and financial on which to base any decision to invest in the Company's Shares.

The ability to bring action against the Company may be limited under Norwegian law

The Company is a public limited liability company incorporated under the laws of Norway. The rights of holders of Shares are governed by Norwegian law and by the Articles of Association. These rights differ from the rights of shareholders in other jurisdictions, e.g. typical U.S. corporations. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. Under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company takes priority over actions brought by shareholders in respect of such acts. In addition, it may be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, foreign securities laws. For these reasons investors may encounter difficulties in serving summons and other documents relating to court proceedings to any of the entities within the Group and its management. For the same reason it may be more difficult and more costly for investors to obtain judgments against, and enforce judgments issued against, the entities within the Group and its directors and management.

Dividend capacity and restrictions

Norwegian law provides that any declaration of dividends must be adopted by the shareholders at a general meeting. Dividends may only be declared to the extent that the Company has distributable funds and the Board of Directors finds such a declaration to be prudent in consideration of the size, nature, scope and risks associated with the Company's operations, its liquidity and financial position. As the Company's ability to pay dividends is dependent on the availability of distributable reserves, the Company is, among other things, dependent upon receipt of dividends and other distributions of value from its subsidiaries. As a general rule, the general meeting may not declare higher dividends than the Board of Directors has proposed or approved. If, for any reason, the general meeting does not declare dividends in accordance with the above, a shareholder will, as a general rule, have no claim in respect of such non-payment, and the Company will, as a general rule, have no obligation to pay any dividend in respect of the relevant period.

Current loans carry restrictions on dividend payment to Company shareholders. Dividend can only be paid when present loans are repaid and in the absence of restrictions on dividend payments in any future credit arrangements to the Company.

Distributions from the Company, if any, will normally be made in cash. The distributions will not be predictable and will depend on the realization of or distributions from underlying investments. Investors should not expect any, or any level of, distributions from the Company.

Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not NOK

The Shares will be priced and traded in NOK on the Oslo Stock Exchange and any future payments of dividends on the Shares will be denominated in NOK. Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account, will, however, receive a letter asking them to provide their foreign bank details for receiving the dividend. The dividend will then be transferred into their local bank account in their local currency, as exchanged from the NOK amount distributed through the VPS. The exchange rate(s) that is applied will be DNB Bank ASA's rate on the date of issuance. Exchange rate movements of NOK will therefore affect the value of these dividends and distributions for investors whose principal currency is not NOK. Further, the market value of the Shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the Shares and of any dividends paid on the Shares for an investor whose principal currency is not NOK.

Pre-emptive rights may not be available to U.S. holders

In accordance with Norwegian law, prior to issuance of any shares for consideration in cash, the Company must offer holders of then-outstanding shares pre-emptive rights to subscribe and pay for a sufficient number of shares to maintain their existing ownership percentages, unless these rights are waived at a general meeting of the shareholders. These pre-emptive rights are generally transferable during the subscription period for the related offering and may be quoted on the OSE. U.S. holders of the shares, and possibly holders of shares in other jurisdictions as well, may not be able to receive trade or exercise pre-emptive rights for shares in the Company unless a registration statement under the Securities Act (or similar provisions in other jurisdictions) is effective with respect to such rights or an exemption from the registration requirements of the Securities Act is available. The Company is not currently subject to the reporting requirements of the U.S. Securities and Exchange Act of 1934 (the "U.S. Exchange Act"), or any other foreign jurisdiction reporting requirements, and currently has no intention to subject itself to such reporting. If U.S. holders of the shares, or possibly holder of shares in other jurisdictions, are not able to receive trade or exercise pre-emptive rights granted in respect of their shares in any issue of shares by the Company, then they may not receive the economic benefit of such rights. Any such rights may, at the sole discretion of the Company, be sold on behalf of such shareholders and such shareholders may receive any profits from such sale, but any profit will depend on the prevailing market prices for the pre-emptive rights. In addition, such shareholder's proportionate ownership interests in the Company will be diluted.

3 RESPONSIBILITY FOR THE PROSPECTUS

The Board of Directors of Axxis Geo Solutions ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

6 November 2019

The Board of Directors of Axxis Geo Solutions ASA

Rolf Rønningen *Chairman*	Eirin Inderberg *Board member*
Njål Sævik *Board member*	Vibeke Fængsrud *Board member*
Nina Skage *Board member*	Andreas C. Pay *Board member*

4 GENERAL INFORMATION

4.1 The approval of this Prospectus by the Norwegian Financial Supervisory Authority

This Prospectus has on 6 November 2019 been approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (the "**Norwegian FSA**"), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval shall not be considered as an endorsement of the issuer that is the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Shares. The Prospectus is valid for a period of 12 months from the date of approval by the Norwegian FSA.

4.2 Simplified prospectus in accordance with Article 24 of the EU Prospectus Regulation

The Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129.

4.3 Date of information

The information contained in this Prospectus is current as at the date of the Prospectus and is subject to change or amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, every significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Shares and which arises or is noted between the time of approval of this Prospectus by the Norwegian FSA and the listing, will be included in a supplement to this Prospectus. Except as required by applicable law and stock exchange rules the Company does not undertake any duty to update the information in this Prospectus. The publication of this Prospectus shall not under any circumstances create any implication that there has been no change in the Company's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

4.4 Presentation of financial and other information

4.4.1 Financial information

On 2 July 2019, the merger between Axxis Geo Solutions AS, former Norwegian business organisation number 921 350 775 ("**AGS AS**") and the Company (as Songa Bulk ASA) was competed (the "**Merger**"). The Merger was carried out pursuant to chapter 13 of the Norwegian Public Limited Liability Companies Act, whereby the Company has assumed the assets, rights and obligations of AGS AS as a whole against issuance of consideration shares in the Company to the former shareholders in AGS AS.

The Merger is accounted for as a reverse takeover transaction whereby AGS AS is the deemed acquirer. Hence, the Merger will be recognised in accordance with IFRS 2, and hence the historical financial information of the Company going forward will be the historical financial information of AGS AS. As a consequence of the above, the financial information contained in this Prospectus will cover both the historical financial information for the Company and of AGS AS as follows:

(i) The historical financial information contained in this Prospectus related to AGS AS prior to the Merger has been derived from AGS AS' audited consolidated financial statements for the year ended 31 December 2018 and 31 December 2017, converted to comply with International Financial Reporting Standards as approved by the EU ("**IFRS**") and interpretations by IASB, as it appears in the financial statements of AGS AS as of and for the year ended 31 December 2018 (the "**AGS Financial Statements**").

(ii) The historical financial information related to the Company (formerly Songa Bulk ASA) prior to completion of the Merger has been derived from the Company's audited consolidated financial statements for the year ended 31 December 2018, prepared in accordance with IFRS (the "**Songa Annual Financial Statements**"), and the unaudited interim consolidated financial statements as of, and for the six months' period ended 31 June 2019 prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) as adopted by the EU (together referred to as the "**Songa Financial Statements**"). The Songa Financial Statements comprise the historical business of the Company which was discontinued after completion of the Star Bulk Transaction as further described in Section 16.1 below. The Songa Financial Statements are incorporated by reference to this Prospectus, please refer to Section 20.3.

(iii) The historical financial information related to the Company after completion of the Merger has been derived from the Company's unaudited consolidated financial report for the three and nine months ended 30 September 2019, including comparable figures for 2018 (the "**Interim Financial Information**") is incorporated by reference to this Prospectus, please refer to Section 20.3. The Interim Financial Information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**"). The Interim Financial Information has not been reviewed or audited.

The AGS Financial Statements are presented in NOK and have been audited by Ernst & Young AS ("**EY**"). The AGS Financial Statements, together with the audit report by EY, are attached to this Prospectus as Appendix B. The Songa Financial Statements are presented in USD and the Songa Annual Financial Statements have been audited by PricewaterhouseCoopers AS ("**PWC**").
In this Prospectus, references to "Norwegian kroner" or "NOK" are to the lawful currency of the Kingdom of Norway. References to "euro", "Euro", "EUR" and "€" are to the lawful currency for the time being of the member states of the EU that have adopted or may adopt the single currency introduced at the third stage of the European Economic Monetary Union pursuant to the Treaty of Rome of 25 March 1957, as amended by, inter alia, the Single European Act of 1986, the Treaty of the European Union of 7 February 1992, and the Treaty of Amsterdam of 2 October 1997, establishing the European Community. References to "U.S. Dollars", "USD", "U.S.$" and "$" are to the lawful currency of the U.S.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly.

4.4.2 Sources of industry and market data

This Prospectus contains industry and market data obtained from independent industry publications, market research, and other publicly available information. While the Company has compiled, extracted and reproduced industry and market data from external sources, the Company has not independently verified the correctness of such data. Thus, the Company takes no responsibility for the correctness of such data. The Company cautions prospective investors not to place undue reliance on the above mentioned data.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

4.5 Cautionary note regarding forward-looking statements

This Prospectus contains certain forward-looking information and statements, including, but not limited to, certain statements set forth under Section 8 "*The marine seismic industry and market overview*" and Section 9 "T*he Business of the Group*" and elsewhere in this Prospectus. Such forward-looking information and statements are based on the current, estimates and projections of the Company or assumptions based on the information currently available to the Company. Such forward-looking information and statements reflect current views with respect to future events and are subject to risks, uncertainties and assumptions. The Company cannot give assurance to the correctness of such information and statements. The forward-looking information and statements can generally be identified by the fact that they do not relate only to historical or current facts. The forward-looking statements can be identified by the use of forward-looking terminology, including the terms "assumes", "projects", "forecasts", "estimates", "expects", "anticipates", "believes", "plans", "intends", "may", "might", "will", "would", "can", "could", "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. They appear in a number of places throughout this Prospectus and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial position, operating results, liquidity, prospects, growth, strategies and the industry in which the Group operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve and are subject to known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements.

The information contained in this Prospectus identifies additional factors that could affect the Group's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all Sections of this Prospectus and, in particular, Section 2 "*Risk factors*" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Company.

These forward-looking statements speak only as of the date on which they are made. Save as required according to Article 23 of the EU Prospectus Regulation, the Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

5 REASONS FOR THE PRIVATE PLACEMENT AND THE SUBSEQUENT OFFERING; USE OF PROCEEDS

The Company raised gross proceeds of approximately NOK 225 million through the Private Placement completed on 10 October 2019. Transaction costs and all other directly attributable costs in connection with the Private Placement that will be borne by the Company are approximately NOK 12.0 million excluding VAT. In addition, NOK 3.6 million has incurred in guarantee commission to underwriters, resulting in net proceeds of approximately NOK 209.4 million from the Private Placement. The proceeds raised through the Private Placement will serve several purposes, including:

i. to fund further growth and capital expenditures needed to meet increased ocean bottom node activity, upscaling its operations with a second crew as well as general corporate purposes (approximately USD 10 million);

ii. to strengthen the working capital balance by repaying trade debt (approximately USD 6 million); and

iii. to repay USD 7.5 million of the promissory note to TGS in regard to the Utsira multi-client library investment. Upon such repayment, the total outstanding amount under the promissory note is USD 6.7 million.

The purpose of the Subsequent Offering is to enable all Eligible Shareholders to subscribe for Shares in the Company at the same price as in the Private Placement, thus limiting dilution of their shareholding. Eligible Shareholders are shareholders of the Company as of 10 October 2019 (as registered with the VPS on the Record Date) and who are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action, except for shareholders being allocated Private Placement Shares in the Private Placement. If the Subsequent Offering is fully subscribed for, the Company will raise an additional NOK 50 million in gross proceeds. The proceeds raised through the Subsequent Offering will serve the same purposes as the proceeds raised through the Private Placement, as described above.

6 THE PRIVATE PLACEMENT

6.1 Overview

On 10 October 2019, the Company announced a fully allocated Private Placement raising gross proceeds of approximately NOK 225 million, at a subscription price of NOK 6.00 per Private Placement Share. The Private Placement took place through an accelerated bookbuilding process managed by the Managers as Joint Bookrunners after close of the Oslo Stock Exchange on 10 October 2019.

The Private Placement is divided into two tranches, and applicants were allocated Private Placement Shares between Tranche 1 and Tranche 2 of the Private Placement:

- Tranche 1 consists of 9,435,074 Shares (the "**Tranche 1 Private Placement Shares**") and was issued on 16 October 2019 based on the authorisation granted to the Board of Directors by the Company's annual general meeting held on 16 May 2019. The settlement date for Tranche 1 of the Private Placement was 15 October 2019, and the applicants received existing and unencumbered shares in the Company already listed on Oslo Axess, pursuant to a share lending agreement between Songa Investments AS, Havila Holding AS, Rome AS and Bjarte Bruheim, the Managers and the Company. The share loan was settled with new Shares (the Tranche 1 Private Placement Shares) in the Company issued on 16 October 2019 and registered on a separate ISIN pending publication of this Prospectus.

- Tranche 2 consists of 28,064,926 Shares (the "**Tranche 2 Private Placement Shares**") and was issued on 4 November 2019 upon approval by the extraordinary general meeting of the Company held on 1 November 2019 (the "**EGM**"). The Tranche 2 Private Placement Shares are registered on a separate ISIN pending publication of this Prospectus.

Transaction costs and all other directly attributable costs in connection with the Private Placement that will be borne by the Company are approximately NOK 12.0 million excluding VAT. In addition, NOK 3.6 million has incurred in guarantee commission to underwriters, resulting in net proceeds of approximately NOK 209.4 million from the Private Placement.

Neither the Company nor any of the Managers will charge any expenses directly to any investor in connection with the Private Placement.

6.2 Resolutions to issue the Private Placement Shares

The Tranche 1 Private Placement Shares were on 11 October 2019 resolved to be issued by the Board of Directors in accordance with the following authorisation granted by the Company's annual general meeting on 16 May 2019:

1. *The board of directors is authorised to increase the Company's share capital by up to NOK 13,155,431 (calculated based on the share capital following completion of the Merger). The authorisation may be used one or several times. Registration and use of the authorisation is conditional on completion of the Merger.*
2. *The authorisation may be used to finance a ramp-up of activities or new seismic projects.*
3. *The authorisation is valid until the annual general meeting in 2020 and will in all cases expire on 30 June 2020.*
4. *The shareholders' preferential rights to subscribe for shares pursuant to section 10-4 of the NPLCA, may be waived, cf. section 10-5.*
5. *The authorisation includes share capital increases by contribution in kind and a right to inflict special obligations on the Company, cf. section 10-2 of the NPLCA.*
6. *The authorisation does not include resolutions on mergers pursuant to section 13-5 of the NPLCA.*

The Tranche 2 Private Placement Shares were resolved to be issued by the EGM on 1 November 2019 in accordance with the following:

1. *The Company's share capital is increased with NOK 39,131,241.94406762 by issuance of 28,064,926 new shares, each with a par value of NOK 1,39431124614644.*
2. *The subscription price is NOK 6 per share.*
3. *Existing shareholders' pre-emptive rights to subscribe the new shares in accordance with section 10-4 first paragraph in the Norwegian Public Limited Liability Companies Act (the "NPLC") are set aside in accordance with section 10-5 of the NPLC.*
4. *The new shares shall be subscribed by the Company's managers in the Private Placement ABG Sundal Collier ASA, Fearnley Securities AS and/or SpareBank 1 Markets AS on behalf of, and pursuant to proxies from, the investors participating in and being allocated shares by the Board in the Private Placement. Subscription shall be made on a separate subscription form.*
5. *The deadline to subscribe the new share is the date for the general meeting.*
6. *The subscription amount shall be paid in cash to the Company's bank account no later than the day for the general meeting.*
7. *The new shares entitle the holder to dividend and other shareholder rights as from the time of registration of the share capital increase with the Register of Business Enterprises.*
8. *The Company's costs associated with the placement, primarily linked to fees to financial and legal advisers as well as registration fees etc., are estimated to approximately MNOK 11,7 ex VAT. In addition, it is incurred MNOK 3,6 in guarantee commission.*
9. *Section 4 of the Company's articles of association is amended to read:*

   "The share capital of the company is NOK 81,999,356.54426363 divided into 58,809,937 shares, each with a par value of NOK 1.39431124614644. The Company's shares shall be registered in the Norwegian Central Securities Depository ASA (VPS)."

The allocation principles, in accordance with normal practice for institutional placements, have included criteria such as current ownership in the Company, timelines of the application, price leadership, relative order size, sector knowledge, perceived investor quality and investment horizon.

The Board of Directors and the general meeting has resolved to set aside the shareholders' preferential rights to subscribe for the Private Placement Shares. The Board of Directors, together with the Company's management and the Managers, has considered various transaction alternatives to secure new financing. Based on an overall assessment, taking into account inter alia the need for funding, subscription price, execution risk, possible alternatives and overall costs, the Board of Directors has on the basis of careful considerations decided that the Private Placement is the alternative that best protects the Company's and the shareholders' joint interests. Thus, a waiver of the preferential rights for existing shareholders to subscribe shares has been proposed waived as this was considered necessary and to be in the Company's best interest.

6.3 Shareholders' rights attached to the Private Placement Shares

The rights attached to the Private Placement Shares will be the same as those attached to the Company's existing Shares and will rank *pari passu* with existing Shares in all respects.

The Private Placement Shares are currently registered on a separate ISIN pending publication of this Prospectus upon which they will be transferred to the Company's ordinary ISIN. The Private Placement Shares are expected to be listed on Oslo Axess on or about 7 November 2019, without application for admission to trading on the Oslo Axess.

The Company's registrar is DNB Bank ASA, Registrar Department, N-0191 Oslo, Norway.

See Section 15.12 "*Certain aspects of Norwegian corporate law*" for more details regarding shareholding in a Norwegian public limited liability company.

6.4 Dilution

The immediate dilutive effect on the ownership of the Company's shareholders who did not participate in the Private Placement was approximately 63.76%.

The net asset value per existing Share as at 30 September 2019 was NOK 7.82982 calculated as total equity divided by the number of outstanding Shares as per 30.09.19.

6.5 The Company's share capital following the Private Placement

Upon issuance of the Private Placement Shares, the Company's share capital is NOK 81,999,356.54426363 divided into 58,809,937 Shares, each with a par value of NOK 1.39431124614644.

See Section 15 "*Corporate information, regulatory disclosures and description of the share capital*" for a more detailed description of the Company's share capital.

6.6 Participation of major shareholders and members of the Management and Board of Directors

The table below provides an overview of the major shareholders, members of the Management and the Board of Directors who have subscribed for shares in the Private Placement, including the numbers of Private Placement Shares allocated to such persons:

Investor	Total Private Placement Shares	Share of the Private Placement:
Havila Holding AS	12,393,393	33.05%
Songa Investments AS	3,000,000	8.00%
Rolf Rønningen	17,000	0.05%
Svein Knudssen (Copenhagen AS)	17,000	0.05%
Kristian Zahl (Nessekongen AS)	16,666	0.04%

6.7 Managers and advisors

ABG Sundal Collier ASA, Fearnley Securities AS and SpareBank 1 Markets AS are acting as Managers and Advokatfirmaet Schjødt AS is acting as legal advisor to the Company in connection with the Private Placement.

6.8 Interests of natural and legal persons involved in the Private Placement

The Managers and their affiliates may have interests in the Private Placement as they have provided from time to time, and may provide in the future, services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers, their employees and any affiliate may currently own existing Shares in the Company. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

For managing the Private Placement, the Managers will receive a success based fee and commission in this regard. The fee is a fixed percentage fee, calculated on the basis of the gross proceeds raised in the Private Placement. Thus, the Managers have an interest in the Private Placement.

Further, in connection with the Private Placement, the Company entered into an underwriting agreement with Havila Holding AS, Rome AS, TRH AS, Ronja Capital AS, Ajea Invest AS, Stette Invest AS and Kjølås Stansekniver AS (jointly the "**Underwriters**"), whereby the Underwriters guaranteed for the subscription of Private Placement Shares in the amount of up to NOK 120,000,000. As consideration, the Company has agreed to pay a commission to the Underwriters of 3% of the guaranteed amount.

Other than what is set out above, the Company is not aware of any other interests (including conflict of interests) of natural and legal persons involved in the Private Placement.

7 THE SUBSEQUENT OFFERING

7.1 Overview

The Subsequent Offering consists of an offer by the Company to issue up to 8,333,333 Offer Shares, each with a par value of NOK 1.39431124614644, at a Subscription Price of NOK 6.00 per Offer Share, being equal to the subscription price in the Private Placement. Subject to all Offer Shares being issued, the Subsequent Offering will result in approximately NOK 50 million in gross proceeds.

The purpose of the Subsequent Offering is to enable the Eligible Shareholders to subscribe for Shares in the Company at the same price as in the Private Placement, thus limiting dilution of their shareholding. Eligible Shareholders who are beneficiaries of the Subsequent Offering, are shareholders of the Company as of close of trading 10 October 2019 (as registered with the VPS on the Record Date), who were not allocated shares in the Private Placement and who are not resident in a jurisdiction where such offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus filing, registration or similar action.

Eligible Shareholders will be granted non-transferable Subscription Rights that, subject to applicable laws, provide a preferential right to subscribe for, and be allocated, Offer Shares in the Subsequent Offering. Subscription without subscription rights in the Subsequent Offering will not be allowed, however, over-subscription (i.e., subscription for more Offer Shares than the number of Subscription Rights held by the subscriber entitles the subscriber to be allocated) will be permitted.

Subscription Rights and Offer Shares will not be issued or sold in certain jurisdictions or to residents of certain jurisdictions. For further information see Section 19 "*Selling and transfer restrictions*".

7.2 Use of proceeds

The net proceeds from the Subsequent Offering are expected to be approximately NOK 47.3 million, assuming that all the Offer Shares are issued. For a description of the use of such proceeds, see Section 5 "*Reasons for the private placement and subsequent offering*".

7.3 Resolution regarding the Subsequent Offering and the issue of the Offer Shares

On 1 November 2019, the EGM the granted the Board of Directors with an authorization to increase the share capital of the Company *inter alia* in connection with the Subsequent Offering:

1. *The Board of Directors is authorized to increase the share capital in one or more share issues in a total amount not exceeding NOK 42,406,540.50 (50% of the existing share capital subtracted the proxy granted 16.05.2019 of NOK 1,700,911).*
2. *The authorization may be used to issue shares in subsequent repair issue or for general corporate purposes.*
3. *The preferential rights of existing shareholders pursuant to section 10-4, first paragraph of the Public Limited Companies Act, cf. section 10-5, may be waived.*
4. *The Board of Directors will determine the further subscription terms*
5. *The authorization only allows a capital increase against payment in cash. The authorization applies to mergers, cf. section 13-5 of the Public Limited Companies Act.*
6. *The authorization expires at the annual general meeting in 2021, however, not later than 30 June 2021.*
7. *The Board of Directors is authorized to amend the Company's Articles of Association to reflect new number of shares and share capital*

On 4 November 2019, the Board of Directors passed the following resolution in relation to the Subsequent Offering:

1. *The Company's share capital is increased with minimum NOK 1.39431124614644 and maximum NOK 11,619,259.91978325 by issuance minimum 1 new share and maximum 8,333,333 new shares, each with a nominal value of NOK 1.39431124614644.*
2. *The subscription price is NOK 6 per share.*
3. *Existing shareholders' pre-emptive rights to subscribe the new shares in accordance with section 10-4 first paragraph in the Norwegian Public Limited Liability Companies Act (the "NPLC") are set aside in accordance with section 10-5 of the NPLC.*
4. *The new shares may be subscribed by the Company's shareholders as per close of trading on 10 October 2019 (as registered with VPS on 14 October 2019) that did not participate in the capital increase resolved on 1 November 2019, and that are not resident in a jurisdiction where subscription would be unlawful or (besides for Norway) will require any prospectus or similar. The shareholders who are eligible to participate in the capital increase will be granted 1.07 non-transferrable subscription rights per share owned at close of trading 10 October 2019 (as registered with VPS on 14 October 2019). Each subscription right entitles to subscribe for 1 share. Subscription without subscription rights are not possible. Over-subscription is allowed. Subscription shall be made on a separate subscription form.*
5. *The subscription period for the new shares is from and including 7 November 2019 to and including 21 November 2019. If a prospectus for the share issue has not been made public on 6 November 2019, the subscription period shall be amended accordingly with the delay in the publication of the prospectus, provided however, that the subscription period cannot start later than 11 November 2019.*
6. *The subscription amount shall be paid in cash to a dedicated settlement account with ABG Sundal Collier ASA no later than 25 November.*
7. *The new shares entitle the holder to dividend and other shareholder rights as from the time of registration of the share capital increase with the Register of Business Enterprises.*
8. *The Company's costs associated with the private placement, primarily linked to fees to financial and legal advisers as well as registration fees etc., are estimated to approximately NOK 2 700 000 ex VAT.*
9. *Section 4 of the Company's articles of association is amended to reflect the new share capital and the new number of shares following the share capital increase.*

7.4 Timetable for the Subsequent Offering

Last day of trading in the Shares including the Subscription Rights	10 October 2019
First day of trading in the Shares excluding the Subscription Rights	11 October 2019
Record Date	14 October 2019
Subscription Period commences	7 November 2019 at 09:00 (CET)
Subscription Period ends	21 November at 16:30 (CET)
Allocation of the Offer Shares	On or about 22 November 2019
Distribution of allocation letters	On or about 22 November 2019
Publication of the results of the Subsequent Offering	On or about 22 November 2019
Payment Date	On or about 25 November 2019
Registration of new share capital in the Norwegian Register of Business Enterprises	On or about 29 November 2019
Delivery of the Offer Shares	On or about 2 December 2019
Listing of and commencement of trading in the Offer Shares on Oslo Axess	On or about 2 December 2019

The Company will use the information system of the Oslo Stock Exchange to publish information with respect to the Subsequent Offering, such as changes to the indicative dates set out in the table above, the results of the Subsequent Offering and any extension of the Subscription Period. Such information will be published under the trading symbol for the Shares of the Company, "AGS", and also be made available on the Company's website, www.axxisgeo.com.

The existing shareholders' pre-emptive rights pursuant to section 10-4 of the Norwegian Public Limited Liability Companies Act are deviated from in order to give the shareholders that were not allocated Shares in the Private Placement the opportunity to reduce the dilution they experienced as a result of the Private Placement.

7.5 Subscription Price

The Subscription Price in the Subsequent Offering is NOK 6.00 per Offer Share, being the same as the subscription price in the Private Placement. No expenses or taxes are charged to the subscribers in the Subsequent Offering by the Company or the Managers.

7.6 Subscription Period

The Subscription Period will commence on 7 November 2019 at 09:00 (CET) and end on 21 November 2019 at 16:30 (CET). The Subscription Period may not be revoked, extended or shortened prior to the end of the Subscription Period.

7.7 Eligible Shareholders

Shareholders of the Company as of close of trading 10 October 2019, as registered in the Company's shareholder register with the VPS on 14 October 2019 (the Record Date), and who were not allocated shares in the Private Placement, will be granted non-transferable Subscription Rights that, subject to applicable law, provide preferential rights to subscribe for, and be allocated, Offer Shares in the Subsequent Offering at the Subscription Price.

Provided that the delivery of traded Shares was made with ordinary T+2 settlement in the VPS, Shares that were acquired on or before 8 October 2019 will give the right to receive Subscription Rights, whereas Shares that were acquired from and including 9 October 2019 will not give the right to receive Subscription Rights.

7.8 Subscription Rights

Eligible Shareholders will be granted non-transferable Subscription Rights giving a preferential right to subscribe for, and be allocated, Offer Shares in the Subsequent Offering. Each Eligible Shareholder will, subject to applicable securities laws, be granted 1.07 Subscription Rights for each existing Share registered as held by such Eligible Shareholder on the Record Date, rounded down to the nearest whole Subscription Right. Each Subscription Right will, subject to applicable securities laws, give the right to subscribe for and be allocated one Offer Share in the Subsequent Offering.

The Subscription Rights will be credited to and registered on each Eligible Shareholder's VPS account on or about 7 November 2019. The Subscription Rights will be distributed free of charge to Eligible Shareholders. The Subscription Rights are non-transferable and will accordingly not be listed on any regulated market place.

The Subscription Rights may be used to subscribe for Offer Shares in the Subsequent Offering before the expiry of the Subscription Period on 21 November 2019 at 16:30 (CET).

Subscription Rights that are not exercised before 16:30 (CET) on 21 November 2019 will have no value and will lapse without compensation to the holder. Holders of Subscription Rights should note that subscriptions for Offer Shares must be made in accordance with the procedures set out in this Prospectus and that the Subscription Rights does not in itself constitute a subscription of Offer Shares. The Subscription Rights are non-transferable.

Subscription Rights of Eligible Shareholders resident in jurisdictions where the Prospectus may not be distributed and/or with legislation that, according to the Company's assessment, prohibits or otherwise restricts subscription for Offer Shares (the "**Ineligible Shareholders**") will initially be credited to such Ineligible Shareholders' VPS accounts. Such credit specifically does not constitute an offer to Ineligible Shareholders to subscribe for Offer Shares. The Company will instruct the Managers to, as far as possible, withdraw the Subscription Rights from such Ineligible Shareholders' VPS accounts with no compensation to the holder.

7.9 Subscription Procedures

Subscriptions for Offer Shares must be made by submitting a correctly completed subscription form, attached hereto as Appendix C (the "**Subscription Form**") to either of the Managers during the Subscription Period, or may, for subscribers who are residents of Norway with a Norwegian personal identification number, be made online as further described below.

Eligible Shareholders will receive Subscription Forms that include information about the number of Subscription Rights allocated to the Eligible Shareholder and certain other matters relating to the shareholding.

Correctly completed Subscription Forms must be received by either of the Managers no later than 16:30 (CET) on 21 November 2019 at the following postal or email addresses:

ABG Sundal Collier ASA	Fearnley Securities AS	SpareBank 1 Markets AS
Munkedamsveien 45E, Vika Atrium P.O. Box 1444 Vika NO-0115 Oslo Norway Tel: +47 22 01 60 00 E-mail: subscription@abgsc.no	Grev Wedels Plass 9 P.O. Box 1158 Sentrum NO-0107 Oslo Norway Tel: +47 22 93 60 00 E-mail: tegninger@fearnleys.no	Olav V's gate 5 P.O. Box 1398 Vika NO-0114 Oslo Norway Tel: +47 24 14 74 00 E-mail: subscription@sb1markets.no

Subscribers who are residents of Norway with a Norwegian personal identification number may also subscribe for Offer Shares through the VPS online subscription system (or by following the link on www.abgsc.no, www.fearnleysecurities.no or www.sb1markets.no which will redirect the subscriber to the VPS online subscription system). All online subscribers must verify that they are Norwegian residents by entering their national identity number (*Nw.: personnummer*). The VPS online subscription system is only available for individual persons and is not available for legal entities; legal entities must thus submit a Subscription Form in order to subscribe for Offer Shares. Subscriptions made through the VPS online subscription system must be duly registered before the expiry of the Subscription Period.

None of the Company or any of the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Managers. Subscription Forms received after the end of the Subscription Period and/or incomplete or incorrect Subscription Forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company and/or the Managers without notice to the subscriber.

Subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after having been received by the Managers, or in the case of subscriptions through the VPS online subscription system, upon registration of the subscription. The subscriber is responsible for the correctness of the information filled into the Subscription Form. By signing and submitting a Subscription Form, or by subscribing via VPS online subscription system, the subscribers confirm and warrant that they have read this Prospectus and are eligible to subscribe for Offer Shares under the terms set forth herein.

There is no minimum subscription amount for which subscriptions in the Subsequent Offering must be made. Over-subscription (i.e., subscription for more Offer Shares than the number of Subscription Rights held by the subscriber entitles the subscriber to be allocated) will be permitted, however, subscription without Subscription Rights will not be permitted.

Multiple subscriptions (i.e., subscriptions on more than one Subscription Form) are allowed. Please note, however, that two separate Subscription Forms submitted by the same subscriber with the same number of Offer Shares subscribed for on both Subscription Forms will only be counted once unless otherwise explicitly stated in one of the Subscription Forms. In the case of multiple subscriptions through the VPS online subscription system or subscriptions made both on a Subscription Form and through the VPS online subscription system, all subscriptions will be counted.

7.10 Mandatory Anti-Money Laundering Procedures and VPS account

The Subsequent Offering is subject to the Norwegian Money Laundering Act of 1 June 2018 No. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 No. 1324 (collectively, the "**Anti-Money Laundering Legislation**").

Subscribers who are not registered as existing customers of any of the Managers must verify their identity to the Managers in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing VPS account on the Subscription Form are exempted, unless verification of identity is requested by the Manager. Subscribers who have not completed the required verification of identity prior to the expiry of the Subscription Period will not be allocated Offer Shares.

Furthermore, participation in the Subsequent Offering is conditional upon the subscriber holding a VPS account. The VPS account number must be stated in the Subscription Form. VPS accounts can be established with authorised VPS registrars, who can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian FSA.

Establishment of a VPS account requires verification of identification to the VPS registrar in accordance with the Anti-Money Laundering Legislation.

7.11 Financial intermediaries

7.11.1 General

All persons or entities holding Shares or Subscription Rights through financial intermediaries (i.e. brokers, custodians and nominees) should read this Section 7.11 "*Financial intermediaries*". All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to the exercise of Subscription Rights should be determined by the financial intermediary in accordance with its usual customer relations procedure or as it otherwise notifies each beneficial shareholder.

The Company is not liable for any action or failure to act by a financial intermediary through which Shares are held.

7.11.2 Subscription Rights

If an Eligible Shareholder holds Shares registered through a financial intermediary on the Record Date, the financial intermediary will customarily give the Eligible Shareholder details of the aggregate number of Subscription Rights to which it will be entitled. The relevant financial intermediary will customarily supply each Eligible Shareholder with this information in accordance with its usual customer relations procedures. Eligible Shareholders holding Shares through a financial intermediary should contact the financial intermediary if they have received no information with respect to the Subsequent Offering.

7.11.3 Subscription Period

The time by which notification of exercise instructions for subscription of Offer Shares must validly be given to a financial intermediary may be earlier than the expiry of the Subscription Period. Such deadlines will depend on the financial intermediary. Eligible Shareholders who hold their Shares through a financial intermediary should contact their financial intermediary if they are in any doubt with respect to deadlines.

7.11.4 Subscription

Any Eligible Shareholder who is not an Ineligible Shareholder and who holds its Subscription Rights through a financial intermediary and wishes to exercise its Subscription Rights, should instruct its financial intermediary in accordance with the instructions received from such financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from the Eligible Shareholders and for informing the Managers of its exercise instructions.

A person or entity who has acquired Subscription Rights that are held through a financial intermediary should contact the relevant financial intermediary for instructions on how to exercise the Subscription Rights.

See Section 19 "*Selling and transfer restrictions*" below for a description of certain restrictions and prohibitions applicable to the exercise of Subscription Rights in certain jurisdictions.

7.11.5 Method of payment

Any Eligible Shareholder who holds its Subscription Rights through a financial intermediary should pay the Subscription Price for the Offer Shares that are allocated to it in accordance with the instructions received from the financial intermediary. The financial intermediary must pay the Subscription Price in accordance with the instructions in the Prospectus. Payment by the financial intermediary for the Offer Shares must be made to either of the Managers no later than the Payment Date. Accordingly, financial intermediaries may require payment to be provided to them prior to the Payment Date.

7.12 Allocation of the Offer Shares

Allocation of the Offer Shares will take place on or about 22 November 2019, in accordance with the following criteria:

(i) Allocation of Offer Shares to subscribers will be made in accordance with granted Subscription Rights which have been validly exercised during the Subscription Period.

(ii) If not all Subscription Rights are validly exercised during the Subscription Period, subscribers having exercised their Subscription Rights and who have over-subscribed, will be allocated additional Offer Shares on a pro rata basis based on the number of Subscription Rights exercised by each such subscriber. To the extent that pro rata allocation is not possible, the Company will determine the allocation by the drawing of lots.

(iii) No fractional Offer Shares will be allocated. The Company reserves the right to reject or reduce any subscription for Offer Shares not covered by Subscription Rights.

(iv) Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact on the subscriber's obligation to pay for the number of Offer Shares allocated.

The result of the Subsequent Offering is expected to be published on or about 22 November 2019 in the form of a stock exchange notification from the Company through the Oslo Stock Exchange information system and at the Company's website, www.axxisgeo.com. Notifications of allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber are expected to be distributed in a letter from VPS on or about 22 November 2019.

7.13 Payment for the Offer Shares

7.13.1 Payment due date

The payment for Offer Shares allocated to a subscriber falls due on 25 November 2019 (the "**Payment Date**"). Payment must be made in accordance with the requirements set out below in this Section.

7.13.2 Subscribers who have a Norwegian bank account

Subscribers who have a Norwegian bank account must, and will by signing the Subscription Form, provide the Managers with a one-time irrevocable authorisation to debit a specified bank account with a Norwegian bank for the amount payable for the Offer Shares which are allocated to the subscriber.

The specified bank account is expected to be debited on or after the Payment Date. The Managers are only authorized to debit such account once, but reserve the right to make up to three debit attempts, and the authorisation will be valid for up to seven working days after the Payment Date.

The subscriber furthermore authorises the Managers to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment. If there are insufficient funds in a subscriber's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorisation from the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue.

Payment by direct debiting is a service that banks in Norway provide in cooperation. In the relationship between the subscriber and the subscriber's bank, the standard terms and conditions for "Payment by Direct Debiting – Securities Trading", which are set out on page 2 of the Subscription Form, will apply, provided, however, that subscribers who subscribe for an amount exceeding NOK 5 million by signing the Subscription Form provide the Managers with a onetime irrevocable authorisation to manually debit the specified bank account for the entire subscription amount.

7.13.3 Subscribers who do not have a Norwegian bank account

Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date. Prior to any such payment being made, the subscriber must contact either of the Managers for further details and instructions.

7.13.4 Overdue payments

Overdue payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 9.25% per annum as of the date of this Prospectus. If a subscriber fails to comply with the terms of payment, the Offer Shares will, subject to the restrictions in the Norwegian Public Limited Liability Companies Act, not be delivered to such subscriber. The Manager, on behalf of the Company, reserves the right, at the risk and cost of the subscriber to, at any time, cancel the subscription and to reallocate or otherwise dispose of allocated Offer Shares for which payment is overdue, or, if payment has not been received by the third day after the Payment Date, without further notice sell, assume ownership to or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Managers may decide in accordance with Norwegian law. The subscriber will remain liable for payment of the subscription amount, together with any interest, costs, charges and expenses accrued and the Manager, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law.

7.14 Delivery of the Offer Shares

Subject to timely payment by the subscribers, the Company expects that the share capital increase pertaining to the Subsequent Offering will be registered with the Norwegian Register of Business Enterprises on or about 29 November 2019 and that the Offer Shares will be delivered to the VPS accounts of the subscribers to whom they are allocated on or about the next business day. The final deadline for registration of the share capital increase pertaining to the Subsequent Offering with the Norwegian Register of Business Enterprises, and hence for the subsequent delivery of the Offer Shares, is, pursuant to the Norwegian Public Limited Liability Companies Act, three months from the expiry of the Subscription Period, i.e. on 21 November 2019.

7.15 Listing of the Offer Shares

The Shares are listed on the Oslo Axess under ISIN NO 001 0778095 and ticker code "AGS".

The Offer Shares will be listed on the Oslo Axess as soon as the share capital increase pertaining to the Subsequent Offering has been registered with the Norwegian Register of Business Enterprises and the Offer Shares have been registered in the VPS. The listing is expected to take place on or about 2 December 2019. The Company's registrar in the VPS is DNB Bank ASA, Registrar Department, N-0191 Oslo, Norway (the VPS Registrar).

The Offer Shares may not be transferred or traded before they are fully paid and said registrations in the Norwegian Register of Business Enterprises and the VPS have taken place.

7.16 The rights conferred by the Offer Shares

The Offer Shares to be issued in the Subsequent Offering will be ordinary Shares in the Company each having a par value of NOK 1.39431124614644. The Offer Shares will be issued electronically in registered form in accordance with the Norwegian Public Limited Liability Companies Act.

The Offer Shares will rank pari passu in all respects with the existing Shares and will carry full shareholder rights in the Company from the time of registration of the share capital increase pertaining to the Subsequent Offering with the Norwegian Register of Business Enterprises. The Offer Shares will be eligible for any dividends that the Company may declare after such registration. All Shares, including the Offer Shares, will have voting rights and other rights and obligations which are standard under the Norwegian Public Limited Liability Companies Act, and are governed by Norwegian law. See Section 15 "*Corporate information, regulatory disclosures and description of share capital*" for a more detailed description of the Shares.

7.17 LEI number

Legal Entity Identifier ("**LEI**") is a mandatory number for all companies investing in the financial market from January 2018. A LEI is a 20-character identifier that identifies distinct legal entities that engage in financial transactions. The Global Legal Identifier Foundation ("**GLEIF**") is not directly issuing LEIs, but instead it delegates this responsibility to Local Operating Units ("**LOUs**").

Norwegian companies can apply for a LEI number through the website https://www.dnb.no/bedrift/markets/vilkaravtaler/mifid/leilogon.html. The application can be submitted through an online form and signed electronically with BankID. It normally takes one to two working days to process the application.

Non-Norwegian companies can find a complete list of LOUs at the website https://www.gleif.org/en/about-lei/getan-lei-find-lei-issuing-organizations.

7.18 VPS registration

The Subscription Rights will be registered with the VPS under ISIN NO 001 0868227. The Offer Shares will be registered with the VPS with the same ISIN as the existing Shares, i.e. ISIN NO 001 0778095.

7.19 Dilution

The immediate dilutive effect on the ownership of the Company's shareholders who did not participate in the Private Placement and whom will not participate in the Subsequent Offering is 68.26% (assuming subscription of the maximum number of Offer Shares in the Subsequent Offering).

The net asset value per existing Share as at 30 September 2019 was NOK 7.82982 calculated as total equity divided by the number of outstanding Share as per 30.09.19.

7.20 Net proceeds and expenses related to the Subsequent Offering

The Company will bear the fees and expenses related to the Subsequent Offering, which are estimated to amount to approximately NOK 2.7 million (including VAT) assuming that all the Offer Shares are issued. Hence, the total net proceeds from the Subsequent Offering are estimated to be approximately NOK 47.3 million, assuming that all the Offer Shares are issued. For a description of the use of such proceeds, see Section 7.2 "*Use of proceeds*". No expenses or taxes will be charged by the Company or any of the Managers to the subscribers in the Subsequent Offering.

7.21 Interest of natural and legal persons involved in the Subsequent Offering

The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers, their employees and any affiliate may currently own Shares in the Company. Further, in connection with the Subsequent Offering, the Managers, their employees and any affiliate acting as an investor for its own account may receive Subscription Rights (if they are Eligible Shareholders) and may exercise its right to take up such Subscription Rights and acquire Offer Shares, and, in that capacity, may retain, purchase or sell Offer Shares or Subscription Rights and any other securities of the Company or other investments for its own account and may offer or sell such securities (or other investments) otherwise than in connection with the Subsequent Offering. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Further, the Managers have received a commission in connection with the Private Placement, and will receive a further commission in the Subsequent Offering, and, as such, have an interest in the Private Placement and the Subsequent Offering, see Sections 6.8 "*Net proceeds and expenses related to the Private Placement*" and 7.20 "*Net proceeds and expenses related to the Subsequent Offering*".

Beyond the abovementioned, the Company is not known with any interest, including conflicting ones, of natural and legal persons involved in the Subsequent Offering.

7.22 Participation of major existing shareholders and members of the Management, supervisory and administrative bodies in the Subsequent Offering

The Company is not aware of whether any major shareholders of the Company or members of the Company's management, supervisory or administrative bodies intend to subscribe for Offer Shares in the Subsequent Offering, or whether any person intends to subscribe for more than 5% of the Subsequent Offering.

7.23 Publication of information relating to the Subsequent Offering

In addition to press releases which will be posted at the Company's website (www.axxisgeo.com), the Company will use the Oslo Stock Exchange's information system (www.newsweb.no) to publish information relating to the Subsequent Offering.

7.24 Governing law and jurisdiction

This Prospectus, the Subscription Forms and the terms and conditions of the Subsequent Offering shall be governed by, and construed in accordance with, and the Offer Shares will be issued pursuant to, Norwegian law. Any dispute arising out of, or in connection with, the Subscription Forms or the Subsequent Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with Oslo District Court as legal venue.

8 THE MARINE SEISMIC INDUSTRY AND MARKET OVERVIEW

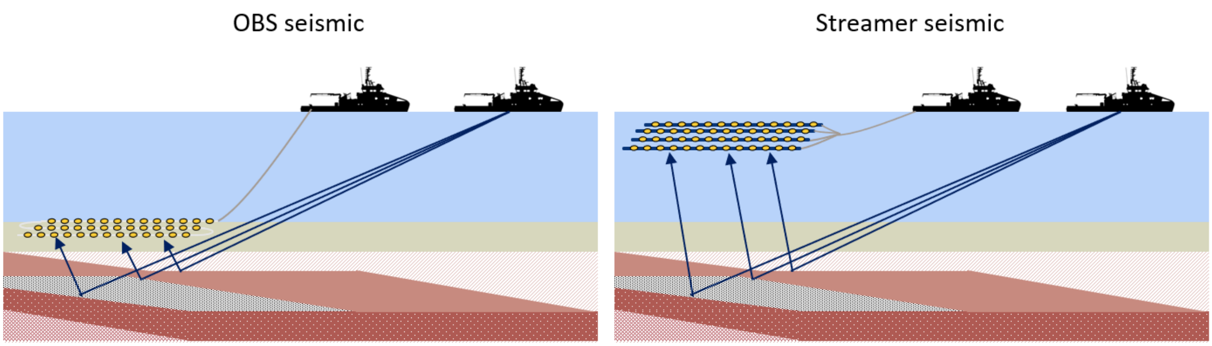
This Section discusses the industry and markets in which the Group operates. Certain information in this Section relating to market environment, market developments, growth rates, market trends, industry trends, competition and similar information are estimates based on data compiled by professional organisations, consultants and analysts, in addition to market data from other external and publicly available sources, and the AGS' knowledge of the markets. The following discussion contains forward-looking statements. Any forecasts and other forward-looking statements in this Section are not guarantees of future outcomes and these future outcomes could differ materially from current expectations. Numerous factors could cause or contribute to such differences, see Section 4.3 "Cautionary note regarding forward-looking statements" for further details.

8.1 Marine seismic industry overview

In the oil and gas industry the Exploration and Production (E&P) companies seek to minimize the risks related to their exploration, development and production. This fuels a need to obtain information about the seabed subsurface's geophysical attributes in order to better understand the structural formations and composition of subsurface materials, and especially reveal the potential for pockets of hydrocarbons in the form of oil and gas. Such data can be valuable throughout the reservoir life cycle, from exploration and development to production. Examples include better characterisation of reservoir prospects, increased drilling efficiency and being able to identify resources in new and complex plays (sub-salt etc.). Several technologies exist to acquire geophysical data, including gravimetric, magnetotelluric (MT), seismic and Controlled Source Electromagnetic (CSEM) surveying.

Seismic imaging is done by geophysicists who run seismic data through software processing using complex mathematical models to produce a map of the subsurface structures and formations. Marine seismic data are recorded by devices that detect reflected energy pulses (waves) using hydrophone and/or geophone sensors, either towed behind a streamer vessel (streamer seismic) or in the form of nodes or cables placed on the ocean bottom (ocean bottom seismic - OBS). The energy pulses are produced by compressed air released into the water or other energy sources located on a source vessel. These pulses are reflected by the different layers beneath the seabed subsurface. Through advanced mathematical interpretation the strength and duration of the different waves can create a subsurface image. As such, oil and gas companies can make more informed decisions regarding whether or not they should drill, and where to drill if the data suggests so. Seismic images also bear information about fracture patterns, lithology (types of rock), structures and fluid contents which can be used in deciding drilling and completion methods.

Illustration 8.1 *– Ocean bottom seismic (OBS) vs. streamer seismic*



Note: Streamer vessel and node-handling vessel can also function as source vessel

8.2 Historical development of marine seismic

Through the many decades of development in the seismic industry different technologies and methodologies have emerged, creating distinctions in the different applications of seismic activities. At one end of the spectrum you have single streamer seismic using only hydrophones to create two-dimensional (2D) images that are used for exploration purposes. At the other end you have stationary ocean bottom sensors equipped with three orthogonally-oriented geophones and one hydrophone known as four-component (4C) that can create a three-dimensional (3D) images over a fourth dimension, namely time, known as reservoir monitoring (4D).

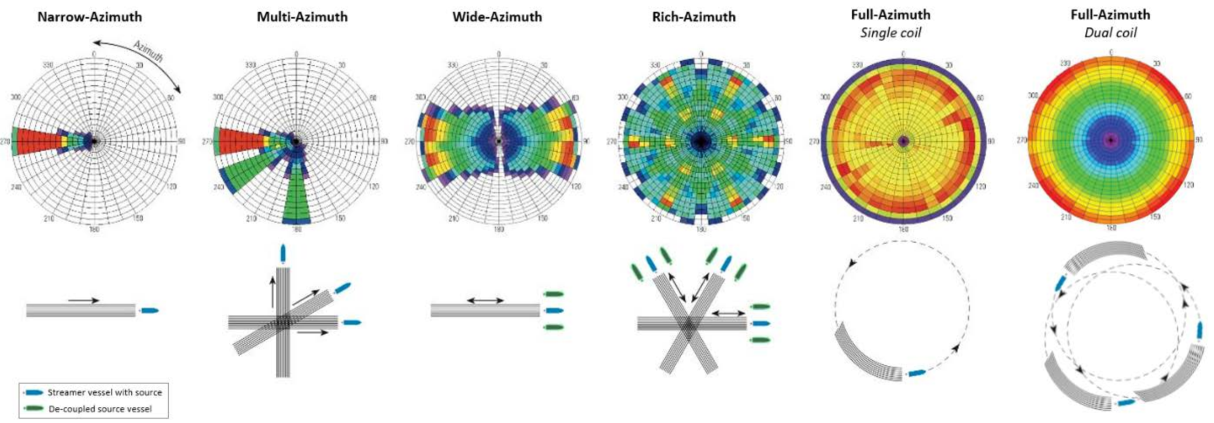
The development of current seismic technologies has been ongoing since the first use of digital recording in the 1960s. At this time digital data enabled processing and interpretation by computers, rendering the previous analogue recording technology obsolete. Experience enabled systematic corrections of errors thereby increasing the data quality substantially. Moreover, technological advances in storage, database management, computer filings and algorithms made for more consistent and reliable subsurface images.

In the 1980s 2D seismic was the dominant method to acquire information about the seabed subsurface. The marine acquisitions were done using one line fitted with receivers, known as a streamer, that were located slightly below the sea surface and towed behind a vessel. To get a better understanding of the seabed subsurface three-dimensional images were needed. Initially, geophysicists and geoscientists had to speculate on the characteristics between each slice of 2D images. However, during the 1980s the commercial development of 3D seismic acquisition progressed. Enabled by cost reductions in computer processing power and developments in acquisition methods widespread use of 3D seismic emerged. By towing several streamers in parallel behind one vessel the collected data enabled geophysicist to create more complete and comprehensive 3D images. This allowed more information to be extracted, such as geological horizons, rock types and fluid properties as well as fault planes and structures. Consequently, this made it easier for the geophysicist to pinpoint the paths of the hydrocarbons. This led to new reservoirs being discovered. Concurrently, exploration and production costs fell, accompanied by the overall risk associated with finding oil and gas.

During the period 1990-2005 adoption of the 3D seismic accelerated. Entering the 21st century, this was the industry standard and viewed as a vital pre-drill tool. Further improvements in vessel and equipment technology reduced the cost of 3D data significantly. Despite the lower costs the falling commodity prices during the end of the 1990s resulted in E&P companies handing out fewer contracts for new seismic surveys. Consequently, seismic vessel utilisations plummeted. To offset the low vessel utilisation some seismic survey companies began or started to accelerate acquisition of their own proprietary seismic data, store it in their own library, capitalise it as an asset for later sale and license it to multiple clients when demand recovered, hence the term multi-client (MC). Since the inception of the MC business model a hybrid version has emerged where the end-users cover only parts of the costs associated with the acquisition and processing, called pre-funding. This way the seismic survey companies and the E&P companies share the risks. This reduces the cost for the E&P companies, and consequently the initial revenue for the seismic survey companies. However, in return, the E&P companies accept that their competitors may purchase licences for the same data and end up competing for the same prospects, which for the seismic survey companies means subsequent revenue streams, termed late-sales.

From 2005 to 2010, there was an increase in prices of oil and gas leading E&P companies to increase their seismic survey spending substantially. Due to the historically low success rate on exploration wells E&P companies' drilling program started to become costly. As a result, there was an increased pace in innovation with emphasis on subsurface image quality. Several approaches emerged in the attempt to improve the quality. One of the developments was the increase in the number of streamers towed behind each vessel, increasing steadily in the period. Another development was the switch away from linear acquisition patterns or so-called narrow-azimuths. By shooting seismic surveys in different azimuths (directions) over the same area, the data could be combined for better image detail. This technique was termed multi-azimuth (MAZ). By also de-coupling the source from the streamer vessel and using multiple source vessels that shoot from different angels and distances, a wide-azimuth (WAZ) technique was developed. Several hybrid survey configurations of MAZ and WAZ emerged during the same period. The typical survey configurations for different azimuths are illustrated in illustration 8.2. In the same period the E&P companies grew an interest in 4D seismic, essentially acquiring seismic data over the same area over regular time intervals in order to monitor the development in producing reservoirs. This way they could better understand how the fluids and gases had moved which allowed the E&P companies to optimise oil and gas recovery rates.

Illustration 8.2 *– Azimuths at different streamer configurations*



The financial crisis in 2008 slowed growth and development somewhat but in 2010 the price of Brent crude increased, eventually reaching levels of USD 90 by year end. The activity was therefore high from the start of 2011 with high crude prices partly transferred down on the seismic contracts. Oil prices saw a strong downturn in the second half of 2014 reaching a low-point in the beginning of 2016 before prices picked up to levels between USD 40 to USD 60. In this period many seismic companies experience strained balance sheets as well as low vessel utilisation. After some time, oil prices started to recover followed by improved environment and outlook for the seismic industry. Last twelve months saw Brent crude price fluctuate between USD 50 and USD 70 with a current positive outlook on E&P spending.

8.3 Recent developments in technology and methodology

As the data acquisition efficiency has increased so has the dynamics and spending in the seismic industry. Accompanying this increase in efficiency comes a four-fold increase in spending. In absolute terms the E&P companies have allocated significantly more on seismic surveys. It is especially the increased efficiency and the ability to acquire data on large-scale regional surveys that have yielded the historically high growth in the seismic market.

Parallel to the development of streamer seismic, the Ocean Bottom Seismic (OBS) followed suit. OBS is widely viewed as the technology that provides the highest quality of seabed subsurface imaging. By placing receivers on the seabed, the noise in the data is materially reduced. Further, placing receivers on the seafloor enables measurement of earth vibrations through the three geophone sensors, enriching the data. Also, because the source is fully de-coupled from the sensors, one can achieve full-azimuth, further adding to image quality. In addition to providing higher quality images, the OBS technology also alleviated the issue with imaging structures and hydrocarbons below salt by enabling longer offsets, a problematic issue with streamer seismic. Lastly, a similar issue with streamer seismic, namely imaging below gas pockets, was mitigated by OBS equipment also recording so-called shear waves.

8.4 Ocean Bottom Seismic (OBS) technologies

8.4.1 Ocean bottom cables (OBC)

Ocean bottom cables (OBC) have historically been the most widely used equipment for OBS data collection according to one industry player.[1] The concept is based on incorporating a series of receivers along the cables which are then laid on the seabed by releasing the cable behind a vessel. Such cables are up to up 30 km long at the maximum and with receivers typically placed every 25 meters. The cables are connected either to a buoy or a vessel whereby the data are sent through the cables to the storage unit onboard the vessel/buoy. In addition, the receivers are also powered by electricity through the cables. An independent, de-coupled source vessel shoots energy pulses in a grid above the cables at the sea floor. One industry player states that OBC are being used on water depths down to ~700 meters.[1] However, it notes that cables have been used down to 2,000 meters. OBC entail advantages such as real-time control of operations as well as higher deployment speeds and lighter equipment weight relative to nodes. Disadvantages include structural vulnerability since one fracture in the cable may disable the rest. Power source failure will also disable the whole cable. In addition, the length of the cables has a maximum length due to loss of signal strength along the cable, demanding signal enhancers. Ocean bottom cables are also unsuited for ultra-deep waters as for example different layers of water currents substantially reduce precision.

Examples of seismic ocean bottom cables are Schlumberger's Q-Seabed, Seabed Geosolutions' Sercel SeaRay, ION's VectorSeis Ocean II (VSO II) and Magseis-Fairfield's Marine Autonomous System (MASS) where the latter is a hybrid system so that receivers can be detached and also function as nodes.

8.4.2 Ocean bottom nodes (OBN)

Ocean bottom nodes (OBN) are autonomous sensors powered by batteries that can either be placed on the seabed by a remotely operated vehicle (ROV) or by attaching the nodes on a rope (NOAR) and releasing the rope behind a vessel. Depending on deployment method (ROV vs. NOAR) and the sampling density (i.e. distance between nodes) OBN surveys will have a large variation in survey acquisition speed. The highest node deployment speed is obtained by NOAR but will depend on several factors such as type of node, node-handling system and the skill of the employee(s) involved if the system is not fully automated. OBN data acquisition method utilize the same principal of a de-coupled source vessel shooting over the grid on the seafloor. Nodes usually range from 30 kg to 150 kg depending on water depth, where the heaviest are used for ultra-deep waters and the lightest are used for shallow waters.

Advantages of OBN include the possibility of operating only one vessel, usability down to water depths of 4,000 meters and highly robust systems with low technical downtime. In terms of sampling density, OBN operations are relatively flexible and higher imaging quality can be achieved by using more nodes placed closer together. Compared to OBC the nodes are heavier and larger and will consequently limit the amount of equipment that can be brought on-board the vessel. Since the nodes are battery dependent and last for approximately 70 days, recollection for recharging may be necessary before a shooting is complete.

Examples of ocean bottom nodes are Magseis Fairfield's Z-series (Z100, Z700, Z3000, ZXPLR and ZLoF) and MASS hybrid system, Seabed Geosolutions' Manta and CASE Abyss, Geospace Technologies' OBX-series (OBX 60, OBX 90, OBX 150 and OBX 750E) and in April's A3000. Of these companies, Geospace Technologies, Magseis Fairfield and in April offer nodes for lease or purchase.

8.5 Ocean bottom seismic (OBS) applications

Application of seismic data can be categorised into two segments; exploration and appraisal & development. The latter also include acquisition over producing fields. The first category, exploration, is the search for new oil and

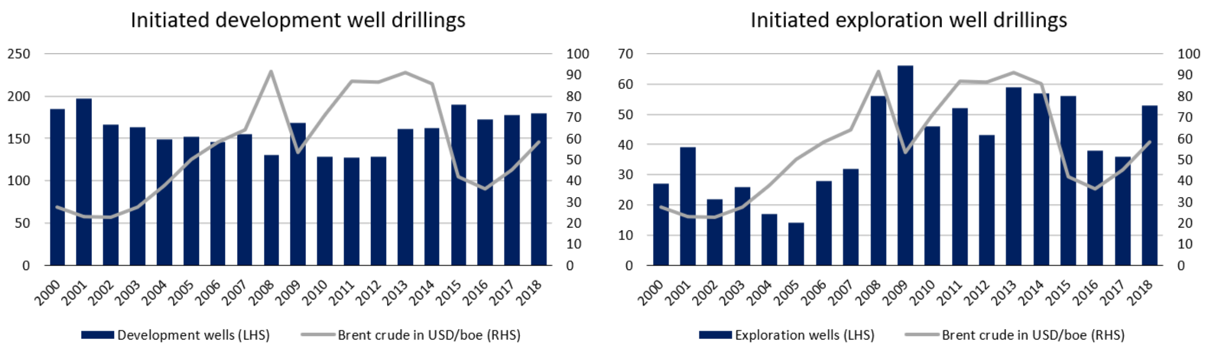
[1] Magseis Prospectus, December 2018

gas reserves. The second category comprise of field appraisal and development programs of already discovered reserves of hydrocarbons.

OBS has historically been used for production and field appraisal purposes in close proximity to offshore infrastructure or newly discovered reserves. One of the main reasons for this is the apparent less cost-efficient acquisition method when compared to streamer seismic. The higher costs and longer durations of surveys are the results of the nature of operations such as limitations on deployment speeds, recovery speeds and the amount of equipment that can be brought onboard and later deployed in one operation. It therefore makes more sense to pay more when you first have a discovery confirmed and want more detailed images of the reservoir to know where and how to drill. In addition, OBS is better suited close to infrastructure.

Historically, the spending on producing fields or fields under development has been less volatile and exerted less cyclicality compared to exploration spending. This is mainly because of the more long-term characteristics of the investment decision in these fields, making them harder to unwind. Additionally, these fields are lower risk investments when comparing them to exploration which results in exploration being the first thing to cut during cost savings. As a result, production seismic, maximising output from fields in production, stays a priority relative to exploration seismic which may be scaled back during downturns. This effect can be observed more clearly when looking at the number of drilled development wells and drilled exploration wells on the Norwegian Continental Shelf (NCS) relative to the prevailing oil price at the time. As illustrated in illustration 8.3 the number of drilled exploration wells increase after a time of increasing oil price while a decline in the oil price typically leads to a decline in drilled exploration wells the year after. The graph also illustrates how the number of drilled exploration wells move in waves, exerting cyclicality. These features are not apparent for development wells. Albeit slight fluctuations appear, the overall pictures depict a fairly stable number of drilled development wells with low correlation with the oil price. Given the shorter contracts in the seismic industry, OBS investments will exert more cyclicality than development drilling. However, OBS should remain less cyclical over time compared to streamer seismic, due to the strong link to production spending.

Illustration 8.3 *– Drilled development wells vs. drilled exploration wells on the Norwegian Continental Shelf*



Source: Norwegian Petroleum Directorate, Factpages (Wellbore). Data available at:
http://factpages.npd.no/factpages/Default.aspx?culture=en (accessed 7 May 2019 16:36)

8.6 Selection of typical clients in the seismic industry

Seismic data are sold to oil and gas companies working with exploration and production. There are numerous of these, typically categorised as either major, national or independent oil companies. In table 8.1 below, a selection of typical clients to the seismic companies is presented.

***Table 8.1** – Selection of typical clients in the seismic industry*

Major oil companies	bp	Anadarko / ExxonMobil	Shell	Repsol	eni	equinor	Total	Chevron
National oil companies	CNPC	ONGC	BR Petrobras	Pemex	OMV	ADNOC	Saudi Aramco	
Independent oil companies	AkerBP	Lundin Petroleum	Cairn	Tullow Oil	Rosneft	Perenco		

8.7 Competitive landscape in the marine seismic industry

The industry includes geological, geophysical and reservoir services, technical software, survey services, multi-client (MC) sales, seismic data processing and contract seismic sales, among others. Many companies that offer services to the offshore sector may provide these services either internally or as a part of a package where some services are outsourced. Most similar to AGS' business operations are the marine seismic acquisition companies that acquire seismic data through seismic surveys and sell the data to the E&P companies. Several companies exist, and a non-exhaustive list of the most notable players is presented in table 8.2. Many of the mentioned players are listed in Norway on the Oslo Stock Exchange. Although the companies are providing similar services, they differentiate themselves in several matters such as geographies, bathymetry, survey designs, equipment, methodology and services as well as sales model (MC vs. Contract sales) and exploration vs. production seismic to name some.

***Table 8.2** – Major companies within marine seismic data acquisition surveying*

Ticker	Company	Country	Ticker	Company	Country
AGS-NO	AGS	Norway	TGS-NO	TGS	Norway
MSEIS-NO	magseis fairfield	Norway	SAEX-US	SAExploration	US
IO-US	ion	US	Private	Seabed	Netherlands
PGS-NO	PGS	Norway	Private	Shearwater	Norway
PLCS-NO	Polarcus	United Arab Emirates	Private	OceanGeo	US
SBX-NO	SeaBird Exploration	Cyprus	Private	CNPC BGP	China
CGG-FR	CGG	France			

In the OBS segment of the seismic industry the OBC and OBN players have different equipment and as such different specifications. Typically, the critical factors are production rates and addressable water depth. These differences prevent certain players to tender on the same surveys due to their lack of eligibility. In practice this reduces the actual competition where in some cases only two or three players compete for the same contract. Of the companies in table 8.2 the majority are either pure streamer seismic players or have their main focus on the aforementioned. These include CGG, which is an integrated geophysical company, PGS, TGS (acquisition of Spectrum completed in August 2019), SeaBird Exploration, Polarcus and Shearwater GeoServices. Key OBS players include AGS, Magseis Fairfield, ION, SAExploration, Seabed Geosolutions, which is a joint venture between CGG and Fugro, and OceanGeo, a subsidiary of ION. BGP has both streamers and OBS equipment and tends to partner with other seismic companies. The revenue streams from seismic data acquisitions usually falls in one of two categories; contract sales and multi-client (MC) sales. SeaBird Exploration, Shearwater GeoServices, Seabed Geosolutions, SAExploration, OceanGeo and Magseis Fairfield operate mainly on contract. TGS on the other side is a pure-play MC company. Several companies utilize both types of business models using acquisition of data for a multi-client library as a buffer that can ensure utilisation in periods without contracts. CGG, BGP, ION, PGS and Polarcus operate such business models. To the best of AGS management's knowledge it does not exist any material OBS multi-client libraries to this day. This leaves an opportunity on the table that AGS will seek to capitalise on.

8.8 Geographies and their typical characteristics

Oil and gas reserves are found on all continents with seismic surveys taking place in all these regions. Many of the major reserves are found on the Norwegian Continental Shelf (NCS), outside Brazil, in the US Gulf of Mexico (GoM), on the coast of West-Africa and in the Middle East to mention a few. Ocean bottom geology and water depth vary from location to location and some technologies and methodologies are therefore better suited than other for particular locations. AGS will in the beginning focus on shallow and midwater depths which means that the following geographies are most applicable; NCS, Asia, Middle East, US GoM, Mexico, West-Africa and the Barents Sea. Given that the water depths in these regions are mostly below 300 meters, it allow AGS to deploy the nodes using NOAR. Management estimate that geographies in the shallow and midwater segment account for approximately 70-80% of the OBS market. It is thus the largest part of the OBS market and the least costly to serve.

***Table 8.3** – Geographies: geology, water depth, acquisition methodology and share of market*

	Shallow and midwater (<300m)	Deep water
Geography	▪ North Sea ▪ Asia ▪ Middle East ▪ US GoM ▪ Mexico ▪ West-Africa ▪ Barents Sea	▪ US GoM ▪ Brazil ▪ West-Africa
Acquisition methodology	▪ Rope ▪ ROV ▪ Cable	▪ ROV
% of OBS market	70%-80%	20%-30%

Note: Management assessment and estimates

8.9 Contract seismic services vs. multi-client seismic projects

8.9.1 Contract seismic services

Contract sales are sales from contracts entered into directly with the client. Pricing can either be based on the prevailing spot market prices at the time or negotiated on a project to project basis. Contracted surveys usually range from one to six months in duration and can include options to extend surveys to seasonal and multi-year contract terms. The relevant E&P companies typically issue invitations to tender directly to the various seismic survey providers. This is usually done within two to six months prior to the expected initiation of the project survey. Invitation recipients are at the sole discretion of the E&P company with direct awards being rare but not unheard of. With tenders two to six months prior, the awards are usually given somewhere between one to four months before commencement. The tender activity level is dependent on several factors such as licensing round activity in a specific region, operational seasons which are at the mercy of weather conditions, new discoveries and the general conditions guiding E&P spending levels.

8.9.2 Multi-client seismic projects

Multi-client projects are surveys that are done without a specific contract with a client but rather undertaken by the seismic survey companies at their own risk. The intended deliverables are a fully processed region of seismic data that can subsequently be licensed to E&P companies on a non-exclusive basis. On MC surveys the seismic companies seek to reduce their risk exposure by collaborating with a client that underwrite the project by investing in a license up front, known as MC pre-funding. The commercial risk is higher than with contract sales, but in return subsequent multiple sale of licenses in the next 5 to 10 years (late sales) are expected to yield returns in excess of regular contract seismic rates. In addition to license fees paid by each new client there can also be uplift fees which are contractually committed by existing licensees when trigger events occur. Such events can include joint operating agreements, acreage awards, commencement of drilling operations, farm-ins, formation of bidding groups for purposes of bidding for acreage and M&A activity where the acquiring entity does not already own a license. The exclusive rights to market the data are still owned by the seismic company.

This business model gives E&P companies the benefit of high-quality data at a lower cost than if they were to acquire them on contract rates. However, the downside comes with lack of exclusivity to the data and limited or no influence over the survey configurations. Data can in many cases be from open acreage, or acreage that is due for full or partial relinquishment, anticipating future licensing rounds by relevant authorities. The data are used by the E&P companies for lowering risk and identifying prospects before making a bid for acreage or creating field development plans.

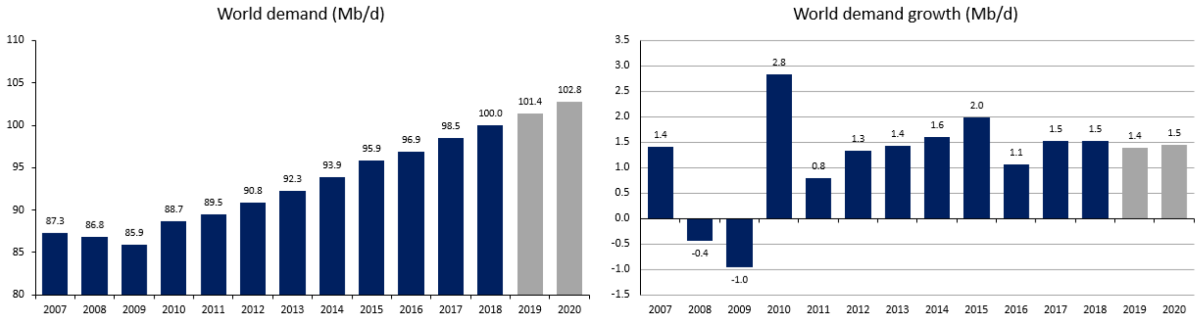
8.10 General marine seismic market drivers

E&P spending and general oil market fundamentals are key factors in determining the prosperity of the seismic market as the very nature of the business rely on the oil industry's continued investments. Underlying factors such as oil and gas supply and demand, E&P spending levels and reserve replacements dictate the growth of the market going forward.

8.10.1 Oil and gas demand

The world demand for petroleum products has been a steady journey of growth, only disrupted by the financial crisis which added two years of decline in 2008 and 2009. Demand recovered quickly and has since continued on its steady growth path. By 2018 the global demand reached 100 million barrels per day. Since 1997 growth has averaged 1.5% per year with EIA forecasting a similar growth pace of 1.4% for 2019 and 2020. This corresponds to almost 1.5 million barrels per day in increase from the previous year. Although there is a decline in OECD demand for petroleum products, a large increase in demand from non-OECD countries help offset this, yielding overall increase.

Graph 8.1 *– World demand for oil and gas*



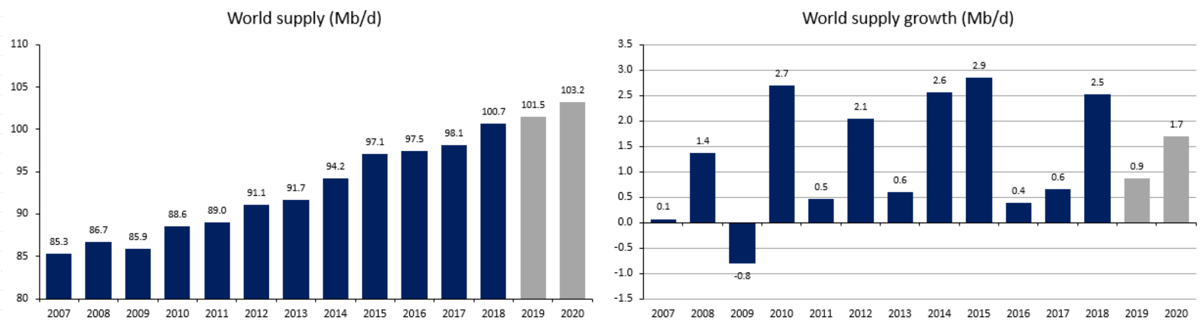
Source: U.S. Energy Information Administration (EIA). Data available at: https://www.eia.gov/outlooks/steo/data/browser/#/?v=6&f=A&s=&start=1997&end=2020&linechart=PAPR_OECD&id=&maptype=0&ctype=linechart (accessed 6 May 2019 20:44 GMT +2)

Note: Oil and gas defined per EIA's definition of "Petroleum and Other Liquids"

8.10.2 Oil and gas supply

Before 2014 a healthy market balance of supply and demand prevailed with fairly stable oil price levels and strong growth on both sides. During late 2014 evidence of oversupply surfaced, fuelled by a booming shale oil production in the U.S. This resulted in record production increases of 2.6 and 2.9 million barrels per day in 2014 and 2015. According to the EIA-figures, a slight oversupply is expected the coming two years, albeit the absolute combined increase in these years (2.6 Mb/d) is below the demand growth (2.9 Mb/d).

Graph 8.2 *– World supply of oil and gas*

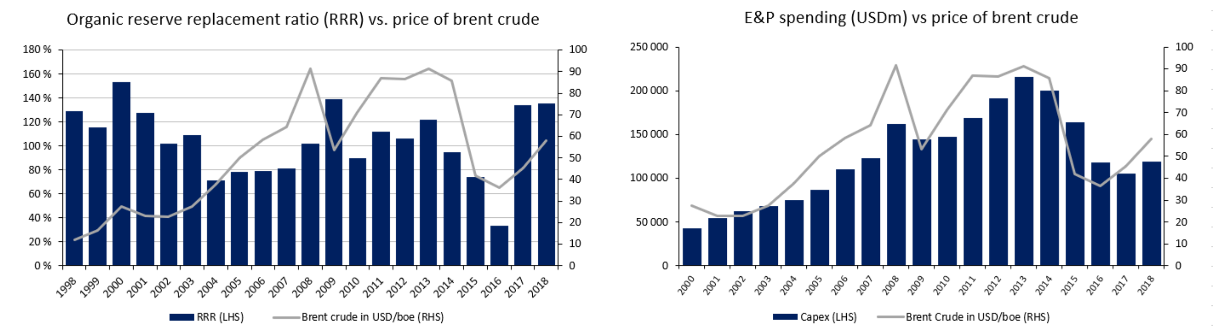


Source: U.S. Energy Information Administration (EIA). Data available at: https://www.eia.gov/outlooks/steo/data/browser/#/?v=6&f=A&s=&start=1997&end=2020&linechart=PAPR_OECD&id=&maptype=0&ctype=linechart (accessed 6 May 2019 20:44 GMT +2)
Note: Oil and gas defined per EIA's definition of "Petroleum and Other Liquids"

8.10.3 Projected global E&P spending

In recent years the oil companies have struggled to discover necessary new sources to supply the growing demand. This is evident by their organic oil and gas reserve replacement ratio (RRR) which highlights how much of current production that can be replaced by their new discoveries. This has provided further incentive for the oil companies to increase their efforts to find new oil. As it is cheaper to expand production to easily accessible reserves, this has been the main strategy. However, as more oil fields are being depleted, new fields are located in more distant locations, in deeper waters and with more complex ocean bottom geology. This has increased the marginal cost of production and resulted in a steady increase in E&P spending until 2014 where the oil price took a downturn.

Graph 8.3 *– Organic reserve replacement ratio (RRR) and E&P spending vs. oil price development*



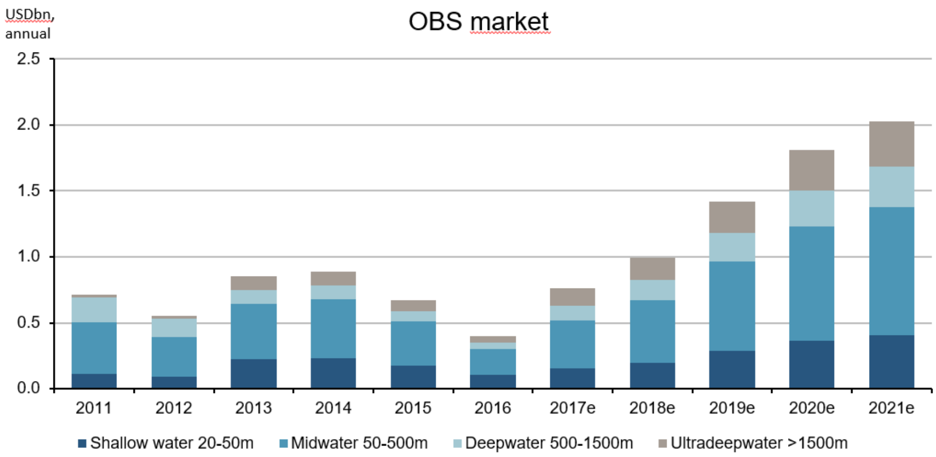
Source: Organic reserve replacement ratio (new reserves excluding acquired/divested reserves divided by production) is calculated as the average of the eight super majors within E&P, ExxonMobil, Royal Dutch Shell, BP, Chevron, Total, Eni, ConocoPhillips and Equinor. Capital expenditure (Capex) is calculated as the total of the aforementioned eight super majors. Data is gathered and compiled by Carnegie Research based on publicly available company information.

Graph 8.3 illustrates how the eight largest oil companies' organic reserve replacement ratio declined from 1998 to 2016 and that they, as a consequence, had to increase their efforts to find new oil through increased spending. The increased spending due to increased marginal cost of production could be defended by higher oil price in the period 2010 to 2014. However, when the oil price plummeted in late 2014 the oil companies answered by lowering their spending. Given the logical narrative and clear correlation between E&P spending and oil price it can be assumed that higher future oil prices would likely increase the E&P spending, which has been the case so far in 2017 and 2018.

8.11 Ocean bottom seismic (OBS) market

Graph 8.4 illustrates the development of the OBS market since 2011. As one would expect, the market took a downturn after the oil price dropped in the second half of 2014. Because of some lag, 2014 still recorded an all-time high for the OBS market with around USD 750 million in total annual OBS sales. The following years, 2015 and 2016, experienced decline due to substantial cuts in E&P spending. Since the bottom in 2016, to 2018, the compounded annual growth rate has been approximately 58%. During the turnaround year of 2017 the market almost doubled in size. Estimates suggest a healthy compounded annual growth rate of approximately 20% from 2019 to 2021.

Graph 8.4 *– Ocean bottom seismic (OBS) market size and development*



Source: Magseis Fairfield Company Presentation dated 12 December 2018 https://www.magseis.com/new/wp-content/uploads/2018/12/MagseisASA-Company-Presentation-121218.p, ION Geophysical and AGS Management estimates

If history should repeat itself then parallels to the historical development of streamer seismic suggest that efficiency increases are yet to come, allowing more cost-efficient data acquisitions. Such reduced costs combined with OBS' exposure to production seismic could prove significant drivers for steady growth going forward. In addition, further technological and methodical developments may prove better suited for exploration purposes, adding to the potential size of the market.

9 THE BUSINESS OF THE GROUP

The information contained in this Section 9 is a description of the business and activities of AGS AS, unless otherwise explicitly stated. For historical information of the Company, please refer to Section 16 "Historical information about the Company".

9.1 Brief overview of the Group's business

9.1.1 Introduction

The Group's operations are related to marine acquisition of seismic data, with focus on Ocean Bottom Node (OBN) seismic, involving both proprietary seismic surveys (contract seismic) as well as multi-client seismic. OBN seismic if further explained in Section 8.4 "*Ocean Bottom Seismic (OBS) technologies*" and Section 8.5 "*Ocean Bottom Seismic (OBS) applications*". Going forward, the Group's management estimates that the Company's activity levels will be split roughly 50/50 between contract and multi-client seismic over the long run, subject to customer demand.

The Group has an asset light setup, which means that its services are primarily based on chartering of vessels and nodes, rather than owning those assets. In terms of seismic survey design, the Company is specialising in flexible and hands-on project management and executions, initially focusing on ocean bottom seismic surveys in shallow and midwater regions, up to 500 meters depth. Shallow and midwater regions are less costly to serve, and according to the belief of the Management, shallow and midwater regions represent 60-70% of the total OBN seismic market.

The Company has a global focus in terms of survey locations. Examples of shallow and midwater regions of interest to the Company include the NCS, Asia, Egypt, US Gulf of Mexico, Mexico, West Africa and the Barents Sea. The Company predominantly targets brownfield projects as it is a less cyclical market than greenfield projects in addition to the fact that brownfield projects are often a part of an oil company's production budgets rather than exploration budgets. According to Management's experience, production budgets are more flexible, sizeable and accessible than exploration budgets. Brownfield projects are also known as near-field projects, and refer to areas with existing facilities where mineral deposits (such as oil) are previously discovered. Greenfield projects are often located in places with less infrastructure and discoveries.

9.1.2 Multi-client business

Approximately 50 percent of the Group's activities are related to multi-client surveys. Currently, Management sees limited competition in the OBN multi-client segment and aims to become a dominating player. It is also under the impression that it can receive a first mover advantage, as competitors will have limited incentives to overshoot areas with existing OBN data from AGS. OBN multi-client surveys are more capital intensive than contract surveys as seismic companies rarely receive prefunding that exceeds the survey cost. Consequently, the Group is prepared to invest in multi-client acquisitions with the expectation that late sales will yield returns in excess of regular contract rates. The dynamics of multi-client seismic are further described in Section 8.9.2 "*Multi-client seismic projects*".

The Group's multi-client business and assets are controlled by Axxis MC. As per 31 December 2018, the Group had capitalised multi-client assets of USD 16.6 million on its balance sheet.

In December 2018, AGS AS closed a collaboration agreement with TGS-NOPEC Geophysical Company ASA with the intention to co-invest as equal partners in multi-client OBN projects within a defined area in the North Sea. The Utsira survey, completed in October 2019, is a part of this agreement as the area of mutual interest covers the core part of the central North Sea up to and including the Utsira area. TGS will have a right to process all new node data acquired under this collaboration.

9.1.3 Contract acquisition

The Group further targets proprietary seismic surveys (contract seismic) as further described in Section 8.9.1 "*Contract seismic services*". The Group focuses on close collaboration with clients in order to optimise survey design and to deliver quality seismic data. Contract seismic clients may have certain requirements regarding processing partner or other survey solutions, equipment or crew provider. The Group's asset light setup enables it to offer client-friendly solutions that meet clients' demand and preferences. The asset light structure is therefore considered an advantage for the Group.

The Group recently operated five vessels on a USD 100 million contract for Oil and Natural Gas Corporation (ONGC) in the Mumbai High area in India. The consortium comprised 70% AGS AS and 30% SAExploration ("**SAE**"), and due to SAE's existing and strong relationship with ONGC, SAE was fronting the bid. AGS and SAE agreed on a strategic collaboration and according to the agreement, AGS AS was responsible for the entire offshore acquisition operation, and SAE provided onshore data processing support, contract holding and client interface.

The survey comprised the first part of a larger three years acquisition program over the Mumbai High area, and comprised two fields with a combined area of ~1,215 km^2 (see figure 9.3 below for the ONGC project). The project was commenced in Q4 2018 and the acquisition was completed in June 2019. Recognised contract revenue from the project for AGS amounted to USD 70 million.

AGS has entered into a Letter of Intent (LOI) to a large OBN survey starting in the fourth quarter of 2019. The planned survey has an estimated scope of 28 vessel months, utilizing two source vessels and two receiver vessels.

9.1.4 Technology

The Group employs a technology-agnostic node handling system produced by Kongsberg Evotec. The node handling system offers a flexible solution that can handle any node system and the system can be placed on almost any vessel with DP capability. The system consists of a conveyor belt with sensors and tension wheels, a spooling device designed to hold the outgoing rope still for a short period and software that coordinate the speed of rope going out with the relative speed of the vessel. In operation, nodes are then manually attached on a rope and deployed to the sea floor for data recording, and when retrieved the process is reversed and data from the nodes are downloaded in racks placed next to the conveyor belt. After downloading of data the nodes are recharged with power in the same racks and are ready for a new deployment. The system is simple to use and has a production cost of approx. USD 2 million. By having a node agnostic and flexible handling system, the Group is de-risking project scheduling by being able to shift the system onto any vessel with minimal requirements for modifications on the vessels. An illustration of the handling system is included in Figure 9.2 below.

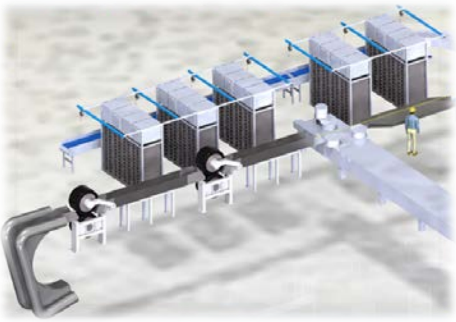


Figure 9.2 *– AGS' technology-agnostic node handling system produced by Kongsberg Evotec.*

9.2 Important events in the history of AGS AS

The table below provides an overview of key events in the history of AGS AS.

2017	• AGS AS acquired 100% of the shares in Axxis Geo Solutions Inc. and the vessel M/V Neptune Naiad • Equity offering of NOK 23.5 million was successfully completed in January • Completion of significant upgrades to M/V Neptune Naiad in March. • In August, M/V Neptune Naiad completed mobilization and reconfiguration and departed Singapore to commence a 6 month contract in the Bintuni Bay, West Papua, Indonesia. • A NOK 23.7 million private placement directed at Havila Holding AS completed.
2018	• In Q2, M/V Neptune Naiad joined 3 other leased seismic vessels (Geo Caspian, M/v Pacific Finder and Havila Fortune) for one of the world's largest (1,560 km^2) and most advanced OBN surveys in the North Sea (Utsira). In addition, two node handling systems were built and 9,300 nodes were leased in support of this project. • In September, AGS AS won a USD 70 million contract with ONGC (the India state oil company), and the full operational capacity was transferred to India for the winter • AGS closed a collaboration agreement with TGS in December with the intention to co-invest as equal partners in multi-client projects within a defined area in the North Sea. The ongoing Utsira multi-client project is a part of this agreement
2019	• In January, outstanding warrants were exercised, providing AGS AS with NOK 32.1 million in new equity • A private placement was completed in February raising NOK 62.4 million in new equity at NOK 0.70 per share • On 2 July, the Merger of AGS AS and Songa Bulk ASA was completed, forming Axxis Geo Solutions ASA • On 3 July, the combined entity, Songa Bulk ASA and AGS AS, was successfully listed on Oslo Axess, with new ticker AGS and ex reverse split of the old shares 50:1 with new face value of NOK 1.394311246 • On 8 August, AGS reported seismic OBN production records in the North Sea • On 27 August, AGS enters the Brazilian OBN market on a USD 4 million contract, see section 9.3.2 • On 23 September, AGS entered into a LOI for a large OBN survey in Q4 2019 with an estimated scope of 28 vessel months • On 10 October 2019, the Company announced the Private Placement, raising gross proceeds of approximately NOK 225 million. • On 17 October 2019, AGS reported completion of world's largest OBN multi-client survey offshore Norway, Utsira The program has set several production records, deployed seven vessels including two vessels fitted with AGS proprietary node handling system, 140,000 node deployments and 3.8 million sources without any lost time incidents.

9.3 Projects

9.3.1 The Utsira Survey

Axxis MC has performed a multi-client survey in the Utsira area (see Figure 9.3 below), collecting data from the NCS part of the area. The survey comprises an area of ~1,560 km^2 and is to date the largest OBN survey conducted in the North Sea. The project commenced in July 2018 with full ramp up of four vessels in August

2018. Due to harsh weather environment, the survey was paused during the winter season and recommenced in July 2019. The survey was completed in October 2019.

The Group has received prefunding support amounting to USD 40 million from Aker BP (main sponsor) and USD 12 million from Equinor per Q3 2019. In addition an extension from Aker BP of USD 1,7 million is received. Until completion of the survey, all received funding was recognised as prefunding. In connection with the entering into of the collaboration agreement with TGS as described above, 50% of the received pre-funding from Aker BP (i.e. USD 20 million was originally acknowledged as debt in Axxis MC towards OBS MC Investments 1 AS, a TGS company). Please see further information in Section 11.1 and 11.2 below.

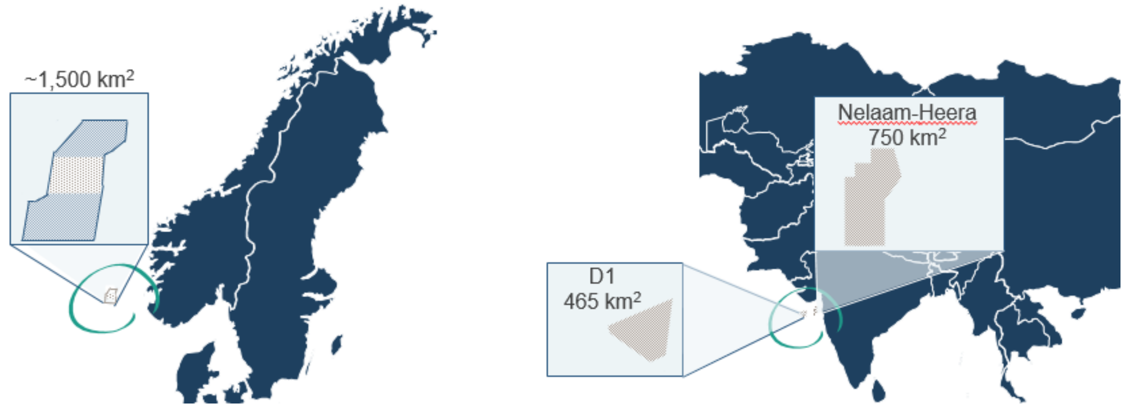


***Figure 9.3** – To the left, AGS' multi-client project in the Utsira area and to the right, AGS' contract project for ONGC in the Mumbai High area in India.*

9.3.2 New projects/backlog

On 27 August 2019, AGS entered into a contract with SAExploration for source work in Brazil with minimum value of USD 4 million. The initial contract is minimum three vessel months including mobilization and demobilization which is compensated for. The source vessel, M/V Neptune Naiad, was transferred from the North Sea for commencement of OBN operations in Brazil in October 2019.

On 23 September 2019, the Company entered into a LOI for a large OBN survey in Q4 2019 with an estimated scope of 28 vessel months.

9.4 Recent developments and recent trends in the OBN seismic market

The OBN market has been strong over the last two year, despite recent challenging market conditions for the overall marine seismic market. The trend for the OBN market is also widely expected to continue to grow over the next few years. The Company must therefore evaluate risks associated with these trends.

The marine seismic market is showing early signs of recovery, while the market for Platform Supply Vessels see no immediate signs of improvement. Availability and price levels for seismic vessels are still attractive for lessors, and the Company currently only see seismic source vessels trending up in charter prices from an extreme low level. For the Group, this trend is somewhat mitigated by the fact that the only vessel owned by the Company is a seismic source vessel.

The rental price for nodes currently used by the Group is locked in at fixed 2018 prices. Should the Group however rent additional nodes, the Group would have to pay a higher price since OBN prices has trended up over the last quarters due to higher demand. The market for OBN seems to react to this trend by producing more nodes, so into 2020, the Company expects the market for OBN nodes to be balanced.

Should price of oil increase above current levels the Group's operational expenses will increase from current levels. However, the marine seismic market in general should be able to recover such increase in an anticipated willingness by the oil companies to increase their exploration and production budgets.

9.5 Material contracts

Except for the Merger Plan and as described in Section 16.3, as at the date of this Prospectus neither AGS AS nor its subsidiaries (pre-Merger) or the Company or any of its subsidiaries (post-Merger) have in the past two years entered into any material contracts outside the ordinary course of business or entered into any other contract outside the ordinary course of business that contains any provision under which AGS AS or any of its subsidiaries (pre-Merger) or the Company or any of its subsidiaries (post-Merger) has any obligation or entitlement that is material to the Group as of the date of this Prospectus.

Below is an overview of certain material contracts entered into by the Group in its ordinary course of business.

Charter parties

As part of its operations, the Group enters into charter contracts for vessels to be employed on the Group's projects. Most vessels are chartered on time charters for a time frame between 2 – 6 months with options for extension. The table below sets out a list of the vessels chartered by the Group as of 25 October 2019.

Vessel	Owners	Term	Options	Status
Havila Fortune	Havila Ships AS	6 months from June 2019	4 x 3 months	Currently in Stavanger preparing for next survey
Pacific Finder	PT Swire Altus Shipping	6 months from April.2019	6 x 1 month	Currently in Stavanger preparing for next survey
Sanco Sword	Sanco Holding AS	135 days from April 2019	One period of 120 days minimum	Currently in Stavanger preparing for next survey
Havila Aurora	Havila Ships AS	6 months from May 2019	4 x 3 months	Currently in Stavanger preparing for next survey

Nodes and other equipment

The Group has in total invested in four node handling sets, rope to support these and seismic equipment on board the M/V Neptune Naiad and had per 31 December 2018 invested a total of NOK 108 million in node handling equipment and seismic equipment since 1 January 2017.

In addition to the nodes and equipment owned by the Group, the Company has entered into a five-year non-exclusive master equipment rental agreement with GTC, INC. ("**Geospace Technologies**"), under which the Company may rent nodes (subject to availability) on a project basis. The Company is currently renting 9,000 OBS nodes and associated ship based equipment. The agreed minimum rental period for such nodes was 6 months, which has now expired, and the Company may continue to rent or return the nodes at any point in time. The Company has no commitments to Geospace Technologies beyond payment of rent for nodes and compensation for loss of nodes, which are covered by insurance. The nodes can be used for 2D, 3D and 4D seismic acquisition, but are mainly used for 3D. 4D data is repeated 3D data.

Data processing agreement

AGS has entered into a non-exclusive master data processing service agreement with Downunder Geosolutions (London) PTY LTD ("**DUG**") under which specific purchase orders will set out scope, compensation etc.

9.5.1 Dependency on contracts, patents and licences

In order to run seismic acquisition surveys worldwide, either the client or the Company or any of its partners, need to hold sufficient licences and permits in order to acquire and collect seismic data. Which licences and permits that are required varies between the different jurisdictions and from project to project. In Norway, completion of a seismic survey will normally require an exploration licence (Nw.: *undersøkelsestillatelse*) and certain contents from production licence holders (Nw.: *utvinningstillatelse*) in the affected areas. The Company currently holds an exploration licence for the Utsira survey valid until 31 December 2019 (annually renewable). Other than this, neither the Company or any of its subsidiaries are dependent on patents, licences, industrial, commercial or financial contracts or new manufacturing processes.

9.6 Strategy and outlook

9.6.1 Strategy

The Company's business strategy is to secure OBN contracts and develop multi-client OBN programs. This is achieved by hiring in vessels, personnel and equipment to secured contracts and multi-client projects. This asset light model yields cost efficiency and should, along with operational efficiency when on contracts and projects, lead to cost benefits which will, according to the Company's management, give a comparative advantage in securing new contracts and profitable projects.

9.6.2 Outlook

The Company is pursuing several interesting contracts and multi-client possibilities with ongoing negotiations and tendering activities for OBN seismic acquisitions in the North Sea during the summer months of 2020.

The ONGC project, completed in June 2019, is a part of a larger three years acquisition project, and the Company is competing to be awarded another project in India by ONGC if materialized with start up in Q1 2020. The potential project is assumed to have a contract period of at least 4 to 6 months.

There are also several larger multi-client projects on tender in Europe, Middle East and India. Should the Company be awarded larger projects occurring within the same time period, the execution will likely be performed by a new crew. The Group is aiming to have two crews operating at full capacity during 2020, as compared to the one crew that has been operating during 2018 and 2019.

9.7 Legal proceedings

Neither the Company nor any other company in the Group has been involved in any legal, governmental or arbitration proceeding during the course of the preceding twelve months, which may have, or have had in the recent past, significant effects on the company's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

10 DIVIDEND POLICY

As of the date of this Prospectus, the Company has not established a dividend policy. In accordance with the Company's corporate governance policy, the Company will establish a clear and predictable dividend policy for the Company going forward. AGS AS has not paid dividends in 2018 or 2017.

During the term of the loan facility with Eksportkreditt as further described in Section 13.2.1 below, the Company is restricted from paying any dividend or make other distributions to its shareholders without the prior written consent of Eksportkreditt. In addition, the Company is restricted from paying any dividend until the promissory note due to OBS MC Investments 1 AS (a TGS company) is repaid in full. Please see Section 13.2.2 for further information.

10.1 Legal constraints on the distribution of dividends

Under Norwegian law, dividends may be paid in cash or in some instances in kind. The Norwegian Public Limited Liability Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Liability Companies Act provides that the Company may distribute dividend to the extent that the Company's net assets following the distribution covers (i) the share capital, (ii) the reserve for valuation variances and (iii) the reserve for unrealised gains. The total par value of treasury shares which the Company has acquired for ownership or as security prior to the balance sheet date, as well as credit and security which, pursuant to Section 8-7 to Section 8-10 of the Norwegian Public Limited Liability Companies Act fall within the limits of distributable equity, shall be deducted from the distributable amount.
- The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividend shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorise the Board of Directors to declare dividend on the basis of the Company's annual accounts. Dividend may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.
- Divided can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

The Norwegian Public Limited Liability Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 18 "*Taxation*".

10.2 Manner of dividend payments

Any future payments of dividends on the Shares will be denominated in NOK, and will be paid to the shareholders through the VPS. Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account, will, however, receive a letter asking them to provide their foreign bank details for receiving the dividend. The dividend will then be transferred into their local bank account in their local currency, as exchanged from the NOK amount distributed through the VPS. The exchange rate(s) that is applied will be DNB Bank ASA's rate on the date of issuance. Dividends will be credited automatically to the VPS registered shareholders' NOK accounts without the need for shareholders to present documentation proving their ownership of the Shares.

11 CAPITALISATION AND INDEBTEDNESS

The information presented below should be read in conjunction with the other parts of this Prospectus, in particular Section 12 "*Selected historical financial of AGS AS*", and the AGS Financial Statements and the notes related thereto and the Q3 2019 Interim Financial Report, attached as Appendix B and incorporated by reference hereto respectively.

11.1 Capitalisation

The following table sets forth information about the Group's unaudited consolidated capitalisation as of 30 September 2019 and adjusted to reflect the below-mentioned material changes:

Capitalisation			
(In NOK thousand)	**As of 30 September 2019** *(unaudited)*	**Adjustments** *(unaudited)*	**As adjusted** *(unaudited)*
Indebtedness			
Total current debt	*692 889*	-	*692 889*
- Guaranteed and secured (i)	11 901	-	11 901
- Guaranteed but unsecured	-	-	-
- Secured but unguaranteed (ii)	120 463	-	120 463
- Unguaranteed and unsecured (iii)	560 525	-	560 525
Total non-current debt	*13 566*	-	*13 566*
- Guaranteed and secured (i)	13 566	-	13 566
- Guaranteed but unsecured	-	-	-
- Secured but unguaranteed	-	-	-
- Unguaranteed and unsecured	-	-	-
Total indebtedness	**706 455**	**-**	**706 455**
Shareholders' equity			
Share capital (iv)	29 713	52 286	81 999
Other contributed capital (iv)	178 348	157 114	335 462
Other reserves	3 292	-	3 292
Retained earnings	(44 500)	-	(44 500)
Non-controlling interests	-	-	-
Total shareholders' equity	**166 853**	**209 400**	**376 253**
Total capitalisation	**873 308**	**209 400**	**1 082 708**

Notes to the capitalisation table above:

(i) Guaranteed and secured debt consists of a NOK 29,750,000 3-year term loan with Eksportkreditt Norge AS ("**Eksportkreditt**"), and accrued interest. The loan is guaranteed by Danske Bank and GIEK, and secured in the Group's property plant and equipment, and trade receivables. As of 30 September 2019, the outstanding loan balance amounted to NOK 25.47 million.

(ii) Axxis MC has executed a USD 20 promissory note for the acknowledgement of its debt towards OBS MC Investments 1 AS. The promissory note is secured in the Company's shareholding in Axxis MC, with second priority security over the property plant and equipment in the Company. Further, the promissory note is secured with the property, plant and equipment, inventories and trade receivables in Axxis MC.

(iii) Unguaranteed and unsecured indebtedness consists of accounts payable, contract liabilities, and other short-term liabilities.

(iv) Following the Private Placement, the Company will issue 37,500,000 Shares in total, and increase the share capital and other contributed capital with a total of NOK 225,000,000, less directly attributable costs in connection with the Private Placement of NOK 12,000,000, and guarantee commission to underwriters of NOK 3,600,000.

11.2 Indebtedness

The following table sets forth information about the Group's unaudited net indebtedness as of 30 September 2019 and adjusted to reflect the below-mentioned material changes.

Net indebtedness			
(In NOK thousand)	**As of 30 September 2019** *(audited)*	**Adjustments** *(unaudited)*	**As adjusted** *(unaudited)*
(A) Cash(i)	4 211	209 400	213 611
(B) Cash equivalents	-	-	-
(C) Trading securities	-	-	-
(D) Liquidity (A)+(B)+(C)	4 211	209 400	213 611
(E) Current financial receivables(ii)	**17 040**	**-**	**17 040**
(F) Current bank debt(ii)	11 901	-	11 901
(G) Current portion of non-current debt	-	-	-
(H) Other current financial debt(iii)	680 988	-	680 988
(I) Current financial debt (F)+(G)+(H)	**692 889**	**-**	**692 889**
(J) Net current financial indebtedness (I)-(E)-(D)	**671 638**	**(209 400)**	**462 238**
(K) Non-current bank loans(ii)	13 566		13 566
(L) Bonds issued	-		
(M) Other non-current loans	-		
(N) Non-current financial indebtedness (K)+(L)+(M)	13 566	-	13 566
(O) Net financial indebtedness (J)+(N)	**685 204**	**(209 400)**	**475 804**

Notes to the indebtedness table above:

(i) Following completion of the Private Placement, cash will increase by NOK 209.4 million, equivalent to the net proceeds of the Private Placement.

(ii) Current bank debt consists of a NOK 29,750,000 3-year term loan with Eksportkreditt Norge AS ("**Eksportkreditt**"), and accrued interest. The loan is guaranteed by Danske Bank and GIEK, and secured in the Group's property plant and equipment, and trade receivables. As of 30 September 2019, the outstanding loan balance amounted to NOK 25.47 million.

(iii) Other current financial debt consists of a USD 20 promissory note towards OBS MC Investments 1 AS, accounts payable, contract liabilities, and other short-term liabilities.

11.3 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

12 SELECTED HISTORICAL FINANCIAL INFORMATION OF AGS AS

Please note that the financial information set out in this Section does not represent the historical financial information of the Company, as the historical financial information of the Company is not considered relevant to enable investors to make an informed assessment of the Company's assets and liabilities, financial position, profit and losses and prospects of the Company as the Company's historical business as previously conducted by the Company have been discontinued and that the business following the Merger only relates to the business of AGS. For further historical information of the Company, please refer Section 16 "Historical information about the Company".

12.1 Introduction and basis for preparation

The following summary of consolidated financial data has been derived from AGS' audited consolidated financial statements as of and for the year ended 31 December 2018 with comparable figures for the year ended 31 December 2017 (the "**AGS Financial Statements**") attached hereto as Appendix B, and the Q3 2019 Interim Financial Report incorporated by reference to this Prospectus, see Section 20.3 "*Incorporation by reference*". See Section 4.4.1 "Financial Information" for more details on the historical financial information included in this Prospectus, including the basis of preparation. The selected consolidated financial data set forth in this Section should be read in conjunction with, and is qualified in its entirety by reference to the AGS Financial Statements and the Q3 2019 Interim Financial Report, attached as Appendix B and incorporated by reference hereto.

The AGS Financial Statements have been prepared on a historical cost basis. The financial statements of AGS' subsidiaries have been prepared for the same reporting year as AGS, using consistent accounting policies. The AGS Financial Statements are presented in Norwegian kroner (NOK). Please see note 2 in the AGS Financial Statements for a description of the AGS Group's significant accounting policies.

The AGS Financial Statements have been audited by Ernst & Young AS ("**EY**").

12.2 Selected historical financial information

12.2.1 Consolidated income statement

The table below sets out selected data from the AGS Group's audited consolidated income statement for the years ended 31 December 2018 and 2017 and the unaudited consolidated income statement for the three and nine months ended 30 September 2019 and 2018.

(all figures in NOK thousand)	**Three months ended 30 September**		**Nine months ended 30 September**		**Year ended 31 December**	
	2019 *(Unaudited)*	**2018** *(Unaudited)*	**2019** *(Unaudited)*	**2018** *(Unaudited)*	**2018** *(IFRS audited)*	**2017** *(IFRS audited)*
Revenue	8 814	160	576 359	17 583	53 378	34 071
Cost of sales	-16 019	-7	-423 809	-1 997	-47 395	-51 219
Personnel expenses	-4 755	-3 167	-18 908	-9 403	-14 955	-4 797
Other operating expenses	-10 209	-555	-26 219	-12 932	-31 204	-9 572
Amortization & Impairment of multi-client	-	-	-	-	-	-
Depreciation, amortization & impairment	-12 093	-7 050	-32 225	-12 983	-23 526	-8 407
Operating profit (loss)	**-34 261**	**-10 619**	**75 198**	**-19 732**	**-63 703**	**-39 923**
Finance income	7 606	999	13 206	2 836	6 747	1 285
Finance costs	-29 088	-1 487	-50 801	-1 740	-19 892	-2 904
Net financial items	**-21 482**	**-488**	**-37 595**	**1 096**	**-13 145**	**-1 619**

Profit before income tax	-55 743	-11 107	37 603	-18 635	**-76 849**	**-41 542**
Income tax (expense)	13 026	2 444	-8 474	4 100	11 857	27 673
Profit (loss) for the period	-42 717	-8 663	29 129	-14 536	**-64 992**	**-13 869**
Attributable to the owners of the parent	**-42 717**	**-8 663**	**-29 129**	**-14 536**	**-64 992**	**-13 869**
Other comprehensive income (loss) for the period						
Items that may be reclassified to profit and loss						
Currency translation differences	-379	19	-218	-47	331	24
Total comprehensive income (loss) for the period	**-43 095**	**-8 644**	**28 910**	**-14 583**	**-64 661**	**-13 845**
Earnings (loss) per share						
Basic earnings per share	-2,02	-0,02	1,36	-0,03	-0,13	-0,03
Diluted earnings per share	-1,99	-0,02	1,33	-0,03	-0,13	-0,03

12.2.2 Consolidated balance sheet

The table below sets out selected data from the AGS Group's audited consolidated balance sheet as at 31 December 2018 and 2017 and the unaudited consolidated balance sheet as at 30 September 2019 and 2018.

(all figures in NOK thousand)	**As at 30 September** *(unaudited)*		**As at 31 December** *(audited)*	
	2019	**2018**	**2018**	**2017**
ASSETS				
Non-current assets				
Goodwill	15 917	15 917	15 917	15 914
Multi-client library	601 536	268 646	216 987	-
Deferred tax asset	31 563	32 190	40 037	28 090
Property, plant and equipment	158 568	123 783	139 133	65 007
Investments in associated companies	-	-	-	-
Other non-current assets	870	419	419	51
Total non-current assets	**808 454**	**440 954**	**412 491**	**109 062**
Current assets				
Inventories	14 977	12 587	16 923	72
Trade receivables	17 040	5 848	34 239	4 847
Other current assets	28 627	-	55 883	4 990
Bank deposits, cash in hand	4 211	21 600	66 866	2 679
Total Current Assets	**64 855**	**40 035**	**173 910**	**12 588**
Total Assets	**873 308**	**480 989**	**586 402**	**121 650**
EQUITY				
Share capital and other paid in capital	211 353	50 096	99 538	99 538
Other reserves	-44 500	27 392	-69 936	-8 748
Total equity	**166 853**	**77 488**	**29 602**	**90 791**

LIABILITIES				
Non-current liabilities				
Interest bearing debt	13 566	-	-	-
Total non-current liabilities	13 566	-	-	-
Current liabilities				
Interest bearing debt current	11 901	-	29 856	8 548
Account / trade payables	299 129	131 213	180 808	19 501
Contract liabilities	162 080	242 473	155 353	-
Other current liabilities	219 779	29 814	190 783	2 811
Total current liabilities	**692 889**	**403 500**	**556 800**	**30 860**
Total liabilities	**706 455**	**403 500**	**556 800**	**30 860**
Total equity and liabilities	**873 308**	**480 989**	**586 402**	**121 650**

12.2.3 Consolidated cash flow statement

The table below sets out selected data from the AGS Group's audited consolidated cash flow statement for the years ended 31 December 2018 and 2017 and the unaudited consolidated cash flow statement for the three and nine months ended 30 September 2019 and 2018.

(all figures in NOK thousand)	**Three months ended 30 September** *(unaudited)*		**Nine months ended 30 September** *(unaudited)*		**Year ended 31 December** *(audited)*	
	2019	**2018**	**2019**	**2018**	**2018**	**2017**
Profit (loss) before tax	-55 743	-11 107	37 603	-18 635	-76 849	-41 542
Taxes paid	-	-	-	-	-423	-
Depreciation and amortization	12 093	7 050	32 225	12 983	23 526	8 407
Agio - disagio without cash flow effects	-457	-	-358	-	2 078	-13
Interest expense	11 687	294	16 942	294	6 818	2 463
Interest paid	-	-	-	-	-6 712	-2 415
Share based payment cost	-661	1 281	-181	1 281	3 473	-
Change in trade receivables	218 361	1 979	17 199	2 887	-29 392	-4 449
Change in account payables	85 940	80 267	118 321	111 713	161 307	18 295
Change in inventories	9 690	-12 515	1 946	-12 515	-16 851	-72
Change in other current assets	51 490	-	27 256	-368	-50 893	-4 990
Change in contract liabilities	6 919	-1 293	6 727	242 473	155 353	-
Change in other current liabilities	-41 862	26 804	28 996	20 253	188 395	652
Net cash from operating activities	**297 458**	**92 761**	**286 678**	**360 366**	**359 830**	**-23 665**
Cash flow from investment activities						
Investment in property, plant and equipment	-20 990	-27 491	-47 402	-72 505	-98 089	-30 738
Investment in multi-client library	-276 215	-198 153	-384 549	-268 646	-216 987	-
Cash received/paid from non-current receivables	-	-	-	-	-368	-51
Cash effect investments in new subsidiaries	-	-	-	-	-	-187
Cash received / paid from merger	3 620	-	3 620	-	-	-

Net cash flow from investment activities	**-293 586**	**-225 643**	**-428 331**	**-341 150**	**-315 444**	**-30 976**
Cash flow from financial activities						
Proceeds from borrowings	-	-	-	-	29 750	8 500
Repayment of borrowings	-2 479	-	-7 438	-	-8 500	-
Payment of lease liabilities (recognized under IFRS 16)	-485	-	-1 215	-	-	-
Proceeds from new equity	-294	-	94 250		-	48 571
Interest paid	-1 343	-294	-6 598	-294	-	-
Net cash flow from financial activities	**-4 602**	**-294**	**78 999**	**-294**	**21 250**	**57 071**
Net change in cash and cash equivalents	**-729**	**-133 177**	**-62 654**	**18 921**	**65 636**	**2 430**
Cash and cash equivalents balance 01.07/01.01.	4 940	154 777	66 866	2 679	2 679	236
Effects of exchange rate changes on cash and cash equivalents					-1 450	13
Cash and cash equivalents balance 30.09 / 31.12.	**4 211**	**21 600**	**4 211**	**21 600**	**66 866**	**2 679**

12.2.4 Consolidated statement of changes in equity

The table below sets out selected data from the AGS Group's audited consolidated statement of changes in equity for the years ended 31 December 2018 and 2017 and the unaudited consolidated statement of changes in equity for the nine months ended 30 September 2019.

(all figures in NOK thousand)	Share capital	Share surplus	Capital paid, not registered	Retained earnings	Currency translation differences	Other equity/ Share based programme	Total equity
Equity 1.1.17	**38 125**	**-**	**5 000**	**-24 499**	**-**		**18 626**
Profit (loss) for period	-	-	-	-13 869	-		-13 869
Other comprehensive income (loss)	-	-	-	-	24		24
Total comprehensive income (loss) for the period	-	-	-	-13 869	24		-13 845
Transactions with owners							
Transfer from share capital to other reserves	-29 596	-	-	29 596	-		-
Registration of share capital	2 095	2 905	-5 000	-	-		-
New shares issued - cash settled	20 263	28 307	-	-	-		48 571
Shares issued as consideration in business combination	8 585	8 147	-	-	-		16 732
Debt conversion	10 624	10 082	-	-	-		20 706
Equity 31.12.17	**50 096**	**49 442**	**-**	**-8 772**	**24**		**90 791**
Equity 1.1.2018	**50 096**	**49 442**	**-**	**-8 772**	**24**		**90 791**
Profit (loss) for period	-	-	-	-64 992	-		-64 992
Other comprehensive income (loss)	-	-	-	-	331		331
Total comprehensive income (loss) for the period	50 096	49 442	-	-73 764	355		26 130

Transactions with owners							
Share based payment	-	-	-	3 473	-	-	3 473
Equity 31.12.18	**50 096**	**49 442**	**-**	**-70 291**	**355**	**-**	**29 602**
Equity 1.1.2019	**50 096**	**49 442**	**-**	**-73 055**	**-355**	**3 473**	**29 602**
Profit (loss) for period	-	-	-	29 129	-	-	29 129
Other comprehensive income (loss)	-	-	-	-218	-	-	-218
New shares issued – cash settled	23 450	73 695	-	-	-	-	97 144
Cost for new shares issued		-2 894	-	-	-	-	-2 894
Effect of Songa Bulk ASA merge 2/7-19 for AGS shareholders	-44 833	-120 537	-	-	-	-	-165 370
Effect of Songa Bulk ASA merge 2/7-19 of share consolidation for AGS shareholders	-	165 370	-	-	-	-	165 370
Effect of Songa Bulk ASA merge 2/7-19 for shares in Songa as contribution in kind	1 000	13 272	-	-	-	-	14 272
Share based payment	-	-	-	-	-	-181	-181
Equity 30.09.19	**29 713**	**178 348**	**-**	**-44 500**		**3 292**	**166 853**

13 BRIEF OPERATIONAL AND FINANCIAL REVIEW

13.1 Capital Resources

The principal sources of funds for the Group's liquidity needs are cash flows from operations (including contract acquisition and late sales from multi-client contracts), long-term borrowings and capital contributions from shareholders.

The Group's current debt is classified as short-term liabilities. USD 7.5 million of the promissory note as further described in Section 13.2.2 below, falls due for payment on 15 November 2019 while the remaining amount falls due on 30 September 2020. The Company's facility loan from Eksportkreditt falls due on 24 September 2021 but was classified as short-term liability as per December 2018 due to the Company's non-compliance with the applicable financial covenants. As further described below, the Company has obtained a waiver from the financial covenants from Eksportkreditt, and the relevant parts of the outstanding loan being long-term is reclassified as long-term borrowings as per 30 September 2019.

13.1.1 Cash flow

Cash flow for the year ended 31 December 2018 (audited) compared with the year ended 31 December 2017 (audited)

Cash flow from operations is NOK 359.8 million for 2018 compared to negative cash flow in 2017 with NOK 23.7 million. The change is mainly due to increase in depreciation of OBN equipment, increase in trade payable and increase in other short-term debt.

Cash flow from investment activities is NOK 315.4 million for 2018 compared to NOK 31.0 million for 2017. The Group has invested NOK 217 million in Utsira multi-client project and NOK 98.1 million in OBN equipment.

Cash flow from financial activities for 2018 is related to new loan from Eksportkreditt of NOK 29.8 million and repayment of NOK 8.5 million to short-term loan from one of the shareholders Havila Holding AS compared to new equity of NOK 48.6 million and new loan from Havila Holding AS of NOK 8.5 million for 2017.

Cash flow for the nine month period ended 30 September 2019 (unaudited) compared with the nine month period ended 30 September 2018 (unaudited)

Cash flow from operations is NOK 286.7 million for the first nine months of 2019 compared to NOK 360.4 million for the same period of 2018. The change in 2019 is mainly due to decrease in trade receivables, other current asset and bank in addition to increase in trade payable and increase in other current liabilities.

Cash flow from investment activities is NOK 428.3 million for the first nine months of 2019 compared to NOK 341.2 million for the same period of 2018. The Group has invested NOK 384.5 million in Utsira multi-client project and NOK 47.2 million in OBN handling equipment, offset by cash received from the Songa merge of NOK 3.6 million.

Cash flow from financial activities for the first nine months of 2019 is related to repayment of debt and paid interest of NOK 15.3 million and net proceeds from new equity of NOK 94.2 million compared to interest paid of NOK 0.3 million for the same period of 2018.

Restrictions on use of capital resources

Cash flow from sale of multi-client licences from the Utsira multi-client project shall be applied as down-payment of the promissory note as further described in section 13.2.2 below. Other than this, there are no restriction on the use of capital resources of AGS.

13.2 Borrowings

As of the date of this Prospectus, the Group's interest-bearing debt consists of a NOK 29,750,000 3-year term loan facility entered into with Eksportkreditt Norge AS as lender and Danske Bank and Giek as guarantors. In addition, Axxis MC has executed a USD 20 million promissory note for the acknowledge of its debt towards OBS (a TGS company) in relation to payment of the Aker BP pre-funding, under which USD 6.7 million is outstanding as of the date of this Prospectus.

13.2.1 Term loan

AGS has entered into a NOK 29,750,000 3-year term loan with Eksportkreditt Norge AS ("**Eksportkreditt**") dated 24 September 2018. The loan is guaranteed by Danske Bank and GIEK. The loan is repaid by 12 quarterly instalments, with final repayment date 24 September 2021.

As of 31 December 2018 and 24 September 2019, AGS did not meet the financial covenants and was therefore in breach of the loan terms at such date, and consequently the debt from Eksportkreditt was included in other current liabilities as short-term loan. On 15 May 2019 and 3 October 2019, the Company received waivers from the financial covenants from Eksportkreditt.

The agreement is subject to customary financial covenants and undertakings, including the following revised financial covenants agreed in connection with the waivers:

- Liquid asset of no less than 80% of outstanding loan up to and including 31 December 2019 thereafter no less than 120% till final maturity date.
- Equity ratio of 30% from Q2 2019 until Q4 2019 and thereafter 35% till final maturity date

Furthermore, the Company is not entitled to pay any dividend or make other distributions to its shareholders without the prior written consent of Eksportkreditt.

13.2.2 Promissory note

Axxis MC has executed a USD 20 million promissory note for the acknowledge of its debt towards OBS MC Investments 1 AS (a TGS company) in relation to the Aker BP pre funding in relation to the Utsira Project. Under the terms of the agreement entered into between the Company and OBS, sale of data from the Utsira survey shall be used to repay the promissory note. As at 31 December 2018, the net outstanding amount under the promissory note was USD 14 million (taking into account non-recognised proceeds from sale of data). The original promissory note was amended on 30 September 2019, after which the following terms will apply:

- USD 7.5 million (the "**Principal 2019 Amount**") falls due on 15 November 2019; any failure to meet such due date will result in a default interest of 15% p.a. being payable. After such due date, TGS may by written notice declare the outstanding portion of the Principal 2019 Amount immediately due and payable in full at any time. The proceeds from the Private Placement are intended to be applied for repayment of the Principal 2019 Amount, see further information in Section 5.

- The remaining amount of USD 9.6 (the "**Principal 2020 Amount**") falls due on 30 September 2020. The net outstanding amount of the Principal 2020 Amount is USD 6.7 million as the Company has sold additional Utsira data with a value of USD 2.9 million. The Principal 2020 Amount is subject to an interest rate of 3 months NIBOR + 10% from 1 October 2019 up until 30 September 2020.

13.3 Investments

13.3.1 Historical investments

Below is a summary of the principal investments carried out by AGS AS from 1 January 2017 and to the date of this Prospectus (and by the Group as from completion of the Merger, i.e. 2 July 2019).

1 January 2019 and to the date of this Prospectus	• Investment in node handling systems of NOK 33.2 million • Investment in multi-client library (Utsira) of NOK 262.2 million, pre-funded by oil companies with extension of USD 1.7 million
2018	• Investment in node handling system of NOK 98.0 million • Investment in multi-client library (Utsira) of NOK 217.0 million, pre-funded by oil companies with USD 52 million
2017	• NOK 59.5 million investment in the seismic vessel M/V Neptune Naiad and node handling system investment of NOK 13.9 million • Acquisition of Axxis Geo Solutions Inc for NOK 16.7 million, resulting in goodwill amounting to NOK 15.9 million

AGS AS has in total invested in four node handling sets, rope to support these and seismic equipment on board M/V Neptune Naiad. The node handling sets were built in Norway, rope and seismic equipment was purchased abroad. All equipment is on board owned or leased vessels which operates internationally.

13.3.2 Investments in progress and future principal investments

The only investment undertaken by the Group as at the date of this Prospectus is the current acquisitions under the Utsira Project. To date, received prefunding from two oil companies has equalled the completed investments, and thus funded the project. The remaining investment for the Group in the Utsira Project is estimated to USD 7.9 million based on the current operational plan. The investments will be funded either by working capital from ongoing contract work or potential additional prefunding.

13.4 Related party transactions

Other than as set out below, AGS AS and/or the Company post completion of the Merger has not entered into any related party transactions since 1 January 2019 and up to the date of this Prospectus. For information on historical related party transactions of the AGS Group, please refer to note 20 of the AGS Financial Statements, attached to this Prospectus as Appendix B.

- AGS has entered into a time charter with Havila Ships AS, a company controlled by Havila Holding AS, for the lease of the vessel M/S Havila Fortune. Aggregate payments under the charter party from 1 January and until 30 September 2019 are approximately NOK 34.8 million.
- AGS has entered into a time charter with Havila Ships AS, a company controlled by Havila Holding AS, for the lease of the vessel M/S Havila Aurora. Aggregate payments under the charter party from June and until 30 September 2019 are approximately NOK 15.2 million.
- AGS has entered into a time charter with Volstad Maritime AS, a company controlled by Havila Holding AS, for the lease of the vessel M/S Geo Caspian. Aggregate payments under the charter party from 1 January and until 30 September 2019 are approximately NOK 34.5 million.

- AGS has entered into a ship management agreement with Remøy Shipping AS for technical services and crewing. Annual fee under the ship management agreement is NOK 2.2 million. From 1 January and until 30 September 2019, AGS has paid NOK 1.7 million. Remøy Shipping AS is controlled by W2 Seismic AS.
- AGS has entered into a consultancy agreement with Impact Geo Solutions Inc., a company owned by Bjarte Bruheim, the former chairman of the board in AGS AS. From 1 January and until 30 September 2019 accrued and paid fees under the consultancy agreement was NOK 2.8 million. The consultancy agreement was terminated in June 2019.
- Under a consultancy agreement entered into between AGS AS and Rome AS, a company owned by Jogeir Romestrand, former board member in AGS, AGS paid total fees of NOK 0.9 million from 1 January and until 30 September 2019. The consultancy agreement was terminated in June 2019.
- AGS has entered into agreement with Evotek AS for node equipment, related to Rome AS as both shareholder and board member in AGS. From 1 January and until 30 September 2019, AGS has paid NOK 1.8 million to Evotek AS.
- AGS has entered into agreement for accounting services with Hasund AS, related to Bjørnulf AS an investor in AGS. From 1 January and until 30 September 2019, AGS has paid NOK 0.7 million to Hasund AS.

All rates are based on market rates and offers were obtained from several parties to ensure arm lengths principle pricing.

13.5 Significant changes in the financial or trading position of AGS AS

Other than as set out below, there have been no significant changes in the financial or trading position of AGS AS (and/or the Company after consummation of the Merger on 2 July 2019) following 31 December 2018:

- On 6 January 2019, outstanding warrants in AGS AS were exercised, and the subscriptions for 141,639,893 new shares in the company provided AGS with NOK 32.1 million in new equity.
- On 28 February 2019, a private placement raising NOK 62.4 million in new capital was completed. The subscription price in the private placement was NOK 0.70 per share.
- On 16 April 2019, AGS AS entered into the Merger Plan.
- On 27 August 2019, AGS entered into a contract with SAExploration for source work in Brazil with minimum value of USD 4 million. For further information, please refer to section 9.3.2 above.
- On 23 September, AGS entered into a LOI for a large OBN survey in Q4 2019 with an estimated scope of 28 vessel months.
- On 10 October 2019, the Company announced the Private Placement, raising gross proceeds of approximately NOK 225 million.

14 BOARD OF DIRECTORS, MANAGEMENT AND EMPLOYEES

14.1 Introduction

The Company's highest authority is the General Meeting of shareholders. All shareholders in the Company are entitled to attend and vote at General Meetings of the Company and to propose resolutions for items to be included on the agenda for a General Meeting.

The Company's Board of Directors and Management are responsible for the overall management of the Company. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organisation, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's chief executive officer (the "**CEO**") is responsible for keeping the Company's accounts in accordance with prevailing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the CEO must according to Norwegian law brief the Board of Directors about the Company's activities, financial position and operating results at least once a month.

14.2 Board of Directors

14.2.1 The Board of Directors

The Articles of Association provide that the Board of Directors shall consist of up minimum three and maximum seven Board Members elected by the Company's shareholders. The names and positions and current term of office of the Board Members as at the date of this Prospectus are set out in the table below (hereinafter referred to as the "**Board of Directors**").

Name	Position	Elected from	Term expires
Rolf Rønningen	Chairman	2 July 2019	2020
Eirin Inderberg	Board member	2 July 2019	2020
Njål Sævik	Board member	2 July 2019	2020
Vibeke Fængsrud	Board member	2 July 2019 (Re-elected)	2020
Nina Skage	Board member	2 July 2019	2020
Andreas C. Pay	Board member	1 November 2019	2020
Tore A. Tønseth	Board member	1 December 2019	2020

The composition of the Board of Directors is in compliance with the independence requirements of the Norwegian Code of Practice for Corporate Governance, dated 17 October 2018 (the "**Corporate Governance Code**"), meaning that (i) the majority of the shareholder-elected Board Members are independent of the Company's executive management and material business contacts, (ii) at least two of the shareholder-elected Board Members are independent of the Company's main shareholders (shareholders holding more than 10% of the Shares in the Company), and (iii) no members of the Company's Management serves on the Board of Directors.

The Company's registered business address at Strandveien 50, N-1366 Lysaker, Norway, serves as the business address for the members of the Board of Directors in relation to their directorship of the Company.

14.2.2 Brief biographies of the members of the Board of Directors

Set out below are brief biographies of the members of the Board of Directors, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Board Member is or has been a member of the administrative, management or supervisory bodies or partner in the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Rolf Rønningen, Chairman

Rolf Rønningen has over 35 years of seismic industry experience and has held senior positions at GECO, PGS and Eastern Echo Ltd., and most recently at Polarcus Limited where he held the position of CEO from 2008 until February 2015. His experience covers both technical and operational management of towed streamer seismic vessels and seabed operations. Mr. Rønningen holds a B.Sc. in Computer Sciences from the Kongsberg Ingeniørhøgskole in Norway. Mr. Rønningen is a Norwegian citizen and resides in Drammen, Norway.

Current directorships and management positions:	*None*
Previous directorships and management positions last five years:	*Polarcus Limited (CEO), board member in several of Polarcus Limited's subsidiaries.*

Eirin Inderberg, Board Member

Eirin Inderberg has over 20 years' experience as a lawyer and is currently Head of Legal in Topaz Energy and Marine Limited, an OSV and logistics provider headquartered in Dubai, with main operations in Caspian, Russia, West Africa and Middle East. Mrs Inderberg was formerly General Counsel of Eastern Echo Ltd. and Polarcus Limited, where she also held the office of company secretary and served as director in several of Polarcus Limited's subsidiaries. Prior to this, Mrs Inderberg worked for the law firm Wikborg Rein Advokatfirma AS in Oslo and London, and as a lawyer at the Oslo Stock Exchange. Mrs Inderberg holds a law degree from the University of Oslo, Norway, and a bachelor degree in Business Administration and Economics from the California Lutheran University, US. Mrs Inderberg is a Norwegian citizen and resides in Dubai, United Arab Emirates.

Current directorships and management positions:	*Topaz Energy and Marine Limited (Head of Legal)*
Previous directorships and management positions last five years:	*Polarcus Limited (General Counsel), board member in several of Polarcus Limited's subsidiaries*

Njål Sævik, Board Member

Njål Sævik has been a member of the board of directors of AGS since December 2017 and the CEO of Havila Shipping ASA since the company's incorporation in 2003. He has over 30 years of international board and management experience and is currently inter alia the chairman of the board of Havila AS and a board member in the Norwegian Shipowner Association; Ni Tankers AS and Neptun Invest AS. Mr. Sævik is a trained ship master and was educated in administration and management at Ålesund Maritime College, graduating in 1994. Mr. Sævik is a Norwegian citizen and resides in Norway.

Current directorships and management positions:	*Sæviking AS (board member), Havila AS (chairman of the board), KS Artus (board member), Sævard DA (board member), Norges Rederiforbund (board member), Eiendom Hornindal AS (board member), Nextjob AS (board member), Bratholm AS (deputy board member), ÅKP AS (deputy board member), Havilafjord AS (board member), Havila Charisma AS (chairman of the board), Havila Harmony AS (chairman of the board), Havila Offshore AS (chairman of the board), Havila Venus AS (chairman of the board), Emini Invest AS (chairman of the board), Havila phoenix AS (chairman of the board), Havila Subcon AS (chairman of the board), Havila Jupiter AS (chairman of the board), Havila Ships AS (chairman of the board), Havila Holding AS (chairman of the board), Havila Ariel AS (board member), Neptun Invest AS (board member), Havborg 1 Eiendom Ans (board member), Havborg Invest AS (board member), Havblikk Eiendom AS (board member), Havila Invest AS (board member), OHI*

	Eiendom AS (board member), Nordic Mediatech AS (board member), Grand Canyon 2 KS (board member), Grand Canyon 3 KS (board member), Ni Tankers AS (board member), Tangen 7 Invest AS (board member), Deep Cygnus KS (board member), Fosnavåg Ocean Academy AS (board member), Volantis Operations AS (board member), Geo Caspian Operation AS (board member), Havila Hotels AS (board member), Grand Canyon Operation AS (board member), Grand Canyon Operation 3 AS (board member), Grand Canyon 3 AS (board member), Volstad Maritime AS (board member), Deep Cygnus Operation AS (board member), Grand Canyon 2 AS (board member), Grand Canyon Operation 2 AS (board member), Volstad Subsea AS (board member), Volstad Offshore AS (board member), Volstad Seismic AS (board member), Deep Cygnus AS (board member), Geo Caspian AS (board member), Volstad Maritime DIS I AS (board member), Volstad Maritime DIS II AS (board member), Volstad Management AS (board member), Hotell Ivar Aasen AS (board member), Havila Harmony AS (CEO), Havila Offshore AS (CEO), Emini Invest AS (CEO), Havila Subcon AS (CEO), Havila Ships AS (CEO), Havila Shipping ASA (CEO), Havila Chartering AS (chairman of the board), Havila Management AS (chairman of the board), Sunnmørsbadet Fosnavåg AS (board member), Havila Kystruten AS (board member), Endeavour Operation AS (board member), Raftevold hotel AS (board member), Volstad Construction AS (board member), Havila Chartering AS (CEO), Havila Management AS (CEO), Stiftelsen Herøy Næringsforum (chairman of the board), Russevikveien 4 AS (board member)
Previous directorships and management positions last five years:	*Norwegian Hull Club – Gjensidig Assuranseforening (directorships)*

Vibeke Gwendoline Fængsrud, Board Member

Ms Fængsrud is the founder and CEO of House of Math AS, Norway's largest private tutoring company within the natural sciences and economics. Ms Fængsrud also serves as a director of the board of Maritime & Merchant Bank ASA and has held various board memberships in academia. Ms Fængsrud has a Corporate Board Certificate from Harvard Business School. She has published 27 titles on mathematics and is doing a Lecturer in Mathematics and Physics with a Master's in Mathematics at the University of Oslo. Ms Fængsrud also has an Executive B.Sc. in International Business and Leadership from BI Norwegian Business School. Ms Fængsrud is a Norwegian citizen and resides in Oslo, Norway.

Current directorships and management positions:	*Nerd Holding AS (CEO and owner), House of Math AS (CEO and owner), Maritime & Merchant Bank ASA (board member)*
Previous directorships and management positions last five years:	*Norges Realfagsgymnas (board member), Simula Prepare (board consultant); Songa Bulk ASA*

Nina Skage, Board Member

From 1 September 2019, Nina Skage will become partner in Vest Corporate Advisors. Nina Skage became Managing Director at Norwegian School of Economics and business administration (NHH) in January 2014 and Director for External Relations and Fundraising at NHH in 2017. From 1988 to 2013, she held various positions in the Norwegian food industry group Rieber & Søn ASA (sold to Orkla ASA in 2013), including Director of Personnel and Organisational Development, Director of Corporate Communications, Director of Business Unit Food Service and Director of Marketing TORO. Mrs Skage has her education in business administration and management from St. Cloud State University, Minnesota. Mrs Skage has been on the boards of Biomega, AFF and GC Rieber Skinn, and currently serves as board member in Havila Shipping ASA, Eiendomskreditt, Dyrket.no, PODTOWN, CCT and Bergen Music Festival. Mrs Skage is a Norwegian citizen and resides in Bergen, Norway.

Current directorships and management positions:	*Vest Corporate Advisors (Partner), Norges Handelshøyskole (Management), Havila Shipping ASA (board member), Eiendomskreditt AS (board member), Dyrket.no AS, (board member),*

	PODTOWN AS (board member), CCT Group AS (board member), Bergen Music Festival (board member),
Previous directorships and management positions last five years:	*Norges Handelshøyskole (Management), Biomega AS (board member)*

Andreas C. Pay, Board Member

Mr. Pay is the CEO of Urbanium Gruppen AS, a family-owned real estate and investment group in Norway. He joined Urbanium Gruppen in 2016 after working more than 10 years with M&A and capital markets advisory in ABN AMRO/RBS, Leonardo & Co and Carnegie Investment Bank. Mr. Pay holds a Master of Science in Management from Universiteit Nyenrode and a Bachelor of Arts in Economics and Finance from Heriot-Watt University. Mr. Pay is a Norwegian citizen and resides in Asker, Norway.

Current directorships and management positions:	*Urbanium Gruppen AS (CEO), Subsidiaries of Urbanium Gruppen AS (board member), Andakt AS (chairman of the board), Uland AS (chairman of the board), Gasolin Høvik AS (board member), Markalleen 114 AS (board member), Porter AS (board member)*
Previous directorships and management positions last five years:	*Urbanium AS and subsidiaries of Urbanium AS (board member), Repa Holding AS, Halsen AS*

Elected with effect from 1 December 2019:

Tore A. Tønseth, Board Member

For 15 years, Mr. Tønseth has been working as an equity research analyst in SpareBank1 Markets and Pareto Securities covering sectors like seafood, technology and industry, and he has gathered deep knowledge and experience from the financial industry. He also has several years' experience from tech start-ups. Mr.Tønseth holds a Master of Science from Norwegian School of Economics and Business Administration (NHH) with a major in finance supported by a minor in econometrics. On 1 December 2019 he starts as investment director in the family office Ronja Capital. Mr. Tønseth is a Norwegian citizen and resides in Ålesund, Norway.

Current directorships and management positions: ....

Previous directorships and management positions last five years: .....

14.2.3 Shares held by members of the Board of Directors

As of the date of this Prospectus, the members of the Board of Directors have the following shareholdings in the Company:

Name	Position	No. of Shares	No. of Options
Rolf Rønningen	Chairman	17,000	-
Eirin Inderberg	Board member	-	-
Njål Sævik	Board member	-	42,000
Vibeke Fængsrud	Board member	108	-
Nina Skage	Board member	-	-
Andreas C. Pay	Board member	10,000	-

14.3 Management

14.3.1 Overview

The Group's management team consists of four individuals. The names of the members of the Management as at the date of this Prospectus, and their respective positions, are presented in the table below:

Name	Position	Employed since
Lee Parker	CEO	2017
Svein Knudsen	CFO	2018
Rick Dunlop	EVP Operations	2017
Neville Mathers	Global Operations Manager	2017

The Company's registered business address at Strandveien 50, N-1366 Lysaker, Norway, serves as the business address for the members of the Management in relation to their employment with the Company.

14.3.2 Brief biographies of the members of the Management

Lee Parker, President and CEO
Co-founder of Axxis Geo Solutions (AGS). Mr. Parker is a highly qualified international executive with 34 years of demonstrated leadership as an oilfield services executive.

Prior to launching AGS Mr. Parker served as Executive Vice President of Geokinetics Inc., from 2011-2015, reporting to the CEO and managing greater than USD 400 million global oilfield services operations including contract and Multi-Client business models. From 2006 to 2019 he fulfilled a variety of progressive, management positions within Grant Geophysical, Inc. Whilst at Grant Geophysical, he was part of the senior leadership team which restructured the company under private equity mode with a successful exit in 2006 selling to public company Geokinetics Inc, and subsequently operated as an officer of Geokinetics Inc. for six years until its privatization. Whilst at Geokinetics, Mr. Parker successfully expanded global markets, introduced new technologies and achieved significant year-on-year international growth from 2006 – 2009.

Mr. Parker graduated from the University of Southampton with an Honors degree in Electronic Engineering. He is a citizen of both the UK and the USA currently residing in Houston, USA.

Current directorships and management positions:	*Axxis Geo Solutions (CEO), Axxis Geo Solutions Inc. (board member)*
Previous directorships and management positions last five years:	*Geokinetics Inc (EVP Acquisitions), PT Geokinetics Indonesia (board member), Geokinetics International Services Inc. (board member), Geokinetics Enterprises Inc. (board member), Geokinetics Exploration, Inc. (board member), Geokinetics Exploration (SAHTU) Ltd. (board member), Geokinetics FZE. (board member), Geokinetics FZE Egypt, (board member), Geokinetics (Malta) Ltd., (board member), Geokinetics (Malta) Holdings Ltd. (board member) Foresight Australia PTY. (board member)*

Svein Knudsen, CFO
Mr. Knudsen has served as Chief Financial Officer in Axxis Geo Solutions AS since 2017. Prior to this he served as Chief Financial Officer in EMGS ASA from 2005 and as VP Finance & Treasury with Petroleum Geo Services ASA from 1994 to 2005. Mr. Knudsen graduated from Appalachian State University in North Carolina in 1987 with a B.Sc. in business and administration. Mr. Knudsen is a Norwegian citizen residing in Oslo, Norway.

Current directorships and management positions:	*Copenhagen AS (board member), Axxis Geo Solutions ASA (CFO)*
Previous directorships and management positions last five years:	*Viking Rock Holding AS (board member), Viking Rock AS (board member), EMGS Americas I AS (board member), EMGS Global AS, EMGS Surveys AS (board member), Multiclient Geophysical AS (board member), Electromagnetic Geoservices ASA (CFO)*

Rick Dunlop, EVP Operations
Co-founder of Axxis Geo Solutions (AGS). Mr. Dunlop is a project management-oriented industry professional with 38 years of experience operating in more than 36 countries over five continents.

Prior to launching AGS in 2017, Mr. Dunlop was a member of the executive management team at Geokinetics Inc., serving as Snr Vice President International Operations from 2011 to 2016. Prior to that, Mr. Dunlop served as the Vice President, Eastern Hemisphere form 2004-2010 and Vice president TZ and OBC services and other management roles with Grant Geophysical International Inc., from 1981 to 2011.

Mr. Dunlop obtained his MBA from Bond University in Queensland, Australia, he is an Australian citizen and currently resides in Houston, USA.

Current directorships and management positions:	*Axxis Geo Solutions Inc. (EVP Operations)*
Previous directorships and management positions last five years:	*Subsidiaries of Geokinetics Inc. (board member), Geokinetics Inc. (Vice President)*

Neville Mathers, Global Operations Manager

Mr. Mathers has 38 years' experience in the oil exploration industry worldwide across a varied range of exploration methods, in an equally diverse number of countries. With a mechanical engineering background, his extensive field experience across these environments and cultures, and ability to adapt, makes him a leader in his field.

Current directorships and management positions:	*N/A*
Previous directorships and management positions last five years:	*N/A*

14.3.3 Shares held by the members of the Management

As of the date of this Prospectus, the members of the Management have the following shareholdings in the Company:

Name	Position	No. of Shares[(1)]	No. of Options
Lee Parker	CEO	559,390	176,400
Svein Knudsen	CFO	17,000	106,400
Rick Dunlop	EVP Operations	144,228	106,400
Neville Mathers	Global Operations Manager	-	70,000

[(1)] *Including Private Placement Shares*

14.4 Share option program

The share option incentive scheme established by AGS AS for its management, key employees and directors was continued in the Company upon consummation of the Merger, with adjusted numbers and strike to reflect the exchange ratio in the Merger.

There are currently 1,009,879 options issued under the program, including (i) 546,000 options with a strike price of NOK 6.9607 (the "**2017 Options**"), (ii) 435,879 options with a strike price of NOK 11.275 (the "**2018 Options**"), and (iii) 28,000 options with a strike price of NOK 25 (the "**2019 Options**"). All 2017 Options have vested and will expire on 12 September 2023. Of the 2018 Options and 2019 Options (as awarded to each individual under the program), 50% vested on the award date (27 September 2018 and 1 May 2019, respectively); 25% will vest on first anniversary and last 25% will vest on second anniversary of award date. The options may be exercised within 5 years from vesting date.

The table below sets out the current outstanding options in the Company:

Name	2017 Options	2018 Options	2019 Options
Lee Parker	112,000	64,400	
Svein Knudsen	70,000	36,400	
Rick Dunlop	70,000	36,400	
Neville Mathers	56,000	14,000	
Njål Sævik	-	42,000	
(Others)	238,000	270,679	28,000
Total	**546,000**	**463 879**	**28,000**

14.5 Benefits upon termination

The Company has entered into service contracts with Mr. Parker and Mr. Dunlop under which the Company shall pay a severance pay of 1.5 x annual base salary upon termination of employment (save for termination of employment upon good cause by the Company).

14.6 Loans and guarantees

The Company has not granted any loans, guarantees or other commitments to any of the members of the Board of Directors or to any member of the Management.

14.7 Conflicts of interest etc.

During the last five years preceding the date of this Prospectus, none of the members of the Board of Directors or the Management have, or had, as applicable:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation or companies put into administration in his or her capacity as a founder, director or senior manager of a company.

Njål Sævik is CEO of Havila Shipping ASA and the chairman of the board of Havila Holding AS, the second largest shareholder of the Company, and is hence not independent of the Company's business relations. Nina Skage is independent board member in Havila Shipping ASA and is considered as an independent director in relation to the Company. Andreas C. Pay is the CEO and 20% indirect owner of Urbanium Gruppen AS, which holds 1,500,000 Shares, but is considered independent of the Company's Management, main business connections and larger shareholders.

Other than as stated above, there are currently no actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Board of Directors or the Management, including any family relationships between such persons.

There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any of the members of the Board of Directors or Management were elected as a member of the Board of Directors or the Management of the Company.

14.8 Employees

There are currently six employees in the Company, all located in Norway, and three employees in Axxis Geo Solutions Inc. located in Houston, United States.

In addition AGS has contracted seismic personnel and project support personnel from various suppliers for ongoing projects. The average number of seismic crew used by AGS in 2018 was 140, while the number of project support crew was 15 persons in average in 2018.

15 CORPORATE INFORMATION, REGULATORY DISCLOSURES AND DESCRIPTION OF THE SHARE CAPITAL

The following is a summary of material information relating to the Shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Company's Articles of Association and applicable Norwegian law in effect as at the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Company's Articles of Association and applicable law.

15.1 Corporate information

Axxis Geo Solutions ASA is a public limited liability company pursuant to the Norwegian Public Limited Liability Companies Act, incorporated under the laws of Norway and registered in the Norwegian Register of Business Enterprises with the business registration number 917 811 288. The Company's legal entity identifier is 5967007LIEEXZXKC2G83. The Company's current registered business address is Strandveien 50, N-1366 Lysaker, Norway and the Company's website is www.axxisgeo.com. The information at the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus. The Company's telephone number is +47 480 95 555.

Upon completion of the Merger with AGS AS on 2 July 2019, the Company shifted its business activities by entering into the seismic industry. The Company changed its name from Songa Bulk ASA to Axxis Geo Solutions ASA on 2 July 2019.

15.2 Legal structure of the Group

The structure of the Group is illustrated below:

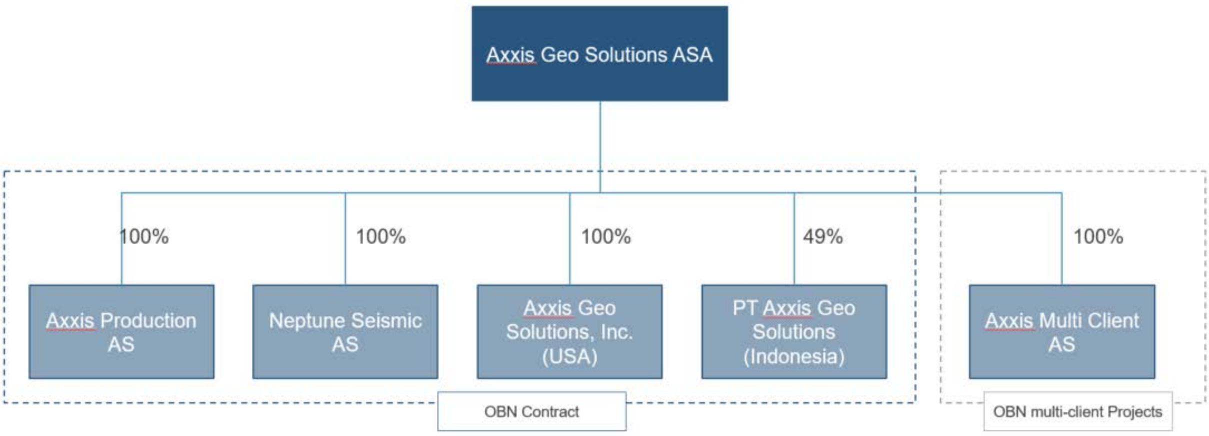


***Figure 15.1** – Legal structure*

Below is an overview of the companies within the Group:

Company Name	Registrered office	Function	Interest held
Axxis Geo Solutions ASA	Lysaker, Norway	Parent company	
Neptune Seismic AS	Ulsteinvik, Norway	Dormant company	100%
Axxis Production AS	Lysaker Norway	Performing client proprietary work	100%
Axxis Geo Solutions, Inc.	Texas, USA	Management company	100%
Axxis Multi Client AS	Ulsteinvik, Norway	Holder of MC business	100%
PT Axxis Geo Solutions	Indonesia	Dormant company	49%[1]

[1] *AGS holds 49% of the shares in PT Axxis Geo Solutions but controls 100% of the votes.*

AGS is the parent company of the Group and holds all material contracts and assets except for the current Utsira contract and all future MC activity. Axxis Geo Solutions, Inc. is a management company with only administration and some consultancy services and costs. Axxis Multi Client AS owns and operates the Group's multi-client operations. Multi-client assets from the Utsira project lays in this company. In addition, the Company is in the process of establishing a new subsidiary, Axxis Multi Client International AS, in which the Company will hold 100% of the shares. Axxis Multi Client International AS will own and operate the Group's multi-client operations outside of Norway.

15.3 Regulatory disclosures by the Company in the last 12 months

15.3.1 Regulatory disclosures prior to completion of the Merger (2 July 2019)

Regulatory disclosures in relation to distributions from the Company

Please refer to Section 16.2.3 below for an overview of the distributions resolved by the Company in the last 12 months (prior to completion of the Merger). Following completion of the Star Bulk Transaction, the Company completed three different distributions to distribute the Star Bulk Shares, please see stock exchange announcements and key date announcements as of 29 August 2018, 10 September 2018, 12 September 2018, 14 September 2018, 26 September 2018, 2 October 2018, 3 October 2018, 24 October 2018, 17 December 2018. As described in the announcement dated 18 March 2019, the consideration shares not distributed to eligible shareholders due to the lack of representation and warranties letters were transferred to Star Bulk as further described in Section 16.1.3.

Financial Reports prior to completion of the Merger

Date of regulatory announcement	Key content
30 November 2018	Financial report for third quarter 2018
28 February 2019	Financial report for fourth quarter 2018
28 March 2019	Annual accounts 2019

Other Regulatory Information

Date of regulatory announcement	Key content
27 November 2018, 28 November 2018 and 18 December 2018	Proposal, key dates and resolution by the general meeting to pay NOK 2.25 in extraordinary dividend

Regulatory disclosures in relation to the Merger

The Company announced the entering into of the joint Merger Plan between the Company and AGS AS on 16 April 2019. The Merger was approved by the general meetings in AGS AS and the Company on 16 May 2019. The creditor notice period for the Merger commenced on 20 May 2019 and expired on 1 July 2019. The Merger was completed on 2 July 2019. Further information regarding the Merger is included in the information document disclosed by the Company in a stock exchange announcement on 5 June 2019.

15.3.2 Regulatory disclosures regarding AGS AS and post completion of the Merger

Date of regulatory announcement	Key content	
7 June 2019	Successful completion of the ONGC survey offshore India. AGS AS' part of the contract valued at over USD 70 million	
16 June 2019	Signing of a global master service agreement covering marine services, hereunder OBN acquisitions, with a major international oil company.	
31 July 2019, 8 August 2019 and 17 October 2019	Operational updates	
27 August 2019	Signing of contract with SAExploration for source work in Brazil with minimum value of USD 4 million	
30 August 2019	Financial calendar	
23 September 2019	LOI for large OBN survey in Q4 with an estimated scope of 28 vessel months	
10 October 2019 and 11 October 2019	Information in relation to the Private Placement; Mandatory notifications of trade	Please see further information in Section 6
11 October 2019	Key date information in relation to the Subsequent Offering	Please see further information in Section 7
11 October 2019 and 24 October 2019	Call for extraordinary general meeting incl. (i) approval of issuance of the Tranche 2 Private Placement Shares; (ii) election of new board members; (iii) establishment and election of a nomination committee; (iv) election of EY as the Company's auditor; (v) remuneration of the board of directors in the period form completion of the Merger to annual general meeting in 2020; and (iv) approval of board authorisation to carry our one or more share issues in a total amount not exceeding NOK 42,406,540.50.	

15.4 Description of the Shares and share capital

As at the date of this Prospectus, the Company's registered share capital is NOK 81,999,356.54426363 divided into 58,809,937 shares, each with a par value of NOK 1.39431124614644. All the Shares have been created under the Norwegian Public Limited Liability Companies Act, and are validly issued and fully paid.

The Company has one class of shares. Neither the Company nor any of its subsidiaries directly or indirectly own Shares in the Company.

The Company's registrar is DNB Bank ASA, Registrars Department (Dronning Eufemias gate 30, P.O. Box 1600 Sentrum, N-0021 Oslo, Norway).

15.5 Share capital history

As of 1 January 2018 and 31 December 2018, the Company had a total number of 35,860,000 Shares, with each Share having a par value of NOK 5 and 0.027886224, respectively.

The table below shows the development in the Company's share capital for the period between 1 January 2017 and to the date of this Prospectus:

Date	Type of change	Capital increase/ decrease (NOK)	Number of Shares issued	Total number of Shares	Par value (NOK)	New share capital (NOK)
24 August 2016	Incorporation		100	100	300	30,000
10 November 2016[1)]	Capital increase and share split	1,144,905	228,981	229,081	5	1,174,905
10 November 2016[2)]	Capital increase	73,125,095	14,625,019	14,860,000	5	74,300,000
7 February 2017[3)]	Capital increase	5,000,000	1,000,000	15,860,000	5	79,300,000
17 February 2017[4)]	Capital increase	100,000,000	20,000,000	35,860,000	5	179,300,000
5 June 2018[5)]	Capital decrease	-178,300,000	-	35,860,000	0.027886224	1,000,000
16 May 2019[6)]	Capital increase	28,712,684.8137722	1,065,496,885.263928	1,101,356,885.263928	0.027886224	29,712,684.8137722
16 May 2019	Reverse share split	-	-	21,309,937	~1.394311246	29,712,684.8137722
11 October 2019[7)]	Capital increase	13,155,429.78642388	9,435,074	30,745,011	~1.394311246	42,868,114.60019601
4 November 2019	Capital increase	39,131,241.94406762	28,064,926	58,809,937	~1.394311246	81,999,356.54426363

1) *Share capital increase against contribution in kind. In connection with Songa Maru AS' acquisition of the vessel Songa Maru, Songa Shipholding had a receivable on Songa Maru AS of USD 1,144,905, which was contributed to the Company at par value against consideration of Shares. The subscription price for the Shares was USD 5 per Share, and 228,981 Shares were issued to Songa Shipholding.*
2) *Share capital increase against consideration in cash.*
3) *Share capital increase against consideration in cash.*
4) *Share capital increase against consideration in cash.*
5) *Share capital decrease by reduction of the par value from NOK 5 to NOK 0.27886224 resolved by the Company's annual general meeting on 5 June 2018 as part of the distribution of proceeds from the Star Bulk Transaction. The dividend was paid in 0.04629 consideration shares in Star Bulk per Songa Share, in cash or as distribution in kind.*
6) *Share capital increase against contribution in kind issued upon consummation of the Merger.*
7) *Tranche 1 of the Private Placement as further described in Section 6*
8) *Tranche 2 of the Private Placement as further described in Section 6*

15.6 Stock exchange listing

The Company has been listed on Oslo Axess since 24 May 2017. Prior to the listing on Oslo Axess, the Shares were admitted to trading on Merkur Market, a multilateral trading facility operated by Oslo Børs ASA.

The Company has not applied for admission to listing of the Shares on any other stock exchange or regulated market.

15.7 Ownership structure

Below is a pro forma list of the Company's 20 largest shareholders based on the shareholder list as of the last trading day prior to allocation of the Private Placement Shares, including the allocated Private Placement Shares. There is only one class of Shares and there are no differences in voting rights between the Shares.

No	Investor	Share (%)	# of shares
1	Havila Holding As	26.4%	15 549 434
2	Songa Investments As	10.9%	6 399 283
3	Rome As	6.3%	3 699 257
4	Bruheim	4.0%	2 371 657
5	Trh As	3.6%	2 116 839
6	Ronja Capital As	3.5%	2 065 257
7	W2 Seismic As	3.0%	1 765 561
8	Urbanium As	2.6%	1 500 000
9	Johs. Hansen Rederi As	2.5%	1 496 345
10	Ajea Invest As	2.4%	1 423 873
11	Stette Invest As	2.2%	1 282 768
12	Kjølås Stansekniver As	2.2%	1 282 768
13	Remco As	1.9%	1 100 000
14	Kraft Finans	1.7%	1 000 000
15	Middelborg Invest As	1.4%	833 333
16	Klaveness Marine	1.4%	833 333
17	Tigerstaden A/S	1.4%	833 333
18	J.P. Morgan Securities Llc	1.2%	703 618
19	NHO	1.1%	666 666

20 Karsten Ellingsen As	0.9%	545 973
Total top 20 shareholders	**80.7%**	**47 469 298**
Other	19.3%	11 340 639
Total	**100.0%**	**58 809 937**

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 17.6 "*Disclosure obligations*" for a description of the disclosure obligations under the Norwegian Securities Trading Act. Other than as set out above, there are as at the date of this Prospectus no other persons or entities that has a shareholding in the Company which is notifiable pursuant the Norwegian Securities Trading Act to the Company's knowledge.

The Company is not aware of any persons or entities who, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company. The Company applies the Corporate Governance Code which entails, amongst other things, equal treatment of shareholders and that more than half of the Board Members should be independent. Other than this, no particular measures have been implemented to ensure that such control is not abused.

The Shares have not been subject to any public takeover bids.

15.8 Authorisation to increase the share capital and to issue Shares

The following authorisations have been granted to the Board of Directors to increase the share capital in the Company and to issue shares:

- At the Company's AGM the Board of Directors was granted an authorisation to increase the Company's share capital by up to NOK 1,700,911 to be used in connection with the Company's share option scheme for members of the board and the senior management. The authorisation may be used one or several times and is valid until the annual general meeting in 2020; and

- At the EGM, the Board of Directors was granted an authorisation to increase the Company's share capital by up to NOK 42,406,540.50 by issuance of shares in connection with the Subsequent Offering or for general corporate purposes. The authorisation may be used one or several times and is valid until the annual general meeting in 2021.

15.9 Rights to subscribe or acquire shares

Except for the share option program as further described in Section 14.4 above, the Company has not issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or the subsidiaries.

15.10 Shareholder rights

The Company has one class of Shares in issue and, in accordance with the Norwegian Public Limited Liability Companies Act, all Shares in that class provide equal rights in the Company, including the right to any dividends. Each of the Company's Shares carries one vote. The rights attaching to the Shares are described in Sections 15.11 "*Summary of the Company's Articles of Association*" and 15.12 "*Certain aspects of Norwegian corporate law*".

15.11 Summary of the Company's Articles of Association

The Company's current Articles of Association are set out in Appendix A to this Prospectus. Below is a summary of provisions of the Articles of Association.

15.11.1 Objective of the Company

The objective of the Company is to own and/or operate vessels providing services to the oil and gas industry, including investments in other entities and businesses related thereto.

15.11.2 Registered office

The Company shall have its business offices in the municipality of Bærum.

15.11.3 Share capital and par value

The Company's share capital is NOK 81,999,356.54426363 divided into 58,809,937 shares, each with a par value of NOK 1.39431124614644. The Shares are registered with the Norwegian Central Securities Depository (VPS).

15.11.4 Board of Directors

The Company's Board of Directors shall consist of between 3 and 7 Board Members elected by the general meeting.

15.11.5 Restrictions on transfer of Shares

The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Company. Share transfers are not subject to approval by the Board of Directors.

15.11.6 General meetings

The annual general meeting shall address and decide approval of the annual accounts and the board's statement, including distribution of dividends; election of board members and auditor (if these are to be elected) and any other business which by law or the Articles of Association is required to be dealt with by the general meeting.

Shareholders that wish to attend a general meeting shall notify the Company prior to a deadline, to be set out in the notice. The deadline cannot expire earlier than two business days before the general meeting. If a shareholder has not provided notice within the deadline, attendance may be denied.

When documents regarding matters which are to be dealt with at the general meeting have been made available on the internet site of the Company, the requirements in the Norwegian Public Limited Liability Companies Act which state that these documents shall be sent to the shareholders, shall not apply. This exception is also applicable with regards to documents which according to statutory law shall be included in or attached to the notice of the general meeting.

15.12 Certain aspects of Norwegian corporate law

15.12.1 General meetings

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. Norwegian law requires that written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting be sent to all shareholders with a known address no later than 21 days before the annual general meeting of a Norwegian public limited liability company listed on a stock exchange or a regulated market shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at their own discretion. Although Norwegian law does not require the Company to send proxy forms to its shareholders for general meetings, the Company plans to include a proxy form with notices of general meetings. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the general meeting, or who have otherwise reported and documented ownership to Shares, are entitled to participate at general meetings, without any requirement of pre-registration. The Company's Articles of Association do, however, include a provision requiring shareholders to pre-register in order to participate at general meetings.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the Board of Directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings. However, the annual general meeting of a Norwegian public limited liability company may with a majority of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting resolve that extraordinary general meetings may be convened with a fourteen days' notice period until the next annual general meeting provided the company has procedures in place allowing shareholders to vote electronically.

15.12.2 Voting rights – amendments to the Articles of Association

Each of the Company's Shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the Company's Articles of Association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the Articles of Association, to authorise an increase or reduction in the share capital, to authorise an issuance of convertible loans or warrants by the Company or to authorise the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the Articles of Association.

In general, only a shareholder registered in the VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees. Investors should note that there are varying opinions as to the interpretation of the right to vote on nominee registered shares. In the Company's view, a nominee may not meet or vote for Shares registered on a nominee account. A shareholder must, in order to be eligible to register, meet and vote for such Shares at the general meeting, transfer the Shares from such nominee account to an account in the shareholder's name. Such registration must appear from a transcript from the VPS at the latest at the date of the general meeting.

There are no quorum requirements that apply to the general meetings.

15.12.3 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Company's Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be derogated from by resolution in a general meeting passed by the same vote required to amend the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, by the same vote as is required for amending the Articles of Association, authorise the Board of Directors to issue new Shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorisation may be effective for a maximum of two years, and the par value of the Shares to be issued may not exceed 50% of the registered nominal share capital when the authorisation is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the par value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company.

15.12.4 Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including but not limited to those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Company's Board of Directors convene an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

15.12.5 Rights of redemption and repurchase of Shares

The share capital of the Company may be reduced by reducing the par value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorisation to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate par value of treasury shares so acquired, and held by the Company must not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the general meeting of the Company's shareholders cannot be granted for a period exceeding 18 months.

15.12.6 Shareholder vote on certain reorganisations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the general meeting of the shareholders passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the Articles of Association stipulate that, made available to the shareholders at the company's website, at least one month prior to the general meeting to pass upon the matter.

15.12.7 Liability of board members

Members of the Board of Directors may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting of the Company's shareholders passing upon the matter. If a resolution to discharge the Company's board members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Company's board members from liability or not to pursue claims against the Company's board members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

15.12.8 Indemnification of board members

Except for resolutions to discharge members of the Board of Directors as described in Section 15.12.7 above, neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for the board members against certain liabilities that they may incur in their capacity as such.

15.12.9 Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

16 HISTORICAL INFORMATION ABOUT THE COMPANY

16.1 Historical business and activities and the transaction with Star Bulk Carriers Corp.

16.1.1 Overview

The purpose of the Company was originally to own and operate vessels and to invest in ship-owning subsidiaries within the dry-bulk segment. Following completion of the Star Bulk Transaction as further described below, the Company ceased its shipping activities.

16.1.2 Historical business

The Company was founded in 2016 by the Blystad Group and Herman Billung. The Company was founded based on aligned interests between founders and shareholders, efficient and low cost set-up and a conservative leverage profile. Songa Bulk ASA's main focus has been on returning capital to shareholders through asset sales and dividends as dry bulk fundamentals allow.

The Company has operated a fleet of up to 15 vessels, of which three vessels were acquired in 2016 and 13 vessels were acquired in 2017. All vessels were held in single purpose subsidiaries of the Company, all of which has been liquidated after completion of the Star Bulk Transaction. The Company has operated its vessels under different short-term time charter contracts and in the spot market.

On 17 December 2016, the Company's shares were admitted to trading on the Merkur Market under ticker code "SBULK-ME". The Company transferred its listing to Oslo Axess on 24 May 2017 with ticker code "SBULK".

16.1.3 The transaction with Star Bulk Carriers Corp.

On 14 May 2018, Songa Bulk ASA entered into an agreement with Star Bulk Carriers Corp. ("**Star Bulk**", listed on NASDAQ Global Select Market with ticker code "SBLK"), regarding the sale of all of the Company's vessels against a consideration of 13,688,000 shares of Star Bulk (the Star Bulk Shares) and USD 144.55 million in cash (the "**Star Bulk Transaction**"). In addition Star Bulk acquired Songa Bulk ASA's outstanding warrant program for 37,000 shares of Star Bulk and USD 450,000 in cash. The Star Bulk Transaction was approved in the Annual General Meeting of Songa Bulk ASA on 6 June 2018 and was completed on 6 July 2018.

Songa Bulk ASA used the cash proceeds to repay its then outstanding bond loan on completion at the mandatory prepayment price (104% of the USD 138,000,000 redemption amount, plus accrued interest).

The Star Bulk Shares have been distributed to the shareholders in Songa Bulk ASA in three different corporate resolutions (i) a USD 151 million dividend of USD 4.2108 per share; (ii) a NOK 178,300,000 share capital decrease of NOK 4.972 per share; and (iii) a USD 10,446,357.10 dividend of USD 0.2913 per share. As at the date of this Prospectus, 13,665,071 Star Bulk Shares have been distributed to the shareholders in Songa Bulk ASA in the above distributions. In addition, Songa Bulk ASA has exercised (i) its put option towards Star Bulk for 6,971 Star Bulk Shares against a cash consideration equal to the cash alternative distributed to shareholders non-eligible to receive the Star Bulk Shares (USD 92,767.85) and (ii) its put option towards Star Bulk for 6,706 Star Bulk Shares being undelivered consideration shares to Songa Bulk Shareholders, against Star bulk irrevocably assuming, without recourse to Songa Bulk ASA, the obligations to deliver the 6,706 (or any corresponding cash alternative) to the relevant Songa Bulk Shareholders. The Company currently holds 9,252 Star Bulk Shares.

16.1.4 The Merger

The Merger between AGS AS and the Company on the terms as set out in the Merger Plan was completed on 2 July 2019. The then existing shareholders of AGS AS received 1.4 shares in the Company per one (1) share they held in AGS AS prior to the Merger, meaning that the shareholders of AGS AS upon consummation of the Merger received a total of 1,029,636,885 shares in the Company, representing 96.6% of all issued shares in the Company immediately following consummation of the Merger.

As a consequence of the Merger, the share capital in the Company was increased by NOK 28,712,684.8137722 from NOK 1,000,000 to NOK 29,712,684.8137722 by the issuance of 1,029,636,885 Consideration Shares. The total share contribution was NOK 514,818,443, of which NOK 28,712,684.8137722 was share capital and NOK 486,105,758.1862280 was other equity.

16.2 Historical financial and other information

16.2.1 Historical financial information

As the Company's business and operations upon consummation of the Merger in all respects are related to AGS, the historical information of the Company, both in respect of financial information and business activities, will not enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses, and prospects of the Company, and of the rights attaching to the Shares. Consequently, information contained in this Prospectus will in all material respects relate to historical descriptions and figures from the activities carried out in AGS.

Historical audited financial information relating to Songa Bulk ASA for the financial year 2018 and the unaudited financial information for the three months ended 30 June 2019 are incorporated by reference to this Prospectus, see Section 20.3 "*Incorporation by reference*". The Songa Financial Statements have been audited by PWC.

16.2.2 Significant changes in the financial or trading position of Songa Bulk ASA since 30 June 2019

- On 2 July 2019, the completion of the Merger between Songa Bulk ASA and Axxis Geo Solutions AS was registered with the Norwegian Register of Business Enterprises. As approved by Songa Bulk's annual general meeting on 16 May 2019, conditional on completion of the Merger, the following also took effect:
  - New company name: Axxis Geo Solutions ASA
  - The Company's shares was from and including 3 July 2019 listed on Oslo Axess under the new company name and the new ticker "AGS".

Please refer to Section 13.5 for a description of significant changes in the financial or trading position of the Company following completion of the Merger.

16.2.3 Historical payment of dividends

The following table sets forth all dividend payments made to the Company's shareholders in the period from 1 January 2018 until the date of this Prospectus. As further described in Section 10, AGS AS has not paid dividends in 2018 or 2017.

Approval date	Dividend per share	Adjusted dividend amount (1)
22 March 2018	USD 0.10	~USD 0.060976
5 June 2018	NOK 4.972(2)	~NOK 3.031801
6 July 2018	USD 4.2108	~USD 2.567581
3 October 2018	USD 0.2913(3)	~USD 0.11763
19 December 2018	NOK 2.25(4)	~NOK 1.37196

(1) All dividend payments are made prior to completion of the Merger. Dividend amount per share adjusted for number of shares in the

Company as at the date of this Prospectus.

16.3 Material contracts outside the ordinary course of business

Other than the Company's agreement to divest all of its vessels as further described in Section 16.2 "*Historical business and activities and the transaction with Star Bulk Carriers Corp*." and the Merger Plan, neither the Company nor any of its subsidiaries have entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus or entered into any other contract outside the ordinary course of business that contains any provision under which the Company or any of its subsidiaries has any obligation or entitlement that is material to the Company as of the date of this Prospectus.

16.4 Related Party Transactions

Other than as set out below, the Company has not entered into any related party transactions since 1 January 2019 and up to the date of the Merger:

- The Company had entered into a corporate service agreement with Arne Blystad AS for the rendering of inter alia administrative services which also covered hire of the Company's current CEO/CFO, which was terminated with effect from the date of consummation of the Merger. Arne Blystad AS is a company owned and controlled by the chairman of the former Board of Directors and his immediate family. Since 1 January 2019 and up to the date of this Prospectus, total expenses for the hire of the CEO/CFO have been NOK 100,000.

For an overview of related party agreements entered into by AGS AS and the Company after completion of the Merger, please refer to Section 13.4.

17 SECURITIES TRADING IN NORWAY

17.1 Trading and settlement

Trading of equities on the Oslo Stock Exchange is carried out in the electronic trading system Millennium Exchange. This trading system is in use by all markets operated by the London Stock Exchange, including the Borsa Italiana, as well as by the Johannesburg Stock Exchange.

Official trading on the Oslo Stock Exchange takes place between 09:00 (CET) and 16:20 (CET) each trading day, with pre-trade period between 08:15 (CET) and 09:00 (CET), closing auction from 16:20 (CET) to 16:25 (CET) and a post-trade period from 16:25 (CET) to 17:30 (CET). Reporting of after exchange trades can be done until 17:30 (CET).

The settlement period for trading on the Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

SIX x-clear Ltd has a license from the Norwegian Ministry of Finance to act as a central counterparty and provide clearing services in Norway, and has since 2010 (until 2014 through the subsidiary Oslo Clearing ASA) offered clearing and counterparty services for equity trading on Oslo Børs.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

17.2 Information, control and surveillance

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

17.3 The VPS and transfer of Shares

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralised securities register. It is a computerised book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and the Oslo Stock Exchange are both wholly-owned by Oslo Børs VPS Holding ASA.

All transactions relating to securities registered with the VPS are made through computerised book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being, Norway's central bank), authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is *prima facie* evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's articles of association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an on-going basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

17.4 Shareholder register

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners. Beneficial owners must register with the VPS or provide other sufficient proof of their ownership to the shares in order to vote at general meetings.

17.5 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

17.6 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the Company's share capital.

17.7 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

17.8 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

17.9 Compulsory acquisition

Pursuant to the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited liability company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorised to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Norwegian Public Limited Liability Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

17.10 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

18 TAXATION

Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation is based on the laws in force in Norway as at the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisors. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisors with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdictions in which the shareholders are resident for tax purposes may have an impact on the income received from shares in the Company.

18.1 Norwegian taxation

18.1.1 Taxation of dividends

Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable in Norway for such shareholders at an effective tax rate of 31.68% to the extent the dividend exceeds a tax-free allowance (i.e. dividends received, less the tax free allowance, shall be multiplied by 1.44 which are then included as ordinary income taxable at a flat rate of 22%, increasing the effective tax rate on dividends received by Norwegian Personal Shareholders to 31.68%).

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a risk free interest rate based on the effective rate after tax of interest on treasury bills (Nw.: *statskasseveksler*) with three months maturity increased by 0.5%. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realisation, of the same share.

Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are effectively taxed at rate of 0.66% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of 22%). For Norwegian Corporate Shareholders that are considered to be financial institutions (e.g. banks etc.) the applicable effective tax rate is 0.75% (3% of dividend income is subject to tax at the flat tax rate for financial institutions of currently 25%).

Non-Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 22%. The withholding tax rate of 22% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please see "*Taxation of dividends – Norwegian Personal Shareholders*" above). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Non-Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian Tax Directorate for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is required to file a summary to the tax authorities including all beneficial owners that are subject to withholding tax at a reduced rate.

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

18.1.2 Taxation of capital gains on realization of shares

Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. The effective tax rate on gain or loss related to shares realised by Norwegian Personal Shareholders is currently 31.68%; i.e. capital gains (less the tax free allowance) and losses shall be multiplied by 1.44 which are then included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a flat rate of 22%, increasing the effective tax rate on gains/losses realised by Norwegian Personal Shareholders to 31.68%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realisation of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 18.1.1 "*Taxation of dividends — Norwegian Personal Shareholders*" above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realisation of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realisation of shares qualifying for participation exemption, including shares in the Company. Losses upon the realisation and costs incurred in connection with the purchase and realisation of such shares are not deductible for tax purposes.

Non-Norwegian Personal Shareholders

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Personal Shareholder holds the shares in connection with business activities carried out or managed from Norway.

Non-Norwegian Corporate Shareholders

Capital gains derived by the sale or other realisation of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway.

18.1.3 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for listed shares is equal to the listed value as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year).

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

18.1.4 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

18.1.5 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

19 SELLING AND TRANSFER RESTRICTIONS

19.1 General

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares offered hereby.

Other than in Norway, the Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

19.2 Selling restrictions

19.2.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A; or (ii) to certain persons in offshore transactions compliance with Regulation S under the U.S. Securities Act, and in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, each Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Offer Shares as part of its allocation at any time other than to QIBs in the United States in accordance with Rule 144A or outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Offer Shares will be restricted and each purchaser of the Offer Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 19.3.1 "*United States*".

Any offer or sale in the United States will be made by affiliates of the Managers who are broker-dealers registered under the U.S. Exchange Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of Offer Shares within the United States by a dealer, whether or not participating in the Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A of the U.S. Securities Act and in connection with any applicable state securities laws.

19.2.2 United Kingdom

Each Manager has represented, warranted and agreed that:

a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Offer Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

b) it has complied and will comply with all applicable provisions of the FSMA with respect to everything done by it in relation to the Offer Shares in, from or otherwise involving the United Kingdom.

19.2.3 European Economic Area

In relation to each Relevant Member State, with effect from and including the Relevant Implementation Date, an offer to the public of any Offer Shares which are the subject of the offering contemplated by this Prospectus may not be made in that Relevant Member State, other than the offering in Norway as described in this Prospectus, once the Prospectus has been approved by the competent authority in Norway and published in accordance with the EU Prospectus Regulation (as implemented in Norway), except that an offer to the public in that Relevant Member State of any Offer Shares may be made at any time with effect from and including the Relevant Implementation Date under the following exemptions under the EU Prospectus Regulation, if they have been implemented in that Relevant Member State:

a) to legal entities which are qualified investors as defined in the EU Prospectus Regulation;

b) to fewer than 150 natural or legal persons per Member State, other than qualified investors as defined in the EU Prospectus Regulation;

c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation;

provided that no such offer of Offer Shares shall require the Company or any of the Managers to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an "offer of securities to the public" in relation to any Offer Shares in any Relevant Member State means the communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and any Offer Shares to be offered, so as to enable an investor to decide to purchase or subscribe for the Offer Shares, as the same may be varied in that Member State by any measure implementing the EU Prospectus Regulation in that Member State and the expression "EU Prospectus Regulation" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

19.2.4 Canada

This Prospectus is not, and under no circumstance is to be construed as, a prospectus, an advertisement or a public offering of the Offer Shares in Canada or any province or territory thereof. Any offer or sale of the Offer Shares in Canada will be made only pursuant to an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable provincial securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made.

19.2.5 Hong Kong

The Offer Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the Offer Shares may be issued or may be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

19.2.6 Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares may not be circulated or distributed, nor may they be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

19.2.7 Additional jurisdictions

The Offer Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Japan, Australia or any other jurisdiction in which it would not be permissible to offer the Offer Shares.

In jurisdictions outside the United States and the EEA where the Offering would be permissible, the Offer Shares will only be offered pursuant to applicable exceptions from the prospectus requirements in such jurisdictions.

19.3 Transfer restrictions

19.3.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this Section.

Each purchaser of the Offer Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to significant restrictions on transfer.

- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares to any person in the United States.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.

- The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.

- The Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.

- The purchaser acknowledges that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States pursuant to Rule 144A will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.

- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Offer Shares, as the case.

- The purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.

- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, as the case may be, such Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The Offer Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares, as the case may be.

- The Company shall not recognise any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.

- The purchaser acknowledges that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

19.3.2 European Economic Area

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway or Eligible Shareholders) who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with each Manager and the Company that:

a) it is a qualified investor as defined in the EU Prospectus Regulation; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 5(1) of the EU Prospectus Regulation, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of a Manager has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purposes of this representation, the expression an "offer of securities to the public" in relation to any Offer Shares in any Relevant Member State means the communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and any Offer Shares to be offered, so as to enable an investor to decide to purchase or subscribe for the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Regulation in that Relevant Member State and the expression "EU Prospectus Regulation" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

20 ADDITIONAL INFORMATION

20.1 Auditor and advisors

The Company's independent auditor is Ernst & Young AS ("**EY**"), with registration number 976 389 387, and business address at Dronning Eufemias gate 6, N-0191 Oslo, Norway. EY was elected as the Company's auditor at the EGM due to EY's historical knowledge of the AGS business. EY is a member of the Norwegian Institute of Public Accountants (Nw.: *Den Norske Revisorforening*). The historical financial information relating to the Company for the financial year ended 31 December 2018 has been audited by PWC.

ABG Sundal Collier ASA, Fearnley Securities AS and SpareBank 1 Markets AS are acting as Managers in connection with the Private Placement and the Subsequent Offering. Advokatfirmaet Schjødt AS is acting as legal advisors to the Company in connection with the Private Placement and the Subsequent Offering and Wikborg Rein Advokatfirma AS is acting as legal advisor to the Company in relation to this Prospectus.

20.2 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Strandveien 50, N-1366 Lysaker, Norway, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus:

- The Company's memorandum of association and Articles of Association; and
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus.

The above documents are also available on www.axxisgeo.com.

20.3 Incorporation by reference

The information incorporated by reference in this Prospectus should be read in connection with the cross-reference list set out in the table below. Except as provided in this Section, no information is incorporated by reference in this Prospectus.

The Company incorporates by reference the Company's audited consolidated financial statements as of and for the year ended 31 December 2018 as well as certain other documents specified below.

Section in Prospectus	Disclosure requirements of the Prospectus	Reference document and link	Page in reference document
Section 16.2	Audited historical financial information (Annex I, Item 20.1)	Songa Bulk ASA – Annual report 2018 https://newsweb.oslobors.no/message/473174	9 – 26
Section 16.2	Audit report (Annex I, Item 20.4.1)	Songa Bulk ASA – Annual report 2018 https://newsweb.oslobors.no/message/473174	41 - 44
Section 16.2	Accounting policies (Annex I, Item 20.1)	Songa Bulk ASA – Annual report 2018 https://newsweb.oslobors.no/message/473174	13 - 16
Section 16.2	Half-yearly financial statements	Songa Bulk ASA – half-year 2019 report https://newsweb.oslobors.no/message/484202	5 - 10
Section 12	Q3 financial statements	Axxis Geo Solutions ASA – Q3 report https://newsweb.oslobors.no/message/488654	9 – 19

21 DEFINITIONS AND GLOSSARY OF TERMS

In the Prospectus, the following defined terms have the following meanings:

AGS or Company:	Axxis Geo Solutions ASA, with business registration number 917 811 288
AGS AS:	Axxis Geo Solutions AS, with business registration number 990 691 371
AGS Financial Statements:	AGS' audited consolidated financial statements as of, and for the year ended 31 December 2018 with comparable figures for the year ended 31 December 2017
AGS Group:	AGS and its consolidated subsidiaries, prior to consummation of the Merger
Anti-Money Laundering Legislation:	The Norwegian Money Laundering Act of 1 June 2018 No. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 No. 1324, collectively
Articles of Association:	The Company's articles of association
Board Authorisation:	The authorisation to increase the Company's share capital granted to the Board of Directors by the Company's annual general meeting on 16 May 2019
Board of Directors or Board Members:	The Board of Directors of the Company and the members of the Board of Directors
CEO:	Chief executive officer
CET:	Central European Time
Corporate Governance Code:	The Norwegian Code of Practice for Corporate Governance published on 17 October 2018 by the Norwegian Corporate Governance Board
CSEM:	Controlled-source electromagnetic
Board of Directors:	The Company's Board of Directors as set out in Section 13.2.1
Management:	The members of the Company's current management as set out in Section 13.3.1
EEA:	The European Economic Area
EGM:	The extraordinary general meeting in the Company held on 1 November 2019
EIA:	(U.S.) Energy Information Administration
Eksportkreditt:	Eksportkreditt Norge AS
Eligible Shareholders:	Shareholders in the Company as of close of trading on 10 October 2019 (and being registered as such in the VPS on the record Date), and who were not allocated Shares in the Private Placement and who are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action.
EU:	The European Union
EU Prospectus Regulation:	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as implemented in Norway
EUR, Euro or €:	The lawful common currency of the EU member state who have adopted the Euro as their sole national currency (the Euro area)
E&P:	Exploration and production
EY:	Ernst & Young AS, the Company's independent auditor with business registration number 976 389 387, elected by the EGM.
Forward-looking statements:	Statements made that are not historic and thereby predictive as defined in Section 4.3 of this Prospectus. Such statements are identified by forward-looking terms such as "aim", "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will" and "could" or similar words or phrases
FSMA:	the Financial Services and Markets Act 2000
Geospace Technologies:	GTC, INC.
GoM:	Gulf of Mexico
IASB:	The International Accounting Standards Board
IAS 34:	International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU
IFRIC Interpretations:	Interpretations of the IFRS made by the IFRS Interpretations Committee
IFRS:	International Financial Reporting Standards as adopted by the EU

Ineligible Shareholders:	Eligible Shareholders resident in jurisdictions where the Prospectus may not be distributed and/or with legislation that, according to the Company's assessment, prohibits or otherwise restricts subscription for Offer Shares.
Interim Financial Information:	The Company's unaudited consolidated financial report for the three and nine months ended 30 September 2019, including comparable figures for 2018
ISIN:	International Securities Identification Number
LEI:	Legal Entity Identifier
Listing:	The listing of the Private Placement Shares on Oslo Axess
Management:	The senior management team of the Company
Managers:	ABG Sundal Collier ASA, Fearnley Securities AS and SpareBank 1 Markets AS
MAZ:	Multi-azimuth
MC:	Multi-client
Merger:	The statutory merger of Songa Bulk ASA and AGS AS as set out in the Merger Plan dated 16 April 2019 and completed on 2 July 2019
Merger Plan:	The joint merger plan entered into by Songa Bulk ASA and AGS AS on 16 April 2019
Merkur Market:	A multilateral trading facility operated by Oslo Børs ASA
MiFID II:	EU Directive 2014/65/EU on markets in financial instruments, as amended
MiFID II Product Governance Requirements:	Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and local implementing measures.
M&A:	Mergers and acquisitions
NCS:	Norwegian Continental Shelf
NOAR:	Nodes on a rope
NOK:	Norwegian Kroner, the lawful currency of the Kingdom of Norway
Non-Norwegian Corporate Shareholder:	Shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes
Non-Norwegian Personal Shareholder:	Shareholders who are individuals not resident in Norway for tax purposes
Norwegian Corporate Shareholder:	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes
Norwegian FSA:	The Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*)
Norwegian Institute of Public Accountants:	The professional body for public accountants licensed by the Norwegian FSA to practice as statutory auditors in Norway (Nw.: *Den Norske Revisorforening*)
Norwegian Personal Shareholder:	Shareholders who are individuals resident in Norway for tax purposes
Norwegian Public Limited Liability Companies Act:	The Norwegian Public Limited Liability Companies Act of 13 June 1997 No. 45 (Nw.: "*allmennaksjeloven*")
Norwegian Securities Trading Act:	The Norwegian Securities Trading Act of 28 June 2007 no. 75 (Nw.: *verdipapirhandelloven*)
OBC:	Ocean Bottom Cables
OBN:	Ocean Bottom Nodes
OBS:	Ocean Bottom Seismic
OECD:	The Organisation for Economic Co-operation and Development
Offer Shares:	The Shares offered pursuant to the Subsequent Offering.
ONGC:	Oil and Natural Gas Corporation Limited (India)
OPEC:	The Organisation of Petroleum Exporting Countries
Order:	The UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended
Oslo Axess:	A Norwegian regulated market place operated by Oslo Børs ASA
Payment Date	The payment date for the Offer Shares in the Subsequent Offering, expected to be on 25 November 2019.
Private Placement:	The private placement announced on 10 October 2019, raising gross proceeds of approximately NOK 225 million.
Private Placement Shares:	The Tranche 1 Private Placement Share and the Tranche 2 Private Placement Shares

Prospectus:	This prospectus dated 6 November 2019
PWC:	PricewaterhouseCoopers AS, the Company's former independent auditor with business registration number 987 009 713.
QIBs:	Qualified Institutional Buyers as defined in Rule 144A under the U.S. Securities Act.
Record Date:	14 October 2019
Relevant Member State:	Each Member State of the European Economic Area which has implemented the EU Prospectus Regulation.
Relevant Persons:	Persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Order or (ii) high net worth entities, and other persons to whom the Prospectus may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order.
ROV:	Remotely operated vehicle
RRR:	Reserve replacement ratio
SAE:	SAExploration Inc.
Share(s):	Shares in the share capital of the Company, each with a par value of NOK 1.394311246, or any one of them
Songa Annual Financial Statements:	The Company's audited consolidated financial statements for the year ended 31 December 2018, comprising the historical business of the Company which is discontinued after completion of the Star Bulk Transaction as further described in Section 16.1.3.
Songa Financial Statements:	The Company's audited consolidated financial statements as of and for the years ending 31 December 2018 and 2017, comprising the historical business of the Company which is discontinued after completion of the Star Bulk Transaction as further described in Section 16.1.3.
Songa Shipholding:	Songa Shipholding AS, previously named Blystad Shipholding AS
Star Bulk:	Star Bulk Carriers Corp.
Star Bulk Transaction:	The transaction with Star Bulk as further described in Section 16.1.3.
Subscription Form:	The subscription form, attached hereto as Appendix C
Subscription Period:	The subscription period from 7 November 2019 at 09:00 CET to 21 November 2019 at 16:30 CET
Subscription Price:	The subscription price of NOK 6.00 per Offer Share in the Subsequent Offering.
Subscription Rights:	The non-transferrable subscription rights granted to Eligible Shareholders, that, subject to applicable law, provide preferential rights to subscribe for and be allocated Offer Shares in the Subsequent Offering.
Subsequent Offering:	The offering of up to 8,333,333 new Shares in the Company, each with a par value of NOK 1.39431124614644, to Eligible Shareholders
Tranche 1 Private Placement Shares:	The 9,435,074 new Shares issued in the Private Placement, each with a par value of NOK 1.394311246, or any one of them
Tranche 2 Private Placement Shares:	The 28,064,926 new Shares issued in tranche 2 of the Private Placement, each with a par value of NOK 1.39431124614644, or any one of them
UK:	The United Kingdom
UN:	The United Nations
Underwriters:	Havila Holding AS, Rome AS, TRH AS, Ronja Capital AS, Ajea Invest AS, Stette Invest AS and Kjølås Stansekniver AS, which according to the underwriting agreement entered into in connection with the Private Placement guaranteed for the subscription of Private Placement Shares in the amount of up to NOK 120,000,000.
U.S. or United States:	The United States of America
U.S. Exchange Act:	The U.S. Securities Exchange Act of 1934, as amended
U.S. Securities Act:	The U.S. Securities Act of 1933, as amended
USD, U.S. dollars, U.S.$ or $:	United States Dollars, the lawful currency in the United States
VPS:	The Norwegian Central Securities Depository (Nw.: *Verdipapirsentralen*)
VPS account:	An account with VPS for the registration of holdings of securities
WAZ:	Wide-azimuth

APPENDIX A:

ARTICLES OF ASSOCIATION OF AXXIS GEO SOLUTIONS ASA

English office translation.
In case of discrepancy, the Norwegian version shall prevail.

VEDTEKTER / ARTICLES OF ASSOCIATION

AXXIS GEO SOLUTIONS ASA

(Reg. no. 917 811 288)

(*as per 4 November 2019*)

§ 1 Firma
Selskapets foretaksnavn er Axxis Geo Solutions ASA. Selskapet er et allmennaksjeselskap.

§ 1 Company name
The Company's name is Axxis Geo Solutions ASA. The Company is a public limited liability company.

§ 2 Forretningskommune
Selskapet skal ha sitt forretningskontor i Bærum kommune.

§ 2 Municipality
The Company shall have its business offices in the municipality of Bærum.

§ 3 Selskapets virksomhet
Selskapets virksomhet er å eie og/eller drive skip som leverer tjenester til olje- og gassindustrien, samt deltagelse i andre relaterte selskaper og virksomheter.

§ 3 The business of the Company
The Company's business involves owning and/or operating vessels providing services to the oil and gas industry, including investment in other entities and businesses related thereto.

§ 4 Aksjekapital og aksjer
Selskapets aksjekapital er NOK 81 999 356,54426363 fordelt på 58 809 937 aksjer hver pålydende NOK 1,39431124614644. Selskapets aksjer skal være registrert i Verdipapirsentralen ASA (VPS).

§ 4 Share capital and shares
The share capital of the company is NOK 81,999,356.54426363 divided into 58,809,937 shares each with a face value of NOK 1.39431124614644. The Company's shares shall be registered in the Norwegian Central Securities Depository ASA (VPS).

§ 5 Styre og signatur
Selskapets styre skal bestå av mellom tre (3) og syv (7) medlemmer som velges av generalforsamlingen.

Selskapets firma tegnes av to styremedlemmer i fellesskap eller daglig leder sammen med et styremedlem.

§ 5 Board and signatory powers
The board of the Company shall consist of between three (3) and seven (7) members elected by the general meeting.

The signatory powers are held by two board members jointly or by the general manager together with one board member.

§ 6 Generalforsamlingen – innkalling
På den ordinære generalforsamling skal følgende saker behandles og avgjøres:

1. Godkjennelse av årsregnskapet og årsberetningen, herunder utdeling av utbytte;
2. Valg av styremedlemmer og revisor (dersom disse er på valg);
3. Andre saker som etter loven eller vedtektene hører

§ 6 General meeting – summons
The annual general meeting shall address and decide:

1. Approval of the annual accounts and the board's statement, including distribution of dividends;
2. Election of board members and auditor (if these are to be elected);
3. Any other business which by law or the Articles of

under generalforsamlingen.

Aksjonærer som ønsker å delta på generalforsamling skal gi selskapet melding om dette innen en frist som settes i innkallingen, som ikke kan være tidligere enn to virkedager før generalforsamlingen. Dersom slik melding ikke er gitt kan selskapet nekte aksjonæren å delta.

Når dokumenter som gjelder saker som skal behandles på generalforsamlingen, er gjort tilgjengelige for aksjeeierne på selskapets internettsider, gjelder ikke allmennaksjelovens krav om at dokumentene skal sendes til aksjeeierne. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen.

§ 7 Elektronisk kommunikasjon

Selskapet kan bruke elektronisk kommunikasjon når det skal gi meldinger, varsler, informasjon, dokumenter, underretninger ol. til aksjonærene etter allmennaksjeloven.

§ 8 Valgkomite

Selskapet skal ha en valgkomite. Valgkomiteen skal bestå av inntil 3 medlemmer valgt av generalforsamlingen for en periode på opp til 2 år, med mindre generalforsamlingen beslutter en kortere periode. Valgkomiteen skal gi anbefalinger og forberede forslag til generalforsamlingen for;

- Valg av medlemmer til selskapets styre og styremedlemmenes honorar; og
- Valg av medlemmer til valgkomiteen og honorar til valgkomiteens medlemmer.

Association is required to be dealt with by the general meeting.

Shareholders that wish to attend a general meeting shall notify the company prior to a deadline, to be set out in the notice. The deadline cannot expire earlier than two business days before the general meeting. If a shareholder has not provided notice within the may attendance be denied.

When documents regarding matters which are to be dealt with at the general meeting have been made available on the internet site of the company, the requirements in the Norwegian Public Limited Liability Companies Act which state that these documents shall be sent to the shareholders, shall not apply. This exemption is also applicable with regards to documents which according to statutory law shall be included in or attached to the notice of the general meeting.

§ 7 Electronic communication

The Company may use electronic communication to provide messages, notices, information, documents etc. pursuant to the Norwegian Public Limited Liability Companies Act to the shareholders.

§8 Nomination Committee

The Company shall have a Nomination Committee. The Nomination Committee shall consist of up to 3 members elected by a Shareholders Meeting for a period of up to 2 years at the time, unless the Shareholders Meeting decides a shorter period. The Nomination Committee shall make recommendation and prepare proposals to the Shareholders Meeting for;

- Election of members of the Board of Directors and remuneration of the Directors; and
- Election of the Nomination Committee and remuneration of the Nomination committee.

* * *

APPENDIX B:

CONSOLIDATED FINANCIAL STATEMENTS FOR AXXIS GEO SOLUTIONS AS FOR THE YEAR ENDED 31 DECEMBER 2018

AGS Group 2018 IFRS Annual report.pdf

Signers:

Name	*Method*	*Date*
Heggheim, Ole Andre	BANKID_MOBILE	2019-05-29 16:39 GMT+2
Platou, Fredrik	BANKID_MOBILE	2019-05-29 16:44 GMT+2
Rødal, Tore	BANKID	2019-05-29 17:20 GMT+2
Romestrand, Jogeir	BANKID	2019-05-29 18:02 GMT+2
Sævik, Njål	BANKID_MOBILE	2019-05-30 02:08 GMT+2
Bruheim, Bjarte	BANKID	2019-05-30 22:16 GMT+2

THE SIGNED DOCUMENT FOLLOWS ON THE NEXT PAGE >

Annual Report 2018

Axxis Geo Solutions Group

THE BOARD OF DIRECTORS' REPORT 2018
Axxis Geo Solutions Group

Operations and location

Axxis Geo Solutions Group comprise Axxis Geo Solutions AS (referred to as the "Company" or the "Parent") and its subsidiaries (together referred to as the "Group").

The Group is engaged in the international geophysical industry and focuses its activities in the growing Ocean Bottom Node ("OBN") segment of the marine seismic market. The Company's registered office is at Brendehaugen 20, 6065 Ulsteinvik, further the Group is located with operational offices in Oslo, Houston and Jakarta.

The Group's business strategy is to secure OBN contacts and develop multi-client OBN programs and hire in vessels, personnel and equipment to secured contracts and multi-client projects. The asset light model does yield a cost efficiency and should, along with operational efficiency when on contracts and projects, lead to cost benefits which will give a comparative advantage in securing new contracts and profitable projects.

Going concern

The capital needs of the Group will be linked to the growth rate the Group decides to take on, and thus, in an accelerated growth scenario new capital can be needed. This potential need will however be carefully planned and added commitments will not be entered into without a prudent financial plan.

The board confirm that the financial statements have been prepared under the assumption of going concern.

The equity ratio as of December 31.12.2018 is 5%. Subsequent to 31.12.18, two equity issues strengthened the equity of the group providing MNOK 94.5 in new capital.

Based on the secured backlog for 2019, estimates on profit and loss forecasts and liquidity assumptions for the year 2019, the board confirm that the going concern assumption is fulfilled.

Comments related to the financial statements

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards («IFRS») as adopted by the European Union («EU»).

The notes are an integral part of the consolidated financial statements. This is the first consolidated IFRS financial statements presented by the Group.

The consolidated financial statements have been prepared on a historical cost basis. The financial statements of the subsidiaries have been prepared for the same reporting year as the Company, using consistent accounting policies. The consolidated financial statements are presented in Norwegian kroner (NOK).

Income statement
The 2018 Group's revenues of MNOK 53.4 is higher than the previous year's revenues of MNOK 34.1. The Group's activities increased significantly when the Group in June 2018 secured adequate prefunding, mobilized for a 4 vessels operation and started on the largest high-density multi-client OBN project ever. And when the 2018 portion of the multi-client project was completed, the Group started on a MUSD 70.0 contract in India with the similar operational effort. Due to IFRS15 multi-client pre-funding will first be reflected in the Group revenue next year after the survey has finished.

The Group's 2018 EBITDA is negative with MNOK 10.1, up from the previous year's MNOK 31.5 negative.

The depreciation expense together with a currency loss of MNOK 13.1 recorded under Financial Expense were the key factors for the 2018 loss of MNOK 65.3.

Balance sheet
The Group's non-current assets as of December 2018 is MNOK 412.5, up from MNOK 109.1 in December 2017. This is mainly due to new multi-client library of MNOK 137.9 and increase in OBN seismic equipment of MNOK 98.1.

Total current asset of the Group as of December 2018 is MNOK 173.9 compared to MNOK 12.6 in December 2017. Cash is ending at MNOK 66.9, Stock and other current assets due to operations is MNOK 72.8 and accounts receivables is MNOK 34.2.

Equity as of December 2018 is ending at MNOK 29.6.

The Group's total current liabilities is increasing with MNOK 556.8 due to increase in trade payables, contract liabilities and other currents liabilities.

Other current liabilities are including the debt from Eksportkreditt as short-term loan due to breach of the loan terms as of December 2018. The Company received a waiver for the covenants from Eksportkreditt in May 2019.

1) Liquid asset of no less than 120% of outstanding loan from Q219
2) Equity ratio of 30% from Q219 until Q419 and thereafter 35% till final maturity date

Cash flow
Cash flow from operations is MNOK 355.4 for 2018 compared to negative cash flow in 2017 with MNOK 23.7 The change is mainly due to increase in depreciation of OBN equipment, increase in trade payable and increase in other short-term debt.

Cash flow from investment activities is MNOK 311.0 for 2018 compared to MNOK 31.0 for 2017. The Group has invested MNOK 212.6 in Utsira multi-client project and MNOK 98.1 in OBN equipment.

Cash flow from financial activities for 2018 is related to new loan from Eksportkreditt of MNOK 29.8 and repayment of MNOK 8.5 to short-term loan from one of the shareholders Havila Holding AS compared to new equity of MNOK 48.6 and new loan from Havila Holding AS of MNOK 8.5 for 2017.

Risk

The Group is exposed to risk factors including, but not limited to, the factors described below.

Market risk
The Group is exposed to market specific and general economic cycles and macro-economic fluctuations, since changes in the general economic situation affect the demand from our clients. The Group is experiencing renewed growth in the OBN segment; however, no assurance can be provided with regards to future market development. The Group' business performance depends upon production and development spending by oil and gas companies. Historically, in times of low oil price, demand in exploration spending has been reduced in much greater extent than production related spending, where the Group is active.

Credit risk
Delayed or loss of payments from customers/clients may adversely impair the Group's liquidity. The concentration of the Group's customers in the oil and gas industry may impact the Group's overall exposure to credit risk as customers may be similarly affected by prolonged changes in economic- and industry conditions. The Group evaluate the credit quality of its potential clients during contract negotiations to minimize the risk of payment delinquency, but no assurance can be given that the Group will be able to avoid this risk.

Liquidity risk
The Group may need access to long-term funding. There can be no assurance that available funding sources are accessible when needed nor can there be any assurance that the Group will be able to raise new equity on favourable terms and in amounts necessary to conduct its on-going and future operations, should this be required. Furthermore, there can be no assurance that the Group will be able to obtain additional shareholder funding. Failure to access necessary liquidity could require the Group to scale back its operations or could have other materially adverse consequences for its business and its ability to meet its obligations.

Foreign exchange risk
The Group's significant operations in foreign countries expose it to risks related to foreign currency movements. Currency exchange rates fluctuate due to several factors, and these include; international balance of payments, economic and financial conditions, government intervention, speculation and other factors. Changes in currency exchange rates relative to the USD may affect the USD valued assets of the Group – primarily the one vessel owned by the Company. Changes in currency may also affect the Group's local expenses when operating abroad. The Group's expenses are primarily in USD and NOK. As such, the Group's earnings are exposed to fluctuations in the foreign currency market.

The revenue and cash flow from operations gives the Group adequate working capital for ongoing operations and commitments. The liquidity risk will primarily be towards funding further growth, and the Board will not engage in growth plans which is not prudently funded, and thus, have the option to stop or delay such plans. Furthermore, the Board recognize that the Group are dependent on relative few customers and that not properly managing the credit and foreign exchange risks might have a significant adverse effect on the Group's financial position. The Group's revenue is primarily from large international oil and gas companies, including companies owned whole or in part by governments, and the Board deems the Group's exposure to credit risk as relatively limited due to the nature of the Group's customer base.

The working environment and personnel

The total number of employees in the Group are three.

The Board of Directors consists of six men.

There have not been any serious injuries or accidents in the current or prior year. In 2018 the average sick day percentage for the work force was zero.

The Group's policy prohibits unlawful discrimination against employees, on account of ethnic or national origin, age, gender, sexual orientation or religion. Respect for the individual is the cornerstone of this policy and the Group also aims to treat its employees with dignity and respect.

The Environment

Our commitment to the environmental forms an integrated part of our Health & Safety Policy, which may be described in the following statement:

"AGS and its subsidiaries strive to be one of the geophysical industry's leading organizations for providing protection for the health, safety, environment, and culture of our employees and the areas in which we operate. Plans for such are designed and managed by skilled coordinators and supported by the Board, Senior Management and all our employees.

AGS recognizes that in today's global market, a safe and healthy workplace, protection of local environment and cultures of the areas in which we operate together with quality services and products, will lead us to achieve our goals. AGS's promise to these areas is a continues process."

Research and development

The Group does no material research and development activity.

Allocation of Net Profit (loss)

The Board of Directors has proposed the net loss for the Group of KNOK 64 931 to be attributed to accumulated earning and other equity.

The Group's distributable equity as of 31.12.2018 was zero.

Lysaker 29 May 2019

____________________	____________________	____________________
Bjarte Bruheim Chairman	Jogeir Romestrand Board member	Ole Andre Heggheim Board member
____________________	____________________	____________________
Fredrik Platou Board member	Njål Sævik Board member	Tore Rødal Board member

Consolidated Income statement
Axxis Geo Solutions Group
NOK 1000

	Note	Full year 2018	Full year 2017
Revenue	3, 4	53,378	34,071
Cost of sales	5	-47,395	-51,219
Personnel expenses	21, 22	-14,955	-4,797
Other operating expenses		-31,204	-9,572
Amortization & Impairment of multi-client	11b	-	-
Depreciation, amortization & impairment	11a	-23,526	-8,407
Operating profit (loss)		**-63,703**	**-39,923**
Finance income	6	6,747	1,285
Finance costs	6	-19,892	-2,904
Net financial items		**-13,145**	**-1,619**
Profit before income tax		**-76,849**	**-41,542**
Income tax (expense)	7	11,857	27,673
Profit (loss) for the period		**-64,992**	**-13,869**
Attributable to the owners of the parent		**-64,992**	**-13,869**
Other comprehensive income (loss) for the period			
Items that may be reclassified to profit and loss			
Currency translation differences		331	24
Total comprehensive income (loss) for the period		**-64,661**	**-13,845**
Earnings (loss) per share			
Basic earnings per share	27	-0.13	-0.03
Diluted earnings per share	27	-0.13	-0.03

Consolidated Balance Sheet - Assets
Axxis Geo Solutions Group
NOK 1000

	Note	31.12.18	31.12.17	1.1.17
Assets				
Non-current assets				
Goodwill	11b	15,917	15,914	-
Multi-client library	3, 4, 11b	216,987	-	-
Deferred tax asset	7	40,037	28,090	-
Property, plant and equipment	11a, 17	139,133	65,007	40
Investments in associated companies	24	-	-	15,395
Other non-current assets		419	51	5,923
Total non-current assets		**412,491**	**109,062**	**21,358**
Current assets				
Inventories	12	16,923	72	-
Trade receivables	9	34,239	4,847	398
Other current assets	4, 10	55,883	4,990	-
Bank deposits, cash in hand	8	66,866	2,679	236
Total Current Assets		**173,910**	**12,588**	**634**
Total Assets		**586,402**	**121,650**	**21,992**

Consolidated Balance Sheet - Equity and liabilites
Axxis Geo Solutions Group
NOK 1000

	Note	31.12.18	31.12.17	1.1.17
EQUITY				
Share capital and other paid in capital	19	99,538	99,538	43,125
Other reserves	19	-69,936	-8,748	-24,499
Total equity		**29,602**	**90,791**	**18,626**
LIABILITIES				
Non-current liabilities				
Borrowings non-current		-	-	-
Total non-current liabilities		-	-	-
Current liabilities				
Borrowings current	13, 14	29,856	8,548	-
Account payables		180,808	19,501	1,206
Contract liabilities	4	155,353	-	-
Other short-term liabilities	18	190,783	2,811	2,159
Total current liabilities		**556,800**	**30,860**	**3,365**
Total liabilities		**556,800**	**30,860**	**3,365**
Total equity and liabilities		**586,402**	**121,650**	**21,992**

Lysaker, 29 May 2019

Bjarte Bruheim
Chairman

Jogeir Romestrand
Board member

Ole Andre Heggheim
Board member

Fredrik Platou
Board member

Njål Sævik
Board member

Tore Rødal
Board member

Consolidated Statement of changes in Equity

Axxis Geo Solutions Group

NOK 1000

	Note	Share capital	Share surplus	Capital paid, not registered	Retained earnings	Currency translation differences	Total equity
Equity 1.1.17		**38,125**	**-**	**5,000**	**-24,499**	**-**	**18,626**
Profit (loss) for period		-	-	-	-13,869	-	-13,869
Other comprehensive income (loss)		-	-	-	-	24	24
Total comprehensive income (loss) for the period		-	-	-	*-13,869*	*24*	*-13,845*
Transactions with owners							
Transfer from share capital to other reserves		-29,596	-	-	29,596	-	-
Registration of share capital		2,095	2,905	-5,000	-	-	-
New shares issued - cash settled		20,263	28,307	-	-	-	48,571
Shares issued as consideration in business combination		8,585	8,147	-	-	-	16,732
Debt conversion		10,624	10,082	-	-	-	20,706
Equity 31.12.17		**50,096**	**49,442**	-	**-8,772**	**24**	**90,791**
Equity 1.1.2018		**50,096**	**49,442**	-	**-8,772**	**24**	**90,791**
Profit (loss) for period		-	-	-	-64,992	-	-64,992
Other comprehensive income (loss)		-	-	-	-	331	331
Total comprehensive income (loss) for the period		*50,096*	*49,442*	-	*-73,764*	*355*	*26,130*
Transactions with owners							
Share based payment	22				3,473		3,473
Equity 31.12.18		**50,096**	**49,442**	-	**-70,291**	**355**	**29,602**

Consolidated Cash Flow Statement

Axxis Geo Solutions Group

NOK 1000

	Note	Full year 2018	Full year 2017
Profit (loss) before tax		-76,849	-41,542
Taxes paid	7	-423	-
Depreciation and amortization	11a, 11b	23,526	8,407
Agio - disagio without cash flow effects		2,078	-13
Interest expense	6	6,818	2,463
Interest paid		-6,712	-2,415
Share based payment cost	22	3,473	-
Change in trade receivables	9	-29,392	-4,449
Change in account payables		161,307	18,295
Change in inventories	12	-16,851	-72
Change in other current assets	10	-50,893	-4,990
Change in contract liabilities	4	155,353	-
Change in other current liabilities	18	188,395	652
Net cash from operating activities		**359,830**	**-23,665**
Cash flow from investment activities			
Investment in property, plant and equipment	11a	-98,089	-30,738
Investment in multi-client library	11b	-216,987	-
Cash received/paid from non-current receivables		-368	-51
Cash effect investments in new subsidiaries		-	-187
Net cash flow from investment activities		**-315,444**	**-30,976**
Cash flow from financial activities			
Proceeds from borrowings	13	29,750	8,500
Repayment of borrowings	13	-8,500	-
Proceeds from new equity		-	48,571
Net cash flow from financial activities		**21,250**	**57,071**
Net change in cash and cash equivalents		**65,636**	**2,430**
Cash and cash equivalents balance 1.1.	8	2,679	236
Effects of exchange rate changes on cash and cash equivalents		-1,450	13
Cash and cash equivalents balance 31.12.		**66,866**	**2,679**

Note 1 General information about the Company and Basis of Presentation

General information

Axxis Geo Solutions AS ("AGS") is the parent company of a group of companies focusing on the ocean bottom seismic market.Unless stated otherwise, references herin to the "Company", the "Group" and "AGS" refer to Axxis Geo Solutions AS and its subsidiaries. The Company has a proprietary technology-agnostic node handling system and is currently operating five vessels with more than 9,000 nodes. In 2018 the 100% owned subsidiary Axxis Multi-Client AS ("AMC") was established in order to divide the operational seismic business of AGS and the multi-client library business, where the latter is supposed to be conducted from AMC. AGS is a limited liability company incorporated in Norway on 16 October 2006.The Company`s headquarters is at Ulsteinvik, Norway. The adress is Brendehaugen 20, 6065 Ulsteinvik.

Basis of Preparation

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards («IFRS») as adopted by the European Union («EU»). The notes are an integral part of the consolidated financial statements. This is the first consolidated IFRS financial statements presented by the Group. See note 26 for further information.
The consolidated financial statements have been prepared on a historical cost basis. The financial statements of the subsidiaries have been prepared for the same reporting year as the Company, using consistent accounting policies. The consolidated financial statements are presented in Norwegian kroner (NOK).

The consolidated financial statements of AGS were authorized by the Board of Directors on 29 May 2019.

Going concern

The capital needs of the Group will be linked to the growth rate the Group decides to take on, and thus, in an accelerated growth scenario new capital can be needed. This potential need will however be carefully planned, and added commitments will not be entered into without a prudent financial plan.

The financial statements have been prepared under the assumption of going concern.

The loan from Eksportkreditt was in breach of the loan terms as of December 2018. The Company received a waiver for the covenants 15 May 2018:
1) Liquid asset of no less than 120% of outstanding loan from Q219
2) Equity ratio of 30% from Q219 until Q419 and thereafter 35% till final maturity date

The equity ratio (Equity/Total assets) as of December 31 January 2018 was 5%. Subsequent to 31.12.18, two equity issues strengthened the equity of the group providing MNOK 94.5 in new capital. Based on the secured backlog for 2019, estimates on profit and loss forecasts and liquidity assumptions for the year 2019, the board confirm that the going concern assumption is fulfilled.

Note 2 Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2018.

Subsidiaries are all entities over which the Company has control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the income statement from the date AGS gains control until the date AGS ceases to control the subsidiary. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of AGS are eliminated in full on consolidation.

Presentation and functional currency

AGS presents its consolidated financial reports in NOK, which also is the functional currency of the parent. For presentation in consolidated accounts, the assets and liabilities of subsidiaries with functional currency other than NOK are translated into NOK at the rate of exchange prevailing at the reporting date and their statement of profit or loss are translated at the average exchange rate for the period. Exchange rate differences arising from the translation to presentation currency are recognized in OCI.

Foreign Currency

Transactions in foreign currencies are translated to NOK using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in non-functional currencies are translated into functional currency spot rate of exchange ruling at the date of the balance sheet. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominate in non-functional currencies are recognized in the income statement.

Revenue recognition

Revenue from contracts with customers comes from two different business models.
Contract seismic surveys is projects where the Group performs seismic services in accordance with customer specifications and the customer is the owner of all data collected. The contracts can include both collection of data and processing. If both services are included in a contract, the contract consist of two performance obligations.
Multi-client is granting of licenses to the Group's multi-client library. In the contracts the customer gets a non-exclusive right to use the data from a specific survey, where the Group already has, or will collect and process data. The Group owns the data in the library. Before the Group initiates a new multi-client survey, there will already be contracts with one or more customers. Revenues from these contracts are defined as prefunding revenues. The advantages for pre-funding customers are generally the possibility to influence the project specifications, early access to acquired data, and discounted prices Revenues from contracts that are signed after the survey is complete are defined as *Late sales*.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received for services in the ordinary course of the Group's activities. Revenue is shown net of withholding and value-added taxes. Revenue is recognized as follows:

Contract seismic surveys

The Group recognises contract revenue (whether priced as lump sum, day rate or unit price) based on the percentage of completion method (POC). Progress is measured in a manner generally consistent with the physical progress on the project. The revenue recognition is based on a split between acquisition work and data processing, if both services are included in the contract. For the acquisition work the progress is measured on the number of energy releases in the water. The progress of the data processing is measured based on estimated time of completion. Any amount received exceeding recognized revenue, is recorded on the balance sheet as a contract liability. Conversely, recognized revenue exceeding payments received is recognized as a contract asset, or a receivable if there is a right to payment that is not conditional of additional performance.

The contracts may include mobilization fees. These payments are included in the transaction price. No revenue is recognized before the data acquisition commences.

Any mobilization cost is capitalized as a cost to fulfil a contract, and are amortized over the data acquisition period. The costs primarily relates to relocation of vessels and other preparation costs that can be directly allocated to the contract. The Group incur these costs to be able to fulfill the contract, and they are capitalized to the extent that they are expected to be recovered by the contract.

Multi-client pre funding

The Company recognizes pre-funding revenue as "right to use" licenses and the revenue is recognized at the point in time when the "right to use" license is transferred to the customer.
When the license is transferred to the customer depends on the specific contract, but is typically upon completion of processing of the survey and granting of access to the finished data or delivery of the finished data.

Cost to obtain contracts

Incremental cost of obtaining contracts with customers are recognized as an asset to the extent that the entity expects to recover those costs. The incremental cost of obtaining a contract are those costs that would not have incurred if the contract had not been obtained. The costs are amortized over the same period as revenue for the related contract is recognized.

Multi-client late sales

Customers are granted a license from the group which entitles them to access a specific part of the multi-client data library. The license payment is fixed and is required when the license is granted. The late sale revenue is recognized when a valid licensing agreement is signed, and the multi-client library data made accessible to the customer.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment loss. Historical cost includes costs directly attributable to the acquisition of the item. Costs are included in the asset's carrying amount or recognized as a separate asset, if appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Costs of all repairs and maintenance are expensed as incurred. Depreciation of property plant and equipment is calculated using the straight-line method, over the estimated useful life.

The assets' residual values, useful lives, and method of depreciation are reviewed at each balance sheet date and adjusted if appropriate. If an asset's carrying amount is greater than its estimated recoverable amount, the asset is immediately written down to the recoverable amount.

Assets under construction are carried at cost, less accumulated impairment. Depreciation commences when the asset is ready for its intended use.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Leases

The determination whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is assessed for whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating leases: Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The Group only has operational lease contracts.

Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets with defined useful lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and method are reviewed at least every financial year end.

Intangible assets with indefinite useful lives (goodwill) are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level.

Multi-client library
Capitalization
The multi-client library consists of geophysical data to be licensed to customers on a non-exclusive basis. Directly attributable costs associated with the production and development of multi-client projects such as data acquisition and processing, and direct project costs are capitalized. Cost directly attributable to data acquisition and processing include vessel costs, payroll and related costs for crew, project management, agent, other related project costs, hardware/software costs and mobilization costs when relocating a vessel to the survey areas.

Amortization
The multi-client library will be amortized from the date the processed data are ready to be transferred to customers, using straight line amortization with a useful life between five and seven years. Before the
library is completed, the Group test for impairment annually. The Group will perform an additional impairment test after pre-funding revenues are recognized.

Inventories
Inventories are valued at the lower of cost or net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.
The group’s inventory consists primarily of fuel.

Taxes

a) Current income tax
Current income tax assets and liabilities for the current and prior periods are measured using the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the group operates and generates taxable income. Witholding taxes are included in the tax expense to the extendt that a tax credit is availble in the income tax in the home state.

Current income tax relating to items recognised directly in equity or other comprehensive is recognised in equity or other comprehensive income and not in the income statement.

b) Deferred tax
Deferred tax is provided for using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted on the balance sheet date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Employee benefits

Pension obligations
The group operates a defined contribution plan.
The net pension cost for the period is presented as an employee expense.

Share based payment
The Group has an option plan for employees and members of the BoD. The fair value of options granted under the plan is recognized as employee benefit expense with a corresponding increase in equity. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest, based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit and loss, with a corresponding adjustment to equity.

Provisions

Provisions are recognized when the group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Trade receivables
Accounts receivables sale of goods and services are held to collect contractual cash flows. They are initially recognised at the transaction price from sale of goods or services, and are subsequent measured with a provision for expected credit loss. Impairment provisions are based on an individual assessment of each debtor. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Other financial assets
At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments other than account receivables
Receivables other than account receivables from sale of goods and services are also held in a business model to collect the contractual cash flows. The receivables are subsequently measured at amortized cost with a provision for expected credit loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Financial liabilities
Financial liabilities represent a contractual obligation to deliver cash in the future. Financial liabilities, with the exception of derivatives, are initially recognized at fair value net of transaction costs directly attributable to the transaction and are subsequently measured at amortized cost. Financial liabilities are derecognized when the obligation is discharged through payment or when the Group is legally released from the primary responsibility for the liability.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash at hand, deposits held at call with banks with original maturities of three months or less.

Standards and interpretations issued, but not yet effective

IFRS 16 Leasing is the new standard on accounting of leasing. The standard will be effective from financial years starting 1 January 2019 or later for. IFRS 16 replaces IAS 17 Leases with amendments. The Group decided to not adopt the new standard before the effective date. The Group will use a simplified implementation method where the the right to use asset will equal the lease liability 1 January 2019. The Group will use a discount rate based on the marginal borrowing rate 1 January 2019.

The Group has decided to use the practical expedient in IFRS 16 for short term leases, and will therefore not recognise a lease liability and right to use asset for lease contracts with a duration of less than one year. Most of the Groups' lease contracts had a remaining lease term of less than one year 31 December 2018. Because of this, the Group will not be significantly affected by the new standard.

The Group expect to recognize lease liability and right to use asset of NOK 2 million 1 January 2019.

IFRIC 23 Uncertainty over Income Tax Treatments - The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. The Group does not expect any effect of the new interpretation.

The Group does not expect any material implementation effects for any of the other new or amended standards or interpretations.

Note 2.1 Key accounting estimates and judgement

The group makes estimate and assumptions concerning the future. The resulting accounting estimates could deviate from the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Revenue recognition
The group uses the percentage of completion method in accounting for revenue for contract seismic surveys. Progress is measured in a manner generally consistent with the physical progress on the project. Use of the percentage of completion method requires the group to estimate the services performed to date as a proportion of the total service to be performed. The proportion of services performed to total services to be performed can differ from management's estimate, influencing the amount of revenue recognized in the period.

Cooperation agreement with TGS-NOPEC Geophysical Company ASA (TGS)
The Group currently has one multi-client library under development. The Group have entered into an agreement with TGS, where the parties have agreed that the library will be a jointly owned asset and each party will be entitled to 50% of the revenues generated by the library.

TGS will contribute a fixed amount of cash to the project, while AGS are responsible for all costs. Management has evaluated the substance of the agreement, and concluded that the contract is not within the scope of IFRS 15. This is becauseit is considered to be a collaboration agreement as TGS is not considered to be a customer. Management has established an accouting policy where the rules for joint operations in IFRS 11 *Joint arrangements* are used by analogy. The Group recognize its cost for the 50% share as and intangible asset, and will recognize its 50% share of revenues generated by the library.

Recognition of deferred tax asset
The Group has recognized a deferred tax asset that primarily relates to loss carried forward. Management expects that completion of existing contracts in 2019 and 2020 will generate taxable profits that is higher than the current tax loss carried forward.

Note 3 Segment information

The Group operates two segments, Multi-client and Contract, based on the two different revenue streams for the company.

The segment reporting is based on the accounting principles used in the internal reporting, and deviates from IFRS. In the segment reporting, multi-client pre-funding revenues are recognized based on the percentage of completion method, compared to delivery of processed data accoring to IFRS. In the segment reporting, there is a depreciation charge for the multi-client library equal to 63% of recognised revenues, while the financial statements are based on a principle where depreciation begins when the library is completed.

Revenue recognition for the Contract segment is based on the same principles as the IFRS financial statements.

Operating expenses are allocated to the segments based on the use of resources and assets.

Share based payment cost and capitalised cost of obtaining contracts has not been allocated to segments.

2018	Multi-client	Contract	Total
Contracts for seismic surveys	-	53,378	53,378
Multi-client pre-funding	125,494	-	125,494
Multi-client late sales	-	-	-
Total revenues	**125,494**	**53,378**	**178,872**
Operating expenses, less capitalization	48,190	-98,683	-50,493
Selling, general & administrative	-30,532	-12,154	-42,686
EBITDA	**143,152**	**-57,460**	**85,693**
Amortization multi-client library	-79,061	-	-79,061
Depreciation and other amortization	-15,774	-7,752	-23,526
Operating profit (loss)/ EBIT	**48,318**	**-65,212**	**-16,894**

Reconciliation with Income statement	
Revenue in financial statements	53,378
Revenue in segment reporting	178,872
Difference in timing of revenue recognition	*-125,494*
Difference in timing amortization of multi-client library	79,061
Share-based payment expense (refer to note 22)	-3,473
Capitalized cost to obtain a contract	3,097
Operating profit (loss) in Income Statment according to IFRS.	**-63,703**

The Multi-client business was started in 2018. All activities in the Group in 2017 was in the Contract segment, hence no segment reporting for 2017 is presented.

Vessel and equipment is utilized by both segments, and depreciation is allocated based on use. Investments in multi-client library in the period of NOK 217 million only relates to the the multi-client segment.

Total revenue from contracts with customers split into geographical markets:

	Segment reporting		**Financial statements**	
Geographical markets	**2018**	**2017**	**2018**	**2017**
Norway	125,494	-	-	-
Asia	53,378	34,071	53,378	34,071
Total revenues	**178,872**	**34,071**	**53,378**	**34,071**

	Segment reporting		**Financial statements**	
Major customers	**2018**	**2017**	**2018**	**2017**
Customer 1	95,899	-	-	-
Customer 2	29,595	-	-	-
Customer 3	45,226	-	45,226	-
Customer 4	8,152	34,071	8,152	34,071
Total revenues	**178,872**	**34,071**	**53,378**	**34,071**

Note 4 Revenue from contracts with customers

Revenue from following categories of customer contracts (NOK 1000)	**2018**	**2017**
Contracts for seimic acquisition	53,378	34,071
Multi-client projects pre-funding	-	-
Multi-client projects late sales	-	-
Total revenue from contracts with customers	53,378	34,071

Revenue recognition (NOK 1000)	**2018**	**2017**
At a point in time	-	-
Over time	53,378	34,071
Total revenues from contracts with customers	53,378	34,071

Cost to fulfill conracts and cost to obtain contracts

(NOK 1000)	**2018**	**2017**
Assets recognized for costs to fulfill a contract (mobilization costs)	29,382	1,892
Amortization of assets recognized for cost to fulfill a contract	-10,024	-
Assets recognized for costs to obtain a contract	3,098	-
Amortization of assets recognized for cost to obtain a contract	-	-

Assets related to cost to fulfill and cost to obtain contracts is presented as other current assets in the balance sheet.

Contract liabilities (advanced payments from customers) (NOK 1000)	**2018**	**2017**
Advanced payments received	155,353	-
Recognized revenue related to advanced payments received	-	-
Total current contract liabilities	155,353	-

Performance obligations

Contract seismic and imaging

The contracts for seismic surveys have an expected duration of less than one year. Because of this, the Group does not disclose information about transaction price allocated to unsatisfied or partly unsatisfied performance obligations for these contracts. Contracts for seimic surveys ususally have a billing shcedule with frequent billings, so there will not be a material difference in timing of the payments and the progress in the projects.

Multi-client Pre-funding

The Group has at year end 2018 completed approximately 57% of an ongoing multi-client survey in the North Sea. This is a collaboration project where the Group has a 50% share. The Group's share of contracted pre-funding revenue is USD 26 million (NOK 226 million) which will be reconized as a revenue when the data is transferred to the customers. This is expected to occur in 2020. All contract liabilities recognized relates to these contracts.

For pre-funding contracts a significant portion of the payments is received during the data collection phase, which is before the customer receives the final processed data.

Note 5 Cost of Sales

Cost of sales (NOK 1000)	**2018**	**2017**
Vessel cost	-234,423	-22,730
Crew & project management	-78,053	-17,755
Seismic, source and node equipment	-142,924	-8,440
Other operating expenses	-67,949	-3,956
Mobilization amortization	-10,024	-4,972
Mobilization cost capitalized	37,748	6,630
Multi-client capitalization - gross (see note 11b)	448,229	-
Total cost of sales	**-47,395**	**-51,219**

Note 6 Financial items

Interest and other financial income (NOK 1000)	**2018**	**2017**
Interest income	203	14
Other finance income	3	558
Exchange gains	6,541	713
Total interest and other finance income	**6,747**	**1,285**

	2018	**2017**
Interest expenses	6,402	2,419
Interest expenses suppliers	416	44
Depreciation of capitalized borrowing costs	-	-
Exchange losses	13,074	441
Total interest and other finance expenses	**19,892**	**2,904**

Exchange gains and losses relates to bank deposits, accout receivable and payable.

Note 7 Tax

(NOK 1000)	2018	2017
Specification of tax expense for the year		
Current income tax (including withholding tax)	(91)	(423)
Change in deferred tax	11,948	28,096
Total tax income (expense)	**11,857**	**27,673**

Reconciliation of actual against expected tax expense at the income tax rate of 23%		
Profit before tax	(77,119)	(41,542)
23% (2017: 24%) tax	17,737	9,970
Tax effect from:		
Non taxable income	-	-
Recognition of deferred tax asset not previously recognized	-	21,066
Permanent differences	(1,034)	501
Change of tax rate in Norway	(1,399)	(1,233)
Difference in tax rate in foreign activities	(3,447)	(2,630)
Calculated tax income (expense) for the group	**11,857**	**27,673**
Effective tax rate for the group	15.4 %	66.6 %

(NOK 1000)	2018	2017
Temporary differences		
Non-current assets	(53,612)	(21,291)
Contract	-	-
Trade receivables	11,055	-
Other accruals	(3,098)	-
Accumulated loss carried forward	227,640	143,424
Temporary differences 31.12.	**181,985**	**122,132**
Deferred tax assets (22% / 23%)	**40,037**	**28,090**

The Group has recognized a deferred tax asset that primarily relates to loss carried forward. Management expects that completion of existing contracts i 2019 and 2020 will generate future taxable profits that is higher than the loss carried forward.

Note 8 Bank deposits

(NOK 1000)	31.12.18	31.12.17	1.1.17
Bank deposits	66,333	2,679	236
Restricted bank deposits	533	-	-
Total bank deposits	**66,866**	**2,679**	**236**

Restricted bank deposits relates to employee withholding tax. This desposits are subjected to regulatory restrictions and are therefore not avaliable for genereal use by the entities within the Group. The account can be used to settle employee withholdig tax.

Note 9 Trade receivables

(NOK 1000)	31.12.18	31.12.17	1.1.17
Trade receivables	34,239	4,847	398
Provisions for bad debts	-	-	-
Net trade receivables	**34,239**	**4,847**	**398**

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are classified as current assets as they are generally due for payment within 30 to 60 days. Trade receivables are recognized initially at the amount of unconditional consideration, unless significant financing components exist. In such instances, trade receivables are recognized at fair value. Refer to note 14 (i) for information about credit risk and expected credit loss.

Related parties transactions is disclosed in note 20.

Note 10 Other current assets

(NOK 1000)	31.12.18	31.12.17	1.1.17
Prepayments	23,149	2,868	-
Mobilization	29,382	-	-
Cost to obtain contracts	3,098	-	-
Other current receivables	255	2,123	-
Total other current assets	**55,883**	**4,990**	**-**

Note 11a Property, plant and equipment

(NOK 1000)	Vessel	Seismic and node equipment	Other tangible assets	Total tangible assets
Cost at 1.1.17	**-**	**-**	**441**	**441**
Additions	59,447	13,912	15	73,374
Disposal	-	-	-441	-441
Cost at 31.12.17	**59,447**	**13,912**	**15**	**73,374**
Accumulated depreciation 1.1.17	**-**	**-**	**-401**	**-401**
Depreciation	-7,119	-1,248	-40	-8,407
Disposal	-	-	441	441
Accumulated depreciation 31.12.17	**-7,119**	**-1,248**	**-**	**-8,367**
Net carrying amount 31.12.17	**52,328**	**12,664**	**15**	**65,007**
Cost at 1.1.18	**59,447**	**13,912**	**15**	**73,374**
Additions	2,246	94,410	1,365	98,021
Disposal	-	-369	-	-369
Cost at 31.12.18	**61,693**	**107,953**	**1,380**	**171,026**
Accumulated depreciation 1.1.18	**-7,119**	**-1,248**	**-**	**-8,367**
Depreciation	-10,247	-13,043	-236	-23,527
Disposal	-	-	-	-
Accumulated depreciation 31.12.18	**-17,365**	**-14,291**	**-236**	**-31,893**
Net carrying amount 31.12.18	**44,327**	**93,662**	**1,144**	**139,133**
Economic life	3-10 year	3-5 years	3-10 years	

Depreciation is calculated using the straight-line method to allocate their cost over their useful lives.

There were no impairment charges in 2018 or 2017.

Note 11b Intangible assets

	Goodwill	Multi-client library
Cost at 1.1.17	-	-
Additions	15,914	-
Cost at 31.12.17	**15,914**	-
Cost as of 1.1.18	**15,914**	-
Currency translations adjustment	3	-
Capitalized expenses	-	448,229
Transfer of share to project partner	-	-231,242
Amortization expense	-	-
Carrying value at 31.12.18	**15,917**	**216,987**

2018 is the first year the Group has operated a multi-client project. With reference to Note 1 the Group has entered into an agreement with TGS to cooperate in the current project, as well as potential future projects. Each partner will have a 50% interest in the library under development. Revenues generated by the library will also be shared on a 50/50 basis. TGS will contribute a fixed amount of cash to the project, while the Group are responsible for all costs. See note 2.1 for information about judgement used in determining the accounting policy.

The Group has recognised its cost for the 50% share as an intangible asset.

The asset will be amortizised from the date the processed data are ready to be transferred to customers.

GOODWILL

6 January 2017 the Group aquired 100% of the shares in Axxis Geo Solutions Inc. The fair value of the net indentifiable assets was NOK 818 thousands. The consideration was 85 849 786 shares issued from Axxis Geo Solutions AS, with a fair value of NOK 16.7 million. The difference between the fair value of the consideration and net assets aquired was recognized as goodwill.

The AGS group goodwill is related to the investment in the subsidiary AGS Inc, and the value is related to the knowledge and competence of the employees in the subsidiary. Virtually all operational capacity and know-how resides in AGS Inc. and is strongly tied to the development and value of the parent company and the Group.

IMPAIRMENT TEST OF GOODWILL

The Company tests whether goodwill has suffered any impairment on an annual basis. For the 2018 and 2017 reporting period, the recoverable amount of the cash generating units (CGUs) was determined basec on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period which is expected economic lifetime related to goodwill.

Present value of estimated future cash flows for each CGU is calculated using a discount rate after tax. This is based on a risk-free rate, plus a risk premium and small business premium.

The following assumptions have been used for calculation of value in use as of 31.12.2018:

- Discount rate: 12,44 %
- Long-term growth rate: 2 %

No reasonable changes in the assumptions would cause an impairment at the end of the reporting periods.

Note 12 Inventories

(NOK 1000)	**31.12.18**	**31.12.17**	**1.1.17**
Purchased finished goods	16,923	72	-
Provision for obsolescence	-	-	-
Net inventories	**16,923**	**72**	**-**

The inventories mainly consist of fuel and lubricant oils.
The Group has not expensed any impairment of inventories during the periods.

Note 13 Interest bearing debt

(NOK 1000)	31.12.18	31.12.17	1.1.17
Non-current borrowings	-	-	-
Current borrowings	29,856	8,548	-
Total borrowings	29,856	8,548	-

Details of the Group's exposure to risk arising from current and non-current borrowings are set out in note 14, Financial risk management.

31.12.18 all current borrowings relats to a loan from Eksportkreditt. The general terms of the loan agreement is has a duration of three years from September 2018, with twelve consecutive quarterly repayment instalments. The rate of interest on the loan is NIBOR plus a margin of 0,5 % p.a, in addition to guarantee commissions. Effective interest for the loan is 7,87 % p.a.

The loan is presented as current due to breach of the loan terms as of December 2018. The Company received a waiver for the covenants 15 May 2018. The amended covenants requires the Group to have:
1) Liquid assets of no less then 120% of outstanding loan from Q2 19
2) Equity ratio of 30% from Q2 19 until Q4 19 and thereafter 35% till final maturity date (September 2021)

BALANCE SHEET VALUE OF ASSETS PLACED AS SECURITY

(NOK 1000)	31.12.18	31.12.17	1.1.17
Property, plant and equipment	139,133	-	-
Inventories	16,923	-	-
Trade receivables	34,239	-	-
Total balance sheet value of assets placed as security	190,294	-	-

Movements in financial activities

(NOK 1000)	2018	2017
Borrowings 1.1.	8,548	-
Proceeds from borrowings	29,750	8,500
Repayment of borrowings	-8,500	-
Non cash movements		
Change in accrued interest	58	48
Borrowings 31.12.	**29,856**	**8,548**

Note 14 Financial risk management

The Group is exposed to market specific and general economic cycles and macro-economic fluctuations, since changes in the general economic situation affect the demand from our clients. The Group is experiencing renewed growth in the Ocean Bottom Node (OBN) segment; however, no assurance can be provided with regards to future market development. The Group's business performance depends upon production and development spending by oil and gas companies. Historically, in times of low oil price, demand in exploration spending, where the Group is active, has been reduced in much greater extent than production related spending.

Financing risk

The Group use bank loans in addition to equity for financing purposes. The purpose of these financial instruments is to ensure that the Group has financial flexibility for investments that are necessary for the Group's operations. In addition, the Group has financial instruments such as trade receivables, trade payables etc. which is directly related to the business's daily operations. The Group does not use financial instruments for hedging purposes. Risk management procedures have been established by the Board and handled by the CFO.

The Group is exposes to financial risk linked to interest rate risk, liquidity risk, currency risk and credit risk. The Group's management has a continuous assessment to identify and evaluate financial risks, and sets guidelines for how to handle them.

The Group does not have any financial derivatives in 2017 or 2018.

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group is mainly exposed to credit risk related to trade receivables and other current receivables.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group has not experienced any credit losses. Current and expected future customers are oil and gas companies with sound credit ratings. Also for other companies in the industry, historic credit losses has been neglectible. Because expected credit loss is considered to be a clearly immaterial amount, no provision has been made.

2018 (NOK 1000)	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 120 days past due**	**Total**
Expected loss rate	0%	0%	0%	0%	
Carrying amount trade receivables	34,239	-	-	-	34,239
Loss allowance	-	-	-	-	-

2017 (NOK 1000)	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 120 days past due**	**Total**
Expected loss rate	0%	0%	0%	0%	
Carrying amount trade receivables	4,847	-	-	-	4,847
Loss allowance	-	-	-	-	-

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due without special agreement in advance.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(ii) Market risk - interest rate

The Group`s main interest rate risk arises from loan from Eksportkreditt/GIEK, which expose the group to cash flow interest rate risk. The Group does not use financial instruments to hedge interest rate risk. The Group has no financial leases. All charter parties are on short-term leases, i.e. less than one year.

Trade and other receivables and trade and other payables are interest free and with a term of less than one year, so there is no significant interest rate risk associated with these financial assets and liabilities.

The Group's sensitivity to potential changes in interest rates with an increase in 50 basis points would increase interest expense for the period with appoximately NOK 37 thousands for 2018 (2017: NOK 42 thousands).

(iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The Group's strategy for managing liquidity risk is to have sufficient liquidity at all times in order to meet its financial liabilities at maturity, both under normal and exceptional circumstances, without risking unacceptable losses or at the expense of the Group`s reputation. The Group may need access to long-term funding. There can be no assurance that available funding sources are accessible when needed nor can there be any assurance that the Group will be able to raise new equity on favorable terms and in amounts necessary to conduct its on-going and future operations, should this be required. Furthermore, there can be no assurance that the Group will be able to obtain additional shareholder funding. Failure to access necessary liquidity could require the Group to scale back its operations or could have other materially adverse consequences for its business and its ability to meet its obligations.

The table below provides an overview of the maturity profile of all financial liabilites. For bank loans the stated amount of book value is included estimated interest payments. Other items are stated at booked amounts. In cases where the counterparty may claim earlier redemption, the amount is placed in the earliest period the payment may be required from the counterparty.

2018	Remaining term			
(NOK 1000)	**Under 1 year**	**1-2 year**	**2-3 year**	**Total**
Borrowings	29,856	-	-	29,856
Account payables	180,808	-	-	180,808
Other current liabilities	190,783	-	-	190,783
Total	**401,447**	-	-	**401,447**

2017	Remaining term			
(NOK 1000)	**Under 1 year**	**1-3 year**	**3-5 year**	**Total**
Borrowings	8,548	-	-	8,548
Account payables	19,501	-	-	19,501
Current tax liabilities	130	-	-	130
Other current liabilities	2,811	-	-	2,811
Total	**30,990**	-	-	**30,990**

(iv) Market risk - foreign exchange rates

The Group operates internationally and is exposed to foreign exchange risk, primarily the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilites denominated in a currency that is not the functional currency of the relevant group entity. The Group is exposed to currency risk as more than 80 % of the groups revenues are in USD. Profit after tax for the Group is also affected by changes in exchange rates, as earnings from foreign companies are converted to NOK using the average exchange rate for the period.

The US dollar denominated bank loans are expected to be repaid with receipts from US dollar denominated sales. The foreign currency exposure of these loans has therefore not been hedged.

The table below shows the Group's sensitivity to potential changes in exchange rates. The calculation takes into account the currency translation of all consolidated foreign subsidiaries. The calculation in the table shows the effect on consolidated profit / loss on the average exchange rate.

(NOK 1000)	Change in exchange rate USD/NOK	Effect on profit before tax	Effect on equity
2018	+ 10 %	-5,454	-5,454
	- 10 %	4,958	4,958
2017	+ 10 %	0.2	0.2
	- 10 %	-0.2	-0.2

The Group`s significant operations in foreign countries expose it to risks related to foreign currency movements. Currency exchange rates fluctuate due to several factors, and these include; international balance of payments, economic and financial conditions, government intervention, speculation and other factors. Changes in currency exchange rates relative to the USD may affect the USD valued assets of the Group – primarily the one vessel owned by the Company. Changes in currency may also affect the Group’s local expenses when operating abroad. The Group’s expenses are primarily in USD and NOK. As such, the Group’s earnings are exposed to fluctuations in the foreign currency market.

Note 15 Categories of financial instruments

2018

(NOK 1000)	Financial assets at amortized cost	Total
ASSETS		
Other non-current assets	419	419
Trade receivables	34,239	34,239
Cash and cash equivalents	66,866	66,866
Total financial assets	**101,523**	**101,523**

	Financial liabilities at amortized cost	Total
LIABILITIES		
Interest-bearing non-current liabilities		
Interest-bearing current liabilities	29,856	29,856
Account payables	180,808	180,808
Other current liabilites	190,783	190,783
Total financial liabilites	**401,447**	**401,447**

2017

(NOK 1000)	Financial assets at amortized cost	Total
ASSETS		
Loans to associates		
Other non-current assets	51	51
Trade receivables	4,847	4,847
Other current receivables	230	230
Cash and cash equivalents	2,679	2,679
Total financial assets	**7,808**	**7,808**

LIABILITIES	Financial liabilities at amortized cost	Total
Interest-bearing non-current liabilities		
Interest-bearing current liabilities	8,548	8,548
Account payables	19,501	19,501
Other current liabilites	2,811	2,811
Total financial liabilites	**30,860**	**30,860**

Assets and liabilities per 1 January 2017 are measured at amortized cost as presented in balance sheet.

The Group's exposure to various risks associated with the financial instruments is discussed in note 14 Financial risk management. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

Note 16 Information about fair value

Due to the short-term nature of cash and cash equivalentes, trade receivables andt other current receivables, their carrying amount is considered to be the same as their fair value.

Borrowings has variable interest rates, and fair value is considerd to be approximatly the same as carrying value. The carrying amount of trade and other payables are considered to be the appoximately the same as their fair values, due to their short-term nature.

The Group does not hold any financial derivatives.

Note 17 Leases and commitments

Leases

The Group leases vessels, equipment and offices under non-cancellable operating leases.
The leases have varying terms, escalation clauses and renewal rights.
On renewal, the terms of the leases are renegotiated.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

(NOK 1000)	0-1 year	1-2 years	2-5 years	Later than 5 years	Total
Vessels	90,903	-	-	-	90,903
Equipment	13,597	-	-	-	13,597
Offices	900	920	358	-	2,179
Total	**105,401**	**920**	**358**	-	**106,679**

The Group has leased three vessels, Geo Caspian, Havila Fortune and Pacific Finder, under time charter agreements that expires during 2019.

Non-cancellable lease payments for offices relates to two contracts, that both had a remaining lease term of more than one year at the end of the reporting period. Two additional lease contract for offices have commenced in 2019.

Note 18 Other current liabilities

(NOK 1000)	**31.12.18**	**31.12.17**	**1.1.17**
Holiday pay owed	192	-	-
Other accrued costs	70,128	2,811	2,159
Balance against multi-client project partner	120,463	-	-
Total other current liabilities	**190,783**	**2,811**	**2,159**

Balance against multi-client (MC) project partner is related to the collaboration agreement with TGS, which gives TGS the right to 50% of the pre-funding received as well as further pre-funding and late sales related to the ongoing MC project Utsira. The balance will be settled through distribution of future customer payments to TGS.

Note 19 Share capital and shareholder information

Axxis Geo Solutions AS share capital is NOK 50 095 875 divided into 500 958 750 shares, with each share having a par value of NOK 0,10. The Company has one class of shares, all shares provide equal rights, including the right to any dividends in line with 2017. Each of the shares carries one vote in line with 2017. Neither AGS nor any of its subsidiaries directly or indirectly owns shares or treasury shares in the Company.

Changes in number of shares	**Shares**
Number of shares 1.1.17	85,290,949
Registration of share capital	20,948,165
Shares issued as consideration in business combination	85,849,786
Debt conversion	106,239,111
New shares issued - cash settled	202,630,739
Number of shares 31.12.17	**500,958,750**
Changes in number of shares in 2018	-
Number of shares 31.12.18	**500,958,750**

Paid/proposed dividend

The board has decided not to propose any dividend for 2018.

The major shareholders in Axxis Geo Solutions AS 31 December 2018 were as follows:

Shareholders	**Total shares**	**Ownership share**	**Voting share**
Bjarte Bruheim	84,702,022	16.9	16.9
Rome AS	78,888,477	15.7	15.7
Havila Holding AS	75,143,812	15.0	15.0
Songa Investments AS	75,118,563	15.0	15.0
W2 Seismic AS	42,924,893	8.6	8.6
TRH AS	22,373,526	4.5	4.5
Lee Parker	19,316,203	3.9	3.9
Alcides Shipping AS	16,096,835	3.2	3.2
Johs. Hansen Rederi AS	15,023,712	3.0	3.0
Remco AS	15,023,712	3.0	3.0
Bjørnulf AS	8,028,754	1.6	1.6
Payco AS	6,438,734	1.3	1.3
Richard Dunlop	5,150,987	1.0	1.0
Total >1% ownership share	**464,230,230**	**92.7**	**92.7**
Total other shareholders	36,728,520	7.3	7.3
Total number of shares	**500,958,750**	**100.0**	**100.0**

The major shareholders in Axxis Geo Solutions AS 31 December 2017 were the same as precented above.

31 December 2018 Axxis Geo Solution AS had issued 127 454 909 warrants to shareholders with excercise price at NOK 0,1949 per share, and 37 571 906 warrants with and excercise price of NOK 0,3157 per share. All warrants was exercised 6 January 2019.

Shares owned or controlled by members of the Board of Directors, Chief Executive Officer and Other Executive Officers 31 December 2018 were as follows:

Board of Directors	Position	Total shares	Ownership share	Voting share	Number of options
Bjarte Bruheim	Chairman	84,702,022	16.9	16.9	6,300,000
Rome AS 1)		78,888,477	15.7	15.7	4,500,000
Havila Holding AS 2)		75,143,812	15	15	1,500,000
Songa Investments AS 3)		75,118,563	15	15	1,500,000
W2 Seismic AS 4)		42,924,893	8.6	8.6	1,500,000
TRH AS 5)		22,373,526	4.5	4.5	1,500,000

1) Owned by Jogeir Romestrand	Board member
2) Partly owned by Njål Sævik	Board member
3) Represented by Fredrik Platou	Board member
4) Represented by Ole Andre Heggheim	Board member
5) Owned by Tore Rødal	Board member

Share and options owned by management 31 December 2018 were as follows:

Executive management	Position	Number of shares	Number of options
Lee Parker	CEO	19,316,203	6,300,000
Richard Dunlop	EVP Operations	5,150,987	3,800,000
Svein Knudsen	CFO	-	3,800,000

The major shareholders in Axxis Geo Solutions AS 31 December 2017 were the same as precented above.
There has not been any change in number of shares from 2017 to 2018.

Shares owned or controlled by members of the Board of Directors, Chief Executive Officer and Other Executive Officers 31 December 2017 were as follows:

Board of Directors	Position	Total shares	Ownership share	Voting share	Number of options
Bjarte Bruheim	Chairman	84,702,022	16.9	16.9	6,300,000
Rome AS 1)		78,888,477	15.7	15.7	4,500,000
Havila Holding AS 2)		75,143,812	15	15	1,500,000
Songa Investments AS 3)		75,118,563	15	15	1,500,000
W2 Seismic AS 4)		42,924,893	8.6	8.6	1,500,000

1) Owned by Jogeir Romestrand	Board member
2) Partly owned by Njål Sævik	Board member
3) Represented by Fredrik Platou	Board member
4) Represented by Ole Andre Heggheim	Board member

Share and options owned by management 31 December 2017 were as follows:

Executive management	Position	Number of shares	Number of options
Lee Parker	CEO	19,316,203	4,000,000
Richard Dunlop	EVP Operations	5,150,987	2,500,000
Svein Knudsen	CFO	-	2,500,000

Note 20 Related parties

The ultimate parent of the Group is Axxis Geo Solutions AS.

The Groups transactions and balances with other group companies in 2018 mainly relates to time charter for vessels and consultancy fees. See figures below for balances with related parties:

Transactions with related parties	**2018**	**2017**
(NOK 1000)		
Hired vessels		
Lease payments Havila Fortune - controlled by Havila Holding AS	21,503	-
Lease payment Geo Caspian - controlled by Havila Holding AS	48,421	-
Ship management services		
Remøy Shipping controlled by W2 Seismic AS	954	21
Consultancy services		
Impact Geo Solutions controlled by Bjarte Bruheim	5,965	985
Rome AS controlled by Jogeir Romestrand	3,447	190
Interest and guarantee payments		
Interest on loan from Havila Holding AS	340	48
Guarantee and pledge agreement from Bjarte Bruheim	-	308
Guarantee and pledge agreement from Lee Parker	-	70
Guarantee and pledge agreement from Rome AS	-	304
Guarantee and pledge agreement from Songa Investments AS	-	290
Guarantee and pledge agreement from TRH AS	-	86
Guarantee and pledge agreement from W2 Seismic AS	-	166
Interest ONGC guarantee to Havila Holding AS	2,553	-

Balances with related parties	**2018**	**2017**	**1.1.17**
(NOK 1000)			
Current borrowings			
Havila Holding AS	-	8,500	-
Accounts payable			
Impact Geo Solutions controlled by Bjarte Bruheim	1,230	-	-
Rome AS	455	388	-
Havila Ships AS controlled by Havila Holding	6,878	-	-

The Company did not have any significant outstanding balances with related parties as of 31 December, 2018 and 2017. All transactions with related parties are priced on arm`s length basis.

The two main shareholders of AGS AS, Bjarte Bruheim with 16,7 % of the shares and Rome AS with 15,75 % of the shares both deliver consultanty services to the board in addition to being Chair of the board, and board member of AGS AS. All work performed by these related parties is regulated in separate consultancy agreements. AGS AS did not have any significant outstanding balances with any of these investors and board members at year end.

Note 21 Personnel expenses and remunerations

(NOK 1000)	2018	2017
Wages and salaries	10,021	4,036
Social Security costs	634	311
Pension costs	132	52
Other remuneration	695	398
Share based payment expense (refer to note 22)	3,473	-
Total personnel expense	**14,955**	**4,797**

Number of employees at 31.12		
Group companies in Norway	1	0
Group companies abroad	2	2

The Group has a defined contribution pension plan. The contribution plan is a retirement plan in which the Group pays fixed contributions to a separate legal entity. The Group has no further payment obligations once these contributions have been paid. Contributions are booked as cost on an ongoing basis. The Group meets the requirements for occupational pension scheme under the Act on Obligatory Occupational Pensions. The contribution pension scheme in Norway meets the legal requirements.

No loan or collateral has been granted to the CEO, the Chairman of the Board or other related parties.

Chief executive officer and other Executive officers

In 2018, the Group paid compensation to its executive officers as follows:

(NOK 1000) Name	Fixed salary	Bonus	Other benefits	Pension benefits	Share based payment cost	Total cost	Number of options held
Svein Knudsen (CFO)	1,600	-	137	132	377	**2,246**	3,800,000
Lee Parker (CEO)	2,715	1,759	-	-	625	**5,100**	6,300,000
Rick Dunlop (EVP Operations)	2,064	717	137	-	377	**3,294**	3,800,000

In 2017, the Group paid compensation to its executive officers as follows:

(NOK 1000) Name	Fixed salary	Bonus	Other benefits	Pension benefits	Share based payment cost	Total cost	Number of options held
Svein Knudsen (CFO)*	-	-	-	-	-	-	2,500,000
Lee Parker (CEO)	1,415	123	-	-	-	**1,538**	4,000,000
Rick Dunlop (EVP Operations)	1,415	123	-	-	-	**1,538**	2,500,000

** Svein Knudsen was employed 1.5.2018, and before that he was a consultant. Consultancy fees are not included in amounts above.*

Board of Directors

In 2018, the Group paid following compensations to Board of Directors:

(NOK 1000) Name	Position	Director since	Term expire	Fee	Share based payment cost	Number of options held
Bjarte Henry Bruheim	Chairman of the Board	16/10/2006	2019*	434	625	6,300,000
Jogeir Romestrand	Board Member	08/09/2009	2019*	346	446	4,500,000
Fredrik Platou	Board Member	20/02/2017	2019*	216	149	1,500,000
Njål Sævik	Board Member	06/11/2017	2019*	-	147	1,500,000
Ole Andre Heggheim	Board Member	20/02/2017	2019*	216	149	1,500,000
Tore Rødal	Board Member	27/06/2018	2020*	-	147	1,500,000

** The main rule is that board members are elected for 2 years at a time, until the Annual General Meeting the year in question 2 years after the election.*

The Group did not pay any compensation to the Board of Directors in 2017.

See note 19 for shares held by the Group`s Board of Directors.

Note 22 Share based payments programs

The Group has a share based payment scheme for employees and members of the BoD.

The options granted gives the holder right to purchase a defined number of shares at a predetermined price if the vesting conditions are met. The exercise price has been set to fair value of the shares at grant date.

Set out below are summaries of options granted under the scheme:

	2018		2017	
	Average exercise price per share option (NOK)	Number of options	Average exercise price per share option (NOK)	Number of options
As at 1.1	0.1949	19,500,000		-
Granted during the year	0.3157	15,567,112	0.1949	19,500,000
As at 31.12	0.2553	35,067,112	0.1949	19,500,000
Vested 31.12		27,283,556		-
Exercisable 31.12		27,283,556		-
Share based payment cost recognised in the period (NOK 1000)		**3,473**		-

No options expired during the periods covered by the above table.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	Share options 31 December 2018	Share options 31 December 2017
15.9.17	15.9.27	0.1949	19,500,000	19,500,000
27.9.18	27.9.28	0.3157	15,567,112	-
Total number of options			**35,067,112**	**19,500,000**

The exercise price for both grants was fair value at the grant date. The options can be exercised by buying shares as settlement where one options give right to one share.
For the 2017 grant, there was a vesting condition related to accumulated EBITDA for the Group. These options were fully vested in 2018, and can be exercised until September 2023. The fair value at grant date (0,10 NOK/option) has been recognized as an expense in 2018.

For the 2018 grant, 50% of the options vested on grant date, while the remaining option will vest over the next two years (25% in 2019, 25% in 2020). These vested options can be exercised until September 2023. Fair value at grant date was NOK 0,16 per option.

The fair value has been estimated using the the Black-Scholes option pricing model. When calcluating fair value at grant date, the group has assumed a volatility of 49% from comparable peers in the oil and gas services for both grants, 0 expected dividends, and a risk free interest rate of 1,57% for the 2017 grant, and 1,98% for the 2018 grant.

Note 23 Auditors fee

Expensed audit fee (excluding VAT)		
(NOK 1000)	**2018**	**2017**
Statutory audit	211	70
Tax advice (incl. technical assistance with tax return)	198	167
Other attestation services	-	-
Other assurance services	-	-
Total auditors fee	**409**	**237**

Note 24 Subsidiaries and associated companies

The Group comprise of the following legal entities as at 31 December 2018

Subsidiary of AGS AS:	**Jurisdiction**	**Equity interest %**	**Voting rights %**
Neptune Seismic AS	Norway	100%	100%
Axxis Geo Solution Inc.	USA	100%	100%
Axxis Geo Solutions PT*	Indonesia	49%	100%
Axxis Multi Client AS	Norway	100%	100%

The Group comprise of the following legal entities as at 31 December 2017

Subsidiary of AGS AS:	**Jurisdiction**	**Equity interest %**	**Voting rights %**
Neptune Seismic AS	Norway	100%	100%
Axxis Geo Solution Inc.	USA	100%	100%
Axxis Geo Solutions PT*	Indonesia	49%	100%

* The formal shareholdings in Axxis Geo Solutions PT is 49 %. The Group has control of operating decisions and is exposed to 100 % of variability of the companys' results through a shareholder agreement. Because of this, no non-controlling interest has been recognised in the financial statements.

1 January 2017

Axsis Geo Solutions AS did not have any subsidiaries 1 January 2017. Two associated companies was accouted for using the equity method

Associated company of AGS AS	Jurisdiction	Equity interest %	Carrying value
Neptune Seismic AS	Norway	50%	54
Neptune Seismic DIS	Norway	49.5 %	15,341
Total			15,395

Neptune Seimic DIS was the owner of the vessel Neptune Naiad, while Neptune Seismic AS was the pricipal of Neptune Seimic DIS. In January 2017 the vessel was transfered to AGS AS at a price corresponding to the carrying value of the vessel. Hence, the transaction did not result in any gain or loss. The other investores issued a seller credit for their share of the transaction price, which subesequently converted to share capital in AGS.

Later in 2017, AGS acquired the remaining shares in Neptune Seimic AS. The company had no remaining activities.

Note 25 Events after the reporting period

Two new recent transactions have strengthened the equity of the group. On January 6th 2019 outstanding warrants were exercised, and subscriptions for 141 639 893 number of shares provided AGS AS with MNOK 32.1 in new capital. The earlier communicated private placement initiative was completed February 28th. MNOK 62.4 in new capital was raised at NOK 0.70 per share.
The new number of outstanding shares is now 735 454 918.

On 16 April 2019 Songa Bulk ASA ("Songa Bulk") and Axxis Geo Solutions AS ("AGS") entered into a joint merger plan (the "Merger Plan"), pursuant to which Songa Bulk will assume the assets, rights and obligations of AGS against issuance of shares in Songa Bulk to existing shareholders of AGS (the "Merger"). The exchange ratio in the Merger is based on an equity value of Songa Bulk of NOK 17.93 million, corresponding to a price per share of NOK 0.5, and an equity value of AGS of NOK 514.82 million, corresponding to a price per share of NOK 0.7.

The shareholders of AGS will receive 1.4 shares of Songa Bulk per one (1) share in AGS, meaning that the shareholders of AGS upon completion of the Merger will receive a total of 1,029,636,885 shares in Songa Bulk, representing 96.6% of all issued shares in Songa Bulk immediately following completion of the Merger. The consideration shares issued will be ordinary shares in Songa Bulk, and shall be equal to all other issued and outstanding shares in Songa Bulk.

The completion of the Merger is also conditional upon satisfaction of a number of closing conditions, including but not limited to approval by the general meetings in Songa Bulk and AGS, necessary consents from third parties, continued listing of Songa Bulk on Oslo Axess and expiry of the creditor notice period without any creditor claims being made. The completion of the Merger and the issuance of the consideration shares are expected to take place shortly after expiry of the creditor notice period in June 2019, subject to the abovementioned conditions being fulfilled.

For accouting purposes, this is considered to be a reverse takeover where AGS is the acquirer.

Note 26 First time adoption of IFRS

This is the first consolidated IFRS financial statements presented by the Group. The Group has previously presented consolidated financial statements according to the Norwegian Accouting Act and generally accepted accouting policies in Norway (NGAAP). The date of transition was 1 January 2017. As there was very limited acticity in the Group at the date of transition, non practical expedients in IFRS 1 is used.

For the balance sheet dates and periods presented, the differences between IFRS and NGAAP can be summarized as follows:

Equity 1.1.17	
Equity 1.1.17 according to NGAAP	18,627
Equity 1.1.17 according to IFRS	18,627
Difference	-
Profit for the period 2017	
Profit for the period 2017 according to NGAAP	-15,461
Profit for the period 2017 according to IFRS	-13,869
Difference	**-1,592**
The difference relates to:	
Amortization of goodwill in NGAAP financial statements	-1,592
Equity 31.12.17	
Equity 31.12.17 according to NGAAP	89,199
Equity 31.12.17 according to IFRS	90,791
Difference	**-1,592**
The difference relates to	
Amortization of goodwill in NGAAP financial statements for business combination in 2017	-1,592

Profit for the period 2018	
Profit for the period 2018 according to NGAAP	-29,309
Profit for the period 2018 according to IFRS	-65,262
Difference	**35,953**

The difference relates to:	
Amortization of goodwill in NGAAP financial statements	-1,592
Multi-client pre funding revenue based on percentage of completion in NGAAP financial statements	125,494
Amortization multi-client library in NGAAP financial statements	-79,061
Share based payment expense	3,743
Capitalization of cost to obtain a contract in IFRS financial statements	-3,097
Change in deferred tax asset for items listed above	-9,534
Net effect on profit for the period	**35,953**

Equity 31.12.18	
Equity 31.12.18 according to NGAAP	60,220
Equity 31.12.18 according to IFRS	29,602
Difference	**30,618**

The difference relates to	
2017 differenses carried forward	-1,592
2018 differenses in profit and loss	35,953
Share based payment expense adjusting IFRS equity	-3,743
Total differences	**30,618**

Changes in cash flow statement compared to previous GAAP	**2018**	**2017**
Operating cash flows reported in IFRS financial statements	359,830	-23,665
Operating cash flows reported in previous GAAP	387,261	-8,392
Difference	**-27,431**	**-15,273**
Cash outflow mobilization cost reported as investing activity in previous GAAP compared to operating activity in IFRS financial statements	-37,748	-6,630
Cash flows loan from Havila, presented as operating activity in previous GAAP, compared to financing acticity in IFRS financial statements	8,500	-8,500
Effects of exchange rate differences presented as operating cash flow in previous GAAP, compared to reconciling item in IFRS financial statements	1,450	-13
Other classification differences between operating and investing activities	367	-130
Total differences	**-27,431**	**-15,273**

Note 27 Earnings per share

Basic earnings per share is calcuated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year. The warrants and options described in note 19, are not included in the number of dilutive shares, since the Group report a loss in both periods presented.

Basic earnings per share	**2018**	**2017**
Profit attributable to the ordinary equity holders of the company	-64,992	-13,869
Average number of outstanding shares	500,958,750	436,083,880
Basic earnings per share (NOK)	**-0.13**	**-0.03**

Diluted earnings per share	**2018**	**2017**
Profit attributable to the ordinary equity holders of the company	-64,992	-13,869
Average number of outstanding shares	500,958,750	436,083,880
Diluted earnings per share (NOK)	**-0.13**	**-0.03**

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Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Axxis Geo Solutions AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Axxis Geo Solutions AS (the Group), which comprise the consolidated balance sheets as at 31 December 2018, consolidated income statement, the consolidated statements of cash flows and consolidated changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as at 31 December 2018 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Group's annual report other than the financial statements and our auditor's report thereon. The Board of Directors (management) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal

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control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

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Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than* Audits *or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Group's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 29 May 2019
ERNST & YOUNG AS

Finn Ole Edstrøm
State Authorised Public Accountant (Norway)

APPENDIX C:

SUBSCRIPTION FORM FOR THE SUBSEQUENT OFFERING

APPENDIX 3: SUBSCRIPTION FORM FOR THE SUBSEQUENT OFFERING

AXXIS GEO SOLUTIONS ASA

SUBSEQUENT OFFERING NOVEMBER 2019

In order for investors to be certain to participate in the Subsequent Offering, Subscription Forms must be received no later than on 21 November 2019 at 16:30 CET. The subscriber bears the risk of any delay in the postal communication, busy facsimiles and data problems preventing orders from being received by the Managers.

SUBSCRIPTION FORM

Properly completed Subscription Forms must be submitted to either of the Managers as set out below:

ABG Sundal Collier ASA	Fearnley Securities AS	SpareBank 1 Markets AS
Munkedamsveien 45 E P.O. Box 1444 Vika NO-0115 Oslo Norway Tel: +47 22 01 60 00 E-mail: subscription@abgsc.no	Grev Wedels Plass 9 P.O. Box 1158 Sentrum NO-0107 Oslo Norway +47 22 93 60 00 E-mail: tegninger@fearnleys.no	Olav V's gate 5 P.O. Box 1398 Vika NO-0114 Oslo Norway +47 24 14 74 00 E-mail: subscription@sb1markets.no

NORWEGIAN SUBSCRIBERS DOMICILED IN NORWAY CAN IN ADDITION SUBSCRIBE FOR SHARES AT www.abgsc.no, www.fearnleysecurities.no or www.sb1markets.no

General information: The terms and conditions for the Subsequent Offering in Axxis Geo Solutions ASA (the "**Company**") of up to 8,333,333 offer shares (the "**Offer Shares**") to be resolved by the Company's board of directors in accordance with the authorization granted by the Company's extraordinary general meeting on 1 November 2019 (the "**EGM**") are set out in the prospectus dated 6 November 2019 (the "**Prospectus**"). Terms defined in the Prospectus shall have the same meaning in this Subscription Form. Notice and minutes from the EGM, the Company's Articles of Association and annual accounts for the last three years, are available at the Company's registered office. In case of any discrepancies between the Subscription Form and the Prospectus, the Prospectus shall prevail.
Subscription Period: The subscription period is from and including 09:00 CET on 7 November 2019 to 16:30 CET on 21 November 2019 (the "**Subscription Period**"). Neither the Company nor the Managers may be held responsible for postal delays, internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Managers. It is not sufficient for the Subscription Form to be postmarked within the deadline. The Managers have discretion to refuse any improperly completed, delivered or executed Subscription Forms or any subscription which may be unlawful. Subscription Forms that are received too late or are incomplete or erroneous are therefore likely to be rejected without any notice to the subscriber. The Managers have the right to disregard the application, without any liability towards the subscriber, if a LEI or NID number or any other compulsory information requested in the Subscription Form is not populated. If a LEI number or other compulsory information is not populated by the subscriber, the Managers also reserves the right to obtain such information through publicly available sources and use such number to complete the Subscription Form. The subscription for Offer Shares is irrevocable and may not be withdrawn, cancelled or modified once it has been received by the Managers. Multiple subscriptions are allowed.
Subscription Price: The Subscription Price for one (1) Offer Share is NOK 6.00.
Right to subscribe: The Subscription Rights will be issued to the Company's shareholders as of close of trading on 10 October 2019 (as registered with VPS on 14 October 2019, pursuant to the VPS' standard two days' settlement procedure) (the "**Record Date**") (i) who were not allocated shares in the Private Placement and (ii) who are not resident in a jurisdiction where such offering would be unlawful or (for jurisdictions other than Norway) would require any prospectus, filing, registration or similar action ("**Eligible Shareholders**"). Each Eligible Shareholder will be granted 1.07 non-transferable Subscription Rights for each share owned as of the Record Date. Subscription Rights not used to subscribe for the Offer Shares (in full or partly) will lapse without any compensation upon expiry of the Subscription Period and will consequently be of no value. The number of Subscription Rights allocated to each Eligible Shareholder will be rounded down to the nearest whole Subscription Right. Each Subscription Right will, subject to applicable law, give the right to subscribe for and be allotted Offer Shares at the Subscription Price in the Subsequent Offering.
Allocation: The allocation criteria are set out in the Prospectus. Over-subscription will be permitted. Subscription without Subscription Rights will not be permitted. Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact the subscriber's obligation to pay for the number of Offer Shares allocated. All subscribers being allotted Offer Shares will receive a letter from the Managers confirming the number of Offer Shares allotted to the subscriber and the corresponding subscription amount. This letter is expected to be mailed on or about 22 November 2019. Subscribers having access to investor services through their VPS account manager will be able to check the number of Offer Shares allocated to them from 09:00 CET on or about 22 November 2019. Subscribers who do not have access to investor services through their VPS account manager may contact the Managers from 09:00 CET on or about 22 November 2019 to obtain information about the number of Offer Shares allocated to them.
Payment: The payment for the Offer Shares falls due on or about 25 November 2019 (the "**Payment Date**"). By signing the Subscription Form or registering a subscription through the VPS online subscription system, each subscriber having a Norwegian bank account, provides the Managers with a one-time irrevocable authorisation to debit the bank account specified by the subscriber below for payment of the allotted Offer Shares for transfer to the Managers. The specified bank account is expected to be debited on or after the Payment Date. The Managers are only authorised to debit such account once, but reserve the right to make up to three attempts to debit the Subscribers' accounts if there are insufficient funds on the account on previous debit dates. The authorisation will be valid for up to seven working days after the Payment Date. Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date and should contact the Managers in this respect for further details and instructions. Should any subscriber have insufficient funds in his or her account, should payment be delayed for any reason, if it is not possible to debit the account or if payments for any reasons are not made when due, overdue interest will accrue and other terms will apply as set out under the heading "Overdue and missing payments" below.

DETAILS OF THE SUBSCRIPTION

Subscriber's VPS-account (12 digits):	Number of Subscription Rights:	Number of Offer Shares subscribed (incl. over-subscription):	(For broker: consecutive no.:)

ONE SUBSCRIPTION RIGHT GIVES THE RIGHT TO BE ALLOCATED ONE OFFER SHARE

SUBSCRIPTION RIGHT'S SECURITIES NUMBER: ISIN NO 001 0868227

Subscription Price per Offer Share:	Total subscription amount to be paid:
NOK 6.00	NOK

IRREVOCABLE AUTHORISATION TO DEBIT ACCOUNT (MUST BE COMPLETED)

My Norwegian bank account to be debited for the consideration for shares allotted (number of Offer Shares allotted x Subscription Price).	____ (Norwegian bank account no. 11 digits)

In accordance with the terms and conditions set out in the Prospectus and this Subscription Form, I/we hereby irrevocably (i) subscribe for the number of Offer Shares specified above, (ii) grant each of the Managers (or someone appointed by any of them) acting jointly or severally to take all actions required to purchase and/or subscribe for Offer Shares allocated to me/us on my/our behalf, to take all other actions deemed required by them to give effect to the transactions contemplated by this Subscription Form, and to ensure delivery of such Offer Shares to me/us with the VPS, on my/our behalf, (iii) grant each of the Managers an authorization to debit (by direct or manual debiting as described above) the specified bank account set out in this Subscription Form for the amount payable for the Offer Shares allotted to me/us, and (iv) confirm and warrant to have read the Prospectus and that I/we are aware of the risks with an investment in the Offer Shares and that I/we are eligible to subscribe for and purchase Offer Shares under the terms set forth therein.

Date and place (must be dated in the Subscription Period):	**Binding signature**:
	The subscriber must be of legal age and have legal capacity. When signed on behalf of a company or pursuant to an authorisation, documentation in the form of a company certificate or power of attorney should be attached.

APPENDIX 3: SUBSCRIPTION FORM FOR THE SUBSEQUENT OFFERING

INFORMATION ON THE SUBSCRIBER (ALL FIELDS MUST BE COMPLETED)

First name	Surname/Family name/Company name
Home address (for companies: registered business address)	Post code/district/country
	Personal identity number (11 digits) / business registration number (9 digits)
Legal Entity Identifier ("LEI") /National Client Identifier ("NID")	Norwegian bank account for dividends
Nationality	Telephone number (daytime)
E-mail address	

Please note: if the Subscription Form is sent to the Managers by e-mail, the e-mail will be unsecured unless the applicant itself takes measures to secure it. The application form may contain sensitive information, including national identification numbers, and the Managers recommend the applicant to send the application form to the Managers in a secured e-mail. **Please refer to page 3 for further information on the Managers' processing of personal data.**

APPENDIX 3: SUBSCRIPTION FORM FOR THE SUBSEQUENT OFFERING

GUIDELINES FOR THE SUBSCRIBER

THIS SUBSCRIPTION FORM IS NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, HONG KONG, SOUTH AFRICA, JAPAN OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL. OTHER RESTRICTIONS ARE APPLICABLE. PLEASE SEE "SELLING RESTRICTIONS" BELOW.

Regulatory issues: Legislation passed throughout the European Economic Area (the "**EEA**") pursuant to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments ("**MiFID II**") implemented in the Norwegian Securities Trading Act, imposes requirements on intermediaries in securities markets. In this respect, the Managers must categorise all new clients in one of three categories: Eligible counterparties, Professional clients and Non-professional clients. All applicants applying for Offer Shares in the Subsequent Offering who/which are not existing clients of one of the Managers will be categorised as Non-professional clients. The applicant can by written request to the Managers ask to be categorised as a Professional client if the applicant fulfils the provisions of the Norwegian Securities Trading Act and ancillary regulations. For further information about the categorisation, the applicant may contact one of the Managers. The applicant represents that it has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision to invest in the Company by applying for Offer Shares, and the applicant is able to bear the economic risk, and to withstand a complete loss of an investment in the Company.

Selling restrictions: The Subsequent Offering is subject to specific legal or regulatory restrictions in certain jurisdictions, see Section 19 "Selling and Transfer Restrictions" in the Prospectus. Neither the Company nor any of the Managers assume any responsibility in the event there is a violation by any person of such restrictions. Neither the Offer Shares not the Subscription Rights have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or under any securities laws of any state or other jurisdiction of the United States and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer in the United States. The Offer Shares will, and may, not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from any jurisdiction where the offer or sale of the Offer Shares is not permitted, or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any jurisdiction where the offer or sale is not permitted, except pursuant to an applicable exemption. Subscription Rights and Offer Shares have not been and will not be registered under the applicable securities laws of Australia, Canada, Hong Kong, Japan or Switzerland and may not be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Hong Kong, Japan or Switzerland except pursuant to an applicable exemption from applicable securities laws. This Subscription Form does not constitute an offer to sell or a solicitation of an offer to buy Offer Shares in any jurisdiction in which such offer or solicitation is unlawful. Subject to certain exceptions, the Prospectus will not be distributed in the United States, Australia, Canada, Hong Kong, Japan or Switzerland. Except as otherwise provided in the Prospectus, the Subscription Rights and the Offer Shares may not be transferred, sold or delivered in the United States, Australia, Canada, Hong Kong, Japan or Switzerland. Exercise of Subscription Rights and subscription of Offer Shares in contravention of the above restrictions and those set out in the Prospectus may be deemed to be invalid. By subscribing for Offer Shares, persons effecting subscriptions will be deemed to have represented to the Company that they, and the persons on whose behalf they are subscribing for Offer Shares, have complied with the above selling restrictions. Persons effecting subscriptions on behalf of any person located in the United States will be responsible for confirming that such person, or anyone acting on its behalf, has executed an investor letter in the form to be provided by the Managers upon request..

The Company has not authorised any offer to the public of the Subscription Rights and the Offer Shares in any Member State of the EEA other than Norway. With respect to each Member State of the EEA other than Norway which has implemented the EU Prospectus Regulation, no action has been undertaken or will be undertaken to make an offer to the public of the Offer Shares requiring a publication of a prospectus in any Relevant Member State. Any offers outside Norway will only be made in circumstances where there is no obligation to produce a prospectus.

Execution only: As the Managers are not in the position to determine whether the application for Offer Securities is suitable for the applicant, the Managers will treat the application as an execution only instruction from the applicant to apply for Offer Securities in the Offering. Hence, the applicant will not benefit from the corresponding protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information Exchange: The applicant acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Financial Undertakings Act and foreign legislation applicable to the Managers there is a duty of secrecy between the different units of the Managers as well as between the Managers and the other entities in the Managers' respective groups. This may entail that other employees of the Managers or the Managers' respective groups may have information that may be relevant to the subscriber, but which the Managers will not have access to in their capacity as Managers for the Subsequent Offering.

Information barriers: The Managers are securities firms offering a broad range of investment services. In order to ensure that assignments undertaken in the Managers' corporate finance departments are kept confidential, the Managers' other activities, including analysis and stock broking, are separated from their corporate finance departments by information barriers known as "Chinese walls". The applicant acknowledges that the Managers' analysis and stock broking activity may act in conflict with the applicant's interests with regard to transactions in the Offer Shares as a consequence of such Chinese walls.

VPS and Mandatory Anti-Money Laundering Procedures: The Subsequent Offering is subject to the Norwegian Money Laundering Act No. 23 of 1 June 2018 and the Norwegian Money Laundering Regulations No. 1324 of 14 September 2018 (collectively the "**Anti-Money Laundering Legislation**"). Subscribers who are not registered as existing customers with the Managers must verify their identity in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing VPS account on the Subscription Form are exempted, unless verification of identity is requested by the Managers. The verification of identity must be completed prior to the end of the Subscription Period. Subscribers that have not completed the required verification of identity may not be allocated Offer Shares. Further, in participating in the Subsequent Offering, each subscriber must have a VPS account. The VPS account number must be stated on the Subscription Form. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of a VPS account requires verification of identity before the VPS registrar in accordance with the Anti-Money Laundering Legislation. Non-Norwegian investors may, however, use nominee VPS accounts registered in the name of a nominee. The nominee must be authorized by the Financial Supervisory Authority of Norway.

Data protection: As data controllers, each of the Managers process personal data to deliver the products and services that are agreed between the parties and for other purposes, such as to comply with laws and other regulations. The personal data will be processed as long as necessary for the purposes, and will subsequently be deleted unless there is a statutory duty to keep it. For detailed information on each of the Manager's processing of personal data, please review such Manager's privacy policy, which is available on its website or by contacting the relevant Manager. The privacy policy contains information about the rights in connection with the processing of personal data, such as the access to information, rectification, data portability, etc. If the applicant is a corporate customer, such customer shall forward the relevant Manager's privacy policy to the individuals whose personal data is disclosed to the Managers.

Investment decisions based on full Prospectus: Investors must neither accept any offer for, nor acquire any Offer Shares, on any other basis than on the complete Prospectus.

Terms and conditions for payment by direct debiting - securities trading: Payment by direct debiting is a service provided by cooperating banks in Norway. In the relationship between the payer and the payer's bank the following standard terms and conditions apply:

a) The service "Payment by direct debiting – securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
b) Costs related to the use of "Payment by direct debiting – securities trading" appear from the bank's prevailing price list, account information and/or information given by other appropriate manner. The bank will charge the indicated account for costs incurred.
c) The authorization for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
d) In case of withdrawal of the authorization for direct debiting, the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act, the payer's bank shall assist if the payer withdraws a payment instruction that has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
e) The payer cannot authorize payment of a higher amount than the funds available on the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall immediately be covered by the payer.
f) The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorization for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorization has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
g) If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Norwegian Financial Contracts Act.

Overdue and missing payments: Overdue payments will be charged with interest at the applicable rate under the Norwegian Act on Interest on Overdue Payments of 17 December 1976 no. 100, which at the date of the Prospectus is 9.25% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and ABG Sundal Collier Norge AS (on behalf of the Managers) reserves the right, at the risk and cost of the subscriber, to cancel at any time thereafter the application and to re-allot or, from the third day after the Payment Date, otherwise dispose of or assume ownership to the allocated Offer Shares, on such terms and in such manner as the Company, in consultation with the Managers may decide (and the subscriber will not be entitled to any profit therefrom). The original subscriber will remain liable for payment of the Subscription Price for the Offer Shares allocated to the subscriber, together with any interest, costs, charges and expenses accrued, and the Company and/or the Managers may enforce payment of any such amount outstanding.