Axxis Geo Solutions ASA

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

Listing of 1,445,000,000 new shares issued in connection with a Private Placement
Listing of 424,399,458 new shares issued in connection with a Debt Conversion
Subsequent Offering and listing of up to 200,000,000 Offer Shares, each with a par value of NOK 0.10, at a Subscription Price of NOK 0.10 per Offer Share, with Subscription Rights for Eligible Shareholders
Subscription Period for the Subsequent Offering: From 08:00 (CET) on 24 June 2021 to 16:30 (CET) on 8 July 2021

This prospectus (the "**Prospectus**") has been prepared 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**") solely for use in connection with (i) the listing on Euronext Expand, a regulated market operated by Oslo Børs ASA ("**Euronext Expand**") of (a) 1,445,000,000 new shares (the "**Private Placement Shares**") issued in a private placement announced by the Company on 30 April 2021 (the "**Private Placement**"), and (b) 424,399,458 new shares (the "**Debt Conversion Shares**") issued in a debt conversion announced by the Company on 21 May 2021 (the "**Debt Conversion**"), (ii) a subsequent offering of up to 200,000,000 new shares in the Company (the "**Offer Shares**") in a subsequent offering (the "**Subsequent Offering**") to Eligible Shareholders (as defined below) and (iii) the listing of the Offer Shares on Euronext Expand (jointly with the listing of the Private Placement Shares and the Debt Conversion Shares, the "**Listing**"). The Company's shares (the "**Shares**") are listed on Euronext Expand under the ticker code "AXXIS".

The price at which the Offer Shares are being offered is NOK 0.10 per Offer Share (the "**Subscription Price**"), equivalent to the offer price in the Private Placement. In the Subsequent Offering the Company will, subject to applicable securities laws, grant non-transferable subscription rights (the "**Subscription Rights**") to the Company's shareholders as at 30 April 2021 (as documented by the shareholder register in the Norwegian Central Securities Depository (the "**VPS**") as at the end of 4 May 2021 (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, for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action ("**Eligible Shareholders**").

Eligible Shareholders will be granted 4.6223 Subscription Rights for each Share recorded as held as at the Record Date. The number of Subscription Rights granted to each Eligible Shareholder will be rounded down to the nearest whole Subscription Right. Each Subscription Right will give the right to subscribe for, and be allocated one (1) Offer Share rounded down to the nearest whole share, subject to applicable securities laws. Over-subscription will be permitted, but there can be no assurance that Offer Shares will be allocated for such subscriptions. Subscription without Subscription Rights will not be permitted. The subscription period commences on 24 June 2021 at 12:00 CET and, subject to any extension, expires on 8 July 2021 at 16:30 CET (the "**Subscription Period**").

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

Assuming due payment of the Offer Shares subscribed for and allocated in the Subsequent Offering, delivery of the Offer Shares in the VPS is expected to take place on or about 19 July 2021.

The Company is not taking any action to permit a public offering of the Offer Shares in any jurisdiction outside Norway. The Offer Shares are being offered only in those jurisdictions in which, and only to those persons to whom, such an offer may lawfully be made. For a non-exhaustive description of certain applicable selling and transfer restrictions, please see section 19 "Selling and transfer restrictions".

Investing in the Company's Shares, including the Offer Shares, involves risk. See section 2 "Risk Factors".

Managers

ABG Sundal Collier ASA **SpareBank 1 Markets AS**

The date of this Prospectus is 16 June 2021

IMPORTANT INFORMATION

This Prospectus, dated 16 June 2021, 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 the listing of the Offer Shares, the Private Placement Shares and the Debt Conversion Shares on Euronext Expand.

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.

The Company has engaged ABG Sundal Collier ASA and SpareBank 1 Markets AS as managers and joint bookrunners of the Private Placement and the Subsequent Offering (the "**Managers**"). The Managers are acting for the Company and no one else in relation to 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. 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 current as at the date hereof and is subject to change, completion and amendment without notice. In accordance with Article 23 of the Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus which may affect the assessment of the Offer Shares and which arises or is noted between the time when this Prospectus is approved by the Norwegian FSA and the listing of the Offer Shares on Euronext Expand will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at 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 NO 001 1017733. The Private Placement Shares are and the Debt Conversion Shares are registered with the VPS under ISIN NO 001 1013740, 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:

16 June 2021.

(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 seven 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%);
- Axxis Production AS, incorporated in Norway (100%);
- Axxis Multi Client International AS (100%); and
- Axxis Geo Solutions Egypt LLC (100%), whereof Axxis Production owns 99% and Axxis Geo Solutions ASA owns 1%.

As of 15 June 2021 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:

- Lehmkuhl Capital AS holds 241,957,938 Shares, equal to 12.55% of the total number of the issued Shares.
- Investeringsfondet Viking AS holds 211,500,000 Shares, equal to 10.97% of the total number of the issued Shares.
- Middelborg AS holds 170,000,000 Shares, equal to 8.82% of the total number of the issued Shares.
- Apollo Asset Limited holds 150,000,000 Shares, equal to 7.78% of the total number of the issued Shares.
- Tigerstaden AS holds 125,000,000 Shares, equal to 6.48% of the total number of the issued Shares.
- Alden AS holds 100,000,000 Shares, equal to 5.19% of the total number of the issued Shares.

The Company's management consists of the following persons:

- Ronny Bøhn, CEO
- Nils Haugestad, CFO
- Rick Dunlop, EVP Operations

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 due to EY's historical knowledge of the AGS business. The Board of Directors has proposed that the annual general meeting scheduled to be held on 23 June 2021 elects a new auditor, the identity of whom will be announced in a stock exchange notice when the proposal has been made.

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

The Company's financial information

The following summary of consolidated financial data has been derived from the Company's audited consolidated financial statements as of and for the year ended 31 December 2020 (the "**Financial Statements**") and the Company's consolidated interim financial statements for the three month period ended 31 March 2021 (the "**Interim Financial Statements**"), which are attached to this Prospectus as Appendix B and Appendix C, respectively.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**"), while the Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU ("**IAS 34**"). The Financial Statements are presented in USD and have been audited by Ernst & Young AS ("**EY**"), as set forth in their auditor's report included therein. The Interim Financial Statements are unaudited.

Consolidated statement of comprehensive income

(all figures in USD thousand)	**Three months ended 31 March**		**Year ended 31 December**	
	2021 *(Unaudited)*	**2020** *(Unaudited)*	**2020** *(IFRS audited)*	**2019** *(IFRS audited)*

Revenue	766	45,147	92,790	70,744
Operating profit (loss)	(4,721)	11,188	5,845	(35,862)
Total comprehensive income (loss) for the period	(6,572)	6,948	(3,133)	(46,477)
Basic earnings per share	(0.11)	0.12	(0.05)	(0.79)
Diluted earnings per share	(0.11)	0.12	(0.05)	(0.79)

Consolidated balance sheet

(all figures in USD thousand)	**As at 31 March** *(unaudited)*		**As at 31 December** *(audited)*	
	2021	**2020**	**2020**	**2019**
Total Assets	49,896	99,742	54,452	93,783
Total equity	(14,423)	2,226	(7,852)	(4,723)
Total liabilities	64,319	97,516	62,305	98,506
Total equity and liabilities	49,896	99,742	54,452	93,783

Consolidated cash flow statement

(all figures in USD thousand)	**Three months ended 31 March** *(unaudited)*		**Year ended 31 December** *(audited)*	
	2021	**2020**	**2020**	**2019**
Net cash from operating activities	(147)	8,545	18,863	24,446
Net cash flow from investment activities	-	(27)	(10,434)	(61,554)
Net cash flow from financial activities	(1,386)	(767)	(3,991)	30,847
Cash and cash equivalents balance 31.03 / 31.12.	4,340	9,186	5,873	1,435

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, vessels, nodes and node handling equipment;
- The business of the Group currently only has a limited number of 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 192,822,047.60 divided into 1,928,220,476 shares, each with a par value of NOK 0.10.

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 2020 or 2019.

As of the date of this Prospectus, AGS has not established a dividend policy.

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 Euronext Expand under the ticker code "AXXIS".

The Private Placement Shares and the Debt Conversion 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 Euronext Expand on or about 19 July 2021, without application for admission to trading on Euronext Expand.

(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.

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 200,000,000 at a subscription price of NOK 0.10 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 (4 May 2021), each Eligible Shareholder will granted 4.6223 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 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 24 June 2021 at 12:00 CET and expire on 8 July 2021 at 16:30 CET. Notifications of allocation in the Subsequent Offering are expected to be issued on or about 12 July 2021. The Payment Date is 14 July 2021. Issue of the Offer Shares and recording of the Offer Shares with the VPS is expected to take place on or about 19 July 2021, subject to timely payment. Delivery of the Offer Shares to investors' VPS accounts is expected to take place on or about 19 July 2021, 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 Euronext Expand on or about 17 June 2021.

The Company's total number of Shares was increased by 1,445,000,000 new Shares following the Private Placement, by 424,399,458 new Shares following the Debt Conversion and by a further 200,000,000 new Shares following the Subsequent Offering (assuming full subscription of the Subsequent Offering). Therefore, the dilutive effect for shareholders not participating in the Private Placement, the Debt Conversion or the Subsequent Offering will be approximately 97.24%.

<u>Overview of dilutive effect:</u>

	Prior to the Private Placement, the Debt Conversion and the Subsequent Offering	Subsequent to the Private Placement	Subsequent to the Private Placement and the Debt Conversion	Subsequent to the Private Placement, the Debt Conversion and the Subsequent Offering
Shares outstanding	58,821,018	1,503,821,018	1,928,220,476	2,128,220,476*
Dilutive effect	-	96.09%	96.95%	97.24%

*Assuming full subscription of the Subsequent Offering.

Transaction costs and all other directly attributable costs in connection with the Private Placement and the Debt Conversion that will be borne by the Company are approximately NOK 11.1 million excluding VAT. In addition, NOK 7.2 million has incurred in guarantee commission to underwriters, resulting in net proceeds of approximately NOK 126.2 million from the Private Placement. If the Subsequent Offering is fully subscribed for, the Company will raise an additional NOK 20 million in gross proceeds.

No expenses or taxes will be charged by the Company or any of the Managers to the subscribers in 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 and the Debt Conversion, the Company seeks to raise capital through the Subsequent Offering for general corporate purposes and to strengthen the working capital balance of the Company. This Prospectus is also prepared for the listing of the Private Placement Shares and the Debt Conversion Shares. The Private Placement and the Debt Conversion have been carried out in connection with the reconstruction of the Company, by raising equity in order to settle claims with creditors and to reduce its debt burden by offering conversion of debt into equity in the Company.

The Company has applied, and further intends to apply, the net proceeds from the Private Placement to settle debt towards the Company's unsecured creditors who has not opted to convert their outstanding claim to shares in the Company, as part of the reconstruction proposal, as referred to inter alia in Section 10.6.

The Private Placement was underwritten against a guarantee commission as referred to above.

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 in MC projects where the Company is the operator, i.e. only Utsira to date, 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 vessels, 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 customers

The Group's revenues in Q1 2021 comes from the Norwegian government's business compensation scheme. The Group expects to generate revenues later in 2021 from both sales from the existing seismic library and from the North Sea project announced on 30 November 2020 which is scheduled for mobilization in late June 2021 and will generate revenues in Q3 2021. Thus, the Group is highly dependent on succeeding in such project and in generating sales from its seismic library. Failure by the Group to do so may cause a significant drop in revenues compared to previous years and have a material, negative effect on the Company's results of operation, financial condition and future prospects. Furthermore, should the Group be successful of generating a limited number of new contracts the Group would nevertheless be dependent on a limited number of clients and as such be at 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 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, 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 may in the future incur 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. 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 in excess of 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 may 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 was established in 2018. As of the date of this Prospectus, the Group has completed four major projects of acquisition of seismic data and the acquisition of data under its fifth 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.

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.

16 June 2021

The Board of Directors of Axxis Geo Solutions ASA

Christian Huseby
Chairman

Eirin Inderberg
Board member

Njål Sævik
Board member

Vibeke Fængsrud
Board member

Nina Skage
Board member

4 GENERAL INFORMATION

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

This Prospectus has on 16 June 2021 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 14 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

The Company's audited consolidated financial statements as of and for the year ended 31 December 2020 (the "**Financial Statements**") and the Company's consolidated interim financial statements for the three month period ended 31 March 2021 (the "**Interim Financial Statements**") are attached to this Prospectus as Appendix B and Appendix C, respectively.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**"), while the Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU ("**IAS 34**"). The Financial Statements are presented in USD and have been audited by Ernst & Young AS ("**EY**"), as set forth in their auditor's report included therein. The Interim Financial Statements are unaudited. Other than the Financial Statements, EY has not audited, reviewed or produced any report or other information provided in this Prospectus. The aforementioned auditor's report for 2020 includes the following emphasis of matter by EY:

"Material uncertainty related to going concern

We draw attention to Note 1.1 – "Going concern" and Note 2.2 – "Going concern" of the consolidated financial statements, which indicates that the Company's ability to continue as a going concern is dependent upon a *successful outcome of the reconstruction plan including securing sufficient liquidity. This indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not reflect impairment charges or provisions that might be required if the Company is liquidated or the assets sold in a distressed situation. Our opinion is not modified in respect of this matter."*

The reason for the emphasis was that the Group's financial situation as of the date of the auditor's report for 2020 was unsustainable as its equity was negative and liquidity under pressure. As EY made a note of, "the Company's ability to continue as a going concern is dependent upon a successful outcome of the reconstruction plan". The forced debt settlement under the court protected reconstruction became legally binding on 1 June 2021, and the reconstruction plan is currently in process of being executed. Following inter alia the Debt Conversion and the Private Placement, with the latter entailing that the Company has received NOK 144.5 million, the Company currently has a sustainable capital structure and debt level.

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 common currency of the EU member states that have adopted the Euro as their sole national currency. 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 9 "*The marine seismic industry and market overview*" and Section 10 "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.

4.6 Cautionary note regarding the ability to bring action against the Company

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.

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

The Company announced on 16 February 2021 that the Company had not been able to reach agreement with all creditors in order to implement a voluntary solution to refinance the Company. Consequently, the Company filed for court protected reconstruction. On 17 February 2021, the District Court of Asker and Bærum authorised opening of reconstruction negotiations for the Company. On 7 April 2021, the Company presented the final proposal for reconstruction by forced debt settlement. The Company announced on 29 April 2021 that the reconstruction proposal was approved by the Company's creditors. The forced debt settlement became legally binding on 1 June 2021.

Under the reconstruction proposal, the Company's creditors have accepted the following:

- Creditors with ordinary (general and unsecured) claims receive a cash dividend of 10%. The agreed dividend will be paid out within 14 – fourteen – working days after the court confirmation of the reconstruction plan by forced debt settlement, cf. Section 52 of the Reconstruction Act, is enforceable, tentatively mid-June 2021.

- As an alternative, creditors had the option to participate in the Debt Conversion for the conversion of all or part of their claim to shares in the Company at a subscription price of 0.5 NOK/share. The shares are expected to be registered in the respective VPS accounts no later than mid-June 2021.

It is not opened reconstruction negotiations in the subsidiaries of the Company. The Company has, however, arranged for separate voluntary debt settlements in the subsidiaries. The Company aims to achieve a solution whereby the bondholders also waive claims and collateral in the subsidiaries, thus avoiding insolvency proceedings in these companies.

In order to finance the reconstruction proposal, the Company had secured guarantees from a group of investors. Based on subscriptions from these investors, the Company raised gross proceeds of approximately NOK 144.5 million through the Private Placement completed on 30 April 2021. Transaction costs and all other directly attributable costs in connection with the Private Placement and the Debt Conversion that will be borne by the Company are approximately NOK 11.1 million excluding VAT, whereof approximately NOK 7.2 million are fees to the Managers for the Private Placement and NOK 3 million are fees to the Managers for the Debt Conversion. In addition, NOK 7.2 million has been incurred in guarantee commission to underwriters, resulting in net proceeds of approximately NOK 126.2 million from the Private Placement. The proceeds raised through the Private Placement will serve several purposes, including:

i. to settle debt towards the Company's creditors who has not opted to convert their outstanding claim to shares in the Company, as part of the reconstruction proposal and the voluntary creditor agreement entered into by the subsidiaries of the Company, as referred to inter alia in Section 10.6 (approximately USD 6.4 million); and

ii. general corporate purposes and to strengthen the working capital balance (approximately USD 8.8 million).

The purpose of the Debt Conversion is to improve the Company's financial situation through reducing its liabilities and hence also the debt interest payments, which in addition may attract new investors to the Company, including also the Underwriters.

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 at 30 April 2021 (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 20 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 30 April 2021, the Company announced a fully allocated Private Placement raising gross proceeds of approximately NOK 144.5 million, at a subscription price of NOK 0.10 per Private Placement Share. The shares were allocated to and subscribed by the group of investors who guaranteed for such subscription, with reference to the stock exchange announcement on 7 April 2021 and the Private Placement was managed by ABG Sundal Collier ASA and Sparebank 1 Markets AS (jointly, the "**Managers**") as joint bookrunners.

The Private Placement Shares were subscribed for on 30 April 2021 and were issued on 14 June 2021 by registration with the Norwegian Register of Business Enterprises. The Private Placement Shares are registered with a separate ISIN pending publication of this Prospectus. The Shares are issued in NOK.

The Company's estimated costs in connection with the Private Placement and the Debt Conversion (as defined below) are NOK 11.1 million excluding VAT. In addition, NOK 7.2 million has incurred in guarantee commission to the group of investors who guaranteed for the Private Placement conditional upon the successful reconstruction of the Company.

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

6.2 Resolution to issue the Private Placement Shares

The Private Placement Shares were on 28 April 2021 resolved to be issued by the general meeting in accordance with the following:

1. *The Company's share capital is increased by minimum NOK 144,500,000 and maximum NOK 170,000,000, from NOK 5,882,101.80 to minimum NOK 150,382,101.80 and maximum NOK 175,882,101.80 by issue of minimum 1,445,000,000 and maximum 1,700,000,000 new shares, each with a par value of NOK 0.10.*

2. *The subscription price is NOK 0.10 per share. The total proceeds are minimum NOK 144,500,000 and maximum NOK 170,000,000, of which the total proceeds are share capital.*

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 ABG Sundal Collier ASA and/or Sparebank1 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 30 April 2021. The Board is authorised to extend the deadline on one or several occasions, however no later than 15 May 2021.*

6. *The subscription amount shall be paid in cash by the investors in accordance with the allocation list by means of payment to a dedicated settlement account in the name of Axxis Geo Solutions ASA with account number 8647 13 12861 in Danske Bank AS within 3 days after the Reconstruction Proposal is confirmed legally binding and enforceable pursuant to the Reconstruction Act § 52, and in any event no later than 21 June 2021*

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 estimated costs in connection with the share capital increase is NOK 9.2 million exclusive of VAT, which primarily relate to advisor fees for both the Private Placement and the Debt Conversion. Furthermore, in the Private Placement the Company will pay a commission to the Investor Group, conditional upon the successful reconstruction of the Company. The commission is NOK 7.2 million.*

9. *Article 4 of the Company's Articles of Association is amended correspondingly.*

The following resolution was made by the Company's Board of Directors on 6 April 2021 in connection with the Private Placement:

> *The Company's share capital is increased by NOK 144,500,000, from NOK 5,882,101.80 to NOK 150,382,101.80 by issue of 1,445,000,000 new shares, each with a par value of NOK 0.10.*

The Board of Directors proposed, and the general meeting resolved, to set aside the shareholders' preferential rights to subscribe for the Private Placement Shares. The decision to deviate from the preferential rights has been carefully considered. In reaching this conclusion the Board of Directors has among other things considered that it has been publically known that the Board of Directors of the Company for a longer period has worked to achieve a financial solution for the Company and that an equity raise directed towards the group of investors participating in the Private Placement was necessary to avoid bankruptcy proceedings, in signalling to the market that the Company has sound support by the group of investors. Furthermore, the Board of Directors has resolved to invite Eligible Shareholders, to subscribe shares in the Subsequent Offering, limiting the dilutive effect of the Private Placement.

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 with 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 Euronext Expand on or about 17 June 2021, without application for admission to trading on Euronext Expand.

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

See Section 16.11 "*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 96.09%.

The net asset value per existing Share as at 31 December 2020 was NOK -0.65364 calculated as total equity divided by the number of outstanding Shares as per 31.12.20.

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 150,382,101.80 divided into 1,503,821,018 Shares, each with a par value of NOK 0.10.

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

No major shareholders, members of the Management or the Board of Directors have subscribed for shares in the Private Placement.

6.7 Managers and advisors

ABG Sundal Collier ASA 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 and the Debt Conversion, 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 and the Private Placement.

Further, in connection with the Private Placement, the Company entered into an underwriting agreement with Alden AS, Ballista AS, Phillip Holding AS, Apollo Asset Limited, Q Capital AS, F1 Funds AS, F2 Funds AS, Livermore Invest AS, Beck Asset Management AS, Redback AS, Solstein FDS AS, Middelborg AS, Lighthouse Reef AS, Tigerstaden AS, Dulcinea AS, Investeringsfondet Viking AS, Ginny Invest AS, Gunerius Pettersen, Ronja Capital, Stein Hyttedalen, Tiveden AS, Urtiven AS, Minotaurus Energi AS, Allfadern AB, Henriksen Bygginvest AS, U-Turn Ventures AS, Selaco AS and Emgani AS (jointly the "**Underwriters**"), whereby the Underwriters guaranteed for the subscription of Private Placement Shares. As consideration, the Company has agreed to pay a commission to the Underwriters, conditional upon the successful reconstruction of the Company of NOK 7.2 million.

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 DEBT CONVERSION

7.1 Overview

On 21 May 2021, the extraordinary general meeting of the Company resolved to increase the Company's share capital through conversion of debt with an aggregate nominal value of NOK 212,199,729 at a subscription price of NOK 0.50. The Debt Conversion Shares were subscribed for on 25 May 2021 and were issued on 14 June 2021 by registration with the Norwegian Register of Business Enterprises. The Shares are issued in NOK.

The Company's estimated costs in connection with the Private Placement and the Debt Conversion are NOK 11.1 million excluding VAT. In addition, the Company will pay NOK 2,000,000 to the Managers in connection with assistance with the Debt Conversion.

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

7.2 Resolution regarding the Debt Conversion Shares

The Debt Conversion Shares were on 21 May 2021 resolved to be issued by the general meeting in accordance with the following:

1. *The Company's share capital is increased with NOK 42,439,945.80, from NOK 150,382,101.80 to NOK 192,822,047.60, by issuance of 424,399,458 new shares, each with a nominal value of NOK 0.10.*

2. *The subscription price for each share is NOK 0.50, in total NOK 212,199,729 for all the shares, of which in total NOK 42,439,945.80 constitutes share capital and in total NOK 169,759,783.20 constitutes share premium.*

3. *The shares shall be subscribed by and allotted those of the Company's creditors who are specified in Appendix 2 to the minutes.*

4. *The new shares shall be subscribed by Nils Haugestad and/or Ronny Bøhn and/or ABG Sundal Collier ASA and/or Sparebank1 Markets AS on behalf of, and pursuant to proxies from, the creditors participating in and being allocated shares by the Board in the Debt Conversion. Subscription shall be made on a separate subscription form.*

5. *The deadline to subscribe the new share is 25 May 2021. The Board is authorised to extend the deadline on one or several occasions, however no later than 10 June 2021.*

6. *Payment for the shares shall be settled through set-off of the receivables (contribution in kind), included as appendices to the expert opinion. For a further description of the contributions, see the expert opinion pursuant to sections §§ 2-6 cf 10-2 of the NPLC, attached to this notice. The share contributions are settled at the time of subscriptions and the Receivables are set-off at subscription of the shares.*

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 estimated costs in connection with the share capital increase is NOK 9.2 million exclusive of VAT, which primarily relate to advisor fees for both the Debt Conversion and the Private Placement.*

9. *Article 4 of the Company's Articles of Association is amended correspondingly.*

7.3 Shareholders' rights attached to the Debt Conversion Shares

The rights attached to the Debt Conversion 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 Debt Conversion Shares are currently registered with a separate ISIN pending publication of this Prospectus upon which they will be transferred to the Company's ordinary ISIN. The Debt Conversion Shares are expected to be listed on Euronext Expand on or about 17 June 2021, without application for admission to trading on Euronext Expand.

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

See Section 16.11 "*Certain aspects of Norwegian corporate law*" for more details regarding shareholding in a Norwegian public limited liability company.

7.4 Dilution

The immediate dilutive effect on the ownership of the Company's shareholders who did not participate in the Private Placement or the Debt Conversion was approximately 96.95%.

The net asset value per existing Share as at 31 December 2020 was NOK -0.65364 calculated as total equity divided by the number of outstanding Shares as per 31.12.20.

7.5 The Company's share capital following the Private Placement

Upon issuance of the Debt Conversion Shares, simultaneously with the issuance of the Private Placement Shares, the Company's share capital is NOK 192,822,047.60 divided into 1,928,220,476 Shares, each with a par value of NOK 0.10.

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

The following major shareholders and members of the Board of Directors have subscribed for shares in the Debt Conversion:

Investor	Total Debt Conversion Shares	Share of the Debt Conversion:
Havila Holding AS	4,800,000	1.131%
Christian Huseby	516,202	0.122%
Nina Skage	419,414	0.099%
Vibeke G. Fængsrud	406,508	0.096%
Njål Sævik	354,888	0.084%
Eirin Inderberg	354,888	0.084%
Total	**6,851,900**	**1.614%**

No members of the Management subscribed for Debt Conversion Shares.

7.7 Managers and advisors

ABG Sundal Collier ASA 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 Debt Conversion.

7.8 Interests of natural and legal persons involved in the Debt Conversion

The Managers and their affiliates may have interests in the Debt Conversion 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 and the Debt Conversion, 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 and the Debt Conversion.

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 Debt Conversion.

8 THE SUBSEQUENT OFFERING

8.1 Overview

The Subsequent Offering consists of an offer by the Company to issue up to 200,000,000 Offer Shares, each with a par value of NOK 0.10, at a Subscription Price of NOK 0.10 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 NOK 20 million in gross proceeds. The Shares will be issued in NOK. The Subsequent Offering is conditional upon the annual general meeting to be held on 23 June 2021 resolves to issue the Offer Shares in accordance with the proposal from the Board of Directors, as included below in Section 8.3.

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 at close of trading 30 April 2021 (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*".

8.2 Use of proceeds

The gross proceeds from the Subsequent Offering is NOK 20 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*".

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

The Board of Directors has proposed that the annual general meeting to be held on 23 June 2021 resolves to issue the Offer Shares in accordance with the following:

1. *The Company's share capital is increased with minimum NOK 0.10 and maximum NOK 20,000,000 by issuance of minimum 1 and maximum 200,000,000 new shares, each with a nominal value of NOK 0.10.*

2. *The shareholders' pre-emption rights is waived, cf. Sections 10-5 cf. 10-4 of the Public Limited Liability Companies Act.*

3. *The subscription price per share is NOK 0.10, in total minimum NOK 0.10 and maximum NOK 20,000,000 for all the shares, of which the total amount constitutes share capital.*

4. *The shares are subscribed for by shareholders per 30 April 2021 and registered as such with VPS on 4 May 2021 who (i) were not invited to subscribe for shares in the private placement, and (ii) 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.

5. *Shareholders as set out in item (4) will receive 4.6223 subscription rights for each share owned (rounded downward to the nearest whole number). Each subscription right gives the right to subscribe one share. The subscription rights are not tradable.*

6. *Subscription without subscription rights will not be permitted. 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 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.*

7. *The subscription period is from 24 June 2021 to 8 July 2021. If the prospectus for the offering has not been approved and made public by 24 June 2021, the subscription period shall be adjusted to commence on the second trading day on Oslo Børs after such approval is received and the prospectus has been made public. The end of the subscription period shall in any such event be adjusted accordingly.*

8. *The subscription shall be made on a separate subscription form before the end of the subscription period.*

9. *The subscription amount shall be settled by cash contribution to a dedicated settlement account in the name of Axxis Geo Solutions ASA with account number 8647 13 12861 in Danske Bank AS five (5) days from the expiration of the subscription period.*

10. *The new shares give full rights, including rights to dividends, from and including the date of registration of the share capital increase in the Norwegian Register of Business Enterprises.*

11. *Estimated costs in relation to the share capital increase are approximately NOK 18.3 million excl. VAT, which primarily relate to advisor fees for both the private placement approved on 28 April 2021 with total proceeds of NOK 144,500,000, the debt conversion approved by the general meeting on 21 May 2021 with total subscription amount of NOK 212,199,729 and the repair offering, as well as registration fees. NOK 7.2 million of the costs relates to a commission to the investor group in the private placement. The costs will be covered by the Company.*

12. *Article 4 of the Company's Articles of Association is amended correspondingly.*

8.4 Timetable for the Subsequent Offering

Last day of trading in the Shares including the Subscription Rights	30 April 2021
First day of trading in the Shares excluding the Subscription Rights	3 May 2021
Record Date	4 May 2021
Subscription Period commences	24 June at 12:00 (CET)
Subscription Period ends	8 July at 16:30 (CET)
Allocation of the Offer Shares	On or about 8 July 2021
Publication of the results of the Subsequent Offering	On or about 8 July 2021
Distribution of allocation letters	On or about 12 July 2021
Payment Date	On or about 14 July 2021
Registration of new share capital in the Norwegian Register of Business Enterprises	On or about 19 July 2021
Delivery of the Offer Shares	On or about 19 July 2021
Listing of and commencement of trading in the Offer Shares on Euronext Expand	On or about 19 July 2021

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. The beneficiaries of the preemptive rights being deviated from is the group of investors who were invited to subscribe for shares in the Private Placement. The decision by the Board of Directors to deviate from the preemptive rights has been carefully considered. In reaching this conclusion the Board of Directors has among other things considered that it has been publically known that the Board of Directors for a longer period has worked to achieve a financial solution for the Company and that a private placement directed towards the group of investors participating in the private placement was necessary to avoid bankruptcy proceedings, in signaling to the market that the Company has sound support by the group of investors.

8.5 Subscription Price

The Subscription Price in the Subsequent Offering is NOK 0.10 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.

8.6 Subscription Period

The Subscription Period will commence on 24 June 2021 at 12:00 (CET) and end on 8 July 2021 at 16:30 (CET). The Subscription Period may not be revoked, extended or shortened prior to the end of the Subscription Period.

The Company reserves the right, but has no obligation, to cancel the Subsequent Offering without notice should the listed price for the Shares on Euronext Expand trade below the Subscription Price in the Subsequent Offering.

8.7 Eligible Shareholders

Shareholders of the Company as at close of trading 30 April 2021, as registered with the Company's shareholder register with the VPS on 4 May 2021 (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.

8.8 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 4.6223 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 with each Eligible Shareholder's VPS account on or about 19 July 2021. 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 8 July 2021 at 16:30 (CET).

Subscription Rights that are not exercised before 16:30 (CET) on 8 July 2021 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.

8.9 Subscription Procedures

Subscriptions for Offer Shares must be made by submitting a correctly completed subscription form, attached hereto as Appendix D (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 8 July 2021 at the following postal or email addresses:

ABG Sundal Collier ASA	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	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, 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.

8.10 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.

8.11 Financial intermediaries

8.11.1 General

All persons or entities holding Shares or Subscription Rights through financial intermediaries (i.e. brokers, custodians and nominees) should read this Section 8.11 "*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.

8.11.2 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.

8.11.3 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.

8.11.4 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.

8.11.5 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.

8.12 Allocation of the Offer Shares

Allocation of the Offer Shares will take place on or about 8 July 2021, 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 8 July 2021 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 12 July 2021.

8.13 Payment for the Offer Shares

8.13.1 Payment due date

The payment for Offer Shares allocated to a subscriber falls due on 14 July 2021 (the "**Payment Date**"). Payment must be made in accordance with the requirements set out below in this Section.

8.13.2 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.

8.13.3 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.

8.13.4 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 8% 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.

8.14 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 19 July 2021 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 8 October 2021.

8.15 Listing of the Offer Shares

The Shares are listed on Euronext Expand under ISIN NO 001 0778095 and ticker code "AXXIS".

The Offer Shares will be listed on Euronext Expand 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 with the VPS. The listing is expected to take place on or about 19 July 2021. 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.

8.16 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 0.10. 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 16 "*Corporate information, regulatory disclosures and description of share capital*" for a more detailed description of the Shares.

8.17 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.

8.18 VPS registration

The Subscription Rights will be registered with the VPS under ISIN NO 001 1017733. The Offer Shares will be registered with the VPS with the same ISIN as the existing Shares, i.e. ISIN NO 001 0778095.

8.19 Dilution

The Company's total number of Shares was increased by 1,445,000,000 new Shares following the Private Placement, by 424,399,458 new Shares following the Debt Conversion and by a further 200,000,000 new Shares following the Subsequent Offering (assuming full subscription of the Subsequent Offering). Therefore, the dilutive effect for shareholders not participating in the Private Placement, the Debt Conversion or the Subsequent Offering will be approximately 97.24%.

Overview of dilutive effect:

	Prior to the Private Placement, the Debt Conversion and the Subsequent Offering	Subsequent to the Private Placement	Subsequent to the Private Placement and the Debt Conversion	Subsequent to the Private Placement, the Debt Conversion and the Subsequent Offering
Shares outstanding	58,821,018	1,503,821,018	1,928,220,476	2,128,220,476*
Dilutive effect	-	96.09%	96.95%	97.24%

* Assuming full subscription of the Subsequent Offering.

8.20 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 1,000,000 million to the Managers (excluding VAT) assuming that all the Offer Shares are issued. Hence, the total net proceeds from the Subsequent Offering are estimated to be approximately NOK 19,000,000 million, assuming that all the Offer Shares are issued. For a description of the use of such proceeds, see Section 8.2 "*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.

8.21 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 5 and 8.20 "*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.

8.22 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.

8.23 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.

8.24 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.

9 THE MARINE SEISMIC INDUSTRY AND MARKET OVERVIEW

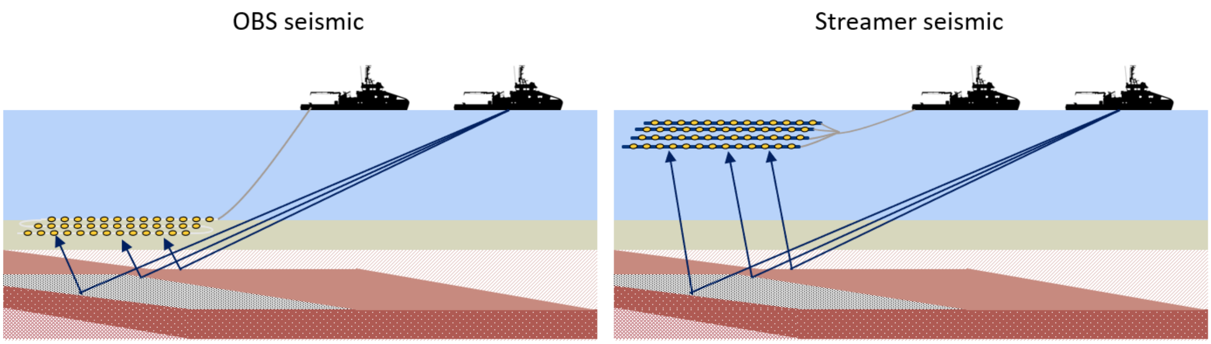
This Section discusses the industry and markets in which the Group operates. Certain information in this Section relating to market environment, market developments, growth rates, market trends, industry trends, competition and similar information are estimates based on data compiled by professional 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 4.5 "Cautionary note regarding forward-looking statements" for further details.

9.1 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 9.1 *– Ocean bottom seismic (OBS) vs. streamer seismic*



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

9.2 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).

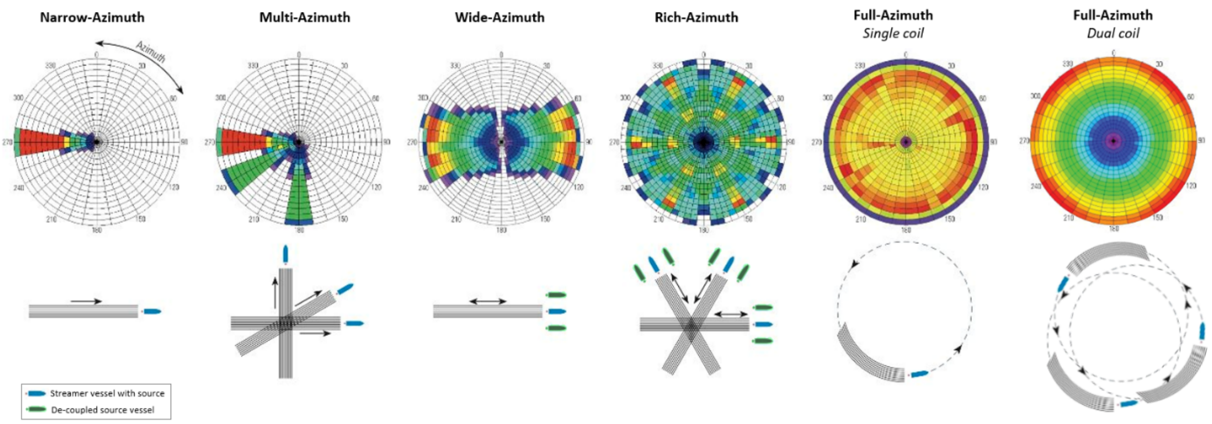
The development of current seismic technologies has been ongoing since the first use of digital recording in the 1960s. At this time digital data enabled processing and interpretation by computers, rendering the previous analogue recording technology obsolete. Experience enabled systematic corrections 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 9.2. 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 9.2 *– 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 steadily increase from around USD 25 and up towards USD 70 on the back of a positive E&P.

9.3 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.

9.4 Ocean Bottom Seismic (OBS) technologies

9.4.1 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. 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 Shearwater's Q-Seabed, Seabed Geosolutions' Sercel SeaRay, ION's VectorSeis Ocean II (VSO II).

9.4.2 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 inApril's A3000. Of these companies, Geospace Technologies, Magseis Fairfield and in April offer nodes for lease or purchase.

9.5 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

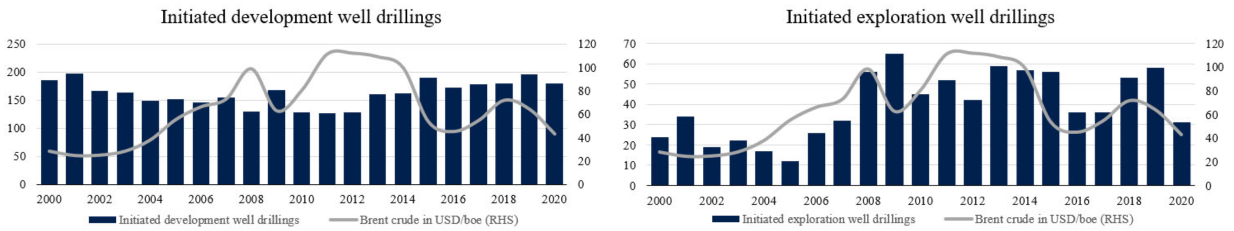
[1] Magseis Prospectus, December 2018

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 9.5 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 9.5** – Drilled development wells vs. drilled exploration wells on the Norwegian Continental Shelf*



Source: Norwegian Petroleum Directorate, Factpages (Wellbore). Data available at: https://factpages.npd.no/nb-no/wellbore/statistics/entryyear (accessed 5 May 2021 11:00)

9.6 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 Illustration 9.6 below, a selection of typical clients to the seismic companies is presented.

Illustration 9.6 *– 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, Rosneft, Perenco

9.7 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 illustration 9.7. 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.

Illustration 9.7 *– Major companies within marine seismic data acquisition surveying*

Ticker	Company	Country	Ticker	Company	Country
AXXIS-NO	AGS	Norway	Private	SAExploration	US
MSEIS-NO	magseis fairfield	Norway	Private	SHEARWATER	Norway
PGS-NO	PGS	Norway	Private	CNPC BGP	China
SBX-NO	SeaBird Exploration	Cyprus	Private	PXGEO	United Arab Emirates

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 illustration 9.7 the majority are either pure streamer seismic players or have their main focus on the aforementioned. These include PGS, SeaBird Exploration, PX Geo (newcomer in 2021) and Shearwater GeoServices. Key OBS players include Axxis, Magseis Fairfield, SAExploration, Seabed Geosolutions, which will be acquired by PX Geo, and OceanGeo, a dormant subsidiary of ION. BGP has both streamers and OBS equipment and has increased its OBS capacity significantly over recent years through node purchases from Magseis Fairfield and Geospace. 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 and Magseis Fairfield operate mainly on contract. TGS, Schlumberger/Western Geco and CGG on the other side are pure-play MC/data processing companies. The companies have recently started to intergrate "sparse" OBN data to enhance their existing MC data- PGS, and to a certain extent Magseis Fairfield and BGP, 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. To the best of AGS management's knowledge there are only three material stand-alone OBS multi-client libraries to this day: Utsira Norway (AGS, TGS), Gulf of Suez Egypt (AGS, Schlumberger) and Cornerstone UK (CGG, Magseis Fairfield). This leaves an opportunity that AGS will seek to explore further.

9.8 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 continue to focus on NOAR projects in shallow and midwater depths which means that the following geographies are most applicable; NCS, UKCS, Asia, Middle East, Gulf of Mexico shelf, West-Africa and the Barents Sea. 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.

Illustration 9.8 *– 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

9.9 Contract seismic services vs. multi-client seismic projects

9.9.1 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.

9.9.2 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.

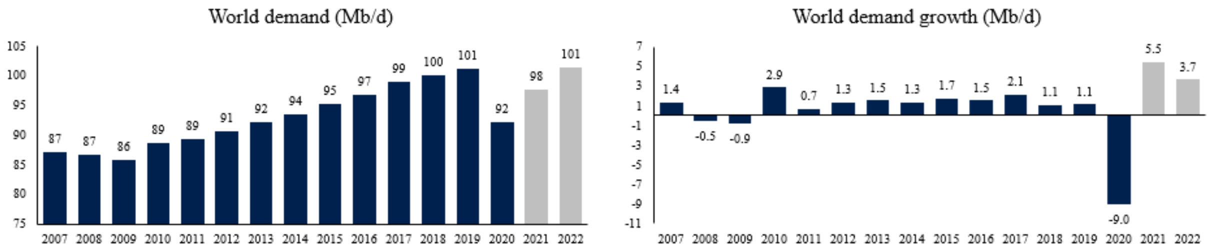
9.10 General marine seismic market drivers

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.

9.10.1 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 around 1.5% per year. EIA is forecasting a higher growth in 2021 and 2022, following the turmoil from the pandemic reducing the demand in 2020. By the end of 2022, EIA is expecting the demand to have fully recovered back to pre-pandemic levels.

***Illustration 9.10.1** – World demand for oil and gas*

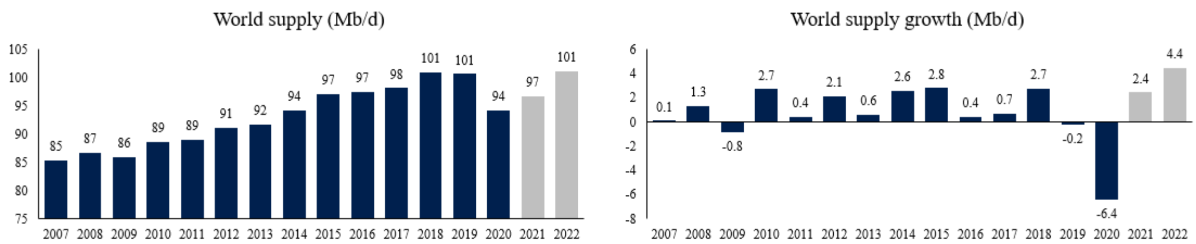


Source: U.S. Energy Information Administration (EIA). Data available at: https://www.eia.gov/outlooks/steo/data/browser/#/?v=6 accessed 5 May 2021 11:00 CET). The figures shown are averages of all days during the respective years Note: Oil and gas defined per EIA's definition of "Petroleum and Other Liquids"

9.10.2 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 unprecedented production increases of 2.6 and 2.9 million barrels per day in 2014 and 2015. For the coming years, EIA forecasts growth exceeding the levels experienced in 2014 and 2015, as the markets is expecting to recover from the ongoing pandemic. Further, EIA is expecting a slight oversupply during the coming two years, albeit the absolute combined increase in these years (6.8 Mb/d) is below the demand growth (9.2 Mb/d).

Illustration 9.10.2 *– World supply of oil and gas*

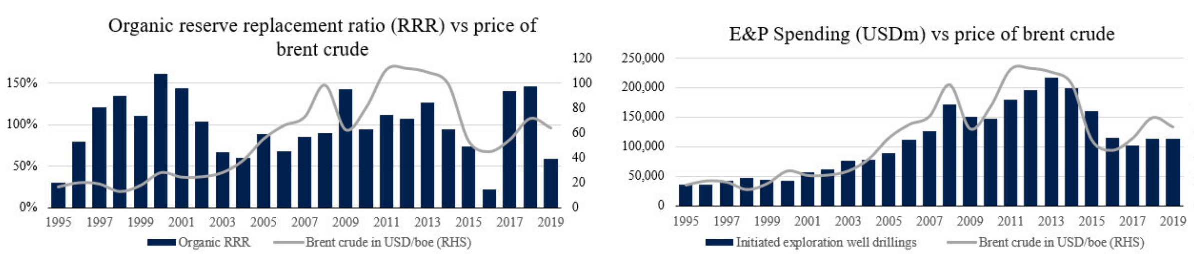


Source: U.S. Energy Information Administration (EIA). Data available at: https://www.eia.gov/outlooks/steo/data/browser/#/?v=6 (accessed 6 May 2021 08:32 CET). The figures shown are averages of all days during the respective years Note: Oil and gas defined per EIA's definition of "Petroleum and Other Liquids"

9.10.3 Projected global E&P spending

Prior to 2014, oil companies had proven access to new sources of supply to cover for the growing demand for oil and gas, demonstrated by the strong organic reserve replacement ratio (RRR) which highlights how much of current production that can be replaced by their new discoveries. However, as the most accessible reserves were depleted, companies had to access deeper waters and more complex ocean bottom geology to cover for a growing demand, leading to an E&P spending increase. Following multiple years of steadily growing capital expenditures, oil companies' E&P spending has contracted after the 2014 downturn in oil prices and a weaker market sentiment, stabilising at ten-year lows. On the back of increasing oil prices in the period after 2015, oil companies have discovered new reserves and temporarily increased their RRR in excess of 100% enabling full coverage of current reserves by their new discoveries. The last years has been dominated by an uncertain market outlook, a volatile oil price and a more reluctant approach to discovery spending in oil companies. The development in 2019, with a particularly weak RRR below half the levels in 2018 and 2019 indicates that the current production levels during the year was unsustainably high, relative to discovered reserves.

Illustration 9.10.3 *– Organic reserve replacement ratio (RRR) and E&P spending vs. oil price development*



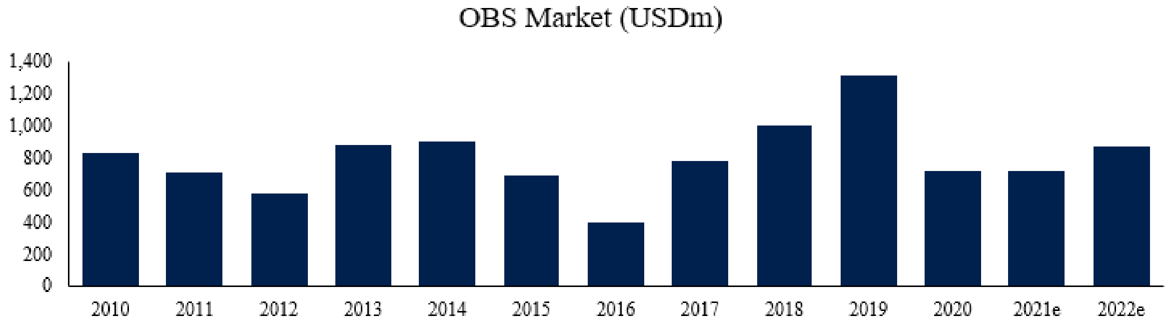
Source: Organic reserve replacement ratio (new reserves excluding acquired/divested reserves divided by production) is calculated as the average of the eight super majors within E&P, ExxonMobil, Royal Dutch Shell, BP, Chevron, Total, Eni, ConocoPhillips and Equinor. Capital expenditure (Capex) is calculated as the total of the aforementioned eight super majors. Data is gathered and compiled by ABG Sundal Collier Equity Research based on publicly available company information. Brent crude spot prices from Factset. The Brent crude spot prices shown are averages of all days during the respective years

Illustration 9.10.3 illustrates how the eight largest oil companies' organic reserve replacement ratio developed from 1998 to 2019. In a longer term perspective, the illustration shows how oil companies has increased their E&P spending up until 2014 as the most accessible reserves have been steadily depleted, leading to increased marginal spending to cover for a growing supply. Over the latest years, the market sentiment has been volatile, on the back of the 2014 oil price downturn.

9.11 Ocean bottom seismic (OBS) market

Illustration 9.11 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. Since the bottom in 2016, to 2019, the compounded annual growth rate has been approximately 48%, and during the turnaround year of 2017 the market almost doubled in size. Estimates are suggesting that the OBS market will remain at a stand-still during 2021 due to lag, and that growth should rather be expected during the forthcoming year at a 20% rate.

Illustration 9.11 *– Ocean bottom seismic (OBS) market size and development*



Source: Historical figures based on average of Axxis Geo Solutions and Magseis management estimates. Forward estimates made by ABG Sundal Collier Equity Research

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.

10 THE BUSINESS OF THE GROUP

The information contained in this Section 10 is a description of the business and activities of AGS AS, unless otherwise explicitly stated.

10.1 Brief overview of the Group's business

10.1.1 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 9.4 "*Ocean Bottom Seismic (OBS) technologies*" and Section 9.5 "*Ocean Bottom Seismic (OBS) applications*". An illustration of the Company's key capabilities and strengths is found below.

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, typically down to 500 meters depth, using the Company's expertise and experience with efficient "Node on a Rope" (NOAR) data acquisition. Shallow and midwater regions are less costly to serve, and according to the belief of the Management, shallow and midwater regions represent more than 50% 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, UKCS, Asia, Middle East, Gulf of 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. Brownfield projects are exploration projects in developed areas with existing fields & infrastructure, also known as near-field exploration or infrastructure-led exploration (ILX). Greenfield projects are exploration projects in areas with no infrastructure or producing fields. According to Management's experience, production budgets are more flexible, sizeable and accessible than exploration budgets. Brownfield projects are also known as near-field or ILX projects, and refer to areas with existing facilities where hydrocarbon deposits (such as oil) are previously discovered. Greenfield projects are often located in places with less infrastructure and discoveries.

10.1.2 Multi-client business

Historically, approximately 50 percent of the Group's activities have been related to multi-client surveys. In Management's opinion, there is still a first mover advantage in the OBN multi-client segment, as competitors will have limited incentives to overshoot areas with existing OBN data. 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 work with clients and other multi-client stakeholders 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 9.9.2 "Multi-client seismic projects".

The Group performed a multi-client survey in the Utsira area (see Illustration 10.2 below), collecting data from the NCS part of the area. The survey comprises an area of ~1,560 km2 and is to date the largest OBN survey conducted in the NCS. 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. As March 2021 the Utsira survey amounted to USD 23.8 million.

In 2019, the Group entered into a collaboration agreement with TGS to co-invest as equal partners in the Utsira MC survey. The data processing of the Utsira OBN MC survey was completed in September 2020 and is being jointly marketed by the Company and TGS. All late sales from the survey will be split on a 50/50 basis between TGS and the Group. Please see further information in Section 12.1 and 12.2 below.

In early 2020, the Group entered into a cooperation agreement with Western Geco and went on to acquire joint multi-client OBN data in the Gulf of Suez, Egypt. The data processing of the data is expected to be completed in Q3 2021. This project has a cap on late sales revenue in partner share to AGS at USD 13.7 million with carrying amount as of March 2021 at USD 10.6 million.

10.1.3 Contract acquisition

The Group further targets proprietary seismic surveys (contract seismic) as further described in Section 9.9.1 "Contract seismic services". The Group focuses on close collaboration with clients in order to optimise survey design, cost efficiency and to deliver quality seismic data. Contract seismic clients may have certain requirements regarding processing partner or other survey solutions, equipment, vessel 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.

In 2019, the Group 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 ASA and 30% SAExploration ("SAE"). AGS ASA 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-year acquisition program over the Mumbai High area, and comprised two fields with a combined area of ~1,215 km2 (see illustration 10.2 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. The Company has recently submitted a tender to ONGC for a similar scope of work to be conducted from Q4-21 to Q2-22.

In the first half of 2020 and during the outbreak of the Covid-19 pandemic, the Group successfully and safely completed a large and complex project with Western Geco in Egypt, as well as the Breidablikk and Frigg OBN surveys for Equinor in the Norwegian North Sea.

10.1.4 New projects/backlog

The ongoing pandemic has severely impacted the market since the outbreak in March 2020. However, the Group has been awarded a contract with an international energy company for OBN work in the North Sea scheduled to start in July 2021, with an estimated duration of one month. In addition, the Group currently sees increased tendering activity and a more positive market outlook for 2022.

10.1.5 Technology

The Group employs a technology-agnostic node handling system. 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 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. 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. In-field pictures of the handling system are included in illustration 10.2 below.

***Illustration 10.1.5** – In-field pictures of the node handling system.*

10.2 Project history

The table below provides an overview of the project history of the Group to date.

Year	Customer	Scope of work	Type of business
2017	BGP for BP	Source vessel	Source Ops

2018	Aker BP	Full OBN Acquisition and Processing	Multi-Client
2018	SAE for ONGC	Full OBN Acquisition	Proprietary
2019	SAE for ONGC	Full OBN Acquisition	Proprietary
2019	Aker BP/TGS/Equinor	Full OBN Acquisition and Processing	Multi-Client
2019	SAE for Shell	Source vessel	Source Ops
2020	SLB for Gupco	Full OBN Acquisition	Proprietary
2020	SLB for Neptune	Full OBN Acquisition	Proprietary
2020	SLB for Neptune/Gupco	High Resolution Streamer	Proprietary
2020	Equinor	Full OBN Acquisition	Proprietary
2020	Equinor	Full OBN Acquisition	Proprietary

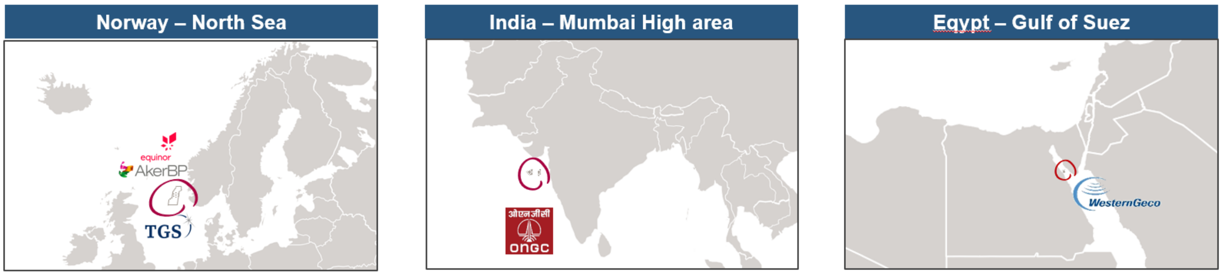


Illustration 10.2 *– To the left, AGS' multi-client project in the Utsira area and in the middle, AGS' contract project for ONGC in the Mumbai High area in India.To the right, the cooperation project with Western Geco in Egypt*

10.3 Recent developments and recent trends in the OBN seismic market

Until the oil price drop and the outbreak of the pandemic in early 2020, the OBN market was growing rapidly relative to the overall marine seismic market. The trend for the OBN market is widely expected to pick up pace again over the next few years (post-pandemic), especially triggered by the focus on infrastructure-led exploration (ILX). The Company must therefore evaluate risks associated with these trends.

Availability and price levels for Platform Supply Vessels (PSVs) and seismic source vessels are still attractive for lessors. However, there are indications that rates may trend upwards going forward, given that the pandemic subsides and that there is continued consolidation in the vessel market.

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.

10.4 Material contracts

At the date of this Prospectus neither the Company nor any of its subsidiaries 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 the Group or any of its subsidiaries has any obligation or entitlement that is material to the Group as of the date of this Prospectus.

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.

10.4.1 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. 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.

10.5 Strategy and outlook

10.5.1 Strategy

The Company's business strategy is to secure OBN contracts and develop multi-client OBN programs in shallow to mid-range water depths. 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 “best-in-class” operational efficiency enabled by the Group’s proprietary node handling solutions 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.

Furthermore, as announced by the Company on 15 June 2021, the completion of the financial restructuring provides the Company with a solid platform for new business opportunities and it is also expected that a new board will be in place following the annual general meeting on 23 June 2021. In connection therewith, the Company has started a process of evaluating the strategic direction of the Company. The likely outcome of these evaluations is that the Company will grow and expand into new business areas which are not related to the oil and geophysical market area, and to which the Company has not been operating historically.

10.5.2 Outlook

The Company is pursuing contract possibilities with ongoing negotiations and tendering activities for OBN seismic acquisitions during the second half of 2021.

The ONGC project, completed in June 2019, is a part of a larger three-year acquisition project, and the Company is competing to be awarded another project in India by ONGC if materialized with start up in Q4 2021. The potential project is assumed to have a contract period of at least 4 to 6 months.

There are also several larger pipeline projects in Norway, UK, Gulf of Mexico, Middle East and Asia. Should the Company be awarded larger projects occurring within the same time period, the execution may be performed by parallel crews. The Group is aiming to have one crew operating from the second half of 2020, with potential to add a second crew from Q2-22.

10.6 Legal proceedings

The Company announced on 16 February 2021 that the Company had not been able to reach agreement with all creditors in order to implement a voluntary solution to refinance the Company. Consequently, the Company filed for court protected reconstruction. On 17 February 2021, the District Court of Asker and Bærum authorised opening of reconstruction negotiations for the Company. On 7 April 2021, the Company presented the final proposal for reconstruction by forced debt settlement. The Company announced on 29 April 2021 that the reconstruction proposal was approved by the Company's creditors. The forced debt settlement became legally binding on 1 June 2021.

In 2020, Axxis Geo Solutions, Inc. was involved in a dispute with a consultant, which stood before a US court. The dispute was settled with Axxis Geo Solutions, Inc. paying USD 10,000 in fees to the consultant.

Other than the above, 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.

11 DIVIDENDS AND DIVIDEND POLICY

11.1 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 Board proposes any distribution of dividends to the general meeting. The general meeting determines any distribution of dividends in accordance with Section 8-1 and Section 8-2 of the NPLCA. The grounds for any proposal to authorize the Board to approve the distribution of dividend shall be explained. AGS has not paid dividends in 2020 or 2019.

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 14.2.1 for further information.

11.2 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*".

11.3 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 the rate of a reputable commercial bank licensed under Norwegian law 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.

12 CAPITALISATION AND INDEBTEDNESS

The information presented below should be read in conjunction with the other parts of this Prospectus, in particular Section 13 "*Selected historical financial of AGS*", and the AGS Financial Statements and the notes related thereto and the Q1 2021 Interim Financial Report, attached as Appendix C.

12.1 Capitalisation

The following table sets forth information about the Group's unaudited consolidated capitalisation as of 31 March 2021 and adjusted to reflect the below-mentioned material changes:

Capitalisation			
(In USD thousand)	**As of 31 March 2021** *(unaudited)*	**Adjustments** *(unaudited)*	**As adjusted** *(unaudited)*
Indebtedness			
Total current debt			
- Guaranteed(i)	1,213	(1,213)	0
- Secured(ii)	31,006	(31,006)	0
- Unguaranteed / unsecured (iii)	32,100	(23,263)	8,837
Total non-current debt			
- Guaranteed	0	0	0
- Secured(ii)	0	5,937	5,937
- Unguaranteed / unsecured	0	0	0
Total indebtedness	**64,319**	**(49,545)**	**14,774**
Shareholders' equity			
Share capital (iv)	740	21,887	22,628
Legal reserves	0	0	0
Other reserves (iv)	(15,163)	32,100	16,936
Total shareholders' equity	(14,423)	53,987	39,564
Total capitalisation	**49,896**	**4,442**	**54,338**

Notes to the capitalisation table above:

(i) Guaranteed debt consists of a NOK 29,750,000 3-year term loan with Eksportkreditt Norge AS ("Eksportkreditt"). The loan is guaranteed by Danske Bank and GIEK. In addition, the loan is secured in the Group's property plant and equipment, and trade receivables. The remaining principal and accrued interest (USD 1,213 thousand as of 31 March 2021)) will be paid in cash upon completion of restructuring and financing process.

(ii) The secured debt in Axxis Geo Solutions ASA consists of a USD 24,739,311 bond loan (USD 24,069 thousand as of 31 March 2021), and a USD 20,000,000 promissory note (USD 6,937 thousand as of 31 March 2021.

For the bond loan, the Group has pledged shares in subsidiaries, inventories, operating assets, factoring agreement, and second priority in the property, plant and equipment. The bond loan will be settled through a combination of cash payments amounting to USD 2,028 thousand, and through the issuance of 278,665,525 Debt Conversion Shares in Axxis Geo Solutions ASA.

Axxis Multi Client AS has executed a USD 20 million 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 Multi Client AS, 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 Multi Client AS. Axxis Multiclient will reduce the outstanding balance of the promissory note to USD 5,937 through a cash payment of USD 1,000 thousand. The maturity of the promissory note has been extended to 31 March 2023, reclassifying the outstanding balance to non-current debt.

(iii) Unsecured and unguaranteed debt consists of USD 9,596 thousand of unsecured interest-bearing debt, USD 13,785 thousand in trade payables, and USD 8,719 in other current liabilities.

The unsecured interest-bearing debt will be settled in full through the through a cash payment amounting to USD 1,376 thousand and through the issuance of 37,892,389 Debt Conversion Shares in Axxis Geo Solutions ASA. USD 11,588 thousand of trade payables will be settled through a cash payment of USD 1,050 thousand and through the issuance of 98,871,333 Debt Conversion Shares in Axxis Geo Solutions ASA. The remaining balance of trade payables will amount to USD 2,197 following the settlement. USD 2,079 thousand of other current liabilities will be settled through a cash payment of USD 605 thousand, and the issuance of 8,970,209 Debt Conversion Shares in Axxis Geo Solutions ASA.

(iv) In total, the Group will issue 424,399,456 Debt Conversion Shares to existing debt holders and creditors in the Group. The existing debt will be converted at a conversion price of NOK 0.5, resulting in an increase in share capital amounting to USD 4,969 thousand and an increase in other reserves amounting to USD 38,323 thousand. Associated restructuring costs amounting to USD 193 thousand is included in other reserves.

In total the Group will issue 1,445,000,000 Private Placement Shares. The shares will be issued at a price of NOK 0.1, resulting on an increase in share capital amounting to USD 16,918 thousand. Associated financing costs amounting to USD 1,692 thousand is included in other reserves.

The Group has secured an agreement for the sale of the vessel M/V Neptune Naiad and the related seismic equipment. The accompanying loss on disposal of property plant and equipment amounting to USD 4,532 thousand is included in other reserves.

12.2 Indebtedness

The following table sets forth information about the Group's unaudited net indebtedness as of 31 March 2021 and adjusted to reflect the below-mentioned material changes.

Net indebtedness			
(In USD thousand)	**As of 31 March 2021** *(unaudited)*	**Adjustments** *(unaudited)*	**As adjusted** *(unaudited)*
(A) Cash[(i)]	4,340	8,974	13,314
(B) Cash equivalents	0	0	0
(C) Trading securities	0	0	0
(D) Liquidity (A)+(B)+(C)	**4,340**	**8,974**	**13,314**
(E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)[(ii)]	64,319	(55,482)	8,837
(F) Current portion of non-current financial debt	0	0	0

Net indebtedness			
(In USD thousand)	**As of 31 March 2021** *(unaudited)*	**Adjustments** *(unaudited)*	**As adjusted** *(unaudited)*
(G) Current financial indebtedness (E)+(F)	**64,319**	**(55,482)**	**8,837**
(H) Net current financial indebtedness (G)-(D)	**(59,979)**	**64,456**	**(4,477)**
(I) Non-current financial debt (excluding current portion and debt instruments) (ii)	0	5,937	5,937
(J) Debt instruments	0	0	0
(K) Non-current trade and other payables	0	0	0
(L) Non-current financial indebtedness (I)+(J)+(K)	**0**	**5,937**	**5,937**
(M) Total financial indebtedness (H)+(L)	**(59,979)**	**70,394**	**1,460**

Notes to the indebtedness table above:

(i) The Groups cash balance is adjusted for the total payment to debtors and creditors following the reconstruction amounting to USD 6,059 thousand and related reconstruction cost amounting to USD 193 thousand. Following the Private Placement, simultaneously, the Cash balance will increase with USD 16,918 thousand, less financing costs in the amount of USD 1,692 thousand.

(ii) Following the reconstruction process, the Group will settle and eliminate debt amounting to USD 49,595 thousand. Current financial debt is reduced by USD 55,482 thousand in total, where USD 5,937 thousand is reclassified to non-current financial debt. See notes to the capitalization table for details on how the various components of the Groups debt is settled and eliminated.

12.3 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.

13 SELECTED HISTORICAL FINANCIAL INFORMATION OF AGS

13.1 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 2020 with comparable figures for the year ended 31 December 2019 (the "**AGS Financial Statements**") attached hereto as Appendix B, and the unaudited Q1 2021 Interim Financial Report, attached as Appendix C. 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 Q1 2021 Interim Financial Report, attached as Appendix C.

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 US Dollar (USD). 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**").

13.2 Selected historical financial information

13.2.1 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 2020 and 2019 and the unaudited consolidated income statement for the three months ended 31 March 2021 and 2020.

(all figures in USD thousand)	**Three months ended 31 March**		**Year ended 31 December**	
	2021 *(Unaudited)*	**2020** *(Unaudited)*	**2020** *(IFRS audited)*	**2019** *(IFRS audited)*
Revenue	766	45,147	92,790	70,744
Cost of sales	(677)	(30,910)	(52,313)	(58,634)
Personnel expenses	(614)	(570)	(3,388)	(2,616)
Other operating expenses	(1,087)	(928)	(3,691)	(4,184)
Amortization & Impairment of multi-client	(1,828)	-	(21,620)	(35,093)
Depreciation, amortization & impairment	(1,280)	(1,552)	(5,934)	(6,080)
Operating profit (loss)	**(4,721)**	**11,188**	**5,845**	**(35,862)**
Finance income	0	-	3,848	43
Finance costs	(1,773)	(454)	(5,315)	(4,934)
Net financial items	**(1,773)**	**(454)**	**(1,467)**	**(4,891)**
Profit before income tax	**(6,493)**	**10,734**	**4,377**	**(40,753)**
Income tax (expense)	(70)	(5,621)	(7,086)	(4,576)
Profit (loss) for the period	**(6,564)**	**5,112**	**(2,709)**	**(45,329)**
Attributable to the owners of the parent				

Other comprehensive income (loss) for the period	-	-	-	-
Items that may be reclassified to profit and loss				
Currency translation differences	(8)	1,836	(424)	(1,148)
Total comprehensive income (loss) for the period	**(6,572)**	**6,948**	**(3,133)**	**(46,477)**
Earnings (loss) per share				
Basic earnings per share	(0.11)	0.12	(0.05)	(0.79)
Diluted earnings per share	(0.11)	0.12	(0.05)	(0.79)

13.2.2 Consolidated balance sheet

The table below sets out selected data from the AGS Group's audited consolidated balance sheet as at 31 December 2020 and 2019 and the unaudited consolidated balance sheet as at 31 March 2021 and 2020.

(all figures in USD thousand)	**As at 31 March** *(unaudited)*		**As at 31 December** *(audited)*	
	2021	**2020**	**2020**	**2019**
ASSETS				
Non-current assets				
Goodwill	-	-	-	-
Multi-client library	34,340	47,213	36,168	47,213
Deferred tax asset	-	-	-	-
Property, plant and equipment	10,514	16,142	11,794	17,668
Investments in associated companies	-	-	-	-
Other non-current assets	-	-	-	-
Total non-current assets	**44,854**	**63,355**	**47,963**	**64,880**
Current assets				
Inventories	85	1,566	85	762
Trade receivables	-	9,851	-	12,291
Other current assets	616	15,785	531	14,415
Bank deposits, cash in hand	4,340	9,186	5,873	1,435
Total Current Assets	**5,041**	**36,388**	**6,490**	**28,903**
Total Assets	**49,896**	**99,742**	**54,452**	**93,783**
EQUITY				
Share capital and other paid in capital	39,293	50,171	39,293	50,171
Other reserves	(53,716)	(47,945)	(47,145)	(54,894)
Total equity	**(14,423)**	**2,226**	**(7,852)**	**(4,723)**
LIABILITIES				
Non-current liabilities				
Interest bearing debt	-	15	17,417	73
Total non-current liabilities	-	15	17,417	73
Current liabilities				

Interest bearing debt current	34,892	1,871	16,562	2,480
Account / trade payables	13,785	48,546	12,251	41,646
Contract liabilities	-	25,247	-	22,729
Other current liabilities	15,642	21,838	16,075	31,578
Total current liabilities	**64,319**	**97,502**	**44,887**	**98,433**
Total liabilities	**64,319**	**97,516**	**62,305**	**98,506**
Total equity and liabilities	**49,896**	**99,742**	**54,452**	**93,783**

13.2.3 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 2020 and 2019 and the unaudited consolidated cash flow statement for the three months ended 31 March 2021 and 2020.

(all figures in USD thousand)	**Three months ended 31 March** *(unaudited)*		**Year ended 31 December** *(audited)*	
	2021	**2020**	**2020**	**2019**
Profit (loss) before tax	(6,502)	12,570	3,953	(41,901)
Taxes paid	-	(1,360)	(2,116)	-
Depreciation and amortization	3,108	1,552	27,554	41,172
Agio - disagio without cash flow effects	(11)	(142)	(81)	1,873
Interest expense	1,268	433	3,995	3,200
Interest paid	-	-	-	-
Share based payment cost	1	0	3	(25)
Change in trade receivables	-	2,440	12,291	(8,350)
Change in account payables	1,534	6,900	(29,396)	20,877
Change in inventories	-	(804)	676	1,186
Change in other current assets	(85)	(1,370)	(13,884)	(8,058)
Change in contract liabilities	-	2,518	(22,729)	4,871
Change in other current liabilities	-	-	-	9,601
Other working capital changes	539	(14,191)	10,827	-
Net cash from operating activities	**(147)**	**8,545**	**18,863**	**24,446**
Cash flow from investment activities				
Investment in property, plant and equipment	-	(27)	(62)	(6,919)
Disposal of property, plant and equipment	-	-	204	-
Investment in multi-client library	-	-	(10,576)	(55,060)
Cash received/paid from non-current receivables	-	-	-	-
Cash effect investments in new subsidiaries	-	-	-	-
Cash received / paid from merger	-	-	-	425
Net cash flow from investment activities	**-**	**(27)**	**(10,434)**	**(61,554)**
Cash flow from financial activities				
Net proceeds from interest bearing debt	-	-	-	-
Repayment of interest bearing debt	-	(279)	(1,440)	(1,127)

Payment of lease liabilities (recognized under IFRS 16)	(59)	(53)	(220)	(186)
Net proceeds from new equity	-	-	-	34,156
Interest paid lease liabilities	(1)	(3)	(10)	(18)
Interest paid	(1,326)	(432)	(2,321)	(1,979)
Net cash flow from financial activities	**(1,386)**	**(767)**	**(3,991)**	**30,847**
Net change in cash and cash equivalents	**(1,533)**	**7,751**	**4,438**	**(6,261)**
Cash and cash equivalents balance 01.01/01.01.	5,873	1,435	1,435	7,696
Effects of exchange rate changes on cash and cash equivalents				
Cash and cash equivalents balance 31.03 / 31.12.	**4,340**	**9,186**	**5,873**	**1,435**

13.2.4 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 2020 and 2019 and the unaudited consolidated statement of changes in equity for the three months ended 31 March 2021.

(all figures in USD thousand)	**Share capital**	**Share surplus**	**Capital paid, not registered**	**Retained earnings**	**Currency translation differences**	**Other equity/ Share based programme**	**Total equity**
Equity 1.1.19	**8,396**	**-**	**5,944**	**(8,814)**	**-**	**423**	**5,948**
Share based payment 01.01.2019	-	-	-	-	-	(423)	(423)
Profit (loss) for period	-	-	-	(46,477)	-	-	(46,477)
Other comprehensive income (loss)	-	-	-	-	-	-	-
New shares issued – cash settled	8,468	-	27,564	-	-	-	36,033
Cost for new shares issued	-	-	(1,876)	-	-	-	36,033
Effect of Songa Bulk ASA merge 2/7-19 for AGS shareholders	(5,263)	-	(14,151)	-	-	-	(19,414)
Effect of Songa Bulk ASA merge 2/7-19 of share consolidation for AGS shareholders	-	-	19,414	-	-	-	19,414
Effect of Songa Bulk ASA merge 2/7-19 for shares in Songa as contribution in kind	117	-	1,558	-	-	-	1,676
Share based payment	-	-	-	-	-	397	397
Equity 31.12.19	**11,718**	**-**	**38,453**	**(55,291)**	**-**	**397**	**(4,723)**
Equity 1.1.2020	**11,718**	**-**	**38,453**	**(55,291)**	**-**	**397**	**(4,723)**
Profit (loss) for period	-	-	-	(3,133)	-	-	(3,133)
Other comprehensive income (loss)	-	-	-	-	-	-	-
Cost for new shares issued	-	-	-	-	-	-	-
Write down of par value	(10,878)	-	-	10,878	-	-	-
Share based payment	-	-	-	-	-	3	3
Equity 31.12.20	**840**	**-**	**38,453**	**(47,546)**	**-**	**400**	**(7,852)**
Equity 1.1.2021	**840**	**-**	**38,453**	**(47,456)**	**-**	**400**	**(7,852)**
Profit (loss) for period	-	-	-	(6,572)	-	-	(6,572)
Other comprehensive income (loss)	-	-	-	-	-	-	-
Cost for new shares issued	-	-	-	-	-	-	-
Write down of par value	-	-	-	-	-	-	-

Share based payment	-	-	-	-	-	1	1
Equity 31.03.21	**840**	**-**	**38,453**	**(54,118)**	**-**	**401**	**(14,423)**

14 BRIEF OPERATIONAL AND FINANCIAL REVIEW

14.1 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, bond loan and capital contributions from shareholders.

The Group's current debt is all classified as short-term liabilities with USD 40.6 million. Bond loan of USD 24.1 million, unsecured loan of USD 9.6 million and TGS promissory note of USD 5.9 million.

14.1.1 Cash flow

Cash flow for the year ended 31 December 2020 (audited) compared with the year ended 31 December 2019 (audited)

The Group's cash flow from operating activities in 2020 was USD 18.9 million, compared to USD 24.4 million at the same period in 2019. The reduction in operating cash flow compared to 2019 was primarily a result of idle time after the Egypt and North Sea projects. The latter ended in July, whereas Neptune Naiad was warm stacked per December 2020. In addition, as offset, trade payables have been converted to loans with USD 34.3 million in 2020.

The Group's cash outflow from investing activities in 2020 amounted to USD 10.4 million, compared to USD 61.6 million in the same period in 2019. The main investments in 2020 were in the multi-client survey in Egypt of USD 10.6 million, compared to the Group's investment in 2019 of the multi-client survey Utsira of USD 55.1 million, and in node handling equipment of USD 6.9 million.

The Group's cash flow from financing activities in 2020 was negative USD 4.0 million, compared to positive USD 30.8 million in the same period in 2019. Payment of instalments and interest paid of USD 4.0 million in 2020. In 2019, net proceeds from new equity were USD 34.2 million offset by payment of instalments and interest paid of USD 3.3 million.

Cash flow for the three month period ended 31 March 2021 (unaudited) compared with the three month period ended 31 March 2020 (unaudited)

Cash outflow from operating activities in the first quarter of 2021 was negative with USD 0.1 million, compared to positive of USD 8.5 million at the end of the same period in 2020. There was project activity the full quarter of Q1 2020.

Cash outflow from investing activities in the first quarter of 2021 was zero compared to investment in seismic equipment in the first quarter 2020.

Cash inflow from financing activities in first quarter of 2021 was negative with USD 1.4 million, compared to negative of USD 0.8 million in the same period in 2020, both years related to repayment and interest paid.

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 14.2 below. Other than this, there are no restriction on the use of capital resources of AGS.

14.2 Borrowings

As of the date of this Prospectus, the Group's interest-bearing debt consists of a total of USD 40.6 million as follows:

1) Axxis MC has executed a USD million 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. As of 31 March 2021, the promissory note balance amounted to USD 6,9 million.

2) Axxis has issued bond a USD 24 739 311. The Bond loan was issued in relation to the restructuring completed in 2020, in which USD 24,7 million of short-term payables were converted to a 2-year bond loan. The bond carries a fixed interest of 8% and is repaid either through cash calls or the agreed repayment schedule. For the bond loan, the group has pledged shares in subsidiaries, inventories, operating assets, factoring agreement, and second priority in the owned vessel. As of 31 March 2021, the Bond loan amounted to USD 24,1 million.

3) Unsecured loan
   Axxis issued USD 9.9 million in 5 fixed rate term-loan through conversion of short-term payables to long term loan agreements. As of 31 March 2021, the unsecured loan amounted to USD 9.6 million.

14.2.1 TGS Promissory note

USD 20,000,000 Bond loan
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 of 31 March 2021, the net outstanding amount under the promissory note was USD 6.9 million

- USD 7.5 million (the "**Principal 2019 Amount**") was paid on due on 15 November 2019

- The remaining amount of approximately USD 6.8 (the "**Principal 2020 Amount**") falls due on 31 March 2023. 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 2021.

14.2.2 Bond loan

USD 24,739,311 Bond loan
The USD 24,739,311 bond loan was issued in relation to the restructuring completed in 2020, in which USD 24,739,311 of short-term payables were converted to a 2-year bond loan. The bond carries a fixed interest of 8% and is repaid either through cash calls or the agreed repayment schedule. For the bond loan, the group has pledged shares in subsidiaries, inventories, operating assets, factoring agreement, and second priority in the owned vessel.

The bond requires the Group to maintain a liquidity balance of USD 2 million, and maintain a zero dividend policy, through financial covenants.

14.2.3 Unsecured loan

Fixed rate term loans (Unsecured loan) and USD 9.6 million

In relation to the restructuring completed in 2020, the Group has issued a series of fixed rate term loans through conversion of short-term payables to long term loan agreements. The loans are unsecured and carry a fixed interest rate from 0% to 4% p.a.

14.3 Investments

14.3.1 Historical investments

Below is a summary of the principal investments carried out by AGS ASA from 1 January 2019 and to the date of this Prospectus.

1 January 2021 and to the date of this Prospectus	No new investment in node handling systems No new Investment in multi-client library (Utsira or Egypt)
2020	No new investment in node handling systems No new investment in multi-client library (Utsira) Investment in multi-client library (Egypt) of USD 10.6 million
2019	Investment in node handling systems of USD 7.4 million Investment in multi-client library (Utsira) of USD 55.1

AGS ASA 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.

14.3.2 Investments in progress and future principal investments

There are no investments undertaken by the Group as at the date of this Prospectus.

14.4 Related party transactions

Other than as set out below, AGS ASA has not entered into any related party transactions since 1 January 2021 and up to the date of this Prospectus. For information on historical related party transactions of the AGS Group, please refer to note 19 of the AGS Financial Statements, attached to this Prospectus as Appendix B.

- AGS ASA time charter agreement with Havila Ships AS, a company controlled by Havila Holding AS, for the lease of the vessel M/S Havila Fortune was terminated 29 October 2020.
- AGS ASA time charter agreement with Havila Ships AS, a company controlled by Havila Holding AS, for the lease of the vessel M/S Havila Aurora was terminated 29 October 2020.
- AGS ASA time charter agreement with Volstad Maritime AS, a company controlled by Havila Holding AS, for the lease of the vessel M/S Geo Caspian was terminated July 2019.

- AGS ASA entered into a consultancy agreement with Energy Consulting AS a company controlled by Christian Huseby for consultancy service April 2020. Agreement was terminated November 2020.

14.5 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 ASA following 31 December 2020:

- On 14 January 2021, the Company announced Contemplated financial restructuring. AGS ASA entered into an exclusive agreement with the financial group of investors with the aim of entering into a voluntary solution with the Company's creditors as soon as possible. If such a voluntary solution is not accepted by all relevant creditors, the Company intends to file for a court protected reconstruction pursuant to Norwegian law.

- On 16 February 2021, the Company filed for court protected reconstruction.

- On 07 April 2021, announces the final proposal for the Company's reconstruction pursuant to the court protected reconstruction process.

- On 28 April 2021, AGS ASA announces approval of private placement.

- On 29 April 2021, AGS ASA announces approval of final reconstruction proposal.

- On 30 April 2021, AGS ASA announces private placement successfully completed, raising approximately NOK 144.5 million in gross proceeds to the Company through the allocation of the 1,445 million new shares at a price of NOK 0.10 per new share. Completion of the Private Placement is conditional upon a proposed debt conversion (the "**Debt Conversion**") being approved by the shareholders meeting, to be voted for on the subsequent Extraordinary General Meeting on 21 May 2021, and that the Reconstruction Plan becomes legally binding and enforceable pursuant to the Reconstruction Act § 52.

- On 3 May 2021, the Company announces that The District Court of Asker and Bærum decided to confirm the reconstruction proposal.

15 BOARD OF DIRECTORS, MANAGEMENT AND EMPLOYEES

15.1 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 asset 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.

15.2 Board of Directors

15.2.1 The Board of Directors

The Articles of Association provide that the Board of Directors shall consist of 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
Christian Huseby	Chairman	1 July 2020	2021
Eirin Inderberg	Board member	2 July 2019	2021
Njål Sævik	Board member	2 July 2019	2021
Vibeke Fængsrud	Board member	2 July 2019 (Re-elected)	2021
Nina Skage	Board member	2 July 2019	2021

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 Board of Directors has proposed, in accordance with the recommendation from the nomination committee, that the annual general meeting scheduled to be held on 23 June 2021 elects a the following new Board of Directors: Bjørn Gisle Grønlie (chairman), Torstein Sanness and Nina Skage. The composition of the new Board of Directors is also in compliance with the independence requirements of the Corporate Governance Code. 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.

15.2.2 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).

Christian Huseby, Chairman

Christian Huseby has over 35 years' experience from working in the oil services and financial services industries. He is currently an independent advisor through his company Energy Consulting AS and serves as an external Senior advisor to Carnegie with focus on corporate finance projects in the oil and oil services space. Mr. Huseby was formerly Partner in NRP Corporate Finance and prior to that in ProCorp ASA for a total of 11 years. He has 10 years of experience in the oil service industry, including as CEO in Ocean Rig ASA and as CFO in Petroleum Geo-Services ASA. He has also held positions in PWC, Nordea Bank (CBK) and at the Oslo Stock Exchange. Mr. Huseby is Certified Public Accountant from the Norwegian School of Economics and Business Administration and is master's in business administration from the Norwegian School of Management. He is a Norwegian citizen and resides in Norway.

Current directorships and management positions:	*Axxis Geo Solutions ASA (chair), Energy Consulting AS (chairman of the board), Nordic Energy Services AS (chairman of the board), Gro Investment AS (chairman of the board), Kredittpartner AS (board member)*
Previous directorships and management positions last five years:	*None*

Eirin Inderberg, Board Member

Eirin Inderberg has over 25 years' experience as a lawyer, most recently as Head of Legal in P&O Maritime Logistics (formerly 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 earlier 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:	*Axxis Geo Solutions ASA (board member)*
Previous directorships and management positions last five years:	*P&O Maritime Logistics*

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:	*Axxis Geo Solutions ASA (board member), Sæviking AS (board member), Havila AS (chairman of the board), KS Artus (board member), Sævard DA (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), 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) and Havila Management AS (CEO)
Previous directorships and management positions last five years:.....	*Norwegian Hull Club – Gjensidig Assuranseforening (directorships), Norges Rederiforbund (directorship), Stiftelsen Herøy Næringsforum (directorship), Russevikveien 4 AS (directorship) and Nordic Mediatech AS (directorship)*

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:.............................	*Axxis Geo Solutions ASA (board member), 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 became partner in Vest Corporate Advisors. Nina Skage became Managing Director at Norwegian School of Economics (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, Grieghallen AS and Bergen Music Festival. Mrs Skage is a Norwegian citizen and resides in Bergen, Norway.

Current directorships and management positions:	*Axxis Geo Solutions ASA (board member), 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), Grieghallen AS (board member) and Bergen Music Festival (board member),*
Previous directorships and management positions last five years:	*Norges Handelshøyskole (Management), Biomega AS (board member)*

15.2.3 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
Christian Huseby	Chairman	-	-
Eirin Inderberg	Board member	-	-
Njål Sævik	Board member	-	42,000
Vibeke Fængsrud	Board member	108	-
Nina Skage	Board member	-	-

15.3 Management

15.3.1 Overview

The Group's management team currently consists of three 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
Ronny Bøhn	CEO	2020
Nils Haugestad	CFO	2020
Rick Dunlop	EVP Operations	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.

15.3.2 Brief biographies of the members of the Management

Ronny Bøhn, CEO

Mr. Bøhn is a Norwegian citizen and joined the company in August 2020. Mr. Bøhn has more than 20 years of experience from the seismic industry and has held several management positions, including VP Global Sales & Marketing at Fugro-Geoteam, Vice President of Global Marine Operations at CGG and as COO at OBN innovator inApril AS.

Mr. Bøhn holds a Master of Science degree in Geomatics from the University of Oslo. He is a citizen of Norway and is currently residing in Oslo, Norway.

Current directorships and management positions:	*Axxis Geo Solutions (CEO), Axxis Geo Solutions Inc. (board member), Axxis Multi Client AS (board member), Axxis Multi Client International AS (board member), Axxis Production AS (board member), Neptune Seismic AS (board member),*
Previous directorships and management positions last five years:	*inApril AS (COO), CGG (VP Global Marine Operations),CGG Services (Norway) AS (board member), CGG Geo Vessels AS (MD and board member)*

Nils Haugestad, CFO
Mr. Haugestad joined the company in April 2020. Prior to this, he held the position as CFO of SeaBird Exploration Plc since April 2012. Mr. Haugestad has over 20 years' experience in investment banking, principal investments and corporate strategy. He came from the position as CEO and founding partner of Fokus Capital Ltd. Prior to this, Mr. Haugestad was COO of Evolvence Capital Ltd. Mr. Haugestad has previously held a number of positions in New York with Citigroup, Citicorp Venture Capital, Credit Suisse, RBC Capital Markets and UBS.

Mr. Haugestad holds a Bachelor of Science degree from the Wharton School, University of Pennsylvania and a Master of Business Administration degree from Harvard Business School. He is a citizen of Norway and a permanent resident of the USA, and is currently residing in Oslo, Norway.

Current directorships and management positions:	*Axxis Geo Solutions ASA (CFO)*
Previous directorships and management positions last five years:	*SeaBird Exploration Plc (CFO), SeaBird Exploration Multi-Client Limited (board member), SeaBird Exploration Crewing Limited (board member), SeaBird Exploration Finance Limited (board member), SeaBird Exploration Vessels Limited (board member), SeaBird Exploration Cyprus Limited (board member), SeaBird Exploration Nigeria Limited (board member).*

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)*

15.3.3 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
Ronny Bøhn	CEO	-	-

Name	Position	No. of Shares(1)	No. of Options
Nils Haugestad	CFO	-	-
Rick Dunlop	EVP Operations	144,228	106,400

(1) *Including Private Placement Shares (which is none)*

15.4 Share option program

The Company has in place a share option incentive scheme for its management, key employees and directors.

There are currently 405,079 options issued under the program, including (i) 196,000 options with a strike price of NOK 6.9607 (the "2017 Options"), (ii) 181,079 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% have 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
Svein Knudsen	70,000	36,400	
Rick Dunlop	70,000	36,400	
Njål Sævik	-	42,000	
(Others)	56000	66,279	28,000
Total	**196,000**	**181,079**	**28,000**

15.5 Benefits upon termination

The Company has entered into service contracts with 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). For Mr. Bøhn and Mr. Haugestad, the severance pay is 9 x monthly salary and 6 x monthly salary, respectively.

15.6 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.

15.7 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.

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.

15.8 Employees

There are currently 11 full-time employees in the Company, located in Norway and in the United States.

There are currently 11 full-time employees in the Company, located in Norway and in the United States. In addition, AGS has contracted seismic personnel and project support personnel for general operations as well as specific seismic survey projects. The average number of seismic crew used by AGS in 2020 was 142.

16 CORPORATE INFORMATION AND REGULATORY DISCLOSURES

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.

16.1 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.

16.2 Legal structure of the Group

The structure of the Group is illustrated below:

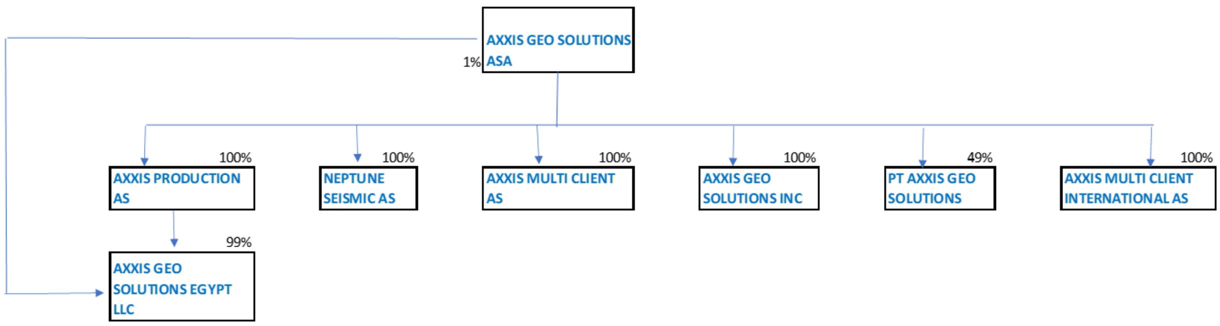


***Illustration 16.2** – Legal structure*

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	Lysaker, 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	Lysaker, Norway	Holder of MC business	100%
PT Axxis Geo Solutions	Jakarta, Indonesia	Dormant company	49%[1]
Axxis Multi Client International AS	Lysaker, Norway	Dormant company	100%
Axxis Geo Solutions Egypt LLC	Cairo, Egypt	Performing client proprietory work in Egypt	100%[2]

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

[2] *Axxis Production AS owns 99% and Axxis Geo Solutions ASA owns 1% of the shares.*

AGS is the parent company of the Group. 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 domestic multi-client operations.

Multi-client assets from the Utsira project lays in this company. Axxis Multi Client International AS will own and operate the Group's multi-client operations outside of Norway. Axxis Production AS performs contract seismic surveys. Axxis Geo Solutions Egypt LLC generally performs contract seismic surveys in Egypt and is also the owner of the Groups multi-client survey in Egypt.

16.3 Regulatory disclosures by the Company in the last 12 months

Companies listed on the Euronext Expand are subject to disclosure requirements under the Norwegian Securities Trading Act. Below is a summary of certain disclosures made by the Company under its ticker code "AXXIS" on www.newsweb.no in the 12 months prior to the date of this Prospectus.

16.3.1 Regulatory disclosures relating to financial information

Date of regulatory announcement	Key content	Description
16 April 2021	2020 annual report	Approval of the financial statements for 2020 for both the Group and the parent company.
24 February 2021	Fourth quarter 2020 results	Publication of the fourth quarter 2020 results.
30 November 2020	Third quarter 2020 results and additional information	Publication of the third quarter 2020 results and subsequent events related to new contract for OBN work in the North Sea in Q2 2021 and discussions with stakeholders related to the financial position.
19 August 2020	Second quarter 2020 results	Publication of the third quarter 2020 results and subsequent events related to inter alia appointment of new CEO and closing of the restructuring with converting USD 34.2 million from accounts payable to interest bearing debt.

16.3.2 Regulatory disclosures relating to the Reconstruction

Date of regulatory announcement	Key content	Description
3 May 2021	Court Decision to confirm reconstruction proposal	Approval by the District Court of Asker and Bærum of the reconstruction proposal.
3 May 2021	Key information regarding potential repair offering	Key information regarding the repair offering (the Subsequent Offering) such as record date, maximum number of new shares, subscription price, and the conditions it is subject to.
30 April 2021	Private placement successfully completed	Publication of the successfully completed private placement of 1,445 million new shares in the Company, raising approximately NOK 144.5 million, in connection with the reconstruction proposal.
29 April 2021	Approval of final reconstruction proposal	Approval by the company's creditors of the final proposal for the company reconstruction pursuant to the court protected reconstruction process.
28 April 2021	Approval of private placement	An extraordinary general meeting of the Company approved the private placement of 1,445 million new shares.
27 April 2021	Approval of Written Resolution	Approval by the bondholders of the proposal for reconstruction by forced debt settlement.
16 February 2021	Decision to file for court protected reconstruction	Announcement to file for court ordered protected reconstruction after not having reached an agreement

		with all creditors in order to implement a voluntary solution to refinance the Company.

16.3.3 Other disclosures

Date of regulatory announcement	Key content	Description
15 June 2021	Strategic development of Axxis	Announcement that the Company has started a process of evaluating its strategic direction, the likely outcome of which will be that the Company will grow and expand into new business areas which are not related to the oil and geophysical market area, and to which the Company has not been operating historically.
7 May 2021	Agreement for sale of vessel and new charter agreement	Announcement regarding the sale of the vessel "Neptune Naiad" including certain equipment, to Sanco Holding AS and a time charterparty agreement entered into by Axxis Production AS for "Sanco Star" with Sanco Holding AS for the chartering of the vessel.
14 January 2021	Contemplated financial restructuring	An update on the Company's dialogue with its stakeholders regarding its debt situation, whereby a group of investors has proposed to pre-commit, on certain conditions, to participate with USD 12 million in a contemplated equity issue.
15 September 2020	New Utsira multi-client late sale	Announcement of a new multi-client licensing contract from the company's existing Utsira multi-client library in Norway with an undisclosed customer.
4 September 2020	Multi-client sale	Announcement of a data licensing agreement with an international oil company. The late sale is related to the company’s OBN Seismic Data Library over Utsira in Norway.
7 August 2020	Appointment of new CEO	Announcement of the appointment of Ronny Bøhn as CEO of Axxis Geo Solutions with effect 10 August 2020.
16 July 2020	Completion of restructuring	Announcement of an agreement with the Company's key creditors to convert more than USD 34 million of outstanding trade obligations into loan agreements.

16.4 Description of the Shares and share capital

As at the date of this Prospectus, the Company's registered share capital is NOK 192,822,047.60 divided into 1,928,220,476 shares, each with a par value of NOK 0.10. 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).

16.5 Stock exchange listing

The Company has been listed on Euronext Expand (previously Oslo Axess) since 24 May 2017. Prior to the listing on Euronext Expand, the Shares were admitted to trading on Euronext Growth (previously 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.

16.6 Ownership structure

As of 15 June 2021, the Company had approximately 3,000 shareholders. The Company's 20 largest shareholders will following ownership registration of the Private Placement Shares and Debt Conversion Shares with the VPS, to take place on or around the date of this Prospectus, be as shown in the table below.

No	Investor	Share (%)	# of shares
1	Lehmkuhl Capital AS	12.55%	241,957,938
2	Investeringsfondet Viking AS	10.97%	211,500,000
3	Middelborg AS	8.82%	170,000,000
4	Apollo Asset Limited	7.78%	150,000,000
5	Tigerstaden AS	6.48%	125,000,000
6	Alden AS	5.19%	100,000,000
7	Beck Asset Management AS	4.67%	90,000,000
8	F2 Funds AS	4.15%	80,000,000
9	Ballista AS	2.59%	50,000,000
10	Q Capital AS	2.59%	50,000,000
11	Redback AS	2.59%	50,000,000
12	Phillip Holding AS	2.46%	47,500,000
13	Ginny Invest AS	2.46%	47,500,000
14	F1 Funds AS	2.33%	45,000,000
15	Livermore Invest AS	1.56%	30,000,000
16	Emgani AS	1.32%	25,500,000
17	SeaBird Exploration Norway AS	1.22%	23,573,863
18	Ronja Capital AS	1.06%	20,511,652
19	Stein Hyttedalen	1.04%	20,000,613
20	Solstein FDS AS	1.04%	20,00,0000
	Total top 20 shareholders	**82.88%**	**1,598,044,066**
	Other	17.12%	330,176,410
	Total	**100.0%**	**1,928,220,476**

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 17.7 "*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.

There are no differences in voting rights between the shareholders. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

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

16.7 Authorisation to increase the share capital and to issue Shares

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

- At an extraordinary general meeting in the Company held on 1 November 2019, the Board of Directors was granted an authorisation to increase the Company's share capital by up to NOK 39,298,767 by issuance of shares in connection with the a subsequent offering following a private placement in 2020 or for general corporate purposes. The authorisation may be used one or several times and is valid until the annual general meeting in 2021; and

- At the Company's annual general meeting in 2020 the Board of Directors was granted an authorisation to increase the Company's share capital by up to NOK 1,764,630 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 2021.

16.8 Rights to subscribe or acquire shares

Except for the share option program as further described in Section 15.4 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.

16.9 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 16.10 "*Summary of the Company's Articles of Association*" and 16.11 "*Certain aspects of Norwegian corporate law*".

16.10 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.

16.10.1 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.

16.10.2 Registered office

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

16.10.3 Share capital and par value

The Company's share capital is NOK 192,822,047.60 divided into 1,928,220,476 shares, each with a par value of NOK 0.10. The Shares are registered with the Norwegian Central Securities Depository (VPS).

16.10.4 Board of Directors

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

16.10.5 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.

16.10.6 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.

16.11 Certain aspects of Norwegian corporate law

16.11.1 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.

16.11.2 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.

16.11.3 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.

16.11.4 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.

16.11.5 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.

16.11.6 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.

16.11.7 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.

16.11.8 Indemnification of board members

Except for resolutions to discharge members of the Board of Directors as described in Section 16.11.7 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.

16.11.9 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.

17 SECURITIES TRADING IN NORWAY

17.1 Introduction

The Oslo Stock Exchange was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway through five different marketplaces; Oslo Børs, Euronext Expand, Euronext Growth, Nordic ABM and Oslo Connect. Oslo Børs ASA is wholly owned by Oslo Børs VPS Holding ASA, which was in 2019 acquired by Euronext N.V., a European stock exchange which operates markets in Amsterdam, Brussels, London, Lisbon, Dublin, Oslo and Paris.

17.2 Trading and settlement

Trading of equities on Oslo Børs and Euronext Expand is carried out in the electronic trading system Optiq, which is the electronic trading system of Euronext.

Official trading on Oslo Børs and Euronext Expand 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 Oslo Børs and Euronext Expand 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.

Following migration to the Euronext Optiq trading systems, the interoperable clearing model between SIX X-clear, LCH Ltd and EuroCCP was continued for the equity markets on Oslo Børs and Euronext Expand.

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.

17.3 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 the EU Market Abuse Regulation (MAR), which is incorporated into Norwegian law through Section 3-1 of the Norwegian Securities Trading Act, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must as soon as possible release any inside information directly concerning the company (i.e. information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments). A company may, however, decide to delay the release of such information provided that (i) immediate disclosure is likely to prejudice its legitimate interests; (ii) the company is able to ensure the confidentiality of the information; and (iii) delay of disclosure is not likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

17.4 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 is 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.

17.5 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.

17.6 Foreign investment in shares listed in Norway

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

17.7 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.

17.8 Insider dealing

According to MAR article 14 it is prohibited to engage or attempt to engage in insider dealing or to recommend or induce another person to engage in insider dealing. As folllows from MAR article 8, insider dealing arises when a person possesses inside information and uses that information by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates. The use of inside information by cancelling or amending an order concerning a financial instrument to which the information relates where the order was placed before the person concerned possessed the inside information, is also be considered to be insider dealing under MAR article 8.

17.9 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.

17.10 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.

17.11 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 25%. The withholding tax rate of 25% 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 reduced by 45%, i.e. the tax basis is 55% of 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 on 1 November 2019 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 and SpareBank 1 Markets AS are acting as Managers in connection with the Private Placement, the Debt Conversion and the Subsequent Offering. Advokatfirmaet Schjødt AS is acting as legal advisors to the Company in connection with the Private Placement, the Debt Conversion and the Subsequent Offering and in relation to this Prospectus.

The Board of Directors has proposed that the annual general meeting scheduled to be held on 23 June 2021 elects a new auditor, the identity of whom will be announced in a stock exchange notice when the proposal has been made.

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.

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 Financial Statements:	AGS' audited consolidated financial statements as of, and for the year ended 31 December 2020 with comparable figures for the year ended 31 December 2019
AGS Group:	AGS and its consolidated subsidiaries
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 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
Debt Conversion:	The Debt Conversion announced by the Company on 21 May 2021, converting debt with an aggregate nominal value of NOK 212,199,729
Debt Conversion Shares:	The Shares issued in the Debt Conversion
EEA:	The European Economic Area
EIA:	(U.S.) Energy Information Administration
Eksportkreditt:	Eksportkreditt Norge AS
Eligible Shareholders:	Shareholders in the Company as of close of trading on 30 April 2021 (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)
Euronext Expand:	Previously Oslo Axess. A regulated market operated by Oslo Børs ASA
Euronext Growth:	Previously Merger Market. A multilateral trading facility operated by Oslo Børs ASA
E&P:	Exploration and production
EY:	Ernst & Young AS, the Company's independent auditor with business registration number 976 389 387
Forward-looking statements:	Statements made that are not historic and thereby predictive as defined in Section 4.5 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 months ended 31 March 2021, including comparable figures for 2020
ISIN:	International Securities Identification Number
LEI:	Legal Entity Identifier
Listing:	The listing of the Private Placement Shares and the Offer Shares on Euronext Expand
Management:	The senior management team of the Company
Managers:	ABG Sundal Collier ASA and SpareBank 1 Markets AS
MAZ:	Multi-azimuth
MC:	Multi-client
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
Payment Date	The payment date for the Offer Shares in the Subsequent Offering, expected to be on 14 July 2021
Private Placement:	The private placement announced on 30 April 2021, raising gross proceeds of approximately NOK 144.5 million
Private Placement Shares:	The Shares issued in the Private Placement
Prospectus:	This prospectus dated 16 June 2021
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:	4 May 2021
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 0.10, or any one of them
Subscription Form:	The subscription form, attached hereto as Appendix D
Subscription Period:	The subscription period from 24 June 2021 at 12:00 CET to 8 July 2021 at 16:30 CET
Subscription Price:	The subscription price of NOK 0.10 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 200,000,000 new Shares in the Company, each with a par value of NOK 0.10, to Eligible Shareholders
UK:	The United Kingdom
UN:	The United Nations
Underwriters:	Alden AS, Ballista AS, Phillip Holding AS, Apollo Asset Limited, Q Capital AS, F1 Funds AS, F2 Funds AS, Livermore Invest AS, Beck Asset Management AS, Redback AS, Solstein FDS AS, Middelborg AS, Lighthouse Reef AS, Tigerstaden AS, Dulcinea AS, Investeringsfondet Viking AS, Ginny Invest AS, Gunerius Pettersen, Ronja Capital, Stein Hyttedalen, Tiveden AS, Urtiven AS, Minotaurus Energi AS, Allfadern AB, Henriksen Bygginvest AS, U-Turn Ventures AS, Selaco AS and Emgani AS, which according to the underwriting agreement entered into in connection with the Private Placement guaranteed for the subscription of Private Placement Shares
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)

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

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

§ 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.

§ 4 Aksjekapital og aksjer
Selskapets aksjekapital er NOK 5 882 101,80 fordelt på 58 821 018 aksjer hver pålydende NOK 0,10.

Selskapets aksjer skal være registrert i Verdipapirsentralen 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.

§ 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 under generalforsamlingen.

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

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

§ 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 Share capital and shares
The share capital of the company is NOK 5 882 101,80 divided into 58,821,018 shares each with a face value of NOK 0,10.

The Company's shares shall be registered in the Norwegian Central Securities Depository ASA (VPS).

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

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.

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.

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.

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 Elektronisk kommunikasjon

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

§ 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 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.

§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 2020

Axxis Geo Solutions Annual report 2020

CONTENTS

BOARD OF DIRECTORS REPORT

Operations and location
Axxis Geo Solutions Group comprises Axxis Geo Solutions ASA (referred to as the "Company" or the "Parent") and its subsidiaries (together referred to as the "Group" or "AGS"). Axxis Geo Solutions ASA is a public limited company incorporated in Norway. The Company is listed on EURONEXT EXPAND OSLO and traded under the ticker Axxis.

The Company's registered main office is at Strandveien 50, 1366 Lysaker, Norway. Further, the Group also has operational offices in Houston, USA and Cairo, Egypt.

The Group is engaged in the international geophysical industry and focuses its activities in the Ocean Bottom Node ("OBN") segment of the marine seismic market.

The Group's business strategy is to secure proprietary OBN contracts and develop multi-client OBN programs through an asset light model where vessels, personnel and equipment are leased in on a cost-efficient basis. The asset light model, along with the Company's operational efficiency, gives a competitive advantage when bidding for contracts.

The Group specializes in delivering tailored seismic solutions, flexible project management and execution to oil and gas companies world-wide.

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»). Following the application of the IFRS 15 accounting standard for revenues, multi-client pre-funding revenues are not recognized under the percentage of completion ("PoC") method. Instead, all such revenues are recognized at delivery of the final processed data, which is considerably later than the acquisition of the seismic data. The segment reporting (used for management purposes) in note 2.3 Alternative Performance Measures ("APM") 2.3 EBITDA, note 3 Segment, note 4 Revenue, and note 11B Multi-client library, shows the deviation from IFRS.

The notes are an integral part of the consolidated financial statements. 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.

Changes in accounting principles
From 1 January 2020 the parent company changed its functional currency from NOK to USD. This change is accounted for prospectively with effect from 1 January 2020. Further the group also changed the presentation currency from NOK to USD from 1 January 2020. The change in presentation currency has been accounted for retrospectively, similar to a change in accounting policy. The Group has restated prior periods for this voluntary presentational change in line with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, from 1 January 2019. This point in time represents the earliest date from which it was practicable to perform a restatement, given the lack of sufficiently reliable data for earlier periods. As a consequence, foreign currency translation gains or losses prior to 2019 has been disregarded, with the FCT effects first calculated from 1 January 2019 onwards. In addition, the Group has included a statement of financial position at the beginning of the comparative period, i.e. as of 1 January 2019, in line with IAS 1, *Presentation of Financial Statements.*

The Group presents its consolidated financial reports in USD. For presentation in consolidated accounts, the monetary assets and liabilities have been converted and translated into USD at the rate of exchange prevailing at the reporting date each quarter. Historical value has been used for all other balance sheet items. The statement of profit or loss is converted and translated into USD at the average exchange rate for each quarter, except for depreciation and amortization which are based on historical values. Exchange rate differences arising from the translation to presentation currency are recognized in Other Comprehensive Income.

Consolidated statement of comprehensive income

Revenue

The 2020 Group's revenues of USD 92.8 million is higher than the previous year's revenues of USD 70.7 million. Revenues for the full year of 2020 is mainly related to contract work in Egypt and the North Sea. In addition under IFRS, the pre-funding of USD 27.4 million being booked as contract liability in 2019 in the balance sheet, was reclassified as pre-funding revenues following the delivery of the Utsira data processing in September 2020. The Utsira multi-client library had two late sales with AGS' share being USD 1.1 million. The revenues in 2019 was related to contract work in India, Dubai and Brazil.

Operational cost

The 2020 Group's cost of sales (COS) amounted to USD 52.3 million compared to USD 58.6 million during the same period in 2019. The largest portion of COS for the full year of 2020 is related to the projects in the Egypt and the North Sea. In addition, the multi-client project in Egypt has been capitalized with USD 10.6 million. COS for 2019 included USD 7.4 million related to idle time in Malta and the remaining amount related to the contracts in Dubai and Brazil. In addition, USD 55.1 million was capitalized related to the multi-client Utsira project.

The 2020 Group's personnel expenses and other operating expenses amounted to USD 7.1 million compared to USD 6.8 million during the same period of last year. Legal and consultants fee was USD 2.8 million for the full year 2020, compared to USD 2.2. million in 2019.

Depreciation of tangible assets

The 2020 Group's depreciation and write downs of equipment were USD 5.9 million compared to USD 6.1 million in 2019. The write down in 2020 was USD 0.3 million. There were no new investments in equipment in 2020.

Amortization of intangible assets

According to IFRS, the investment related to multi-client surveys are not amortized until the data is ready for sale. The data processing of the multi-client 3D OBN Utsira survey was completed in September 2020, and the Group started linear amortization over 4 years from Q3 2020. The straight line amortization of Utsira was USD 3.6 million for 2020. As of September 2020, the IFRS value of the multi-client survey Utsira was impaired with USD 18.0 million, the value is equal to the segment value.

Impairment

No impairment charges have been made in 2020 for the vessel Neptune Naiad, the node handling systems or the seismic equipment. There has not been any impairment of the multi-client survey in Egypt. As of September 2020, the IFRS value of the multi-client survey Utsira was impaired with USD 18.0 million. In 2019, the multi-client survey Utsira was impaired with USD 35.1 million, based on net present value of the library and expectations of future sales both for IFRS and segment value. There were no impairment charges for the vessel Neptune Naiad, nor the node handling systems owned by the Group or the seismic equipment in 2019.

EBITDA and EBIT

EBITDA for the Group in 2020 was USD 33.4 million compared to USD 5.3 million for 2019. The contract work had a positive effect on the EBITDA for 2020. Another impact on EBITDA was lower activity and lower cost due to cost reduction measures implemented. In 2019, mobilization and idle time between jobs had a negative effect on EBITDA.

EBIT for the Group in 2020 was USD 5.8 million compared to USD -35.9 million in 2019. EBIT is impacted by the same factors as described above for EBITDA. In addition, EBIT for 2019 was negatively impacted by the impairment of the multi-client library.

Financial items

Net financial expense was USD 1.9 million in 2020 compared to net financial expense of USD 6.0 million in 2019. The improvement is mainly related to the fair value estimate of the converted loans which has been calculated and booked as a financial gain of USD 3.8 million. Additionally, the improvement is related to a lower currency loss last year compared to 2020. Financial expenses during 2020 includes interest cost of USD 2.1 million for additional debt in 2020, and USD 0.4 million in penalty interest of unsecured debt.

Income tax (expense)

The corporate income tax in Norway is 22% in 2020. Income tax expense for 2020 amounted to USD 7.1 million compared to income tax expense of USD 4.6 million for the same period in 2019. The tax expense in 2020 represents mainly withholding tax and corporate tax in Egypt. No deferred tax asset has been recorded related to tax losses carried forward at December 31, 2020.

Loss for the period

For 2020 the Group had a loss of USD 3.1 million compared to a loss of USD 46.5 million for the same period in 2019.

Consolidated statement of financial position

As of December 31, 2020, AGS had total assets of USD 54.5 million, compared to total assets of USD 93.8 million as of December 31, 2019.

Total non-current assets decreased from USD 64.9 million in 2019 to USD 48.0 million in 2020. This is attributed to a net decrease in the multi-client library of USD 11.0 million and decrease of USD 5.9 million in fixed assets.

Total current assets decreased from USD 28.9 million in 2019 to USD 6.5 million in 2020. The decrease is driven by trade receivables and other current asset with USD 26.2 million, offset by increase in cash of USD 4.4 million. Cash balance was USD 5.9 million as of December 31, 2020.

The Group's equity was negative of USD 7.9 million at December 31, 2020 versus negative of USD 4.7 million as of December 31, 2019. The negative equity ratio is -14.4% as of December 31, 2020 compared to -5.0% for the same period in 2019. The Board has secured additional equity in the range of USD 17 -20 million which will be available to the Company to the extent a successful reconstruction is completed (see further information under "Events after the reporting period").

Total non-current liabilities increased from USD 0.1 million as of December 31, 2019 to USD 17.4 million as of December 31, 2020 related to the issuance of the Company's current bond loan. The bond loan includes a minimum cash covenant of USD 2.0 million. The covenant is fulfilled as of December 2020. The Company received a waiver of scheduled interest payment related to the bond loan per 30 November 2020, whereby the scheduled cash interest payment was added to the principal of the bond loan. Fair value of the converted loans, both unsecured loan and bond loan, has been calculated and booked as financial gain which will be booked as amortized cost on the loans going forward. The amortized cost from the fair value evaluation in 2020 was USD 1.2 million. The Company has received waivers from the two covenants for all the quarters in 2020, including year end 2020.

These two financial covenants are (i) liquid assets of not less than 120% of the outstanding loan and (ii) equity ratio of 35% or more. Since waivers have not been obtained for coming 12 months, the secured debt towards Eksportkreditt Norge AS has been reclassified to short-term debt.

The current portion of long-term debt amounted to USD 16.6 million as of December 2020; USD 1.2 million in respect of debt towards Eksportkreditt Norge AS, USD 0.1 million in respect of office leases, USD 9.3 million in respect of unsecured debt and USD 6.0 million in respect of the bond loan.

Total current liabilities as of December 31, 2020 amounted to USD 44.9 million, compared to USD 98.4 million as of December 31, 2019. A decrease of USD 29.4 million of the current liabilities is due to trade payables having been converted to loan. In addition, contract liability related to pre-funding revenue for Utsira was allowed booked as revenue in 2020, leading to a decrease of current liabilities with USD 22.7 million. Other current liabilities decreased by USD 15.5 million in 2020. This item includes project related accruals, taxes and VAT and the promissory loan note in favor of TGS of USD 6.6 million per December 2020. The decreases are offset by an increase in the current portion of long-term debt by USD 14.1 million, ending with a balance of USD 16.6 million per December 31, 2020.

Consolidated statement of cash flow
The Group's cash flow from operating activities in 2020 was USD 18.9 million, compared to USD 24.4 million at the same period in 2019. The reduction in operating cash flow compared to 2019 was primarily a result of idle time after the Egypt and North Sea projects. The latter ended in July, whereas Neptune Naiad was warm-stacked per December 2020. In addition as offset, trade payables have been converted to loans with USD 34.3 million in 2020.

The Group's cash outflow from investing activities in 2020 amounted to USD 10.4 million, compared to USD 61.6 million in the same period in 2019. The main investments in 2020 were in the multi-client survey in Egypt of USD 10.6 million, compared to the Group's investment in 2019 of the multi-client survey Utsira of USD 55.1 million, and in node handling equipment of USD 6.9 million. To the extent the proposed reconstruction (see note 26 Events after the reporting period) is completed, the Group will have reasonable liquidity to finance future investments.

The Group's cash flow from financing activities in 2020 was negative USD 4.0 million, compared to positive USD 30.8 million in the same period in 2019. Payment of instalments and interest paid of USD 4.0 million in 2020. In 2019, net proceeds from new equity were USD 34.2 million offset by payment of instalments and interest paid of USD 3.3 million.

Parent company
Axxis Geo Solutions ASA is the parent company of the Group.

In 2020, Axxis Geo Solutions ASA reported a loss after tax of USD 5.4 million, compared to a loss of USD 40.5 million in 2019. The reduction of loss this year is significantly impacted by impairment of shares in subsidiaries and accruals for impairment of intercompany receivables of USD 42.9 million in 2019.

At year end 2020, Axxis Geo Solutions ASA had total assets of USD 43.0 million, compared to USD 61.1 million at the end of 2019.

As of December 31, 2020, Axxis Geo Solutions ASA has a total negative equity of USD 4.5 million, compared to a positive equity of USD 0.9 million at the end of 2019. The equity ratio was -10.5%, compared to 1.5% at the end of 2019. The Board has secured additional equity in the range of USD 17

-20 million which will be available to the Company to the extent a successful reconstruction is completed (see further information under “Events after the reporting period”).

Going concern
The financial statements for 2020 are based on the assumption of going concern.

The Company has filed for court protected reconstruction on 16 February 2021. This filing provides protection from bankruptcy and allows for continued operation under court protection.
The Company has put forth a reconstruction proposal to the creditors (see note 26 Events after the reporting period) and a restructuring as outlined by the proposal will provide the Company sufficient working capital for continued operation. However, the Company will still be dependent on securing new seismic survey contracts as well as multi-client late sales.

The Company has implemented a smart-stack strategy and thereby significantly reduced its cash burn-rate.

The Company currently reports a negative common equity and total current liabilities exceed total current assets per 31 December 2020.

In light of the current reconstruction efforts, there is significant uncertainty with respect to the going concern assumption. Should the reconstruction proposal not be approved, the going concern assumption will most likely not be applicable and balance sheet items would be significantly impaired.

The Group prepares and maintains a rolling P&L and cash forecast, in addition to key balance sheet items (trade payables, long-term debt, and cash). The forecast is based on the assumed restructuring of the Company’s balance sheet as a part of the proposed reconstruction (see note 26 Events after the reporting period. Management’s operational outlook is derived from existing pipeline of opportunities as well as estimated multi-client late sales. The forecast is adjusted for the current trough in the oil and gas markets. In the Group’s current forecast, cash and cash equivalents are expected to remain positive for the 12-month period following the 2020 financial statements.

The Group’s cash flow forecast is based on existing firm commitments and the Group’s expectations for future opportunities and the Group’s corporate restructuring efforts, specifically:

- successfully completing the restructuring of the Company’s balance sheet,
- successfully obtaining additional work in the second half of 2021,
- successfully completing multi-client late sales from the Utsira multi-client survey, and
- maintaining operating expenses at a minimum level.

The financial forecast has been prepared based on the current challenging market conditions.
There are, however, risks related to the assumptions in the forecast:

- There is a risk that the Group will not be successful in completing the proposed reconstruction.
- The Group is dependent on future business to maintain a positive cash balance beyond 12 months following the 2020 financial statements. There is a risk that the Group does not secure future contracts or late sales.

The annual accounts are prepared on the assumption of a going concern. However, the Company’s and the Group’s financial situation is unsustainable as equity is negative and liquidity is under pressure and hence there is material uncertainty related to the going concern assumption. The Group has filed for a court-protected reconstruction and put forth a restructuring plan to its creditors. If successful in this restructuring, the Group will strengthen its working capital and improve its liquidity. The outcome of these discussions is uncertain and the going concern assumption is subject to material uncertainty.

Management has used its best judgements in the evaluation of the going concern assumption. Although there are significant uncertainties and risk listed above related to events or conditions that might impact the future cash flows, management is of the opinion that the going concern assumption is appropriate and the accounts are prepared under the going concern assumption. If the Company is unsuccessful with the above activities, the financial statements do not reflect impairment charges or provisions that might be required if the Company or the Group was liquidated or the assets were sold in a distressed situation.

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 clients. The Group's business performance depends on production and development spending by oil and gas companies. Historically, in times of low oil price, demand in exploration spending has been reduced to a much greater extent than production related spending, where the Group is active. The Group is also affected by the current Covid pandemic and to the extent the pandemic continues, this may have a negative impact on future demand for seismic services.

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. The Group evaluates the credit quality of its potential clients during contract negotiations in order to minimize the risk of payment delinquency, but no assurance can be given that the Group will be able to avoid this risk. During 2020, the Group did not experience any material receivables losses.

Liquidity risk
Liquidity risk is the risk that the Group is not able to meet its payment obligations. The Company is dependent on both access to long-term funding and timely payments of receivables from customers. 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 or other financial solutions on favorable terms and in amounts necessary to conduct its on-going and future operations, should this be required. 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 as has been the case for 2020. The Group took action to convert some of its accounts payable debt to long-term debt with a bond loan of USD 24.7 million and an unsecured loan of USD 9.6 million. In February 2021 the Company filed for court protected reconstruction and sufficient liquidity for 2021 is dependent on successful outcome of such reconstruction and new equity to be raised. The Board has secured additional equity in the range of USD 17 -20 million which will be available to the Company to the extent a successful reconstruction is completed (see further information under "Events after the reporting period").

Foreign exchange risk
The Group' presents its consolidated financial report in USD. The functional currency for the Parent Company and all of the subsidiaries is USD. The Group's significant operations in foreign countries exposes 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 may affect the Group's local expenses when operating abroad. The Group's revenues are primarily in USD, while expenses are primarily in USD and NOK. As such, the Group's earnings are exposed to fluctuations in the foreign currency market. The Group has not established hedging arrangements to mitigate the possible adverse effects of this exposure.

Commodity prices
The Group is exposed to fluctuations in the price of certain key commodities such as oil, fuel and transportation costs. The Group has not established hedging arrangements to mitigate the possible adverse effects of this exposure.

Covid-19 risk
The impacts of COVID-19 on businesses across the globe is substantial and presents new challenges to normal business practices. The Group has been planning for and monitoring developments since the initial spread of the virus in early 2020 and has taken a series of steps to maintain the continuity of our services for our customers and to safeguard the health of our employees and stakeholders.

During the year, the Company received a cancellation of a small contract in the North Sea which was expected to be conducted in the second quarter of 2020. The contract revenues related to this survey was estimated at USD 1 million. The Company received a cancellation fee of 25% of the estimated revenue amount.

To the extent the pandemic continues, this may have a negative impact on future demand for seismic services.

Other business risk
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 addition, the Company could be required to perform material depreciations on its balance sheet, primarily related to the value of its seismic library, which in turn would have a negative effect on the Company's profit and loss. This risk is primarily related to possible deviations in multi-client late sales relative to current estimates.

The seismic and oil service industry sees 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 OBN 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.

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 relies on chartering vessels suited for seismic acquisition, which may in a situation of shortage of vessels involve a disadvantage towards its competitors. There can be no guarantee that there will be available vessels for charter or 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.

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. 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 seismic acquisition operations of the Group may be exposed to extreme weather, hazardous conditions and activity in the work area. The Company's own insurance may not be adequate to cover potential losses. The Group may also have to share the production time in the survey area with another party, or stop for a period of time if own or third-party operations cause disturbance to the project or impacting 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.

Risk related to cyber criminality is increasing globally. This threat is relevant for all devices connected to the internet. In order to protect the Group and the Company's assets and IP, precautions and procedures has been taken. The most common attack vector is 'phishing emails'. The Group has taken steps to improve protection of email, improve capabilities to identify ongoing malicious activities and increase employee awareness of cyber threats. Despite these efforts and precautions, no guarantee can be made against cyber attacks on the Group that can materially impact the Group's operation and financial position.

The Group business is subject to laws and regulations in various jurisdictions, and the requirements of, changes in or violations of such laws or regulations may adversely affect the Group's business and profitability. The Group invests in financial and managerial resources to maintain compliance with these laws and regulations, and failure to do so could result in fines or penalties, enforcement actions, claims for personal injury or property damages, or obligations to investigate and remediate damages.

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.

The working environment and personnel

The total number of permanent employees in the Group were eleven at the end of 2020, compared to eight at the end of 2019, where three are temporarily laid off (furlough) since November 2020. The employee list consisted of three women and eight men in 2020 and three women and five men in

2019. There is no employee as temporary, or part time hired of the permanent employees. No employees were on parental leave in 2020 or 2019.
The Board of Directors consists of five members, two men and three women in both 2020 and 2019.

There have not been any serious injuries or accidents in the current or prior year. In both 2020 and 2019, the average sick day percentage for the work force was zero.

The Group's policies prohibit 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.

CORPORATE RESPONSIBILITY

The Company is a global leading pure-play ocean-bottom node seismic company committed to the protecting our personnel's health and wellbeing, minimizing our environmental impact, and operating in line with high ethical business practices.

The Group integrates our people, our business and the environment in which we operate into one coherent operation providing our stakeholders and shareholders sustainable and socially responsible operations and services. Our corporate responsibilities provide us the opportunity to enter new areas and operate within communities around the world, leaving behind a positive footprint.

The Group has developed policies, standards, guidelines and education materials to prepare our employees to be custodians of ethics, human rights, social matters and anti-corruption in all of our areas of operations.

The Group aims to form part of the social fabric in the areas and countries in which we operate. Our Social Responsibility Policy reflects the culture that we have grown in our company and the level of expectation of all persons representing us.

Our People
The health and wellbeing of our people is the key to our success as a company. Our diverse, multinational work force reflects our goal to be an equal opportunity employer. Equality applies to all practices and guidelines relating to the recruitment and hiring of all workers. We respect and protect the fundamental human and workers' rights in a manner consistent with the United Nations Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises.

The first months of 2020 gave us a renewed sense of corporate social responsibility – in keeping our employees safe, helping our customers, and sustaining our business through the pandemic. From the onset of the pandemic outbreak of Covid 19 in early March 2020, the Group initiated a committee dedicated to navigating our way through the health risks that it presented our people. Covid 19 mitigation plans were established and implemented in all of our operations and we were successful in completing them with zero infections or illnesses.

We adhere to the local laws and regulations within the countries we operate, and respect the cultures and rights of the communities with which we interact. The Group promotes a healthy workplace by prohibiting unlawful discrimination due to gender, race, age, ethnicity, disability, sexual orientation or religion and provide fair compensation for employees' work and rewarding and recognizing their contributions. We train our diverse staff in Cultural Competence and maintain a culture of zero tolerance of any form of harassment throughout the organization.

The Group recorded 937,392 man hours in 2020 with zero industry defined recordable injuries. Our 2021 Goals and Objectives reflect improvement initiatives generated from our 2020 learnings and will be executed to maintain our record of a TRIR of zero in the coming year.

Subcontractors and their personnel are important to our operations and team. Our Subcontractor Management Standard guides our employees to review our subcontractors policies and management systems to ensure these are aligned with the Group's principles, and that they conform with our management systems, and how to address inconsistencies or non conformities where these arise.

Environment
As stewards of the environment, it is the collective responsibility of the Group and our people to protect the environments that we work in. The Group's intent is to conduct our business in harmony with the environment and to minimize any impact our operations may have. Our Policies underscore our commitment to the environment and outline our responsibilities throughout all operations. The Group's goal of zero environmental recordable incidents throughout our operations was achieved in 2020.

Our mission is to minimize our footprint wherever we work through the implementation of five key strategies at work locations:

- Minimization of waste by design and purchase.
- Managing waste output to follow best environmental practice.
- Guarding against accidental and operational pollution.
- Provision for mitigation of any accidental and operational pollution.
- Site remediation after operations.

Our Business
The Group is committed to operate all activities within the spirit and letter of all laws and regulations that govern our businesses and employees. Employees must exercise the highest level of integrity, ethics and objectivity in any actions and relationships which may affect the Group. Employees must not misuse their authority or influence of their positions in these relationships. Moreover, employees have a duty to act in the best interest of the Group at all times and are empowered to intervene in any situation they feel is not appropriate through our Stop Work Policy, or to report indiscretions through our confidential anonymous reporting process.

All of the Group operations are conducted under the framework of our Integrated Operations Management System (iOMS). Our system employs a strong project management principle and covers the risk management and controls, guidelines and processes required to competently undertake our tasks. The scope of the iOMS addresses a broad range of tasks impacts or threats; that impact the wellbeing of the environment in which we work, the communities with which we interact, the employees and subcontractors as well as the business results the Group aims to achieve. By bringing together the management of key aspects of running a successful business, the iOMS achieves company-wide consistency, across all assets and activities, at every location and throughout the entire workforce.

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 Company of USD 5.4 million to be attributed to accumulated earning and other equity. The Company's negative equity as of December 31, 2020 was USD 4.5 million.

Outlook

The market is showing signs of improvement and we expect to see increased activity starting in the second half of 2021. The Company has been awarded one contract in the North Sea, starting in Q3 2021, and there are several active tenders under review for 2021. Following the completion of the data processing of the Utsira OBN multi-client survey, our sales team embarked on a (digital) road show to showcase the dataset to a substantial number of potential buyers. Based on the preliminary feedback, we see several late sale opportunities for 2021.

Events after the reporting period

Default notice

The Company has after the reporting period received default notice from Nordic Trustee on behalf of the bondholders and from Eksportkreditt for unpaid installment and interest in January 2021. The Company is in active dialogue with the respective creditors and expect to find a solution which is aligned with the outcome of the court-protected reconstruction

Reconstruction

The Company announced 16 February 2021 that the Company had not been able to reach agreement with all creditors in order to implement a voluntary solution to refinance the Company.
Consequently, the Company filed for court protected reconstruction.

On 17 February 2021, the District Court of Asker and Bærum authorized opening of reconstruction negotiations for the Company. On 7 April 2021, the Company presented the final proposal for reconstruction by forced debt settlement. The proposal from the company involves a forced debt settlement of the Company's unsecured debt. Secured debt, up to the value of the pledged assets, is not part of the forced debt settlement. The deadline for creditor replies is 27 April 2021.

Under the court-authorized reconstruction negotiations, the Company continues normal business operations under the oversight of the Debt Restructuring Committee. Unsecured liabilities incurred prior to the opening of reconstruction negotiations are "frozen". All liabilities that are incurred thereafter shall be covered in their entirety.

Under the reconstruction proposal, Company creditors are offered the following:

a) Creditors with ordinary (general and unsecured) claims receive a dividend of 10%. The agreed dividend is paid out within 14 – fourteen – working days after the court confirmation of the reconstruction plan by forced debt settlement, cf. The Reconstruction Act § 52, is enforceable, tentatively during June/July 2021.

b) As an alternative, creditors can convert all or part of their claim to shares in the Company at a subscription price of 0.5 NOK/share. The share issue will be decided upon at an extraordinary general assembly of the Company, expected to be held in May. The shares are expected to be registered in the respective VPS accounts no later than 30 June 2021. There might be a delay before the shares are listed. The minimum subscription amount per creditor is NOK 100 000. There is a limit of 9.9% share ownership per individual shareholder from their debt conversion.

c) Claims that group entities / other related parties have against the Company will be entitled to the same dividend as other ordinary claims, but these claims will not receive any dividend until all other entitled creditors have received their dividends in full.

It is not opened reconstruction negotiations in the subsidiaries of the Company. The Company has arranged for separate voluntary debt settlements in the subsidiaries. The Company aims to achieve a

solution whereby the bondholders also waive claims and collateral in the subsidiaries, thus avoiding insolvency proceedings in these companies.
The reconstruction will be financed through an equity issue for cash of USD 17-20million, where a group of investors on certain conditions have committed to provide the Company with USD 17 million, at a subscription price of 0.1 NOK/share. After the reconstruction is complete, the Company will have an attractive financial position and satisfactory liquidity. This forms a sound basis for continued operations.
Ongoing agreements which the Company is party to and that are not terminated during the reconstruction negotiations continue.

It is the opinion of the Company that the creditors will receive a higher recovery in the reconstruction proposal compared to alternative bankruptcy proceedings. Through bankruptcy proceedings, the Company estimates that creditors with ordinary (general and unsecured) claims would be able to achieve a dividend in the range 0–2%.

Lysaker, 16 April 2021

The Board of Directors and CEO of Axxis Geo Solutions ASA

[Sign.]

Christian Huseby Chairman	Njål Sævik Director	Vibeke Fængsrud Director
Nina Skage Director	Eirin Inderberg Director	Ronny Bøhn CEO

RESPONSIBILITY STATEMENT

Confirmation from the Board of Directors and General manager
The Board of Directors and the CEO of Axxis Geo Solutions ASA have today considered and approved the annual report and financial statements for the 2020 calendar year ended on December 31, 2020.

We confirm, to the best of our knowledge, that:

- The 2020 financial statements for the Group and Parent company have been prepared in accordance with all applicable accounting standards.
- The information provided gives a true and fair view of the Group's and Parent company's assets, liabilities, financial position and results.
- The Board of Directors report provides a true and fair overview of the development, performance and financial position of Axxis Geo Solutions ASA and the Group together with a description of the principal risks and uncertainties that they face.

Lysaker, 16 April 2021

The Board of Directors and CEO of Axxis Geo Solutions ASA

[Sign.]

Christian Huseby Chairman	Njål Sævik Director	Vibeke Fængsrud Director
Nina Skage Director	Eirin Inderberg Director	Ronny Bøhn CEO

CORPORATE GOVERNANCE POLICY

Adopted by the Board of Directors on 16 April 2021

1. SCOPE AND APPLICABILITY OF THE POLICY

These Corporate Governance Policies (the "**Policies**") have been adopted by the Board of Directors (the "**Board**") of Axxis Geo Solutions ASA (the "**Company**") to express the corporate governance principles by which the Company conducts its business. The Policies apply to the Company and its consolidated subsidiaries (together the "**Group**") and will be evaluated by the Board and the Company's executive management (the "**Management**") annually.

The Company is incorporated in Norway in accordance with the Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (the "**NPLCA**") and is subject to Norwegian law. Hence, the reporting requirements on corporate governance set forth in Section 3-3b of the Norwegian Accounting Act of 17 June 1998 no. 56 (the "**Norwegian Accounting Act**") and the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board on 17 October 2018, as amended from time to time (the "**NUES Code**"), apply to the Company. As the Company's shares are listed on Oslo Axess, the Company is also subject to the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**NSTA**") and the continuing obligations of stock exchange listed companies issued by the EURONEXT EXPAND OSLO (the "**Continuing Obligations**"). These Policies are secondary to provisions set out in law, in regulations made pursuant to law, and in the Company's articles of association (the "**Articles of Association**").

These Policies shall apply until the Board decides otherwise.

2. MAIN OBJECTIVES FOR THE COMPANY'S CORPORATE GOVERNANCE

The Board shall ensure that the Company has good corporate governance to, inter alia, support achievement of the Company's core objectives on behalf of its shareholders and to create a strong, sustainable company. The Board believes that good corporate governance involves openness and a trustful cooperation between the shareholders, the Board and the Management, employees, customers, suppliers, public authorities and society in general.

The Company endorses the NUES Code. The NUES Code is based on a "comply or explain" principle, which involves that listed companies must comply with the NUES Code or explain why an alternative approach has been chosen. The Company will comply with the NUES Code, and any deviations will be included in a statement of policy on corporate governance in the annual report.

The Company's corporate governance policies are based on the following main objectives:

a. Open, reliable and relevant communication with the outside world regarding the Company's business and matters related to corporate governance
b. Equal treatment of the Company's shareholders
c. Independence between the Board, the Management and the shareholders in order to avoid conflicts of interests
d. A clear division of work between the Board and the Management and the shareholders
e. Good control and corporate governance mechanisms in order to achieve predictability and reducing the level of risks for shareholders and stakeholders.

In addition to these Policies, the Company has adopted the following internal manuals:

A Code of Conduct for Business, Ethics and Corporate Social Responsibility Instructions to the Board, and Instructions to the Chief Executive Officer ("**CEO**").

The above-mentioned internal manuals form an integral part of the Company's corporate governance policies. In addition, the Company has adopted a manual for "*Inside Information and Additional Disclosure Routines*".

3. THE BUSINESS OF THE COMPANY

The operations of the Company shall be in compliance with the business objective as set forth in § 3 of the Articles of Association, which reads as follows:

> "*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.*"

The Company shall define clear goals, strategies and risk profiles for the Company's business activities. The Company shall have Policies for how it integrates the interests of the society at large into the value creation, please refer to the Code of Conduct for Business, Ethics and Corporate Social Responsibility The Board shall at least on an annual basis evaluate targets, strategies and risk profiles.

4. EQUITY AND DIVIDENDS

4.1 Equity

The Board shall ensure that the Company's capital structure is in line with its goals, strategy and risk profiles, and in accordance with the applicable laws and regulations.

4.2 Dividends

The Board proposes any distribution of dividends to the general meeting. The general meeting determines any distribution of dividends in accordance with Section 8-1 and Section 8-2 of the NPLCA. The grounds for any proposal to authorize the Board to approve the distribution of dividend shall be explained. The Board shall establish a clear and predictable dividend policy, which shall be available at the Company's website.

4.3 Board authorizations

Any proposed authorizations to the Board to increase the Company's share capital shall be restricted to defined purposes and shall be dealt with as separate agenda items at the general meeting. Board authorizations shall be limited in time to the date of the next annual general meeting, and in any event to 30 June the same year. This also applies to any authorization to the Board for the Company to purchase own shares.

5. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

5.1 Equal treatment of shareholders

All shareholders shall be treated on an equal basis, unless there is a just cause for treating them differently in accordance with applicable laws and regulations. In the event of an increase in share capital of the Company through issuance of new shares, a decision to waive the existing shareholders' pre-emptive rights to subscribe for shares shall be justified. If the Board resolves to issue new shares and waive the pre-emptive rights of existing shareholders pursuant to a Board authorization granted by the general meeting, the justification shall be publicly disclosed in a stock exchange announcement issued in connection with the shares issue.

Any transactions carried out by the Company in the Company's own shares shall be carried out through the EURONEXT EXPAND OSLO and in any case at prevailing stock exchange prices. In the event that there is limited liquidity in the Company's shares, the Company shall consider other ways to ensure equal treatment of shareholders.

5.2 Transactions with close associates

In the event of any not immaterial transactions between the Company and shareholders; a shareholder's parent company; members of the Board; members of the Management or close associates of any such parties, the Board shall obtain an independent third party evaluation of the transaction, unless the transaction in questions shall be approved by the Company's general meeting in accordance with the NCPLA. Independent third-party evaluations shall also be obtained in the event of transactions between companies in the Group where any of the companies involved have minority shareholders.

6. SHARES AND NEGOTIABILITY

There shall be no limitation with respect to any party's ability to own, trade or vote for the Company's shares. The Articles of Association contain no restrictions on negotiability of the shares.

7. GENERAL MEETINGS

7.1 Exercise of rights

The Board shall ensure that the Company's shareholders can participate at general meetings. This shall be facilitated by the following:

- The proposed resolutions and any supporting documents shall be sufficiently detailed, comprehensive and specific allowing shareholders to understand and form a view on all matters to be considered
- The deadline for shareholders to give notice of their attendance at the general meeting shall be no later than two business days prior to the date of the general meeting in accordance with the Articles of Association
- The Board and the chair of the general meeting shall ensure that the shareholders are able to vote separately on each individual matter, including on each individual candidate nominated for election to the Board and other corporate bodies (if applicable)
- The Chairman shall be present at general meetings, as well as the auditor should be present at general meetings where matters of relevance for such committees/persons are on the agenda, and
- The Board shall make arrangements to ensure that the chair of the general meeting is independent.

7.2 Participation without being present

Shareholders who are unable to attend the general meeting in person shall be given the opportunity to vote by proxy. In this respect, the Company shall:

- Provide information in the notice to the general meeting on the procedure for attending by proxy
- Nominate a person who can act as a proxy for shareholders and
- Prepare a proxy form, which shall, insofar as possible, be set up so that it is possible to vote on each individual item on the agenda and candidates that are nominated for election.

8. NOMINATION COMMITTEE

The Articles of Association of the Company require it to 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 any Board Committees

Election of the Nomination Committee and remuneration of the Nomination committee, The proposals shall be made available no later than 21 days prior to the Shareholders' Meeting.

The Nomination Committee shall meet at least annually with the Board of Directors, the executive management and the CEO, and shall consult with selected shareholders to ensure that the Nomination Committee have their support.

9. BOARD COMPOSITION AND INDEPENDENCY

The Board shall be composed in a way that it can (i) attend to the common interests of all shareholders and meet the Company's need for expertise, capacity and diversity and (ii) act independently of special interests. The majority of the shareholder-elected Board members shall be independent of the Management and significant business contacts. At least two of the members of the Board shall be independent of the Company's major shareholder(s).

For the purposes of these Policies, a *major shareholder* shall mean a shareholder who owns or controls more than 10% of the Company's shares or votes, and *independence* shall entail that there are no circumstances or relations that may be expected to be able to influence an independent assessments of the person in question. The Board shall not include members of the Management.

The Chair of the Board is elected by the general meeting. The term of office for members of the Board shall not be longer than two years at a time. Members of the Board may be re-elected.

The Company's annual report shall provide information regarding the expertise of the members of the Board, as well as information on their history of attendance at board meetings. Further, the annual report shall identify the members of the Board that are considered to be independent. Members of the Board are encouraged to own shares in the Company.

10. THE WORK OF THE BOARD

10.1 General

The Board has implemented instructions for the Board and the Management, focusing on determining a clear allocation of internal responsibilities and duties. The respective objectives, responsibilities and functions of the Board and the CEO shall be in compliance with rules and standards applicable to the Company and are described in the Company's "*Instructions for the Board*" and "*Instructions for the CEO*".

The Board shall ensure that the members of the Board and the members of the Management make the Board aware of any material interests that they may have in matters to be considered by the Board.

The Board's consideration of matters of a material character in which the Chair of the Board is, or has been, personally involved, shall be chaired by another member of the Board to ensure a more independent consideration of the matter in question.

10.2 Board committees

The Board has an audit committee (the "**Audit Committee**"), which is a working committee for the Board, preparing matters and acting in an advisory capacity. The duties, tasks and composition of the Audit Committee shall be in compliance with the NCPLA. In particular, the Audit Committee shall act as a preparatory body and support the Board in the exercise of its responsibility relating to financial reporting, auditing, internal controls, compliance with ethical Policy such as Environmental, Social and Governance ("**ESG**") and overall risk management.

The members of the Audit Committee are elected by and amongst the members of the Board for a term of up to two years. The entire Board shall not act as the Company's Audit Committee. At least one member of the Audit Committee should be competent in respect of finance and audit, and the majority of the members should be independent of the Company. The mandate of the Audit Committee is subject to annual revision.

The Company has not appointed a remuneration committee. A remuneration committee has not deemed to be of importance and the Board has, after consideration, decided to maintain a simple and cost-effective governance structure. The Board will determine the remuneration and compensation scheme of the Company in accordance with applicable law.

The Board shall provide details in the annual report of the Audit Committee and any other board committees, if appointed.

11. RISK MANAGEMENT AND INTERNAL CONTROL

The Board shall ensure that the Company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Group's business activities. The internal control shall encompass the Company's Policy etc. for how it integrates considerations related to stakeholders into its creation of value.

The Board shall carry out an annual review of the Group's most important areas of exposure to risk and its internal control measures. The review shall pay particular attention to:

- Changes relative to previous years' reports in respect of the nature and extent of material risks and the Company's ability to cope with changes in its business and external changes
- The extent and quality of the Management's routine monitoring of risks and the internal control system and, where relevant, the work of the internal audit function
- The extent and frequency of the Management's reporting to the Board on the results of such monitoring, and whether this reporting makes it possible for the Board to carry out an overall evaluation of the internal control situation in the Group and how risks are being managed
- Events of material shortcomings or weaknesses in internal control that come to light during the course of the year which have, could have, or may have had a significant effect on the Group's financial results or financial standing and
- how well the Company's external reporting process functions.

Based on the instructions by the Board, the CEO shall implement internal control measures and propose the same to the Board.

The CEO shall effectuate internal control measures on the basis of the instructions by the Board and report the results to the Board annually in accordance with the Board's annual plan.

The report to the Board shall provide a balanced presentation of all material risks and how such risks are handled through the internal control measures of the Company.

The main areas of internal control related to financial reporting shall be described and included in the corporate governance report to be prepared by the Board pursuant to Section 3-3b of the Norwegian Accounting Act and the Continuing Obligations. This account should include sufficient and properly structured information to make it possible for shareholders to understand how the Company's internal control system is organized. The account should address the main areas of internal control related to financial reporting. This includes the control of environment, risk evaluation, control activities, information and communication and follow-ups.

12. BOARD REMUNERATION

The remuneration to the members of the Board shall be determined by the annual general meeting each year. The Board's remuneration shall reflect the Board's responsibility, expertise, use of time and the complexity of the Company's business activities. Remuneration shall not be dependent on or linked to the Company's performance, and no options shall be issued to the members of the Board.

Board members, or companies to whom they are associated, should not undertake separate assignments for the Group in addition to the Board appointment. If they nevertheless do so, the whole Board shall be informed. Fees for such additional assignments shall be approved by the Board. If remuneration has been paid above the standard Board member fee, this shall be specified in the annual report.

The Chairman has been paid NOK 1.4 million in 2020 as consultant fee.

13. MANAGEMENT REMUNERATION

The Company has prepared Policy for determining remuneration to the CEO and other members of the Management in accordance with Section 6-16a of the NPLCA. The Policy shall, at all times, support prevailing strategy and values of the Company.

The total remuneration to the CEO and other members of the Management consists of basic salary (main element), benefits in kind, variable salary, pension and insurance schemes.

Performance-related remuneration to the members of the Management in the form of warrants, share options, bonus programs or similar shall be linked to value creation for shareholders or the Company's profit over time. Such arrangements, including warrants and share option arrangements, shall incentivize performance and be based on quantifiable factors that the member of the Management in question may influence.

The Board prepares Policy for the remuneration of members of the Management. Such Policy shall include the main principles for the Company's remuneration policy and shall contribute to aligning the interests of the shareholders and the Management. These Policies shall be communicated to the annual general meeting, and it shall be clearly stated which aspects of the Policies that are advisory and which, if any, are binding. The general meeting shall vote separately on each of these aspects of the Policy.

14. INFORMATION AND COMMUNICATIONS

14.1 Financial reporting and communication

The Company's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). Reporting must fulfil statutory requirements and provide sufficient information to allow the Company's stakeholders to form as accurate a picture of the business as possible.

The Company shall report in accordance with the provisions of the NSTA, as well as the requirements pursuant to the Continuing Obligations.

The Company shall at all times provide its shareholders, the EURONEXT EXPAND OSLO and the financial market in general with timely and precise information. Such information will be given in the form of annual reports, quarterly reports, press releases, stock exchange announcements and investor presentations. The Company's report on corporate social responsibility shall be integrated in the annual report. The Board has established Policy for the Company's reporting of financial and other information.

The Company shall each year publish a financial calendar with details of the dates of important events such as the general meeting, publication of interim reports, open presentations and payment of the dividend.

The Board has adopted routines for, inter alia, the handling of inside information, please see Section 2 and the reference therein to the manual for "*Inside Information and Additional Disclosure Routines*".

14.2 Information to the Company's shareholders

In addition to the Board's dialogue with the Company's shareholders at general meetings, the Board should make suitable arrangements for shareholders to communicate with the Company at other times in order to facilitate an understanding of which matters affecting the Company from time to time and which are of particular concern to the Company's shareholders. Communications with the shareholders should always be in compliance with the provisions of applicable laws and regulations and in consideration of the principles of transparency and equal treatment of the Company's shareholders.

Information to the Company's shareholders shall be published at the Company's website at the same time as it is sent to the shareholders. The Board has established Policy for the Company's contact with shareholders outside the general meeting.

15. TAKE-OVERS

Although it is recommended by the NUES Code, the Board has not established separate Policy on how to respond in the event of a take-over bid, but will comply with the following principles should such event occur:
In the event of a take-over bid, the Board shall ensure that

a. shareholders in the Company are treated equally
b. shareholders are given sufficient information and time to form a view of the offer
c. the Group's business activities are not disrupted unnecessarily
d. the bid is not hindered or obstructed by the Board unless there are particular reasons to do and that
e. in case the bid is made for the Company's shares, no authorizations or resolutions are exercised or made by the Board with the intention to obstruct the take-over bid unless this is approved by the general meeting subsequent to the announcement of the bid.

With respect to any agreements entered into by the Company and a bidder, the following principles shall apply:

a. An agreement limiting the Company's ability to arrange other bids for the Company's shares shall only be entered into if it is self-evident that such agreement is in the Company and the shareholders' common interest. This shall also apply to any agreement on financial compensation to the bidder if the bid does not proceed. Any financial compensation should be limited to the cost the bidder has incurred in making the bid.

b. An agreement that is material to the market's evaluation of the bid shall be disclosed no later than at the same time as the announcement that the bid will be made is published.

c. Any transaction that *de facto* is a disposal of the Company's activities shall be decided by the general meeting.

If an offer is made for the Company's shares, the Board shall issue a statement recommending its shareholders to accept or decline the offer. The Board's statement shall make it clear whether the views expressed are unanimous, and if such is not the case, explain the basis on which specific members of the Board have excluded themselves from the statement. The Board shall ensure that an explained valuation of the offer is prepared by an independent expert, which shall be disclosed no later than at the time of the disclosure of the Board's statement.

16. AUDITOR

The Board shall ensure that the auditor annually submits the main features of the plan for the audit of the Company to the Audit Committee.

The auditor shall participate in Board meetings dealing with the annual accounts, where it shall

a. report on any material changes in the Company's accounting principles and key aspects of the audit

b. comment on any material estimated accounting figures and

c. report all material matters on which there has been disagreement between the auditor and the Management (if any).

The Board shall establish Policy for the Management regarding the use of the auditor for work not related to the statutory audit review.

The Board shall at least once a year review the Company's internal control procedures with the auditor, including identified weaknesses by the auditor and proposals for improvements.

CONSOLIDATED FINANCIAL STATEMENT – AXXIS GEO SOLUTIONS GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

USD thousands	Note	Full year 2020	Full Year 2019
Revenue	3,4	**92 790**	**70 744**
Cost of sales	5	(52 313)	(58 634)
Personnel expenses	3,20	(3 388)	(2 616)
Other operating expenses	3	(3 691)	(4 184)
Amortization & impairment multi-client & goodwill	11b	(21 620)	(35 093)
Depreciation & impairment	11a	(5 934)	(6 080)
Operating profit (loss) (EBIT)		**5 845**	**(35 862)**
Financial income	6	3 848	43
Financial expenses	6	(5 315)	(4 934)
Currency exchange gain (loss)	6	(424)	(1 148)
Profit (loss) before tax		**3 953**	**(41 901)**
Income tax (expense)	7	(7 086)	(4 576)
Profit (loss) for the period		**(3 133)**	**(46 477)**
Currency translation adjustments		-	-
Other comprehensive income (loss) for the period		-	-
Total comprehensive income (loss) for the period		**(3 133)**	**(46 477)**
Earnings (loss) per share			
Basic earnings per share		(0,05)	(0,79)
Diluted earnings per share		(0,05)	(0,79)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD thousands Assets	Note	As of 31.12.2020	As of 31.12.2019 Restated*	As of 01.01.2019 Restated*
Non-current assets				
Goodwill		-	-	1 951
Multi-client library	11b	36 168	47 213	27 130
Deferred tax asset	7	-	-	4 585
Property, plant and equipment	11a	11 794	17 668	16 604
Total non-current assets		**47 963**	**64 880**	**50 270**
Current assets				
Inventories	12	85	762	1 948
Trade receivables **	9,14	-	12 291	3 941
Other current assets	10	531	14 415	6 358
Bank deposits, cash in hand	8	5 873	1 435	7 696
Total current assets		**6 490**	**28 903**	**19 942**
Total assets		**54 452**	**93 783**	**70 212**

** Restated due to changes of presentation currency from NOK to USD*
*** 31.12.2019 - MUSD 9.8 relates to VAT that has been paid 10 Feb 2020*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD thousands Equity and Liabilities	Note	As of 31.12.2020	As of 31.12.2019 Restated*	As of 01.01.2019 Restated*
Equity				
Share capital and other paid in capital		39 293	50 171	14 762
Other reserves		(47 145)	(54 894)	(8 814)
Total equity		**(7 852)**	**(4 723)**	**5 948**
Non current liabilities				
Interest bearing debt	13,25	17 417	73	142
Total non current liabilities		**17 417**	**73**	**142**
Current liabilities				
Interest bearing debt current	13	16 562	2 480	3 518
Trade payables	15	12 251	41 646	20 769
Contract liabilities	4	-	22 729	17 858
Other current liabilities	17	16 075	31 578	21 977
Total current liabilities		**44 887**	**98 433**	**64 123**
Total liabilities		**62 305**	**98 506**	**64 265**
Total equity and liabilities		**54 452**	**93 783**	**70 212**

** Restated due to changes of presentation currency from NOK to USD*
*** 31.12.2019 - MUSD 9.8 relates to VAT that has been paid 10 Feb 2020*

Lysaker, 16 April 2021

The Board of Directors and CEO of Axxis Geo Solutions ASA

[Sign.]

Christian Huseby Chairman	Njål Sævik Director	Vibeke Fængsrud Director
Nina Skage Director	Eirin Inderberg Director	Ronny Bøhn CEO

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

USD thousands	Share capital	Additional paid-in capital	Accumulated earnings	Other equity/ Share based programme	Total equity
Balance as of 01.01.2020	**11 718**	**38 453**	**(55 291)**	**397**	**(4 723)**
Profit (loss) for the period	-	-	(3 133)	-	(3 133)
Other comprehensive income (loss)	-	-	-	-	-
Cost for new shares issued	-	-	-	-	-
Write down of par value	(10 878)	-	10 878	-	-
Share based payment	-	-	-	3	3
Balance as of 31.12.2020	**840**	**38 453**	**(47 546)**	**400**	**(7 852)**

USD thousands	Share capital	Additional paid-in capital	Accumulated earnings	Other equity/ Share based programme	Total equity
Balance as of 01.01.2019	**8 396**	**5 944**	**(8 814)**	**423**	**5 948**
Share based payment 01.01.2019	-	-	-	**(423)**	(423)
Profit (loss) for the period	-	-	**(46 477)**	-	(46 477)
Other comprehensive income (loss)	-	-	-	-	-
New shares issued - cash settled	**8 468**	**27 564**	-	-	36 033
Cost for new shares issued	-	**(1 876)**	-	-	(1 876)
Effect of Songa Bulk ASA merger 2/7-19 of share consolidation for AGS shareholders	**(5 263)**	**(14 151)**	-	-	(19 414)
Effect of Songa Bulk ASA merger 2/7-19 of share consolidation for AGS shareholders	-	**19 414**	-	-	19 414
Effect of Songa Bulk ASA merger 2/7-19 for shares in Songa as contribution in kind	**117**	**1 558**	-	-	1 676
Share based payment	-	-	-	**397**	397
Balance as of 31.12.2019	**11 718**	**38 453**	**(55 291)**	**397**	**(4 723)**

CONSOLIDATED STATEMENT OF CASH FLOW

USD thousands	Note	Full Year 2020	Full Year 2019
Cash flow from operating activities			
Profit (loss) before tax	7	3 953	(41 901)
Taxes paid	7	(2 116)	-
Depreciation and amortization	11a,11b,16	27 554	41 172
Currency (gain)/loss without cash flow effects		(81)	1 873
Interest expense	6	3 995	3 200
Share based payment cost	21	3	(25)
Change in trade receivables	9	12 291	(8 350)
Change in trade payables	15	(29 396)	20 877
Change in inventories	12	676	1 186
Change in other current assets	10	13 884	(8 058)
Change in contract liabilities	4	(22 729)	4 871
Other working capital changes	13,17	10 827	9 601
Net cash from operating activities		**18 863**	**24 446**
Cash flow from investing activities			
Investment in property, plant and equipment	11a	(62)	(6 919)
Disposal of property, plant and equipment	11a	204	-
Investment in multi-client library	11b	(10 576)	(55 060)
Cash received/paid from merger	2.0	-	425
Net cash flow from investment activities		**(10 434)**	**(61 554)**
Cash flow from financing activities			
Repayment of interest bearing debt	13	(1 440)	(1 127)
Payment of lease liabilities (recognized under IFRS 16)	16	(220)	(186)
Net proceeds from new equity	18	-	34 156
Interest paid lease liabilities	16	(10)	(18)
Interest paid		(2 321)	(1 979)
Net cash flow from financial activities		**(3 991)**	**30 847**
Net change in cash and cash equivalents		**4 438**	**(6 261)**
Cash and cash equivalents balance 1.1	8	1 435	7 696
Cash and cash equivalents balance 31.12	8	**5 873**	**1 435**

AGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 GENERAL INFORMATION ABOUT THE COMPANY AND BASIS FOR PRESENTATION

1.1 General information

Axxis Geo Solutions Group comprise Axxis Geo Solutions ASA (referred to as the "Company" or the "Parent") and its subsidiaries (together referred to as the "Group"). Axxis Geo Solutions ASA is a public limited listed company incorporated in Norway. The Company is listed on EURONEXT EXPAND OSLO and traded under the ticker Axxis.

The Company's registered office is at Strandveien 50, 1366 Lysaker, further the Group is located with operational office in Houston. The Group has due to local requirement, when operating OBN survey, offices also in Cairo.

The Group is engaged in the international geophysical industry and focuses its activities in the Ocean Bottom Node ("OBN") segment of the marine seismic market.

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.

The Group specializes on delivering tailored seismic solutions, flexible project management and execution to oil and gas companies world-wide. Its operations are based on a scalable asset-light setup to complete seismic surveys.

Basis of Preparation

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards («IFRS») as adopted by the European Union ("EU"), their interpretations adopted by the International Accounting Standards Board (IASB) and the additional requirements of the Norwegian Accounting Act as of 31 December 2020.

The notes are an integral part of the consolidated financial statements.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets financial instruments that have been measured at fair value. 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 thousands of USD.

The consolidated financial statements of the Group were authorized by the Board of Directors on 16 April 2021. The consolidated financial statements will be presented for approval at the Annual General Meeting on 23 June 2021. Until this date the Board of Directors have the authority to amend the financial statements.

Going concern

The financial statements for 2020 are based on the assumption of going concern.

The Company has filed for court protected reconstruction on 16 February 2021. This filing provides protection from bankruptcy and allows for continued operation under court protection.

The Company has put forth a reconstruction proposal to creditors (see note 26 Events after the reporting period) and a restructuring as outlined by the proposal will provide the Company sufficient working capital for continued operation. However, the Company will still be dependent on securing new seismic survey contracts as well as multi-client late sales.

The Company has implemented a smart-stack strategy and thereby significantly reduced its cash burn-rate.

The Company currently reports a negative common equity and total current liabilities exceed total current assets per 31 December 2020.

In light of the current reconstruction efforts, there is significant uncertainty with respect to the going concern assumption. Should the reconstruction proposal not be approved, the going concern assumption will most likely not be applicable and balance sheet items would be significantly impaired. Under such circumstances, valuation of balance sheet items will be based on liquidation values which are substantially lower than the current carrying values.

See item 2.2 for a full going concern evaluation.

Note 2.0 Summary of Significant Accounting Policies

Principles of Consolidation
The consolidated financial statements comprise the Parent company Axxis Geo Solutions ASA and its subsidiaries.

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 the Company gains control until the date the Company ceases to control the subsidiary.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in accounting principles
From 1 January 2020 the parent company changed its functional currency from NOK to USD. This change is accounted for prospectively with effect from 1 January 2020. Further the group also changed the presentation currency from NOK to USD from 1 January 2020. The change in presentation currency has been accounted for retrospectively, similar to a change in accounting policy. The Group has restated prior periods for this voluntary presentational change in line with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, from 1 January 2019. This point in time represents the earliest date from which it was practicable to perform a restatement, given the lack of sufficiently reliable data for earlier periods. As a consequence, foreign currency translation gains or losses prior to 2019 has been disregarded, with the FCT effects first calculated from 1 January 2019 onwards. In addition, the Group has included a statement of financial position at the beginning of the comparative period, i.e. as of 1 January 2019, in line with IAS 1, *Presentation of Financial Statements.*

Presentation and functional currency
The Group presents its consolidated financial reports in USD. For presentation in consolidated accounts, the monetary assets and liabilities has been converted and translated into USD at the rate of exchange prevailing at the reporting date each quarter and historical value has been used for all other balance sheet items. The statement of profit or loss are converted and translated into USD at

the average exchange rate for each quarter, except for depreciation and amortization at historical values. Exchange rate differences arising from the translation to presentation currency are recognized in Other Comprehensive Income.

Foreign Currency

Transactions in foreign currencies are translated 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. The Group has so far only had one multi-client contract with prosessing.

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.

The Company applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between satisfying the performance obligation and the payment is one year or less. Where the Company has satisfied its performance obligations and has a right to consideration, an accrued revenue is recognized. The principles applied for each of the main types of contracts with customers are described in more detail below.

Contract seismic surveys

The Group recognizes 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, only if both services are included in the contract. For the acquisition work the progress is based 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 relate 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 fulfil the contract, and they are capitalized to the extent that they are expected to be recovered by the contract.

Multi-client revenue

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, the Group has it's own target to always have one or more committed customer. 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.

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 asset's 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 impaired 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 Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes the liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease term

The lease term is determined on the commencement date of the lease, and corresponds to the term of the lease contract, unless the Company is reasonably certain that it will exercize contractual extensions or termination options.

Measurement of lease liabilities

At the commencement date of the lease, the Company recognizes a lease liability measured at the present value of lease payments due under the contract, less any lease incentives receivable, plus the costs of purchase or termination options if reasonably certain to be exercized. Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Company's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Subsequently, the carrying amount of the lease liability is increased to reflect the accumulation of interest on the liability balance, and reduced as the lease payments are charged to the liability. In addition, the carrying amount of the lease liability is remeasured to reflect contractual modifications, changes to lease payments or changes in the assessment of the lease term.

Measurement of right-of-use assets

Right-of-use assets are measured at cost, comprising the initial measurement of lease liability, lease payments made at the commencement date, initial direct costs and estimated restoration costs, less any lease incentives received. Subsequently, the right-of-use asset is measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

Short term leases and low value leases

The Company has elected to apply the recognition exemption to lease contracts with a duration of less than 12 months, or that relate to assets with an underlying low value. Lease payments associated with short-term leases and leases of low-value assets are expensed on a straight-line basis.

Other short-term leases less than 12 months and payments of these leases are charged to the income statement on a straight-line basis over the period of the lease.

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.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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 OBN multi-client library will be amortized from the date the processed data are ready to be transferred to customers, using straight line amortization.. Each project will be evaluated individually, for the Utsira 3D OBN multi-client library that was processed and ready for sale in September 2020, the Company used 4 years life time for the linear amortization.

Before the library is completed, the Group test for impairment annually. To ensure that value in use above net book value, 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 realizable value. Cost is determined using the first-in, first-out (FIFO) method. Net realizable 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. Withholding taxes are included in the tax expense to the extent that a tax credit is available 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.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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 realized, 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 utilized.

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 one member of the Board. 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
Trade 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 losses are measured at lifetime expected credit losses in accordance with IFRS 9.
The Group's impairment model for trade receivable, contract assets and other current assets is a simplified approach based on lifetime expected credit losses (ECL). Impairment is based on an estimate of the probability of default for the financial assets reflecting an unbiased amount determined by evaluating a range of possible outcomes; the time value of money and reasonable available information related to past events, current conditions and forecasts of future economic conditions.

The Group uses an impairment model with the following characteristics: The receivables are organized based on the credit risk of the customers. The primary portfolio is the receivables where invoicing is done to customers with a high credit rating, typical large listed or state-owned oil companies.

This portfolio has a low risk of default and therefore no impairment loss is initially recognized based on the expectation of all of the accounts being paid. Further, an individual assessment is performed on specific customer receivables, typically if a customer is in known financial distress or has declared bankruptcy.

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.

Interest bearing debt and borrowings
Interest bearing loans are recognized initially at fair value less transaction costs. Subsequent to initial recognition, interest bearing loans are measured at amortized cost using the effective interest method. Gains and losses are recognized in the consolidated statements of profit and loss when the liabilities are derecognized as well as through the amortization process.

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.

Classification and measurement
Financial instruments at fair value through profit and loss
This category comprises financial assets and liabilities held for trading. Financial instruments in this category are initially recorded at fair value, and transaction costs are expensed in the consolidated statement of profit and loss. Realized and unrealized gains and losses arising from changes in the fair value are included in the consolidated statements of profit and loss in the period in which they arise.

Financial instruments at amortized cost
Financial assets and liabilities in this category are initially recognized at fair value, and subsequently carried at amortized cost, using the effective interest method less any allowance for impairment. This category includes accounts receivable, accounts payable and loans and other borrowings.

Cash flow statement
The cash flow statement is presented using the indirect method.

Cash and cash equivalents
Cash and cash equivalents include cash at hand, deposits held at call with banks with original maturities of three months or less.

Merger with Songa Bulk ASA in 2019

The merger between Songa Bulk ASA and Axxis Geo Solutions AS (AGS AS) in 2019 with a reverse share split, forming Axxis Geo Solutions ASA (AGS ASA), was not considered a business combination under IFRS, but a reverse take over/acquisition of a non-trading shell company. The Merger was carried out pursuant to chapter 13 of the Norwegian Public Limited Liability Companies Act, whereby Songa Bulk ASA has assumed the assets, rights and obligations of AGS AS as a whole, against issuance of consideration shares to the former shareholders in AGS AS.

The merger has been accounted as a reverse acquisition whereby AGS AS is the accounting acquirer, i.e. the continuing entity. As the transaction is not a business combination, but a share-based transaction, it is accounted for in accordance with IFRS 2. In the consolidated financial statement of AGS ASA (former Songa Bulk ASA), the transaction is accounted for as a continuation of the financial statements of AGS AS. Assets and liabilities of Songa Bulk ASA are recognised at fair value in accordance with IFRS 2.

The opening balance from Songa Bulk ASA comprised cash and an investment in shares measured at fair value of MNOK 5.2, as well as a short-term liability (Trade payable) of MNOK 1.2. The rest was other contribution equity restricted, see table below.

Opening balance from Songa Bulk ASA	
thousands NOK	
Assets	
Bank	4 448
Shares in Star Bulk AS	761
	5 208
Equity and liabilities	
Trade payable	1 184
Other contributed equity (restricted)	4 025
	5 208

When the transactions was finally booked, the cash received in NOK currency was slightly higher MNOK 4.8, giving net cash from the merger of MNOK 3.6, reflected in the cash flow for 2019.

Note 2.1 Standards and interpretations issued, but not yet effective

The following standards and interpretations have been issued but are not mandatory for annual reporting periods ending on 31 December 2020.

The Group does not expect any material implementation effects for any of the new or amended standards or interpretations.

At the date of authorization of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

• IFRS 17 Insurance Contracts I

• FRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

• Amendments to IAS 1 Classification of Liabilities as Current or Non-current

• Amendments to IFRS 3 Reference to the Conceptual Framework

• Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use

• Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract
• Annual Improvements to IFRS Standards 2018-2020 Cycle
• Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture

Note 2.2 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.

Impairment of intangible assets

The Group uses the discounted cash flow method to estimate the present value of the multi-client library, project Utsira and project Egypt, based on expectations of future multi-client late sales according the cash flow prognosis used by management for 2021.
There are two uncertainty when it comes to timing of the late sales and also the size of the lates sales. The management has weighted these uncertainly with probability in their discounted cash flow calculations. The WACC used in the calculation is comparabele to peers.
In 2020, the IFRS value of multi-client survey Utsira was impaired with USD 18.0 million. In 2019 the Utsira multi-client survey was impaired with USD 35.1 million.

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 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.

Management has evaluated the substance of the agreement and concluded that the contract is not within the scope of IFRS 15. This is because it is considered to be a collaboration agreement as TGS is not considered to be a customer. Management has established an accounting policy where the rules for joint operations in IFRS 11 Joint arrangements are used by analogy. The Group recognize its cost net of TGS investment as intangible asset and will recognize its 50% share of revenues generated by the library.

Going concern

The Group prepares and maintains a rolling P&L and cash forecast, in addition to key balance sheet items (trade payables, long-term debt, and cash). The forecast is based on the assumed restructuring of the Company's balance sheet as a part of the proposed reconstruction (see note 26 Events after the reporting period. Management's operational outlook is derived from existing pipeline of opportunities as well as estimated multi-client late sales. The forecast is adjusted for the current trough in the oil and gas markets. In the Group's current forecast, cash and cash equivalents are expected to remain positive for the 12-month period following the 2020 financial statements.

The Group's cash flow forecast is based on existing firm commitments and the Group's expectations for future opportunities and the Group's corporate restructuring efforts, specifically:

- successfully completing the restructuring of the Company's balance sheet,
- successfully obtaining additional work in the second half of 2021,
- successfully completing multi-client late sales from the Utsira multi-client survey, and
- maintaining operating expenses at a minimum level.

The financial forecast has been prepared based on the current challenging market conditions.
There are, however, risks related to the assumptions in the forecast:

- There is a risk that the Group will not be successful in completing the proposed reconstruction.
- The Group is dependent on future business to maintain a positive cash balance beyond 12 months following the financial statements. There is a risk that the Group does not secure future contracts or late sales.

The annual accounts are prepared on the assumption of a going concern. However, the Company's and the Group's financial situation is unsustainable as equity is negative and liquidity is under pressure and hence there is material uncertainty related to the going concern assumption. The Group has filed for a court-protected reconstruction and put forth a restructuring plan to its creditors. If successful in this restructuring, the Group will strengthen its working capital and improve its liquidity. The outcome of these discussions is uncertain and the going concern assumption is subject to material uncertainty.

Management has used its best judgements in the evaluation of the going concern assumption. Although there are significant uncertainties and risk listed above related to events or conditions that might impact the future cash flows, management is of the opinion that the going concern assumption is appropriate and the accounts are prepared under the going concern assumption. If the Company is unsuccessful with the above activities, the financial statements do not reflect impairment charges or provisions that might be required if the Company or the Group was liquidated or the assets were sold in a distressed situation.

Merge with Songa in 2019

Management has evaluated the merger between Songa Bulk ASA and Axxis Geo Solutions AS (AGS AS) with a reverse share split, forming Axxis Geo Solutions ASA (AGS ASA), not to be considered a business combination under IFRS, but a reverse takeover/acquisition of a non-trading shell company.
There were no employees, no processes or no asset except cash that was transferred in the merge.

Covid-19 risk

The impacts of COVID-19 on businesses across the globe is substantial and presents new challenges to our normal business practices. The Group has been planning for and monitoring developments since the initial spread of the virus in early 2020 and has taken a series of steps to maintain the continuity of our services for our customers and to safeguard the health of our employees and stakeholders.

During the year, the Company received a cancellation of a small contract in the North Sea which was expected to be conducted in the second quarter of 2020. The contract revenues related to this survey was estimated at USD 1 million. The Company received a cancellation fee of 25% of the estimated revenue amount.

NOTE 3 SEGMENT INFORMATIONS

The Group operates two segments, Multi-client and Contract, based on the two different revenue streams for the Group.

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 according to IFRS. In the segment reporting, there is amortization for the multi-client library equal to a perentage of recognised revenues according to budget, while the financial statements are based on a principle where amortization begins when the library is fully processed and ready for sale.

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 capitalized cost of obtaining contracts has not been allocated to segments.

USD thousands	Segment reporting		Adjustments	IFRS reporting
	Multi-client	Contract		
Income statement	**Full Year 2020**	**Full Year 2020**	**Full Year 2020**	**Full Year 2020**
Total revenue	**1 858**	**64 326**	**26 606**	**92 790**
Cost of sales	(4 045)	(48 513)	245	(52 313)
Personnel expenses	-	(3 388)	-	(3 388)
Other operating expenses	-	(3 919)	229	(3 691)
Total Operating Expenses	**(4 045)**	**(55 820)**	**473**	**(59 392)**
Operating profit (loss) before depreciation and amortization (EBITDA)	**(2 187)**	**8 506**	**27 079**	**33 399**
Depreciation, Amortization and Impairment	(4 159)	(5 711)	(17 685)	(27 554)
Operating profit (loss) (EBIT) Segment	**(6 346)**	**2 796**	**9 395**	**5 845**

Vessel and equipment are utilized by both segments, and depreciation is allocated based on use. Investments in multi-client library (MCL) in the period of USD 10.6 million only relates to the multi-client segment. The MCL of Utsira was written down with USD 18 million in IFRS reporting during 2020, due to fair value evaluation per September 2020 based on assumption for late sales.

USD thousands	Segment reporting		Adjustments	IFRS reporting
	Multi-client	Contract		
Geographical markets	**Full Year 2020**	**Full Year 2020**	**Full Year 2020**	**Full Year 2020**
Norway	1 858	14 935	26 606	43 399
Asia	-	-	-	-
Middle East	-	46 884	-	46 884
Brazil	-	2 508	-	2 508
Total revenue	**1 858**	**64 326**	**26 606**	**92 790**

The geographical split is based on where the seismic surveys have been perfomed.

USD thousands	Segment reporting		Adjustments	IFRS reporting
	Multi-client	Contract		
Major customers	**Full Year 2020**	**Full Year 2020**	**Full Year 2020**	**Full Year 2020**
Customer 1	800	46 884		47 684
Customer 2	698	14 935	-	15 633
Customer 3	260	2 508	-	2 768
Customer 4	100	-	-	100
Total revenue	**1 858**	**64 326**	**-**	**66 184**

USD thousands	Segment reporting		Adjustments	IFRS reporting
	Multi-client	Contract		
Income statement	**Full Year 2019**	**Full Year 2019**	**Full Year 2019**	**Full Year 2019**
Total revenue	**12 799**	**70 744**	**(12 799)**	**70 744**
Total cost of sales	2 246	(60 880)	-	(58 634)
Personnel expenses	(1 067)	(1 954)	405	(2 616)
Other operating expenses	(1 085)	(3 299)	200	(4 184)
Total Operating Expenses	**94**	**(66 132)**	**605**	**(65 433)**
Operating profit (loss) before depreciation and amortization (EBITDA)	**12 893**	**4 611**	**(12 194)**	**5 310**
Depreciation, Amortization and Impairment	(43 606)	(6 965)	9 398	(41 172)
Operating profit (loss) (EBIT) Segment	**(30 713)**	**(2 354)**	**(2 796)**	**(35 862)**

Vessel and equipment are utilized by both segments, and depreciation is allocated based on use. Investments in multi-client library (MCL) in the period of USD 10.6 million only relates to the multi-client segment. The MCL of Utsira was written down with USD 18 million in IFRS reporting during 2020, due to fair value evaluation per September 2020 based on assumption for late sales.

USD thousands	Segment reporting		Adjustments	IFRS reporting
	Multi-client	Contract		
Geographical markets	**Full Year 2019**	**Full Year 2019**	**Full Year 2019**	**Full Year 2019**
Norway	12 799	-	(12 799)	-
Asia	-	64 153	-	64 153
Middle East	-	2 115	-	2 115
Brazil	-	4 476	-	4 476
Total revenue	**12 799**	**70 744**	**(12 799)**	**70 744**

USD thousands	Segment reporting		Adjustments	IFRS reporting
	Multi-client	Contract		
Major customers	**Full Year 2019**	**Full Year 2019**	**Full Year 2019**	**Full Year 2019**
Customer 1	-	70 744	-	70 744
Customer 2	9 567	-	(9 567)	-
Customer 3	3 232	-	(3 232)	-
Customer 4	-	-	-	-
Total revenue	**12 799**	**70 744**	**(12 799)**	**70 744**

NOTE 4 REVENUE AND COST FROM CONTRACT WITH CLIENTS

	Segment reporting		Adjustments	IFRS reporting
USD thousands	Multi-client	Contract		
Income statement	**Full Year 2020**	**Full Year 2020**	**Full Year 2020**	**Full Year 2020**
Contracts for seismic acquisition	-	64 325	-	64 325
Multi-client projects pre-funding	798	-	26 606	27 404
Multi-client projects late sales	1 060	-	-	1 060
Total revenue from contracts with customers	**1 858**	**64 325**	**26 606**	**92 790**
At a point in time	-	-	28 464	28 464
Over time	1 858	64 325	(1 858)	64 325
Total revenues from contracts with customers	**1 858**	**64 325**	**26 606**	**92 790**

Cost to fulfill conracts and cost to obtain contracts

USD thousands	Segment reporting		Adjustments	IFRS reporting
	Multi-client	Contract		
Income statement	**Full Year 2020**	**Full Year 2020**	**Full Year 2020**	**Full Year 2020**
Contract assets				
Assets recognized for cost to fulfill a contract in the balance 1.1.20	-	5 047	-	5 047
Assets recognized for costs to fulfill a contract (mobilization costs)	-	5 105	-	5 105
Amortization of assets recognized for cost to fulfill a contract (mobilization costs)	-	(10 152)	-	(10 152)
Total contract assets	-	**0**	-	**0**

Assets related to cost to fulfill and cost to obtain contracts is presented as other current assets in the balance.

Contract liabilities				
Advanced payments received	-	-	-	-
Recognized revenue related to advanced payments received	-	-	-	-
Total current contract liabilities	-	-	-	-

USD thousands	Segment reporting		Adjustments	IFRS reporting
	Multi-client	Contract		
Income statement	**Full Year 2019**	**Full Year 2019**	**Full Year 2019**	**Full Year 2019**
Contracts for seismic acquisition	-	70 744	-	70 744
Multi-client projects pre-funding	12 799	-	(12 799)	-
Multi-client projects late sales	-	-	-	-
Total revenue from contracts with customers	**12 799**	**70 744**	**(12 799)**	**70 744**
At a point in time	-	-	-	-
Over time	12 799	70 744	(12 799)	70 744
Total revenues from contracts with customers	**12 799**	**70 744**	**(12 799)**	**70 744**

Cost to fulfill conracts and cost to obtain contracts

USD thousands	Segment reporting		Adjustments	IFRS reporting
	Multi-client	Contract		
Income statement	**Full Year 2019**	**Full Year 2019**	**Full Year 2019**	**Full Year 2019**
Contract assets				
Assets recognized for cost to fulfill a contract in the balance 1.1.20	-	3 390	-	3 390
Assets recognized for costs to fulfill a contract (mobilization costs)	-	5 971	-	5 971
Amortization of assets recognized for cost to fulfill a contract (mobilization costs)	-	(4 314)	-	(4 314)
Total contract assets	-	**5 047**	-	**5 047**

Assets related to cost to fulfill and cost to obtain contracts is presented as other current assets in the balance.

Contract liabilities				
Advanced payments received	100	-	22 629	22 729
Recognized revenue related to advanced payments received	12 799	-	(12 799)	-
Total current contract liabilities	**12 899**	-	**9 830**	**22 729**

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 had per end of September 2020 finalized the data processing of the multi-client 3D OBN Utsira survey. The IFRS pre-funding revenue being booked as contract liability in 2019 the balance sheet of USD 22.7 million was allowed booked as pre-funding revenue in September 2020. This is a collaboration project where the Group has a 50% share. The Group's share of contracted pre-funding revenue is USD 27.4 million.

Per end of 2019 the Group had completed 100% of the data collection phase of the OBN multi-client survey Utsira in the North Sea.

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

USD thousands Cost of sales	Full Year 2020	Full Year 2019
Vessel cost	(22 965)	(53 101)
Crew & project management	(18 524)	(24 037)
Seismic, source and node equipment	(13 486)	(27 100)
Agent related expenses	(2 866)	(12 094)
Mobilization amortization	(10 152)	(4 314)
Mobilization cost capitalized	5 105	5 971
Multi-client capitalization - gross (see note 11b)*	10 576	56 041
Total operating expenses	**(52 313)**	**(58 634)**

NOTE 6 FINANCIAL ITEMS

USD thousands Financial income	Full Year 2020	Full Year 2019
Interest income	0	9
Other financial income	3 847	34
Total financial income	**3 848**	**43**

Financial expenses	Full Year 2020	Full Year 2019
Interest expense	(2 161)	(1 099)
Interest expense suppliers	(1 834)	(898)
Other financial expenses	(1 320)	(2 937)
Total financial expenses	**(5 315)**	**(4 934)**

Currency exchange gain (loss)	Full Year 2020	Full Year 2019
Exchange gains	3 434	5 064
Exchange losses	(3 858)	(6 212)
Total exchange gain (loss)	**(424)**	**(1 148)**

NOTE 7 TAX

USD thousands	Full Year 2020	Full Year 2019
Specification of tax expense (income) for the year		
Current income tax (including witholding tax)	7 073	-
Change in deferred tax	-	4 576
Changes from previous years	13	-
Total tax expense (income)	**7 086**	**4 576**
Reconciliation of actual against expected tax expense (income) at the income tax rate of 22%		
Profit (loss) before tax	3 953	(41 901)
22% tax	870	(9 218)
Tax effect from:		
Non taxable income	0	-
Withholding tax abroad	5 569	-
Permanent differences	(147)	423
Currency effect	(1 386)	(166)
Difference in tax rate in foreign activities	(33)	152
Use of withholding tax paid abroad	(70)	
Not booked deferred tax asset	2 283	13 385
Calculated tax expense (income)	**7 086**	**4 576**
Effective tax rate for the Company	(179,26)	10,92

USD thousands	31.12.2020	31.12.2019
Temporary differences		
Non current assets	(1 682)	1 598
Trade receivables	-	-
Other accruals	-	(148)
Financial lease	(1)	87
Accumulated loss carried forward	(57 348)	(62 379)
Temporary differences at 31.12.	**(59 030)**	**(60 842)**
Deferred tax assets (liabilities)	**12 987**	**13 385**

Deferred tax assets is not recongized per December 2020. The management evaluated the deferred tax assets to be uncertain when to be utilized in the future. This evaluation is performed yearly.

NOTE 8 BANK DEPOSIT, CASH IN HAND

USD thousands	31.12.2020	31.12.2019
Bank deposits	5 792	1 367
Restricted bank deposits	80	68
Total bank deposits	**5 873**	**1 435**

Restricted bank deposits relates to employee withholding tax. These deposits are subject 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.

At 31 December there were two supplier who had outlays in the bank. These are after year-end 2020 resolved and released back to the Company.

NOTE 9 TRADE RECEIVABLES

USD thousands		
Trade receivables	**31.12.2020**	**31.12.2019**
Trade receivables	-	12 291
Provisions for bad debts	-	-
Net trade receivables	**-**	**12 291**

Related parties transactions is disclosed in note 19.

USD thousands	31.12.2020	31.12.2019
Not overdue as of 31.12	-	9 582
Past due 0-30 days	-	1 464
Past due 31-180 days	-	1 033
Past due more than 180 days	-	211
Total	**-**	**12 291**

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.

The Group uses an impairment model with the following characteristics: The receivables are organized based on the credit risk of the customers. The primary portfolio is the receivables where invoicing is done to customers with a high credit rating, typical large listed or state-owned oil companies. This portfolio has a low risk of default and therefore no impairment loss is initially recognized based on the expectation of all of the accounts being paid. Further, an individual assessment is performed on specific customer receivables, typically if a customer is in known financial distress or has declared bankruptcy. Per year-end 2019 the Group had two main clients, being major oil companies and one of them large listed company. All outstanding trade receivables has been paid during 2020.

Accrued revenue (contract assets)
In addition, the Group has accrued revenue for ongoing projects, which has not been invoiced the customers per year-end, see also note 10.

Accrued revenue as of December 2020 was USD 0.3 million, compared to USD 7.9 as of December 2019.

The accrued revenue per end 2020 is related to the Utsira multi-client project and recharge for fuel for redelivered vessels. Per 2019 the accrued revenue was related to the ongoing Middle East and Brazil projects, The accrued revenue is following the same impairment model as ordinary trade receivables. As of December 2020 and 2019, there were no indicators for the need of impairment for trade receivables.

NOTE 10 OTHER CURRENT ASSETS

USD thousands	31.12.2020	31.12.2019
Prepayments	186	1 420
Mobilization	-	5 049
Accrued income	312	7 913
Cost to obtain contracts	-	-
Other current receivables	34	33
Total other current assets	**531**	**14 415**

NOTE 11A PROPERTY, PLANT AND EQUIPMENT

USD thousands	Vessel	Seismic and node equipment	Projects in progress	Computer equipment	Lease asset	Total tangible assets
2020						
Cost at 1.1.20	**8 171**	**17 624**	**29**	**370**	**489**	**26 682**
Additions	-	62	-	-	-	62
Disposal	-	(246)	-	-	-	(246)
Impairment	-	(67)	-	(6)	-	(73)
Cost at 31.12.20	**8 171**	**17 372**	**29**	**364**	**489**	**26 425**
Accumulated depreciation 1.1.20	**(3 504)**	**(5 196)**	**-**	**(118)**	**(196)**	**(9 015)**
Depreciation	(1 213)	(4 099)	-	(122)	(223)	(5 657)
Disposal	-	25	-	-	-	25
Impairment	-	12	-	5	-	16
Accumulated depreciation at 31.12.20	**(4 717)**	**(9 259)**	**-**	**(235)**	**(420)**	**(14 631)**
Carrying amount at 1.1.20	**4 667**	**12 428**	**29**	**251**	**292**	**17 668**
Carrying amount at 31.12.20	**3 454**	**8 114**	**29**	**128**	**69**	**11 794**
Economic lifetime in years	3-10	3-5		3-10	2-5	

USD thousands	Vessel	Seismic and node equipment	Projects in progress	Computer equipment	Lease asset	Total tangible assets
2019						
Cost at 1.1.19	**7 332**	**11 687**	**1 060**	**167**	**-**	**20 246**
Additions	839	4 301	1 552	202	489	7 383
Disposal	-	(947)	-	-	-	(947)
Reclass **	-	2 583	(2 583)	-	-	-
Cost at 31.12.19	**8 171**	**17 624**	**29**	**370**	**489**	**26 682**
Accumulated depreciation 1.1.19	**(2 157)**	**(1 693)**	**-**	**(28)**	**-**	**(3 878)**
Depreciation	(1 347)	(3 775)	-	(90)	(196)	(5 408)
Disposal	-	271	-	-	-	271
Accumulated depreciation at 31.12.19	**(3 504)**	**(5 196)**	**-**	**(118)**	**(196)**	**(9 015)**
Carrying amount at 1.1.19	**5 176**	**9 994**	**1 060**	**139**	**-**	**16 368**
Carrying amount at 31.12.19	**4 667**	**12 428**	**29**	**251**	**292**	**17 668**

** The reclass is related to assets moved from projects in progress to correct asset group when finished.

Economic lifetime in years	3-10	3-5		3-10	2-5	

Impairment

According to IFRS the carrying amount of intangible assets and property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Management regularly evaluates its fleet plan and capital expenditure level in light of market conditions. In 2020 and 2019 management performed such evaluations. In 2020 this evaluation resulted in impairments related to certain seismic equipment in the subsidiary in US for the year 2020. There was no need for impairment at the end of 2019.

The Group has no asset held for sale.

NOTE 11B INTANGIBLE ASSETS

	Segment reporting		IFRS reporting	
USD thousands	Multi-client	Goodwill	Multi-client	Goodwill
Carrying value at 1.1.2020	**29 752**	**-**	**47 213**	**-**
Capitalized cost for the period	10 576	-	10 576	-
Amortization for the period	(4 159)	-	(3 656)	-
Impairment for the period	-	-	(17 964)	-
Carrying value at 31.12.2020	**36 168**	**-**	**36 168**	**-**
Carrying value at 1.1.2019	**17 823**	**1 832**	**27 246**	**1 832**
Capitalized cost for the period	55 060	-	55 060	-
Amortization for the period	(8 038)	-	-	-
Impairment for the period	(35 093)	(1 832)	(35 093)	(1 832)
Carrying value at 31.12.2019	**29 752**	**-**	**47 213**	**-**

The Group has no fully amortized intangible assets that are still in use per 31.12.2020. The Group’s multi-client library is pledged as security for interest-bearing debt, refer to note 13 Interest-bearing debt.

Multi-client library (MCL)

The Multi-client segment consists of multiple seismic data surveys that comprise the segment. As of 31.12.2020, the Group owns two multiclient surveys, each considered a separate CGU and impairment tested serparately.

The MCL will be amortizised linearly over 4 years from the date the processed data are ready to be transferred to customers according to IFRS.

The asset is rated to level 3 using the Fair Value Hierarchy.

According to IFRS the MCL should be testet for impairment if the circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. The Group perform quarterly testing for impairment where the sales estimate is updated for each quarterly evaluation. The industry is known for uncertainty of when the late sales will happen, rather than the size of the late sales. For financial purposes the Group used sales estimates weighted in addition to worst, low, mid and high probability where the next two years was estimated in detail. The WACC used for calculated NPV (Net Present Value) is 12,44 % similar to comparable companies. Together, the weighted sales expectations and the WACC comprise the key input factors to the Group's impairment testing of multi-client library.

A decrease in the company's sales expectations exceeding 5,5% would result in an impairment in the multi-client library. Similarily, an increase in WACC to 15,4% would result in an impairment in the multiclient library.

The MCL of Utsira was written down with 18 million in IFRS reporting during 2020, due to fair value evaluation per September 2020 based on assumptions for late sales.

Goodwill

In 2017 the Group acquired 100% of the shares in Axxis Geo Solutions Inc. The historical value of the goodwill arose from the knowledge and competence of the personnel in the Axxis Geo Solutions Inc. This knowledge and competence have since then been incorporated into the Group as a whole and was no longer attributable to a single subsidiary or CGU of the Group. The basis for the goodwill had changed and gave the Group indicatiors to perform new write down analysis. Based on the evaluation the goodwill was written down to zero as of December 2019.

NOTE 12 INVENTORIES

USD thousands	31.12.2020	31.12.2019
Purchased finished goods	85	762
Provision for obsolescence	-	-
Net inventories	**85**	**762**

The inventories consist of fuel for the vessel Neptune Naiad per 31 December 2020.

The Group has not expensed any impairment of inventories during the periods 2020 or 2019.

NOTE 13 INTEREST BEARING DEBTS

USD thousands	Interest rate (%)	Maturity	31.12.2020	31.12.2019
Lease Liabilities	5%	2021	-	73
NOK 29 750 000 Nibor+5,5% Term Loan	Nibor + 5.5%	2021	-	-
USD 24 739 311 Bond Loan	8%	2022	17 417	-
Non-current borrowings			**17 417**	**73**
Lease Liabilities	5%	2021	73	224
NOK 29 750 000 Floating rate term loan	Nibor + 0.5%	2021	1 160	2 256
USD 24 739 311 Bond loan	8%	2022	6 033	-
USD 5 780 326 Fixed rate term loan	4%	2021	5 695	
USD 1 490 633 4% Fixed rate term loan	4%	2021	1 244	
USD 1 332 704 4% Fixed rate term loan	4%	2021	1 300	
NOK 2 495 043 4% Fixed rate term loan	4%	2021	234	
NOK 12 000 000 Interest Free Loan	0%	2021	822	
Current borrowings			**16 562**	**2 480**
Total borrowings			**33 980**	**2 553**

Details of the Group's exposure to risk arising from current and non-current borrowings are set out in note 14, Financial risk management.

NOK 29 750 000 Nibor+5,5% Term Loan (Eksportkreditt)
The term loan is repaid through twelve consecutive quarterly instalments. The term loan has a first priority pledge in the owned vessel, operating assets and factoring agreement.

The loan is in breach of financial covenants, and have been classified to current liabilities in the financial statements since 31.12.2019. However, the Company has received waiver from the two covenants for all the quarters in 2020, including year end 2020.
The financial covenants are as following:
1) Liquid assets of no less than 120% of outstanding loan
2) Equity ratio of 30% until Q4 19 and thereafter 35% till final maturity date (September 2021)

USD 24 739 311 Bond loan
The USD 24 739 311 bond loan was issued in relation to the restructuring completed in 2020, in which USD 24 739 311 of short term payables were converted to a 2-year bond loan. The bond carries a fixed interest of 8% and is repaid either through cash calls or the agreed repayment schedule. For the bond loan, the group has pledged shares in subsidiaries, inventories, operating assets, factoring agreement, and second priority in the owned vessel.

The bond requires the Group to maintain a liquidity balance of USD 2 million, and maintain a 0 dividend policy, through financial covenants. As of 31.12.2020, the covenants for the bond loan are fulfilled.

Fixed rate term loans

In relation to the restructuring completed in 2020, The Group has issued a series of fixed rate term loans through conversion of short term payables to long term loan agreements. The loans are unsecured and carry a fixed interest rate from 0% to 4% p.a.

Balance sheet value of assets placed as secuirty

USD thousands	31.12.2020	31.12.2019
Multi-client library	36 168	47 213
Property, plant and equipment	11 794	17 668
Inventories	85	762
Trade receivables	-	12 291
Total balance sheet value of assets placed as security	**48 047**	**77 934**

Carrying amounts and fair values of interest bearing debt

USD thousands	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Interest bearing debt	33 980	36 531	2 553	2 553

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'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.

Capital Management

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares, or repay or issue new debt. The Group monitors capital using a equity ratio, which is the book value of equity over the book value of assets in the Group's segment reporting. The Group's policy and target is to keep the equity ratio over 35%.

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. Refer to Note 13 for information regarding financial covenants related to the Group's interest bearing debt.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2020 and 2019.

Financing risk

The Group use bank loan, bond loan and unsecured 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 items 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 2020 or 2019.

(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. 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.

2020

USD thousands	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	-	-	-	-	-
Loss allowance	-	-	-	-	-

2019

USD thousands	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	9 582	1 464	1 034	211	12 291
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.

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 USD 9 thousands for 2020 (USD 15 thousands for 2019).

(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 includes estimated interest payments. 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. The majority of trade payables are past their respective due dates.

2020

	Remaining Term					
USD thousands	**0-3 months**	**3-6 months**	**6-9 months**	**9-12 months**	**1-2 years**	**Total**
Borrowings	5 323	2 905	3 852	2 999	22 586	37 665
Lease liabilities	60	15	-	-	-	74
Trade payables	12 251	-	-	-	-	12 251
Other current liabilities	9 561	6 514	-	-	-	16 075
Total	**27 194**	**9 434**	**3 852**	**2 999**	**22 586**	**66 065**

2019

	Remaining Term					
USD thousands	**0-3 months**	**3-6 months**	**6-9 months**	**9-12 months**	**1-2 years**	**Total**
Borrowings	2 256	-	-	-	-	2 256
Lease liabilities	4 423	59	59	59	73	4 673
Trade payables	41 646	-	-	-	-	41 646
Other current liabilities	25 339	79	-	6 159	-	31 578
Total	**73 665**	**138**	**59**	**6 218**	**73**	**80 153**

(iv) Market risk - foreign exchange rates

The Group operates internationally and is exposed to foreign exchange risk, primarily the NOK and EGP. 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 a large part of the groups expenses are denominated in NOK. Profit after tax for the Group is also affected by changes in exchange rates, as expenses and payables are converted to USD.

The NOK denominated bank loans and payables are expected to be repaid with receipts from US dollar denominated sales. The foreign currency exposure of these loans has 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.

USD thousands	Change in exchange rate	Effect on profit before	Effect on OCI
2020	+ 10 %	481	-
	- 10 %	-588	-
2019	+ 10 %	1 595	-
	- 10 %	-1 949	-

The Group`s 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 and liabilities of the Group – prinmarily the companys portion of debt that is denominated in NOK. 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 INSTRUMENT

USD thousands

Financial assets at amortized cost	31.12.2020	31.12.2019
ASSETS		
Other non-current assets	-	-
Trade receivables	-	12 291
Cash and cash equivalents	5 873	1 435
Total financial assets	**5 873**	**13 725**

Financial liabilities at amortized cost	31.12.2020	31.12.2019
LIABILITIES		
Interest-bearing non-current liabilities	17 417	73
Interest-bearing current liabilities	16 562	2 480
Trade payables	12 251	41 646
Other current liabilities	16 075	31 578
Total financial liabilities	**62 305**	**75 704**

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.

Fair value
Due to the short-term nature of cash and cash equivalentes, trade receivables and other current receivables, their carrying amount is considered to be the same as their fair value.

Interest bearing loans are recognized initially at fair value less transaction costs. Subsequent to initial recognition, interest bearing loans are measured at amortized cost using the effective interest method. Gains and losses are recognized in the consolidated statements of profit or loss when the liabilities are derecognized as well as through the amortization process. The carrying value of borrowing is less amortized cost. The carrying amount of trade and other payables are considered to be approximately the same as their fair values, due to their short-term nature.

The Group does not hold any financial derivatives.

NOTE 16 LEASES

The Group uses the accounting standard IFRS 16 Leases. IFRS 16 Leases has from a lessee viewpoint eliminated the classification of leases as either operating leases or financial leases.

The standard was effective for accounting periods beginning on or after 1 January 2019 and was adopted by the Group from the same date.

For the Group only office space comes under the classification of leases. Vessels and other seismic equipment on short term leases comes under the classification of commitments. As of 31 Dec 2020 the Group has no commitments in vessels or seismic equipment.

Lease assets are included in the balance sheet under the item property, plant and equipment.
The non current part of the lease liability is included in the balance sheet under the item interest bearing debt non current, and the current part under interest bearing debt current, refer to note 13.

Right-of-use assets:

USD thousands	Offices	Total
Carrying value		
Balance right-of-use assets 1.1.2020	**293**	**293**
Additions	-	-
Depreciation	(223)	(223)
Impairment	-	-
Other adjustments	-	-
Balance right-of-use assets 31.12.2020	**69**	**69**

Lease liabilities:

USD thousands	Non current*	Current	Total
Carrying value			
Balance lease liabilities 1.1.2020	**73**	**224**	**297**
Additions	-	-	-
Reclassification to current	(73)	73	-
Lease payments		(230)	(230)
Accrued interest		10	10
Other adjustments	-	(3)	(3)
Balance lease liabilities 31.12.2020	**-**	**73**	**73**

** All lease agreement related to office space expires by end of 31 May 2021.*

The Group had a total cash outflow for leases of USD 0.2 million of which USD 0.01 million is related to interest in 2020. The Groups cost of low-value assets was insignificant and the Group had no variable lease payments in 2020.

Right-of-use assets:

USD thousands	Offices	Total
Carrying value		
Balance at 1.1.2019	-	-
Leases capitalized due to implementation of IFRS 16	236	236
Balance right-of-use assets 1.1.2019	**236**	**236**
Additions	254	254
Depreciation	(197)	(197)
Impairment	-	-
Other adjustments	-	-
Balance right-of-use assets 31.12.2019	**293**	**293**

Lease liabilities:

USD thousands	Non current*	Current	Total
Carrying value			
Balance at 1.1.2019			
Leases capitalized due to implementation of IFRS 16	142	94	236
Balance lease liabilities 1.1.2019	**142**	**94**	**236**
Additions	254	-	254
Reclassification to current	(323)	323	-
Lease payments	-	(204)	(204)
Accrued interest		18	18
Other adjustments	-	(6)	(6)
Balance lease liabilities 31.12.2019	**73**	**224**	**297**

** The non current part of the lease liability of USD 73 thousand is due in 2021.*

The Group had a total cash outflows for leases of USD 0.2 million of which USD 0.02 million is related to interest in 2019. The Groups cost of low-value assets was insignificant and the Group had no variable lease payments in 2019.

Commitments

The Group has not entered into any contractual commitments for the rental of seismic equipment (nodes) as of 31 December 2020. Contractual commitments were USD 1.2 million as of 31 December 2019. The cost for short term leases of seismic equipment was USD 11.8 million in 2020 and USD 10.3 million in 2019.

The Group has no commitments for short-term leases of vessels as of 31 December 2020. The commitments for short-term leases of vessels amounted to USD 3.2 million as of 31 December 2019, and all were due within one year. Lease commitments of vessels were USD 3.2 million as of 31 December 2019. The cost for short term leases of vessels was USD 15.7 million in 2020 and USD 13.6 million in 2019.

NOTE 17 OTHER CURRENT LIABILITIES

USD thousands	31.12.2020	31.12.2019
Holiday pay owed	152	79
Taxes payable	5 731	-
Other accrued costs	3 365	9 236
VAT settlement	245	9 474
Deferred mobilization revenue	-	6 159
Balance against multi-client project partner	6 582	6 629
Total other current liabilities	**16 075**	**31 578**

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 late sales related to the ongoing OBN MC project Utsira. The balance will be settled through distribution of future customer payments to TGS. Since its inception, the maturity date of the between the Group and TGS has been extended until 2021, and and interest rate of Nibor +10% is applied to the outstanding balance.

In addition, the group has pledged security in the multi-client library, operating assets, inventories, and factoring agreement.

NOTE 18 SHARE CAPITAL AND SHAREHOLDERS INFORMATION

The Company's share capital per 31.12.2020 include the following:	Number of shares	Share Capital in NOK	Par Value per share*
Ordinary shares (one share = one vote)	58 821 018	5 882 102	0,10

* The par value has been written off from NOK 1.39431124614644 to NOK 0,10 per share in 2020.

The Company has one class of shares, all shares provide equal rights, including the right to any dividends in line with 2019. Each of the shares carries one vote in line with 2019. 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 1.1.2019	500 958 750
New shares issued - cash settled	234 496 171
Merge with Songa	294 181 968
Merge with Songa split	20 592 738
Share from Songa	717 199
New shares as Axxis Geo Solutions ASA 2.7.2019	**21 309 937**
New shares issued - cash settled	37 511 082
Number of shares 31.12.2019	**58 821 018**
Change in 2020	-
Number of shares 31.12.2020	**58 821 018**

Paid/proposed dividend

The board has decided not to propose any dividend for 2020 or 2019 .

The major shareholders in Axxis Geo Solutions ASA **31 December 2020** were as follows:

Shareholders	Total shares	Ownership share	Voting share
HAVILA HOLDING AS	15 549 434	26,4%	26,4%
ROGER IGELSTRØM	2 000 000	3,4%	3,4%
JOHS. HANSEN REDERI AS	1 413 345	2,4%	2,4%
Nordnet Bank AB	1 096 145	1,9%	1,9%
TOM DANIELSEN	1 073 166	1,8%	1,8%
FRANK ROBERT SUNDE	742 468	1,3%	1,3%
J.P. Morgan Securities LLC	703 618	1,2%	1,2%
NÆRINGSLIVETS HOVEDORGANISASJON	671 343	1,1%	1,1%
DAGUSIKI HOLDING AS	660 572	1,1%	1,1%
DEHGHAN ZAKLAKI	629 647	1,1%	1,1%
YVES MEROUR	541 531	0,9%	0,9%
JOHN OTTO DYBVIK	500 995	0,9%	0,9%
MORTEN HÅVAR OLSEN	500 000	0,9%	0,9%
ACTION AS	454 850	0,8%	0,8%
ALCIDES SHIPPING AS	450 712	0,8%	0,8%
RONNY BRATTAAS	421 763	0,7%	0,7%
Deutsche Bank Aktiengesellschaft	400 028	0,7%	0,7%
MADRA INVEST AS	373 734	0,6%	0,6%
NORDNET LIVSFORSIKRING AS	365 477	0,6%	0,6%
THOMAS GRØNSTAD	350 000	0,6%	0,6%
Total 20 largest shareholders	**28 898 828**	**49,1%**	**49,1%**
Total other shareholders	29 922 190	50,9%	50,9%
Total number of shares	**58 821 018**	**100,0%**	**100,0%**

The major shareholders in Axxis Geo Solutions ASA **31 December 2019** were as follows:

Shareholders	Total shares	Ownership share	Voting share
HAVILA HOLDING AS	15 549 434	26,4 %	26,4 %
RONJA CAPITAL AS	2 065 257	3,5 %	3,5 %
BJARTE BRUHEIM	1 820 000	3,1 %	3,1 %
W2 SEISMIC AS	1 765 561	3,0 %	3,0 %
URBANIUM GRUPPEN AS	1 500 000	2,6 %	2,6 %
JOHS. HANSEN REDERI AS	1 496 345	2,5 %	2,5 %
AJEA INVEST AS	1 423 873	2,4 %	2,4 %
KJØLÅS STANSEKNIVER AS	1 282 768	2,2 %	2,2 %
STETTE INVEST AS	1 282 768	2,2 %	2,2 %
REMCO AS	1 100 000	1,9 %	1,9 %
ATLE SANDVIK PEDERSEN	1 000 000	1,7 %	1,7 %
Nordnet Bank AB	942 949	1,6 %	1,6 %
MIDDELBORG INVEST AS	833 333	1,4 %	1,4 %
J.P. Morgan Securities LLC	703 618	1,2 %	1,2 %
NÆRINGSLIVETS HOVEDORGANISASJON	671 343	1,1 %	1,1 %
LEOVILLE AS	614 436	1,0 %	1,0 %
YVES MEROUR	541 531	0,9 %	0,9 %
RUNE HAARSTAD	517 000	0,9 %	0,9 %
ABN AMRO Global Custody Services N	500 021	0,9 %	0,9 %
JAKOB HATTELAND HOLDING AS	500 000	0,9 %	0,9 %
Total 20 largest shareholders	**36 110 237**	**61,4%**	**61,4%**
Total other shareholders	22 710 781	38,6 %	38,6 %
Total number of shares	**58 821 018**	**100,0 %**	**100,0 %**

Shares owned or controlled by members of the Board of Directors, Chief Executive Officer and Other Executive Officers **31 December 2020** were as follows:

Board of Directors	Position	Number of shares	Ownership share	Voting share	Number of options
Havila Holding AS 1)		15 549 434	26,4 %	26,4 %	-
1) Partly owned by Njål Sævik	Board member				42 000

Share and options owned by management **31 December 2020** were as follows:

Executive management	Position	Number of shares	Number of options
Lee Parker (CEO till August 8 2020)	CEO	559 390	-
Ronny Bøhn (CEO from August 8 2020)	CEO	-	-
Svein Knudsen (CFO till 1 April 2020)	CCO	17 000	106 400
Nils Haugestad CFO (CFO from 1 April 2020)	CFO	-	-
Richard Dunlop	EVP Operations	144 228	106 400

Shares owned or controlled by members of the Board of Directors, Chief Executive Officer and Other Executive Officers **31 December 2019** were as follows:

Board of Directors	Position	Number of shares	Ownership share	Voting share	Number of options
Havila Holding AS 1)		15 549 434	26,4 %	26,4 %	-
1) Partly owned by Njål Sævik	Board member				42 000

Share and options owned by management 31 December 2019 were as follows:

Executive management	Position	Number of shares	Number of options
Lee Parker	CEO	559 390	176 400
Richard Dunlop	EVP Operations	144 228	106 400
Svein Knudsen	CFO	17 000	106 400

NOTE 19 RELATED PARTIES

The ultimate Parent of the Group is Axxis Geo Solutions ASA**.** The Group transactions and balances with other Group companies in 2020 and 2019 mainly related to time charter for vessels and consultancy fees. See the figure below for balances with related parties.

Transactions with related parties

USD thousands	Full Year 2020	Full Year 2019
Hired vessels:		
Lease payment Havila Fortune - controlled by Havila Holding AS	(3 275)	(4 756)
Lease payment Havila Aurora - controlled by Havila Holding AS	(3 746)	(2 997)
Lease payment Geo Caspian - controlled by Havila Holding AS	(31)	(3 267)
Ship management and other operating services:		
Remøy Shipping controlled by W2 Seismic AS	-	(259)
Evotec AS - controlled by Rome AS *	-	(985)
Consultancy and accounting services:		
Impact Geo Solutions controlled by Bjarte Bruheim *	-	(444)
Rome AS controlled by Jogeir Romestrand *	-	(205)
Hasund AS - controlled by Bjørnulf AS	-	180
Energy Consulting AS controlled by Christian Huseby **	(159)	-
Interest and guarantee payments:		
Interest ONGC guarantee to Havila Holding AS	-	(83)
Interest on shareholder loan from Havila Holding AS	-	(39)
Interest on shareholder loan from TRH AS	-	(11)
Interest on shareholder loan from Songa Investments AS	-	(39)

Balances with related parties USD thousands	31.12.2020	31.12.2019
Account payables:		
Impact Geo Solutions controlled by Bjarte Bruheim *	-	123
Rome AS *	-	17
Evotec AS - controlled by Rome AS *	-	863
Havila Ships AS controlled by Havila Holding AS	1 116	6 019

** The previously shareholders of AGS ASA, Bjarte Bruheim and Rome AS with zero shares as of December 2020 have both delivered consultancy services previously to the Board in addition to being Chairman/ Board members of AGS AS/AGS ASA respectively. All work performed by these related parties was regulated in separate consultancy agreements. Both agreements were cancelled 30.09.2019.*

*** As of 30th June 2020, Christian Huseby was selected as Chairman of the Board at the Annual General Meeting, in addition to delivering consultancy services from April 2020 to December 2020.*

NOTE 20 PERSONNEL EXPENSES AND REMUNERATIONS

USD thousands	Full Year 2020	Full Year 2019
Wages and salaries	2 321	1 683
Social Security costs	261	182
Pension costs	103	53
Other remuneration	701	708
Share based payment expense (refer to note 22)	3	-11
Total personnel expense	**3 388**	**2 616**

Number of man-years at 31.12	**2020**	**2019**
Group companies in Norway	9	6
Group companies abroad	2	4

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.

A loan of USD 90 thousands was given the the CEO, Lee Parker in 2020. The loan will a part of the settlement with the former CEO.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 **2020**, the Group paid compensation to its executive officers as follows:

USD thousands

Name	Fixed salary	Bonus	Other benefits	Pension benefits	Share based payment cost	Total cost	Number of options held
Lee Parker (CEO till August 8 2020)	210	-	37	-	-	**247**	-
Ronny Bøhn (CEO from August 8 2020)	100	-	1	7	-	**108**	-
Svein Knudsen CCO (CFO till 1 April 2020)	213	-	1	17	2	**233**	106 400
Nils Haugestad (CFO from 1 April 2020)	191	-	1	13	-	**205**	-
Richard Dunlop (EVP Operations)	220	-	24	-	2	**246**	106 400

In **2019**, the Group paid compensation to its executive officers as follows:

USD thousands

Name	Fixed salary	Bonus	Other benefits	Pension benefits	Share based payment cost	Total cost	Number of options held
Svein Knudsen (CFO)	273	-	1	18	41	**332**	106 400
Lee Parker (CEO)	360	-	35	-	68	**463**	176 400
Rick Dunlop (EVP Operations)	240	-	23	-	41	**304**	106 400

Board of Directors

In **2020**, for the period from AGM 2019 to AGM 2020, the Group paid following compensations to Board of Directors:

USD thousands

Name	Position	Director since	Term expire	Fee	Share based payment cost	Number of options held
Christian Huseby	Chairman	30.6.2020	2022	-	-	
Njål Sævik	Board Member	6.11.2017	2021	29	2	42 000
Nina Skage	Board Member	2.7.2019	2021	35	-	-
Eirin Inderberg	Board Member	2.7.2019	2021	29	-	-
Vibeke Fængsrud	Board Member	2.7.2019	2021	34	-	-
		Director to				
Rolf Rønningen	Chairman	30.6.2020	N/A	43	-	-
Tore Tønseth	Board Member	12.2.2020	N/A	7	-	-

In **2019**, for the period from AGM 2018 to AGM 2019, the Group paid following compensations to Board of Directors:

USD thousands

Name	Position	Director since	Term expire	Fee	Share based payment cost	Number of options held
Rolf Rønningen	Chairman	2.7.2019	2020	-	-	-
Njål Sævik	Board Member	6.11.2017	2020	25	19	42 000
Nina Skage	Board Member	2.7.2019	2020	-	-	-
Eirin Inderberg	Board Member	2.7.2019	2020	-	-	-
Vibeke Fængsrud	Board Member	2.7.2019	2020	-	-	-
		Director to				
Jogeir Romestrand	Board Member	1.11.2019	N/A	51	50	-
Fredrik Platou	Board Member	1.11.2019	N/A	36	16	-
Andreas Pay	Board Member	1.11.2019 18.12.2019	N/A	4	-	-
Tore Tønseth	Board Member	1.12.2019 12.2.2020	N/A	-	-	-
Bjarte Henry Bruheim	Chairman	2.7.2019	N/A	50	68	-
Ole Andre Heggheim	Board Member	2.7.2019	N/A	25	16	-
Tore Rødal	Board Member	2.7.2019	N/A	25	19	-

See note 18 for shares held by the Group`s Board of Directors.

NOTE 21 SHARE BASED PAYMENT PROGRAMS

The Group has a share based payment scheme for employees and some members of the Board.

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:

	2020		2019	
	Average exercise price per share option (NOK)	Number of options	Average exercise price per share option (NOK)	Number of options
As at 1.1*	9,4500	749 479	8,8761	981 879
Granted during the year	-	-	25,0000	28 000
Expired during the year	-	-	8,9556	(260 400)
Terminated during the year	8,6400	(344 400)	-	-
As at 31.12	10,1400	405 079	9,4508	749 479
Vested 31.12	9,8700	398 079	8,9002	656 609
Exercisable 31.12		398 079		656 609

* after the merge with Songa - new number of option

	Full Year 2020	Full Year 2019
Share based payment cost (revenue) recognised in the period USD thousand	3	-11

Granted instruments	**2020**	**2019**
Instrument	***Option***	***Option***
Quantity 31.12 (instruments)	-	28 000
Quantity 31.12 (shares)	-	28 000
Contractual life*	-	5,75
Strike price*	-	25,00
Share price*	-	22,45
Expected lifetime*	-	2,25
Volatility*	-	57,65%
Interest rate*	-	1,329%
Dividend*	-	0,00
FV per instrument*	-	6,87
Vesting conditions		

**Weighted average parameters at grant of instrument*

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 2020	Share options 31 December 2019
15.9.2017	15.9.2022	6,96	196 000	406 000
27.9.2018	27.9.2023	11,28	181 079	315 479
1.5.2019	1.5.2024	25,00	28 000	28 000,00
Total number of options			**405 079**	**749 479**

Strike Price	Number of instruments	Weighted Average remaining contractual life	Weighted Average Strike Price	Vested instruments 31.12.2020	Weighted Average Strike Price
	Outstanding instruments			Vested instruments	
6,96	196 000	2,70	6,96	196 000	6,96
11,28	181 079	3,49	11,28	181 079	11,28
25,00	28 000	4,09	25,00	21 000	25,00
	405 079			**398 079**	

Outstanding instruments overview

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 2019 grant, 50% of the options vested on grant date, while the remaining option will vest in May 2024. The fair value at grant date was 6.87 NOK/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 1.98% for the 2019 grant.

NOTE 22 AUDITORS FEE

USD thousands

Expensed audit fee (excluding VAT)	Full Year 2020	Full Year 2019
Statutory audit	159	122
Tax advice (incl. technical assistance with tax return)	109	55
Other attestation services	27	24
Other assurance services	-	-
Total auditors fee	**295**	**202**

NOTE 23 SUBSIDIARIES AND ASSOCIATED COMPANIES

The Group comprise of the following legal entities as at 31 December 2020 and 31 December 2019.

Subsidiary of AGS ASA:	Jurisdiction	Equity interest %	Voting rights %
Neptune Seismic AS	Norway	100 %	100 %
Axxis Geo Solution Inc.	USA	100 %	100 %
PT Axxis Geo Solutions*	Indonesia	49 %	100 %
Axxis Multi Client AS	Norway	100 %	100 %
Axxis Production AS	Norway	100 %	100 %
Axxis Multi Client International AS	Norway	100 %	100 %
Axxis Geo Solutions Egypt LLC**	Egypt	100 %	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.*

*** Axxis Production AS owns 99% and Axxis Geo Solutions ASA owns 1% of the shares in the company.*

NOTE 24 EARNINGS PER SHARE

Basic earnings per share is calcuated by dividing the net profit or loss attributable to shareholders of the Parent by the weighted average number of ordinary shares outstanding during the year. Diluted earnigs per share include the weighted average number for ordinary shares that would be issued on the conversion of all the diluted potential ordinary shares into ordinary shares. The warrants and options described in note 18, are not included in the number of dilutive shares, since the Group report a loss in both periods presented.

Basic earnings (loss) per ordinary number of share	**2020**	**2019**
Profit (loss) attributable to the ordinary equity holders of the company	(3 133)	(46 477)
Number of outstanding shares	58 821 018	58 821 018
Basic earnings (loss) per ordinary share (USD)	**(0,05)**	**(0,79)**

Basic earnings (loss) per weighted average number of share	**2020**	**2019**
Profit (loss) attributable to the ordinary equity holders of the company	(3 133)	(46 477)
Average number of outstanding shares	58 821 018	34 111 774
Basic earnings (loss) per weighted average share (USD)	**(0,05)**	**(1,36)**

Diluted earnings (loss) per share	**2020**	**2019**
Profit (loss) attributable to the ordinary equity holders of the company	(3 133)	(46 477)
Average number of outstanding shares	58 821 018	34 111 774
Diluted earnings (loss) per share (USD)	**(0,05)**	**(1,36)**

Due to loss in both years, the number of diluted shares 140 907 is not taken into calculations above for 2019.

NOTE 25 CASH FLOW INFORMATION

USD thousands	Current interest bearing debt	Current lease liabilities	Non-current interest bearing debt	Non-current lease liabilities	Total
	Liabilities arising from financing activities				
1.1.2020	**2 256**	**224**	**-**	**73**	**2 553**
Cash flows	(1 440)	(230)	-	-	(1 670)
Other*	33 090	7	-	-	33 097
Reclassification	(17 417)	73	17 417	(73)	-
31.12.2020	**16 489**	**73**	**17 417**	**-**	**33 979**

* Mainly related to trade payables converted to loans.

USD thousands	Current interest bearing debt	Current lease liabilities	Non-current interest bearing debt	Non-current lease liabilities	Total
	Liabilities arising from financing activities				
1.1.2019	**3 424**	**94**	**-**	**142**	**3 660**
Cash flows	(1 127)	(204)	-		(1 331)
New leases	-	-	-	254	254
Other	(41)	12	-	-	(29)
Reclassification	-	323	-	(323)	
31.12.2019	**2 256**	**224**	**-**	**73**	**2 554**

The Group implemented IFRS 16 effective as of 1 January 2019.

NOTE 26 EVENTS AFTER THE REPORTING PERIOD

Default notice

The Company has after the reporting period received default notice from Nordic Trustee on behalf of the bondholders and from Eksportkreditt for unpaid installment and interest in January 2021. The Company is in active dialogue with the respective creditors and expect to find a solution which is aligned with the outcome of the court-protected reconstruction

Reconstruction

The Company announced 16 February 2021 that the Company had not been able to reach agreement with all creditors in order to implement a voluntary solution to refinance the Company.
Consequently, the Company filed for court protected reconstruction.

On 17 February 2021, the District Court of Asker and Bærum authorized opening of reconstruction negotiations for the Company. On 7 April 2021, the Company presented the final proposal for reconstruction by forced debt settlement. The proposal from the company involves a forced debt settlement of the Company's unsecured debt. Secured debt, up to the value of the pledged assets, is not part of the forced debt settlement. The deadline for creditor replies is 27 April 2021.

Under the court-authorized reconstruction negotiations, the Company continues normal business operations under the oversight of the Debt Restructuring Committee. Unsecured liabilities incurred prior to the opening of reconstruction negotiations are “frozen”. All liabilities that are incurred thereafter shall be covered in their entirety.

Under the reconstruction proposal, Company creditors are offered the following:

a) Creditors with ordinary (general and unsecured) claims receive a dividend of 10%. The agreed dividend is paid out within 14 – fourteen – working days after the court confirmation of the reconstruction plan by forced debt settlement, cf. The Reconstruction Act § 52, is enforceable, tentatively during June/July 2021.

b) As an alternative, creditors can convert all or part of their claim to shares in the Company at a subscription price of 0.5 NOK/share. The share issue will be decided upon at an extraordinary general assembly of the Company, expected to be held in May. The shares are expected to be registered in the respective VPS accounts no later than 30 June 2021. There might be a delay before the shares are listed. The minimum subscription amount per creditor is NOK 100 000. There is a limit of 9.9% share ownership per individual shareholder from their debt conversion.

c) Claims that group entities / other related parties have against the Company will be entitled to the same dividend as other ordinary claims, but these claims will not receive any dividend until all other entitled creditors have received their dividends in full.

It is not opened reconstruction negotiations in the subsidiaries of the Company. The Company has arranged for separate voluntary debt settlements in the subsidiaries. The Company aims to achieve a solution whereby the bondholders also waive claims and collateral in the subsidiaries, thus avoiding insolvency proceedings in these companies.

The reconstruction will be financed through an equity issue for cash of USD 17-20million, where a group of investors on certain conditions have committed to provide the Company with USD 17 million, at a subscription price of 0.1 NOK/share. After the reconstruction is complete, the Company will have an attractive financial position and satisfactory liquidity. This forms a sound basis for continued operations.

Ongoing agreements which the Company is party to and that are not terminated during the reconstruction negotiations continue.

It is the opinion of the Company that the creditors will receive a higher recovery in the reconstruction proposal compared to alternative bankruptcy proceedings. Through bankruptcy proceedings, the Company estimates that creditors with ordinary (general and unsecured) claims would be able to achieve a dividend in the range 0–2%.

FINANCIAL STATEMENTS – AXXIS GEO SOLUTIONS ASA

STATEMENT OF COMPREHENSIVE INCOME

USD thousands	Note	Full year 2020	Full year 2019
Total revenue	**2,3**	**42 429**	**135 265**
Cost of sales	4	(39 957)	(111 542)
Personnel expenses	19,2	(3 335)	(2 529)
Other operating expenses		(3 920)	(44 607)
Total Operating Expenses		**(47 213)**	**(158 678)**
Operating profit (loss) before depreciation and amortization (EBITDA)		**(4 784)**	**(23 413)**
Depreciation & Amortization	10	(5 682)	(5 931)
Operating profit (loss) (EBIT)		**(10 466)**	**(29 344)**
Financial income	5	9 485	43
Financial expenses	5	(4 315)	(5 903)
Currency gain (loss)	5	(260)	(852)
Profit (loss) before tax		**(5 556)**	**(36 055)**
Tax income (expense)	6	109	(4 482)
Profit (loss) for the period		**(5 447)**	**(40 537)**

STATEMENT OF FINANCIAL POSITION

USD thousands **Assets**	Note	As of 31.12.2020	As of 31.12.2019 Restated*	As of 01.01.2019 Restated*
Non-current assets				
Deferred tax asset		-	-	4 576
Property, plant and equipment	10	11 662	17 283	16 535
Investment in subsidiaries	22	2 251	1 873	4 229
Other non current assets				510
Total non-current assets		**13 913**	**19 156**	**25 850**
Current assets				
Stock of supplies	11	85	317	1 948
Trade receivables	8,13	0	11 369	3 941
Receivables group companies	18	28 548	26 332	-
Other current assets	9	231	2 582	5 835
Cash and cash equivalents	7	194	1 314	7 569
Total current assets		**29 059**	**41 914**	**19 293**
Total assets		**42 972**	**61 070**	**45 143**

STATEMENT OF FINANCIAL POSITION

USD thousands Equity and Liabilities	Note	As of 31.12.2020	As of 31.12.2019 Restated*	As of 01.01.2019 Restated*
Equity				
Share capital	17	840	11 718	8 396
Additional paid-in capital	17	38 453	38 453	5 944
Total paid-in capital		**39 294**	**50 171**	**14 339**
Accumulated earnings and other equity		(43 800)	(49 234)	(8 671)
Total Equity		**(4 506)**	**938**	**5 668**
Non current liabilities				
Interest bearing debt	12,15,23	17 417	22	98
Total non current liabilities		**17 417**	**22**	**98**
Current liabilities				
Current liability of long-term debt	12,15,23	16 511	2 342	3 510
Trade payables	13	10 557	41 380	20 677
Liabilities to group companies	18	2 014	736	9 320
Other current liabilities	16	978	15 651	5 869
Total current liabilities		**30 060**	**60 110**	**39 376**
Total liabilities		**47 478**	**60 132**	**39 474**
Total equity and liabilities		**42 972**	**61 070**	**45 143**

* Restated due to changes of presentation currency from NOK to USD

Lysaker, 16 April 2021

The Board of Directors and CEO of Axxis Geo Solutions ASA

[Sign.]

Christian Huseby Chairman	Njål Sævik Director	Vibeke Fængsrud Director
Nina Skage Director	Eirin Inderberg Director	Ronny Bøhn CEO

STATEMENT OF CHANGES IN EQUITY

USD thousands	Share capital	Additional paid-in capital	Accumulated earnings	Total equity
Balance as of 1.1.2020	**11 718**	**38 453**	**(49 234)**	**938**
Profit (loss) for the period			(5 447)	(5 447)
Other comprehensive income (loss)			-	-
Write down of par value	(10 878)		10 878	-
Share based payment			3	3
Balance as of 31.12.2020	**840**	**38 453**	**(43 800)**	**(4 506)**

USD thousands	Share capital	Additional paid-in capital	Accumulated earnings	Total equity
Balance as of 1.1.2019	**8 396**	**5 944**	**(8 671)**	**5 668**
Share based payment 1.1.2019			(423)	(423)
Profit (loss) for the period			(40 537)	(40 537)
Other comprehensive income (loss)			-	-
New shares issued - cash settled	8 468	27 564	-	36 033
Cost for new shares issued		(1 876)		(1 876)
Effect of Songa Bulk ASA merger 2/7-19 of share consolidation for AGS shareholders	(5 263)	(14 151)		(19 414)
Effect of Songa Bulk ASA merger 2/7-19 of share consolidation for AGS shareholders		19 414		19 414
Effect of Songa Bulk ASA merger 2/7-19 for shares in Songa as contribution in kind	117	1 558		1 676
Share based payment			397	397
Balance as of 31.12.2019	**11 718**	**38 453**	**(49 234)**	**938**

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STATEMENT OF CASH FLOW

USD thousands	Note	Full year 2020	Full year 2019
Cash flow from operating activities			
Profit before tax	6	(5 556)	(36 055)
Depreciation and amortization	10,15	5 682	5 931
Currency (gain)/loss without cash flow effects		(72)	(1 317)
Interest expense	5	3 042	3 188
Share based payment cost	20	3	(11)
Change in trade receivables	8	11 369	(7 428)
Change in trade payables	13	(30 823)	20 703
Change in inventory	11	232	1 630
Change in other current receivables	9	135	(23 079)
Change in other non current receivables		-	510
Other working capital changes	12,16	18 004	1 198
Net cash from operating activities		**2 015**	**(34 729)**
Cash flow from investing activities			
Investment in property, plant and equipment	10	(62)	(5 618)
Disposal of property, plant and equipment	10	204	-
Write-down subsidiaries		-	2 702
Investment in subsidiaries	22	(377)	(11)
Cash received/ paid from merger	2.0	-	425
Net cash flow from investment activities		**(235)**	**(2 502)**
Cash flow from financing activities			
Repayment of interest bearing debt	12	(1 440)	(1 127)
Payment of lease liabilities (recognized under IFRS 16)	15	(82)	(69)
Net proceeds from new equity	17	-	34 156
Interest paid lease liabilities	15	(3)	(6)
Interest paid		(1 374)	(1 979)
Net cash flow from financial activities		**(2 899)**	**30 975**
Net change in cash and cash equivalents		**(1 119)**	**(6 256)**
Cash and cash equivalents balance 1.1	7	1 314	7 569
Cash and cash equivalents balance 31.12	**7**	**194**	**1 314**

AGS

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 GENERAL INFORMATION ABOUT THE COMPANY AND BASIS FOR PRESENTATION

General information
Axxis Geo Solutions ASA is a public limited listed company incorporated in Norway. The Company is listed on EURONEXT EXPAND OSLO and traded under the ticker Axxis.

The Company's registered office is at Strandveien 50, 1366 Lysaker, Norway.

The Company's financial statements are prepared in accordance with International Financial Reporting Standards («IFRS») as adopted by the European Union ("EU"), their interpretations adopted by the International Accounting Standards Board (IASB) and the additional requirements of the Norwegian Accounting Act as of 31 December 2020.

The notes are an integral part of the Company's financial statements.

The Company's financial statements have been prepared on a historical cost basis, except for certain financial assets financial instruments that have been measured at fair value.

The Company's financial statements are presented in thousands of USD.

Further, the Company applies the same accounting policies as described in note 1 and 2 in the notes to the consolidated financial statements where relevant, except that unrealized foreign exchange gain (loss) on non-current intercompany loans is recognized in the statements of profit and loss.

Shares in subsidiaries (see note 22) are presented at cost less impairment. Impairment is recognized based upon the carrying value of the individual shares and net intercompany receivables in the subsidiaries less the estimated recoverable amount (based on discounted estimated future cash flows). If estimated recoverable amounts increase, impairment charges are reversed accordingly. There is no fixed plan for repayment of long-term intercompany receivables and payables.

Changes in accounting principles
From 1 January 2020 the parent company changed its functional currency from NOK to USD. This change is accounted for prospectively with effect from 1 January 2020. The change in presentation currency has been accounted for retrospectively, similar to a change in accounting policy. The Company has restated prior periods for this voluntary presentational change in line with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, from 1 January 2019. This point in time represents the earliest date from which it was practicable to perform a restatement, given the lack of sufficiently reliable data for earlier periods. As a consequence, foreign currency translation gains or losses prior to 2019 has been disregarded, with the FCT effects first calculated from 1 January 2019 onwards. In addition, the Company has included a statement of financial position at the beginning of the comparative period, i.e. as of 1 January 2019, in line with IAS 1, *Presentation of Financial Statements.*

Key accounting estimates and judgement
The Company 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 Company 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 Company 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.

Going concern
The Company prepares and maintains a rolling P&L and cash forecast, in addition to key balance sheet items (trade payables, long-term debt, and cash). The forecast is based on the assumed restructuring of the Company's balance sheet as a part of the proposed reconstruction (see note 26 Events after the reporting period. Management's operational outlook is derived from existing pipeline of opportunities. The forecast is adjusted for the current trough in the oil and gas markets. In the Company's current forecast, cash and cash equivalents are expected to remain positive for the 12-month period following the 2020 financial statements.

The Company's cash flow forecast is based on existing firm commitments and the Company's expectations for future opportunities and the Company's corporate restructuring efforts, specifically:

- successfully completing the restructuring of the Company's balance sheet,
- successfully obtaining additional work in the second half of 2021, and
- maintaining operating expenses at a minimum level.

The financial forecast has been prepared based on the current challenging market conditions.
There are, however, risks related to the assumptions in the forecast:

- There is a risk that the Company will not be successful in completing the proposed reconstruction.
- The Company is dependent on future business to maintain a positive cash balance beyond 12 months following the financial statements. There is a risk that the Company does not secure future contracts or late sales.

The annual accounts are prepared on the assumption of a going concern. However, the Company's and the Company's financial situation is unsustainable as equity is negative and liquidity is under pressure and hence there is material uncertainty related to the going concern assumption. The Company has filed for a court-protected reconstruction and put forth a restructuring plan to its creditors. If successful in this restructuring, the Company will strengthen its working capital and improve its liquidity. The outcome of these discussions is uncertain and the going concern assumption is subject to material uncertainty.

Management has used its best judgements in the evaluation of the going concern assumption. Although there are significant uncertainties and risk listed above related to events or conditions that might impact the future cash flows, management is of the opinion that the going concern assumption is appropriate and the accounts are prepared under the going concern assumption. If the Company is unsuccessful with the above activities, the financial statements do not reflect impairment charges or provisions that might be required if the Company was liquidated or the assets were sold in a distressed situation.

Covid-19 risk
The impacts of COVID-19 on businesses across the globe is substantial and presents new challenges to our normal business practices. The Group has been planning for and monitoring developments since the initial spread of the virus in early 2020 and has taken a series of steps to maintain the continuity of our services for our customers and to safeguard the health of our employees and stakeholders.

During the year, the Company received a cancellation of a small contract in the North Sea which was expected to be conducted in the second quarter of 2020. The contract revenues related to this survey was estimated at USD 1 million. The Company received a cancellation fee of 25% of the estimated revenue amount.

Merge with Songa in 2019
Management has evaluated the merger between Songa Bulk ASA and Axxis Geo Solutions AS (AGS AS) with a reverse share split, forming Axxis Geo Solutions ASA (AGS ASA), not to be considered a business combination under IFRS, but a reverse takeover/acquisition of a non-trading shell company.
There were no employees, no processes or no asset except cash that was transferred in the merge.

NOTE 2 SEGMENT INFORMATIONS

The Company operates only one segment, which is based on the Contract revenue stream, and therefore no split of operating expenses has been included in the note. Revenue recognition for the Contract segment is based on the same principles as the IFRS financial statements.

USD thousands **Income statement**	**Full Year 2020**	**Full Year 2019**
Contracts for seismic acquisitions	2 508	70 417
Other revenue	39 921	64 847
Multi-client projects	-	-
Total revenue from contracts with customers	**42 429**	**135 265**

USD thousands **Geographical markets**	**Full Year 2020**	**Full Year 2019**
Norway	39 921	53 717
Asia	-	63 337
Middle East	-	13 798
Brazil	2 508	4 413
Total revenue	**42 429**	**135 265**

USD thousands **Major customers**	**Full Year 2020**	**Full Year 2019**
Customer 1	36 760	62 962
Customer 2	3 161	53 717
Customer 3	2 508	11 713
Other	-	6 873
Total revenue	**42 429**	**135 265**

NOTE 3 REVENUE AND COST FROM CONTRACT WITH CLIENTS

USD thousands Income statement	Full Year 2020	Full Year 2019
Contracts for seimic acquisition	2 508	70 417
Other revenue	39 921	64 847
Multi-client projects	-	-
Total revenue from contracts with customers	**42 429**	**135 265**
At a point in time	-	-
Over time	42 429	135 265
Total revenues from contracts with customers	**42 429**	**135 265**

Cost to fulfill contracts and cost to obtain contracts

USD thousands	Full Year 2020	Full Year 2019
Contract assets		
Assets recognized for cost to fulfill a contract in the balance 1.1.2020	69	3 390
Assets recognized for costs to fulfill a contract (mobilization costs)	-	993
Amortization of assets recognized for cost to fulfill a contract (mobilisation costs)	(69)	(4 314)
Total contract assets	**0**	**69**

The Company has no current contract liabilities per 31.12.2020.

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.

NOTE 4 COST OF SALES

USD thousands		
Cost of sales	**Full Year 2020**	**Full Year 2019**
Vessel cost	(16 966)	(52 417)
Crew & project management	(8 674)	(19 159)
Seismic, source and node equipment	(13 289)	(27 059)
Agent related expenses	(960)	(9 584)
Mobilization amortization	(69)	(4 314)
Mobilization cost capitalized	-	993
Total operating expenses	**(39 957)**	**(111 542)**

NOTE 5 FINANCIAL ITEMS

USD thousands		
Financial income	**Full Year 2020**	**Full Year 2019**
Interest income	0	9
Other financial income	3 847	34
Group contribution (from subsidiary)	5 637	-
Total financial income	**9 485**	**43**

Financial expenses	**Full Year 2020**	**Full Year 2019**
Interest expense	1 227	1 087
Interest expense suppliers	1 815	898
Other financial expenses	1 273	1 215
Write-down shares in subsidiaries	-	2 702
Total financial expenses	**4 315**	**5 903**

Currency exchange gain (loss)	**Full Year 2020**	**Full Year 2019**
Exchange gains	3 249	2 255
Exchange losses	(3 509)	(3 107)
Total currency exchange gain (loss)	**(260)**	**(852)**

NOTE 6 TAX

USD thousands	Full Year 2020	Full Year 2019
Specification of tax expense (income) for the year		
Current income tax (including witholding tax)	-	-
Change in deferred tax	(109)	4 482
Total tax expense (income)	**(109)**	**4 482**

Reconciliation of actual against expected tax expense (income) at the income tax rate of 22%		
Profit (loss) before tax	(11 194)	(36 055)
22% tax	(2 463)	(7 932)
Tax effect from:		
Non taxable income		
Withholding tax abroad	(109)	
Receive Group contribution	1 240	
Permanent differences	(86)	(423)
Not booked deferred tax assets	1 503	12 873
Currency effect	(195)	(36)
Calculated tax expense (income)	**(109)**	**4 482**
Effective tax rate for the Company	1,0	12,4

USD thousands	31.12.2020	31.12.2019
Temporary differences		
Non current assets	(1 683)	908
Accurals	(45 757)	(44 485)
Accumulated loss carried forward	(18 157)	(15 187)
Temporary differences at 31.12.	**(65 597)**	**(58 764)**
Deferred tax assets (liabilities)	**14 431**	**12 928**

Deferred tax assets is not recongized per December 2020. The management evaluated the deferred tax assets to be uncertain when to be utilized in the future. This evaluation is performed yearly.

NOTE 7 BANK DEPOSIT, CASH IN HAND

USD thousands	31.12.2020	31.12.2019
Bank deposits	114	1 246
Restricted bank deposits	80	68
Total bank deposits	**194**	**1 314**

Restricted bank deposits relates to employee withholding tax. These deposits are subject to regulatory restrictions and are therefore not avaliable for genereal use by the Company. The account is used to settle employee withholdig tax.

At 31 December there were two supplier who had outlays in the bank. These are after year-end 2020 resolved and released back to the Company.

NOTE 8 TRADE RECEIVABLES

USD thousands

Trade receivables	31.12.2020	31.12.2019
Trade receivables	-	11 369
Provisions for bad debts	-	-
Net trade receivables	**-**	**11 369**

Related parties transactions is disclosed in note 18.

USD thousands	31.12.2020	31.12.2019
Not overdue as of 31.12	-	8 857
Past due 0-30 days	-	1 242
Past due 31-180 days	-	1 055
Past due more than 180 days	-	215
Total	**-**	**11 369**

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 13 (i) for information about credit risk and expected credit loss.

The Company use the same metod as the Group. The Group uses an impairment model with the following characteristics: The receivables are organized based on the credit risk of the customers. The primary portfolio is the receivables where invoicing is done to customers with a high credit rating, typical large listed or state-owned oil companies. This portfolio has a low risk of default and therefore no impairment loss is initially recognized based on the expectation of all of the accounts being paid. Further, an individual assessment is performed on specific customer receivables, typically if a customer is in known financial distress or has declared bankruptcy. Per year-end 2019 the Company had two main clients, being major oil companies and one of them large listed company. All outstanding trade receivables per end 2019 were paid during 2020 apart from one reimbursable item of USD 0.9 million related to the India project. There was no outstanding trade receivables per end 2020.

Accrued revenue (contract assets)
In addition, the Company has accrued revenue for ongoing projects, which has not been invoiced the customers per year-end, see also note 9.

Accrued revenue as of December 2020 was USD 0.1 million, compared to USD 1.8 million as of December 2019.
The accrued revenue per end 2020 is related to recharge of fuel for redelivered hired vessels. The accrued revenue per end 2019 was related to the ongoing Brazil project. The accrued revenue is following the same impairment model as ordinary trade receivables.
As of December 2020 and 2019, there were no indicators for the need of impairment.

NOTE 9 OTHER CURRENT ASSETS

USD thousands	31.12.2020	31.12.2019
Prepayments	151	692
Mobilization	-	71
Accrued income	80	1 817
Other current receivables	-	2
Total other current assets	**231**	**2 582**

NOTE 10 PROPERTY, PLANT AND EQUIPMENT

USD thousands	Vessel	Seismic and node equipment	Projects in progress	Computer equipment	Lease asset	Total tangible assets
2020						
Cost at 1.1.2020	**8 171**	**17 557**	**29**	**196**	**184**	**26 136**
Additions	-	62	-	-	-	62
Disposal	-	(246)	-	-	-	(246)
Cost at 31.12.2020	**8 171**	**17 372**	**29**	**196**	**184**	**25 952**
Accumulated depreciation 1.1.2020	**(3 504)**	**(5 189)**	**-**	**(88)**	**(73)**	**(8 854)**
Depreciation	(1 213)	(4 095)	-	(65)	(88)	(5 461)
Disposal	-	25	-	-	-	25
Accumulated depreciation at 31.12.2020	**(4 717)**	**(9 259)**	**-**	**(153)**	**(162)**	**(14 290)**
Carrying amount at 1.1.2020	**4 667**	**12 368**	**29**	**108**	**110**	**17 283**
Carrying amount at 31.12.2020	**3 454**	**8 114**	**29**	**43**	**22**	**11 662**

Economic lifetime in years 3-10 3-5 3-10 2-5

USD thousands	Vessel	Seismic and node equipment	Projects in progress	Computer equipment	Lease asset	Total tangible assets
2019						
Cost at 1.1.2019	**7 332**	**11 672**	**1 060**	**157**	**-**	**20 221**
Additions	839	4 249	1 552	39	184	6 862
Disposal	-	(947)	-	-	-	(947)
Reclass **	-	2 583	(2 583)	-	-	-
Cost at 31.12.2019	**8 171**	**17 557**	**29**	**196**	**184**	**26 136**
Accumulated depreciation 1.1.2019	**(2 157)**	**(1 690)**	**-**	**(24)**	**-**	**(3 870)**
Depreciation	(1 347)	(3 771)	-	(64)	(73)	(5 255)
Disposal	-	271	-	-	-	271
Accumulated depreciation at 31.12.2019	**(3 504)**	**(5 189)**	**-**	**(88)**	**(73)**	**(8 854)**
Carrying amount at 1.1.2019	**5 176**	**9 982**	**1 060**	**134**	**-**	**16 351**
Carrying amount at 31.12.2019	**4 667**	**12 368**	**29**	**108**	**110**	**17 283**

*** The reclass is related to assets moved from projects in progress to correct asset group when capitalized.*

Economic lifetime in years 3-10 3-5 3-10 2-5

Impairment

According to IFRS the carrying amount of intangible assets and property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Management regularly evaluates its fleet plan and capital expenditure level in light of market conditions. In 2020 and 2019 management performed such evaluations which did not resulted in impairments related to fixed assets at the year end 2020 or 2019.

The Company has no asset held for sale.

NOTE 11 INVENTORIES

USD thousands	31.12.2020	31.12.2019
Purchased finished goods	85	317
Provision for obsolescence	-	-
Net inventories	**85**	**317**

The inventories consist of fuel.

The amount of inventories recognized as an expense in cost of sales during 2020 was USD 1.1 million and for 2019 the amount was USD 14.9 million.

NOTE 12 INTEREST BEARING DEBTS

USD thousands	Interest rate (%)	Maturity	31.12.2020	31.12.2019
Lease Liabilities	5%	2021	-	22
NOK 29 750 000 Nibor+5,5% Term Loan	Nibor + 5.5%	2021	-	-
USD 24 739 311 Bond Loan	8%	2022	17 417	-
Non-current borrowings			**17 417**	**22**
Lease Liabilities	5%	2021	22	86
NOK 29 750 000 Floating rate term loan	Nibor + 0.5%	2021	1 160	2 256
USD 24 739 311 Bond loan	8%	2022	6 033	-
USD 5 780 326 Fixed rate term loan	4%	2021	5 695	
USD 1 490 633 4% Fixed rate term loan	4%	2021	1 244	
USD 1 332 704 4% Fixed rate term loan	4%	2021	1 300	
NOK 2 495 043 4% Fixed rate term loan	4%	2021	234	
NOK 12 000 000 Interest Free Loan	0%	2021	822	
Current borrowings			**16 511**	**2 342**
Total borrowings			**33 929**	**2 364**

Details of the Company's exposure to risk arising from current and non-current borrowings are set out in note 13, Financial risk management.

NOK 29 750 000 Nibor+5,5% Term Loan (Eksportkreditt)
The term loan is repaid through twelve consecutive quarterly instalments. The term loan has a first priority pledge in the owned vessel, operating assets and factoring agreement.

The loan is in breach of financial covenants, and have been classified to current liabilities in the financial statements since 31.12.2019. However, the Company has received waiver from the two covenants for all the quarters in 2020, including year end 2020.
The financial covenants are as following:
1) Liquid assets of no less than 120% of outstanding loan
2) Equity ratio of 30% until Q4 19 and thereafter 35% till final maturity date (September 2021)

USD 24 739 311 Bond loan
The USD 24 739 311 bond loan was issued in relation to the restructuring completed in 2020, in which USD 24 739 311 of short term payables were converted to a 2-year bond loan. The bond carries a fixed interest of 8% and is repaid either through cash calls or the agreed repayment schedule. For the bond loan, the group has pledged shares in subsidiaries, inventories, operating assets, factoring agreement, and second priority in the owned vessel.

The bond requires the Group to maintain a liquidity balance of USD 2 million, and maintain a 0 dividend policy, through financial covenants. As of 31.12.2020, the covenants for the bond loan are fulfilled.

Fixed rate term loans
In relation to the restructuring completed in 2020, the Group has issued a series of fixed rate term loans through conversion of short term payables to long term loan agreements. The loans are unsecured and carry a fixed interest rate from 0% to 4% p.a.

Balance sheet value of assets placed as secuirty

USD thousands	31.12.2020	31.12.2019
Vessel, equipment and maintenance	11 662	17 283
Investment in subsidiaries	2 251	1 873
Stock of supplies	85	317
Trade receivables	-	11 369
Total balance sheet value of assets placed as security	**13 998**	**30 842**

Carrying amounts and fair values of interest bearing debt

USD thousands	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Interest bearing debt	33 929	36 480	2 364	2 364

NOTE 13 FINANCIAL RISK MANAGEMENT

The Company 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 Company'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 Company is active, has been reduced in much greater extent than production related spending.

Capital Management
For the purpose of the Company’s capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares, or repay or issue new debt. The Company monitors capital using a equity ratio, which is the book value of equity over the book value of assetsin the Company’s segment reporting. The Company’s policy and target is to keep the equity ratio over 35%.

In order to achieve this overall objective, the Company’s capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. Refer to Note 12 for information regarding financial covenants related to the Company’s interest bearing debt.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2020 and 2019.

Financing risk
The Company use bank loan, bond loan and unsecured loans in addition to equity for financing purposes. The purpose of these financial instruments is to ensure that the Company has financial flexibility for investments that are necessary for the Company's operations. In addition, the Company has items such as trade receivables, trade payables etc. which is directly related to the business's daily operations. The Company does not use financial instruments for hedging purposes. Risk management procedures have been established by the Board and handled by the CFO.

The Company is exposes to financial risk linked to interest rate risk, liquidity risk, currency risk and credit risk. The Company's management has a continuous assessment to identify and evaluate financial risks, and sets guidelines for how to handle them.

The Company does not have any financial derivatives in 2020 or 2019.

(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 Company is mainly exposed to credit risk related to trade receivables and other current receivables.

The Company 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 Companyed based on shared credit risk characteristics and the days past due. 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.

2020

USD thousands	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	-	-	-	-	-
Loss allowance	-	-	-	-	-

2019

USD thousands	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	8 857	1 242	1 055	215	11 369
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 Company, 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 Company`s main interest rate risk arises from loan from Eksportkreditt/GIEK, which expose the Company to cash flow interest rate risk. The Company does not use financial instruments to hedge interest rate risk.

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 Company's sensitivity to potential changes in interest rates with an increase in 50 basis points would increase interest expense for the period with appoximately USD 9 thousands for 2020 (USD 15 thousands for 2019).

(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 Company'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 Company`s reputation.

The Company 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 Company 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 Company will be able to obtain additional shareholder funding. Failure to access necessary liquidity could require the Company 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 includes estimated interest payments. 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. The majority of trade payables are past their respective due dates.

2020

	Remaining Term					
USD thousands	0-3 months	3-6 months	6-9 months	9-12 months	1-2 years	Total
Borrowings	5 323	2 905	3 852	2 999	22 586	37 665
Lease liabilities	23	-	-	-	-	23
Trade payables	10 557	-	-	-	-	10 557
Other current liabilities	2 161	-	-	-	-	2 161
Total	**18 064**	**2 905**	**3 852**	**2 999**	**22 586**	**50 406**

2019

	Remaining Term					
USD thousands	0-3 months	3-6 months	6-9 months	9-12 months	1-2 years	Total
Borrowings	2 256	-	-	-	-	2 256
Lease liabilities	4 388	23	23	23	23	4 478
Trade payables	41 380	-	-	-	-	41 380
Other current liabilities	15 572	79	-	-	-	15 651
Total	**63 595**	**102**	**23**	**23**	**23**	**63 765**

(iv) Market risk - foreign exchange rates

The Company operates internationally and is exposed to foreign exchange risk, primarily the NOK. 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 Company entity. The Company is exposed to currency risk as some part of the Companys expenses are denominated in NOK. Profit after tax for the Company is also affected by changes in exchange rates, as expenses and payables are converted to USD.

The NOK denominated bank loans and payables are expected to be repaid with receipts from US dollar denominated sales. The foreign currency exposure of these loans has not been hedged.

The table below shows the Company'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.

USD thousands	Change in exchange rate	Effect on profit before	Effect on OCI
2020	+ 10 %	481	-
	- 10 %	-588	-
2019	+ 10 %	1 595	-
	- 10 %	-1 949	-

The Company`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 and liabilities of the Group – prinmarily the companys portion of debt that is denominated in NOK. Changes in currency may also affect the Company's local expenses when operating abroad. The Company's expenses are primarily in USD and NOK. As such, the Company's earnings are exposed to fluctuations in the foreign currency market.

NOTE 14 CATEGORIES OF FINANCIAL INSTRUMENT

USD thousands

Financial assets at amortized cost	31.12.2020	31.12.2019
ASSETS		
Other non-current assets	-	-
Trade receivables	-	11 369
Cash and cash equivalents	194	1 314
Total financial assets	**194**	**12 683**

Financial liabilities at amortized cost	31.12.2020	31.12.2019
LIABILITIES		
Interest-bearing non-current liabilities	17 417	22
Interest-bearing current liabilities	16 511	2 342
Trade payables	10 557	41 380
Other current liabilities	978	15 651
Total financial liabilities	**45 464**	**59 396**

Axxis Geo Solutions ASA exposure to various risks associated with the financial instruments is discussed in note 13 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.

Fair value
Due to the short-term nature of cash and cash equivalentes, trade receivables and other current receivables, their carrying amount is considered to be the same as their fair value.

Interest bearing loans are recognized initially at fair value less transaction costs. Subsequent to initial recognition, interest bearing loans are measured at amortized cost using the effective interest method. Gains and losses are recognized in the statements of profit or loss when the liabilities are derecognized as well as through the amortization process. The carrying value of borrowing is less amortized cost. The carrying amount of trade and other payables are considered to be approximately the same as their fair values, due to their short-term nature.

The Company does not hold any financial derivatives.

NOTE 15 LEASES

The Company uses the accounting standard IFRS 16 Leases. IFRS 16 Leases has from a lessee viewpoint eliminated the classification of leases as either operating leases or financial leases.

The standard was effective for accounting periods beginning on or after 1 January 2019 and was adopted by the Company from the same date.
For the Company only office space comes under the classification of leases. Vessels and other seismic equipment on short term leases comes under the classification of commitments. As of 31 December 2020 the Company has no commitments in vessels or seismic equipment.

Lease assets are included in the balance sheet under the item property, plant and equipment. The non current part of the lease liability is included in the balance sheet under the item interest bearing debt non current, and the current part under interest bearing debt current, refer to note 12.

Right-of-use assets:

USD thousands	Offices	Total
Carrying value		
Balance right-of-use assets 1.1.2020	**110**	**110**
Additions	-	-
Depreciation	(86)	(86)
Impairment	-	-
Other adjustments	-	
Balance right-of-use assets 31.12.2020	**24**	**24**

Lease liabilities:

USD thousands	Non-current*	Current	Total
Carrying value			
Balance lease liabilities 1.1.2020	22	86	109
Additions			-
Reclassification to current	(22)	22	-
Lease payments	-	(86)	(86)
Accrued interest	-	3	3
Other adjustments	-	(2)	(2)
Balance lease liabilities 31.12.2020	**(0)**	**24**	**24**

** The lease agreement related to office space expires as of 28 February 2021.*

The Company had a total cash outflow for leases of USD 0.09 million of which USD 0.003 million is related to interest in 2020. The Companys had no low-value assets or variable lease payments in 2020.

Right-of-use assets:

USD thousands	Offices	Total
Carrying value		
Balance at 1.1.2019	-	-
Leases capitalized due to implementation of IFRS 16	-	-
Balance right-of-use assets 1.1.2019	-	-
Additions	184	184
Depreciation	(73)	(73)
Impairment	-	-
Balance right-of-use assets 31.12.2019	**110**	**110**

Lease liabilities:

USD thousands	Non-current*	Current	Total
Carrying value			
Leases capitalized due to implementation of IFRS 16	-	-	-
Balance lease liabilities 1.1.2019	-	-	-
Additions	98	86	184
Reclassification to current	(76)	76	-
Lease payments		(75)	(75)
Accrued interest		6	6
Other adjustments	-	(7)	(7)
Balance lease liabilities 31.12.2019	**22**	**86**	**109**

** The non current part of the lease liability of USD 22 thousand is due in 2021.*

The Company had a total cash outflow for leases of USD 0.08 million ofwhich USD 0.006 million is related to interest in 2020. The Companys had no low-value assets or variable lease payments in 2019.

Commitments:
The Company has not entered into any contractual commitments for the rental of seismic equipment (nodes) as of 31 December 2020. Contractual commitments were USD 1.2 million as of 31 December 2019. The cost for short term leases of seismic equipment was USD 11.8 million in 2020 and USD 10.4 million in 2019.

The Company has no commitments for short-term leases of vessels as of 31 December 2020. Lease commitments of vessels were USD 3.2 million as of 31 December 2019. The cost for short term leases of vessels was USD 14.5 million in 2020 and USD 13.6 million in 2019.

NOTE 16 OTHER CURRENT LIABILITIES

USD thousands	31.12.2020	31.12.2019
Holiday pay owed	174	79
Other accrued costs	1 327	6 906
VAT settlement	(523)	8 665
Total other current liabilities	**978**	**15 651**

NOTE 17 SHARE CAPITAL AND SHAREHOLDERS INFORMATION

The Company's share capital per 31.12.2020 include the following:	Number of shares	Share Capital in NOK	Par Value per share*
Ordinary shares (one share = one vote)	58 821 018	5 882 102	0,10

* The par value has been written off from NOK 1.39431124614644 to NOK 0,10 per share in 2020.

The Company has one class of shares, all shares provide equal rights, including the right to any dividends in line with 2019. Each of the shares carries one vote in line with 2019. 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 1.1.2019	500 958 750
New shares issued - cash settled	234 496 171
Merge with Songa	294 181 968
Merge with Songa split	20 592 738
Share from Songa	717 199
New shares as Axxis Geo Solutions ASA 2.7.2019	**21 309 937**
New shares issued - cash settled	37 511 082
Number of shares 31.12.2019	**58 821 018**
Change in 2020	-
Number of shares 31.12.2020	**58 821 018**

Paid/proposed dividend
The Board has decided not to propose any dividend for 2020 or 2019.

The major shareholders in Axxis Geo Solutions ASA **31 December 2020** were as follows:

Shareholders	Total shares	Ownership share	Voting share
HAVILA HOLDING AS	15 549 434	26,4%	26,4%
ROGER IGELSTRØM	2 000 000	3,4%	3,4%
JOHS. HANSEN REDERI AS	1 413 345	2,4%	2,4%
Nordnet Bank AB	1 096 145	1,9%	1,9%
TOM DANIELSEN	1 073 166	1,8%	1,8%
FRANK ROBERT SUNDE	742 468	1,3%	1,3%
J.P. Morgan Securities LLC	703 618	1,2%	1,2%
NÆRINGSLIVETS HOVEDORGANISASJON	671 343	1,1%	1,1%
DAGUSIKI HOLDING AS	660 572	1,1%	1,1%
DEHGHAN ZAKLAKI	629 647	1,1%	1,1%
YVES MEROUR	541 531	0,9%	0,9%
JOHN OTTO DYBVIK	500 995	0,9%	0,9%
MORTEN HÅVAR OLSEN	500 000	0,9%	0,9%
ACTION AS	454 850	0,8%	0,8%
ALCIDES SHIPPING AS	450 712	0,8%	0,8%
RONNY BRATTAAS	421 763	0,7%	0,7%
Deutsche Bank Aktiengesellschaft	400 028	0,7%	0,7%
MADRA INVEST AS	373 734	0,6%	0,6%
NORDNET LIVSFORSIKRING AS	365 477	0,6%	0,6%
THOMAS GRØNSTAD	350 000	0,6%	0,6%
Total 20 largest shareholders	**28 898 828**	**49,1%**	**49,1%**
Total other shareholders	29 922 190	50,9%	50,9%
Total number of shares	**58 821 018**	**100,0%**	**100,0%**

The major shareholders in Axxis Geo Solutions ASA **31 December 2019** were as follows:

Shareholders	Total shares	Ownership share	Voting share
HAVILA HOLDING AS	15 549 434	26,4 %	26,4 %
RONJA CAPITAL AS	2 065 257	3,5 %	3,5 %
BJARTE BRUHEIM	1 820 000	3,1 %	3,1 %
W2 SEISMIC AS	1 765 561	3,0 %	3,0 %
URBANIUM GRUPPEN AS	1 500 000	2,6 %	2,6 %
JOHS. HANSEN REDERI AS	1 496 345	2,5 %	2,5 %
AJEA INVEST AS	1 423 873	2,4 %	2,4 %
KJØLÅS STANSEKNIVER AS	1 282 768	2,2 %	2,2 %
STETTE INVEST AS	1 282 768	2,2 %	2,2 %
REMCO AS	1 100 000	1,9 %	1,9 %
ATLE SANDVIK PEDERSEN	1 000 000	1,7 %	1,7 %
Nordnet Bank AB	942 949	1,6 %	1,6 %
MIDDELBORG INVEST AS	833 333	1,4 %	1,4 %
J.P. Morgan Securities LLC	703 618	1,2 %	1,2 %
NÆRINGSLIVETS HOVEDORGANISASJON	671 343	1,1 %	1,1 %
LEOVILLE AS	614 436	1,0 %	1,0 %
YVES MEROUR	541 531	0,9 %	0,9 %
RUNE HAARSTAD	517 000	0,9 %	0,9 %
ABN AMRO Global Custody Services N	500 021	0,9 %	0,9 %
JAKOB HATTELAND HOLDING AS	500 000	0,9 %	0,9 %
Total 20 largest shareholders	**36 110 237**	**61,4%**	**61,4%**
Total other shareholders	22 710 781	38,6 %	38,6 %
Total number of shares	**58 821 018**	**100,0 %**	**100,0 %**

Shares owned or controlled by members of the Board of Directors, Chief Executive Officer and Other Executive Officers **31 December 2020** were as follows:

Board of Directors	Position	Number of shares	Ownership share	Voting share	Number of options
Havila Holding AS 1)		15 549 434	26,4 %	26,4 %	-
1) Partly owned by Njål Sævik	Board member				42 000

Share and options owned by management **31 December 2020** were as follows:

Executive management	Position	Number of shares	Number of options
Lee Parker (CEO till August 8 2020)	CEO	559 390	-
Ronny Bøhn (CEO from August 8 2020)	CEO	-	-
Svein Knudsen (CFO till 1 April 2020)	CCO	17 000	106 400
Nils Haugestad CFO (CFO from 1 April 2020)	CFO	-	-
Richard Dunlop	EVP Operations	144 228	106 400

Shares owned or controlled by members of the Board of Directors, Chief Executive Officer and Other Executive Officers **31 December 2019** were as follows:

Board of Directors	Position	Number of shares	Ownership share	Voting share	Number of options
Havila Holding AS 1)		15 549 434	26,4 %	26,4 %	-
1) Partly owned by Njål Sævik	Board member				42 000

Share and options owned by management **31 December 2019** were as follows:

Executive management	Position	Number of shares	Number of options
Lee Parker	CEO	559 390	176 400
Richard Dunlop	EVP Operations	144 228	106 400
Svein Knudsen	CFO	17 000	106 400

NOTE 18 RELATED PARTIES

USD thousands

Current receivables group companies	31.12.2020	31.12.2019
Axxis Multi Client AS *	12 367	13 324
Axxis Geo Solutions Inc.	742	172
Axxis Production AS	15 132	12 786
Axxis Geo Solutions Egypt LLC	-	50
PT Axxis Geo Solutions	305	-
Axxis Multi Client International AS	-	-
Neptune Seismic AS	2	-
Total receivables group companies	**28 548**	**26 332**

** The intercompany receivables to Axxis Multi Client AS has per December 2019 been accrued for write down of USD 41.7 million. The amount relates to acquiring of the multi-client project Utsira which completed October 2019. The write-down has not been reversed per December 2020.*

USD thousands

Current liabilities group companies	31.12.2020	31.12.2019
Axxis Geo Solutions Inc.	1 379	736
Axxis Production AS	377	-
PT Axxis Geo Solutions	257	-
Total liabilites group companies	**2 014**	**736**

For more information on related parties see note 19 for the Group.

USD thousands

Revenue from group companies	Full year 2020	Full year 2019
Axxis Multi Client AS	3 161	53 511
Axxis Production AS	36 762	11 668
Total revenue group companies	**39 923**	**65 179**

USD thousands

Cost from group companies	Full year 2020	Full year 2019
Axxis Geo Solutions Inc.	11 983	13 167
PT Axxis Geo Solutions	257	965
Total cost group companies	**12 240**	**14 132**

For more information on related parties see note 19 for the Group.

USD thousands

Revenue from investment in subsidiaries	Full year 2020	Full year 2019
Group contribution from Axxis Production AS	5 637	-
Total revenue from investement in subsidiares	**5 637**	**-**

NOTE 19 PERSONNEL EXPENSES AND REMUNERATIONS

USD thousands	Full Year 2020	Full Year 2019
Wages and salaries	1 588	966
Social Security costs	26	145
Pension costs	203	51
Other remuneration	1 513	1 377
Share based payment expense (refer to note 21)	3	-11
Total personnel expense	**3 333**	**2 529**

Number of man-years at 31.12	2020	2019
Group companies in Norway	9	6

The Company has a defined contribution pension plan. The contribution plan is a retirement plan in which the Company pays fixed contributions to a separate legal entity. The company has no further payment obligations once these contributions have been paid. Contributions are booked as cost on an ongoing basis. The Company meets the requirements for occupational pension scheme under the Act on Obligatory Occupational Pensions. The contribution pension scheme in Norway meets the legal requirements.

A loan of USD 90 thousands was given the the previous CEO, Lee Parker in 2020. The loan will a part of the settlement with the former CEO. No other loan or collateral has been granted to the Chairman of the Board or other related parties.

Chief financial officer and other Executive officers

In **2020**, the Company paid compensation to its executive offices as follows:

USD thousands

Name	Fixed salary	Bonus	Other benefits	Pension benefits	Share based payment cost	Total cost	Number of options held
Ronny Bøhn (CEO from August 8 2020)	100	-	1	7	-	**108**	-
Svein Knudsen CCO (CFO till 1 April 2020)	213	-	1	17	2	**233**	106 400
Nils Haugestad (CFO from 1 April 2020)	191	-	1	13	-	**205**	-

In **2019**, the Company paid compensation to its executive offices as follows:

USD thousands

Name	Fixed salary	Bonus	Other benefits	Pension benefits	Share based payment cost	Total cost	Number of options held
Svein Knudsen (CFO)	273	-	1	18	41	**332**	106 400

** 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 **2020**, for the period from AGM 2019 to AGM 2020, the Group paid following compensations to Board of Directors:

USD thousands

Name	Position	Director since	Term expire	Fee	Share based payment cost	Number of options held
Christian Huseby	Chairman	30.6.2020	2022	-	-	
Njål Sævik	Board Member	6.11.2017	2021	29	2	42 000
Nina Skage	Board Member	2.7.2019	2021	35	-	-
Eirin Inderberg	Board Member	2.7.2019	2021	29	-	-
Vibeke Fængsrud	Board Member	2.7.2019	2021	34	-	-
		Director to				
Rolf Rønningen	Chairman	30.6.2020	N/A	43	-	-
Tore Tønseth	Board Member	12.2.2020	N/A	7	-	-

In **2019**, for the period from AGM 2018 to AGM 2019, the Group paid following compensations to Board of Directors:

USD thousands

Name	Position	Director since	Term expire	Fee	Share based payment cost	Number of options held
Rolf Rønningen	Chairman	2.7.2019	2020	-	-	-
Njål Sævik	Board Member	6.11.2017	2020	25	19	42 000
Nina Skage	Board Member	2.7.2019	2020	-	-	-
Eirin Inderberg	Board Member	2.7.2019	2020	-	-	-
Vibeke Fængsrud	Board Member	2.7.2019	2020	-	-	-
		Director to				
Jogeir Romestrand	Board Member	1.11.2019	N/A	51	50	-
Fredrik Platou	Board Member	1.11.2019	N/A	36	16	-
Andreas Pay	Board Member	1.11.2019 18.12.2019	N/A	4	-	-
Tore Tønseth	Board Member	1.12.2019 12.2.2020	N/A	-	-	-
Bjarte Henry Bruheim	Chairman	2.7.2019	N/A	50	68	-
Ole Andre Heggheim	Board Member	2.7.2019	N/A	25	16	-
Tore Rødal	Board Member	2.7.2019	N/A	25	19	-

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.

See note 17 for shares held by the Group`s Board of Directors.

NOTE 20 SHARE BASED PAYMENT PROGRAMS

The Company has a share based payment scheme for employees and some members of the Board.

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:

	2020		**2019**	
	Average exercise price per share option (NOK)	**Number of options**	**Average exercise price per share option (NOK)**	**Number of options**
As at 1.1*	9,4500	749 479	8,8761	981 879
Granted during the year	-	-	25,0000	28 000
Expired during the year	-	-	8,9556	(260 400)
Terminated during the year	8,6400	(344 400)	-	-
As at 31.12	10,1400	405 079	9,4508	749 479
Vested 31.12	9,8700	398 079	8,9002	656 609
Exercisable 31.12		398 079		656 609

* *after the merge with Songa - new number of option*

	Full Year 2020	Full Year 2019
Share based payment cost (revenue) recognised in the period USD thousand	**3**	**-11**

Granted instruments	**2020**	**2019**
Instrument	***Option***	***Option***
Quantity 31.12 (instruments)	-	28 000
Quantity 31.12 (shares)	-	28 000
Contractual life*	-	5,75
Strike price*	-	25,00
Share price*	-	22,45
Expected lifetime*	-	2,25
Volatility*	-	57,65%
Interest rate*	-	1,329%
Dividend*	-	0,00
FV per instrument*	-	6,87
Vesting conditions		

**Weighted average parameters at grant of instrument*

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 2020	Share options 31 December 2019
15.9.2017	15.9.2022	6,96	196 000	406 000
27.9.2018	27.9.2023	11,28	181 079	315 479
1.5.2019	1.5.2024	25,00	28 000	28 000,00
Total number of options			**405 079**	**749 479**

Outstanding instruments overview

Strike Price	Number of instruments	Weighted Average remaining contractual life	Weighted Average Strike Price	Vested instruments 31.12.2020	Weighted Average Strike Price
	Outstanding instruments			Vested instruments	
6,96	196 000	2,70	6,96	196 000	6,96
11,28	181 079	3,49	11,28	181 079	11,28
25,00	28 000	4,09	25,00	21 000	25,00
	405 079			**398 079**	

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 2019 grant, 50% of the options vested on grant date, while the remaining option will vest in May 2024. The fair value at grant date was 6.87 NOK/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 1.98% for the 2019 grant.

NOTE 21 AUDITORS FEE

USD thousands

Expensed audit fee (excluding VAT)	Full Year 2019	Full Year 2019
Statutory audit	134	93
Tax advice (incl. technical assistance with tax return)	109	55
Other attestation services	27	24
Total auditors fee	**270**	**173**

NOTE 22 SUBSIDIARIES AND ASSOCIATED COMPANIES

Axxis Geo solutions ASA (AGS ASA) comprise of the following legal entities as at 31 December 2020

USD thousands

Subsidiary of AGS ASA:	Jurisdiction	Total Equity	Net Income/ (loss)	Carrying value
Neptune Seismic AS	Norway	(4)	(1)	-
Axxis Geo Solution Inc.	USA	531	34	100
Axxis Geo Solutions PT*	Indonesia	434	(46)	-
Axxis Multi Client AS	Norway	(36 214)	(9 354)	1 762
Axxis Production AS	Norway	6 321	5 938	383
Axxis Multi Client International AS	Norway	4	(1)	5
Axxis Geo Solutions Egypt LLC**	Egypt	889	8 595	1
Total		**(28 038)**	**5 164**	**2 252**

** 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.*
*** Axxis Production AS owns 99% and Axxis Geo Solutions ASA owns 1% of the shares in the company.*

The Company holds 100 percent of all shares (except AGS PT and AGS Egypt LLC as mentioned above) and all voting rights for its subsidiaries.

NOTE 23 CASH FLOW INFORMATION

USD thousands	Liabilities arising from financing activities				
	Current interest bearing debt	Current lease liabilities	Non-current interest bearing debt	Non-current lease liabilities	Total
1.1.2020	**2 257**	**86**	**-**	**22**	**2 365**
Cash flows	(1 440)	(86)	-	-	-1 525
Other*	33 088	1	-	-	33 089
Reclassification	(17 417)	22	17 417	(22)	-
31.12.2020	**16 488**	**24**	**17 417**	**-**	**33 929**

* Mainly related to trade payables converted to loans.

USD thousands	Liabilities arising from financing activities				
	Current interest bearing debt	Current lease liabilities	Non-current interest bearing debt	Non-current lease liabilities	Total
1.1.2019	**3 424**	**86**	**-**	**98**	**3 608**
Cash flows	(1 127)	(75)	-	-	(1 202)
Other	(41)	(1)	-	- -	42
Reclassification	-	76	-	(76)	-
31.12.2019	**2 257**	**86**	**-**	**22**	**2 365**

The Company implemented IFRS 16 effective as of 1 January 2019.

NOTE 24 EVENTS AFTER THE REPORTING PERIOD

Default notice

The Company has after the reporting period received default notice from Nordic Trustee on behalf of the bondholders and from Eksportkreditt for unpaid installment and interest in January 2021. The Company is in active dialogue with the respective creditors and expect to find a solution which is aligned with the outcome of the court-protected reconstruction

Reconstruction

The Company announced 16 February 2021 that the Company had not been able to reach agreement with all creditors in order to implement a voluntary solution to refinance the Company.
Consequently, the Company filed for court protected reconstruction.

On 17 February 2021, the District Court of Asker and Bærum authorized opening of reconstruction negotiations for the Company. On 7 April 2021, the Company presented the final proposal for reconstruction by forced debt settlement. The proposal from the company involves a forced debt settlement of the Company's unsecured debt. Secured debt, up to the value of the pledged assets, is not part of the forced debt settlement. The deadline for creditor replies is 27 April 2021.

Under the court-authorized reconstruction negotiations, the Company continues normal business operations under the oversight of the Debt Restructuring Committee. Unsecured liabilities incurred prior to the opening of reconstruction negotiations are "frozen". All liabilities that are incurred thereafter shall be covered in their entirety.

Under the reconstruction proposal, Company creditors are offered the following:

d) Creditors with ordinary (general and unsecured) claims receive a dividend of 10%. The agreed dividend is paid out within 14 – fourteen – working days after the court confirmation of the reconstruction plan by forced debt settlement, cf. The Reconstruction Act § 52, is enforceable, tentatively during June/July 2021.

e) As an alternative, creditors can convert all or part of their claim to shares in the Company at a subscription price of 0.5 NOK/share. The share issue will be decided upon at an extraordinary general assembly of the Company, expected to be held in May. The shares are expected to be registered in the respective VPS accounts no later than 30 June 2021. There might be a delay before the shares are listed. The minimum subscription amount per creditor is NOK 100 000. There is a limit of 9.9% share ownership per individual shareholder from their debt conversion.

f) Claims that group entities / other related parties have against the Company will be entitled to the same dividend as other ordinary claims, but these claims will not receive any dividend until all other entitled creditors have received their dividends in full.

It is not opened reconstruction negotiations in the subsidiaries of the Company. The Company has arranged for separate voluntary debt settlements in the subsidiaries. The Company aims to achieve a solution whereby the bondholders also waive claims and collateral in the subsidiaries, thus avoiding insolvency proceedings in these companies.
The reconstruction will be financed through an equity issue for cash of USD 17-20million, where a group of investors on certain conditions have committed to provide the Company with USD 17 million, at a subscription price of 0.1 NOK/share. After the reconstruction is complete, the Company will have an attractive financial position and satisfactory liquidity. This forms a sound basis for continued operations.
Ongoing agreements which the Company is party to and that are not terminated during the reconstruction negotiations continue.

It is the opinion of the Company that the creditors will receive a higher recovery in the reconstruction proposal compared to alternative bankruptcy proceedings. Through bankruptcy proceedings, the Company estimates that creditors with ordinary (general and unsecured) claims would be able to achieve a dividend in the range 0–2%.

APPENDIX – ALTERNATIVE PERFORMANCE MEASURES (APMS)

The European Securities and Markets Authority ("ESMA") issued guidelines on Alternative Performance Measures ("APMs") that came into force on 3 July 2016. The Company has defined and explained the purpose of the APMs in the paragraphs below.

The alternative performance measures presented by the Group may be determined or calculated differently by other companies.

EBITDA
EBITDA means Earnings before interest, taxes, amortization, depreciation and impairments. The Group uses EBITDA because it is useful when evaluating operating profitability as it excludes amortization, depreciation and impairments related to investments that occurred in the past. Also, the measure is useful when comparing the Company's performance to other companies.

	Segment reporting		IFRS reporting	
USD thousands	Full Year 2020	Full Year 2019	Full Year 2020	Full Year 2019
Profit (loss) for the period	(12 373)	(40 806)	(3 133)	(46 477)
Income tax (expense)	(7 086)	(3 468)	(7 086)	(4 576)
Net financial items	(1 737)	(4 271)	(1 891)	(6 039)
Depreciation & impairment PPE	(5 711)	(5 879)	(5 934)	(6 080)
Amortization & impairment of multi-client and goodwill	(4 159)	(44 692)	(21 620)	(35 093)
Operating profit (loss) before depreciation and amortization (EBITDA)	**6 319**	**17 504**	**33 399**	**5 310**

For full overview of Segment vs IFRS see note 3 Segment.

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 according to IFRS. In the segment reporting, there is amortization for the multi-client library equal to percentage of recognised revenue according to budget, while the financial statements are based on a principle where amortization begins when the library is completed.

EBIT (Operating Profit)
Earnings before interest and tax is an important measure for the Group as it provides an indication of the profitability of the operating activities. The EBIT margin presented is defined as EBIT (Operating Profit) divided by net revenues.

Multi-client prefunding percentage
The multi-client prefunding percentage is calculated by dividing the multi-client prefunding revenues, as per segment reporting, by the operational investments in the multi-client library, excluding investments related to projects where payments to the vendors are contingent on sales (risk-sharing investments). The multi-client prefunding percentage is considered an important measure as it indicates how the Company's financial risk is reduced by multi-client investments.

Backlog

Backlog is defined as the total value of future segment revenue on signed customer contracts, letter of awards or where all major contracts terms are agreed. The Group believes that the Backlog figure is a useful measure in that it provides an indication of the amount of customer backlog and committed activity in the coming periods.

Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Axxis Geo Solutions ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Axxis Geo Solutions ASA, which comprise the financial statements for the parent company and the Group. The financial statements for the parent company and the Group comprise the statements of financial position as at 31 December 2020, statements of comprehensive income, the statements of cash flows and 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 Company and the Group as at 31 December 2020 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 Company and 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.

Material uncertainty related to going concern

We draw attention to Note 1.1 – "Going concern" and Note 2.2 – "Going concern" of the consolidated financial statements, which indicates that the Company's ability to continue as a going concern is dependent upon a successful outcome of the reconstruction plan including securing sufficient liquidity. This indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not reflect impairment charges or provisions that might be required if the Company is liquidated or the assets sold in a distressed situation. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2020. In addition to the matter(s) described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Building a better working world

Impairment assessment of Multiclient library

Multi-client library accounts for USD 36.2 million (66 %) of the Group's total assets per 31 December 2020. The Company performed an impairment evaluation and determine the value in use to assess impairment. The Company estimated the value in use based on present value of estimated future sales forecasts. The Company based the forecasts on budgets and assumptions about future market demand and spending on exploration and production by oil companies, including licensing activities. The forecasts require considerable insight and judgment from management about future market conditions. The impairment evaluation of the multi-client data library is a key audit matter based on the continued uncertain market conditions and the significant judgement involved. In 2020 impairment losses of USD 18.0 million were recorded in the consolidated financial statements.

We evaluated management's assessment of impairment indicators and management's estimates related to sales forecasts. Our audit procedures included inquiries and evaluations of management's assumptions regarding the current market, licensing rounds and exploration activities. Furthermore, we evaluated the valuation methodology and the discount rate applied in the value in use model. We also tested the mathematical accuracy of the value in use calculations and performed sensitivity analysis of key assumptions. We also assessed the Company's disclosures regarding those assumptions and the impairment losses of multi-client data library recorded.

We refer note 11b in the consolidated financial statements.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are 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 control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company 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 Company'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 Company'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 Company 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report and on the statements on corporate governance and corporate social responsibility

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 and in the statements on corporate governance and corporate social responsibility 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.

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 Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 16 April 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Finn Ole Edstrøm
State Authorised Public Accountant (Norway)

About AGS

Axxis Geo Solutions (AGS) is a pure-play ocean bottom node seismic company uniquely positioned to pursue both contract and multi-client seismic. AGS specializes on delivering tailored seismic solutions and flexible project management and execution to oil and gas companies world-wide. Its operations are based on a scalable asset-light setup through chartering of vessels and nodes to complete seismic surveys.

More information on www.axxisgeo.com

The information included herein contains certain forward-looking statements that address activities, events or developments that the Company expects, projects, believes or anticipates will or may occur in the future. These statements are based on various assumptions made by the Company, which are beyond its control and are subject to certain additional risks and uncertainties. The Company is subject to a large number of risk factors including but not limited to the demand for seismic services, the demand for data from our multi-client data library, the attractiveness of our technology, unpredictable changes in governmental regulations affecting our markets and extreme weather conditions. For a further description of other relevant risk factors, we refer to our Annual Report for 2018. As a result of these and other risk factors, actual events and our actual results may differ materially from those indicated in or implied by such forward-looking statements. The reservation is also made that inaccuracies or mistakes may occur in the information given above about current status of the Company or its business. Any reliance on the information above is at the risk of the reader, and AGS disclaims any and all liability in this respect.

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APPENDIX C:

Q1 2021 INTERIM FINANCIAL REPORT

Axxis Geo Solutions ASA Q1 2021 Earnings Release

CONTENTS

AXXIS GEO SOLUTIONS ASA

CEO STATEMENT

"We made significant progress in the quarter through the refinancing of the Company which has provided us with a sound financial position to build tomorrow's AGS on. Our creditors have shown strong support by accepting the reconstruction proposal that involves significant debt reduction coupled with new equity. Post completion, we will have strong liquidity. This opens up a large window of opportunities for us.

With the refinancing in place, we are also confident that we will be able to extract the full value of our high-quality data libraries. Further, the equity backing from our new shareholders will also allow us to evaluate new opportunities.

The seismic market continues to be sluggish. However, we see signs of improvement and expect increased activity as the adverse effects of the pandemic are reduced. The Company has active tenders under review for the second half of 2021 and expects an improved tender pipeline for 2022. Following the completion of the data processing of the Utsira OBN multi-client survey, AGS' sales team is in cooperation with TGS following up on several late-sale opportunities for 2021," says Ronny Bøhn, CEO of Axxis Geo Solutions.

EVENTS DURING THE QUARTER

- The Company filed for court protected reconstruction 16 February 2021.

SUBSEQUENT EVENTS

- EGM 28 April 2021 approved private placement of NOK 144.5 million.
- The proposal of reconstruction was approved by 98% majority.
- District court confirmed reconstruction plan, subject to appeal period ending 1 June 2021.
- Announced intention to consider repair offering of up to NOK 20 million.
- Agreement for sale of vessel Neptune Naiad and related seismic source equipment.

KEY FINANCIALS IFRS REPORTING

USD thousands

Profit and loss	Q1 2021	Q1 2020	Full Year 2020
Revenue	766	45 147	92 790
Cost of sales	(677)	(30 910)	(52 313)
EBITDA (loss)	(1 612)	12 740	33 399
EBIT (loss)	(4 721)	11 188	5 845
Net profit (loss)	(6 572)	6 948	(3 133)
Basic earnings (loss) per weighted average shares (in USD)	(0,11)	0,12	(0,05)
Financial position			
Total assets			54 452
Total liabilities			62 305
Total equity			(7 852)
Equity ratio			-14,4%
Cash flow			
Net cash flow from operating activities	(147)	8 545	18 863

KEY FINANCIALS SEGMENT REPORTING

USD thousands

Profit and loss	Q1 2021	Q1 2020	Full Year 2020
Revenue	766	45 946	66 184
EBITDA (loss)	(1 672)	13 482	6 319
Amortization and impairment MCL	(1 828)	(503)	(4 159)
EBIT (loss)	(4 724)	11 483	(3 550)
Net booked value MCL			36 168
Total equity			(7 845)
Equity ratio			-14,4 %

OUTLOOK

Going forward, the Company will continue to streamline its current activities to remain agile and continue its asset light / low fixed cost strategy. AGS' upcoming project in the North Sea in late June remains a priority.

The seismic market continues to be sluggish. However, the Company sees signs of improvement and expect increased activity as the adverse effects of the pandemic are reduced. The Company has active tenders under review for the second half of 2021 and expects an improved tender pipeline for 2022. Following the completion of the data processing of the Utsira OBN multi-client survey, AGS' sales team is in cooperation with TGS following up on several late-sale opportunities for 2021.

GOING CONCERN

The financial statement for Q1 2021 is based on the assumption of going concern.

The Company filed for court protected reconstruction on 16 February 2021. This filing provided protection from bankruptcy and allowed for continued operation under court protection. A reconstruction plan was subsequently put forth, whereafter 106 out of 110 creditors voted in favor of the plan by the deadline of 27 April 2021. In nominal amounts, this represented in excess of 98% of claims eligible to vote. In addition, Axxis obtained acceptance for voluntary debt settlement from the major creditors in the group companies in the US and Egypt.

On 30 April 2021, the District Court of Ringerike, Asker and Bærum confirmed the reconstruction proposal, subject to an appeal period which expires 1 June 2021. The court ruling will become legally binding thereafter (subject to no appeals being made).

An Extraordinary General Meeting on 28 April 2021 approved an equity private placement of NOK 144.5 million from an investor group. The Company has confirmed the private placement and announced the details of a subsequent repair offering of up to NOK 20 million. Following the issue of the New Shares, the New Shares will represent in aggregate about 97% of the total outstanding shares in the Company.

An Extraordinary General Meeting on 21 May approved, subject to the reconstruction proposal and the forced debt settlement becoming legally binding, that Axxis will pay out approximately USD 6 million in cash and issue approximately 424 million shares to its creditors (the "Conversion Shares"). The Company estimates that the forced debt settlement will become legally binding, that payments will be made, and Conversion Shares issued no later than 30 June 2021.

The restructuring will provide the Company with sufficient working capital for continued operation. However, the Company will still be dependent on securing new seismic survey contracts as well as multi-client late sales.

The board of directors and management have used their best judgements in the evaluation of the going concern assumption. Although there are uncertainties listed above related to conditions that might impacts future cash flows, the board of directors and management are of the opinion that the going concern assumption is appropriate and the accounts are prepared under the going concern assumption.

OPERATIONAL HIGHLIGHTS

Operations were negatively impacted by the weak market conditions this quarter. A number of project opportunities have been postponed or cancelled in light of the challenging market environment. As a result, AGS remained in Smart-Stack mode through the period and focused on cost management, while maintaining readiness for return to operations in the North Sea in Q2-21.

The qualification process for two major international oil companies progressed through the period, further increasing our market reach.

OPERATIONS

The operations team have commenced preparations for the previously announced North Sea project which is scheduled for mobilization in late June. This project will allow us to provide a complimentary offering to our core NOAR business line and position us for future participation in a wider range of seismic survey opportunities.
COVID 19 remains an ongoing risk to operations. As the pandemic evolves, our HSE and operations teams continue to refine our COVID mitigations plans that enabled successful and COVID-free operations through 2020.

HSE PERFORMANCE

No incidents were recorded in the period, continuing our zero-incident record from the prior year. We have now surpassed two million manhours without a Lost Time Incident.

FINANCIAL REVIEW

The financial review is prepared according to the IFRS accounting principles. Following the application of the IFRS 15 accounting standard for revenues, multi-client pre-funding revenues are not recognized under percentage of completion ("PoC") method. Instead, all such revenues are recognized at delivery of the final processed data, which is considerably later than the acquisition of the seismic data. The segment reporting (used for management purposes) in note 1 Revenue, note 2 Segment Reporting, note 3 Multi-client library, and note 8 EBITDA, shows the deviation from IFRS.

REVENUE

Revenue for the first quarter of 2021 was USD 766 thousand compared to USD 45.1 million for the first quarter of 2020. The revenue in Q1 2021 is related to Covid-19 compensation from the Norwegian government where the revenue in Q1 2020 was related to contract work in Egypt.

Operational cost

Cost of sales (COS) in the first quarter of 2021 was USD 677 thousand compared to USD 30.9 million in the first quarter of 2020. COS for Q1 2021 was for Neptune Naiad being warm-stacked and processing and uploading of the Utsira multi-client data. USD 30.9 million COS for Q1 2020 was related to operations in Egypt for the full quarter.

Personnel expenses and other operating expenses in the first quarter of 2021 amounted to USD 1.7 million, compared to USD 1.5 million in the first quarter of 2020. Advisers used for the reconstruction in Q1 2021 amounted to USD 0.8 million, in addition to USD 0.2 million for other legal fees and external services compared to USD 0.4 million for Q1 2020 for legal fees and external services.

Depreciation of tangible assets

Depreciation was USD 1.3 million during the first quarter of 2021 compared to depreciation of USD 1.6 million in the first quarter of 2020. There have been no investments made in 2021, compared to investment of USD 27 thousand in the same period of 2020.

Amortization of intangible assets

According to IFRS, multi-client surveys are not amortized until the data is ready for sale. The data processing of the multi-client 3D OBN Utsira survey was completed in Q3 2020. AGS started linear amortization over 4 years from Q3 2020. The straight-line amortization of Utsira was USD 1.8 million for the first quarter of 2021.

Impairment

No impairment charges have been made in the first quarter of 2021 for the vessel Neptune Naiad, the node handling systems or seismic equipment. There has not been any impairment of the Utsira multi-client survey or the multi-client survey in Egypt in the quarter.

EBITDA and EBIT

The EBITDA was USD -1.6 million in the first quarter of 2021 compared to EBITDA of USD 12.7 million in the first quarter of 2020. This decrease in EBITDA is due to lack of project activity during the quarter compared to full operation during Q1 2020.

EBIT (operating profit) was USD -4.7 million in the first quarter of 2021 compared to EBIT of USD 11.2 million during the same period in 2020. The decrease in EBIT relates to the same factor as the decrease in EBITDA described above.

Financial items

Net financial expense was USD 1.8 million during the first quarter of 2021 compared to net financial gain of USD 1.4 million in the first quarter of 2020. The decrease is mainly related the interest-bearing debt of USD 34.9 million compared to debt of USD 1.9 million in Q1 2020. In addition, Q1 2021 reported a currency loss of USD 8 thousand as compared to a currency gain of USD 1.8 million in Q1 2020.

Income tax (expense)

The corporate income tax in Norway is 22% in 2021. Income tax expense for the first quarter of 2021 amounted to USD 70 thousand compared to income tax expense of USD 5.6 million for the same period in 2020. The tax expense in Q1 2021 represents year-end adjustment for one of the subsidiaries.

The Company has no deferred tax assets booked as of March 2021.

LOSS FOR THE PERIOD

AGS had a loss of USD 6.6 million for the first quarter of 2021 compared to profit of USD 6.9 million for the first quarter of 2020.

FINANCIAL POSITION AND CASH FLOW

As of 31 March 2021, AGS had total assets of USD 50.0 million, compared to total assets of USD 99.7 million as of 31 March 2020.

Total non-current assets decreased from USD 63.4 million in Q1 2020 to USD 44.9 million in Q1 2021. This is attributed to the net decrease in multi-client library of USD 12.9 million and decrease of USD 5.6 million in fixed assets.

Total current assets decreased from USD 36.4 million in Q1 2020 to USD 5.0 million in Q1 2021. The decrease is driven by trade receivables reduced by 9.9 million to zero, other current asset and cash reduced by USD 20.0 million. Cash balance ending at USD 4.3 million as of 31 March 2021.

The Group's equity was negative USD 14.4 million at the end of Q1 2021 versus positive of USD 2.2 million as of 31 March 2020. The negative equity ratio is -28.9% as of 31 March 2021 compared to 2.2% same period in 2020.

Total current liabilities decreased from USD 97.5 million as of 31 March 2020 to USD 64.3 million as of 31 March 2021. All loans have been reclassed to short-term liabilities. The current portion of long-term debt amounted to USD 34.9 million, in respect of the debt towards Eksportkreditt Norge AS of USD 1.2 million, USD 24.1 million for the bond loan and USD 9.6 million for the unsecured debt as of March 2021. The bond loan includes a minimum cash covenant of USD 2.0 million. The covenant is fulfilled as of 31 March 2021. The financial covenants for Eksportkreditt Norge AS are (i) liquidity of no less than 120% of outstanding loan and (ii) an equity ratio of more than 35%. These covenants are not satisfied as of 31 March 2021. Fair value of the converted debt, both unsecured loans and the bond loan, have been calculated and booked as financial gain that will be booked as amortized cost on the loans going forward. The amortized cost from the fair value evaluation in Q1 2021 was USD 0.5 million.

Further decrease is trade payables by USD 34.8 million is due to trade payables having been converted to debt and no activity during the quarter. In addition, contract liability related to pre-funding revenue for Utsira was allowed booked as revenue in 2020, leading to a decrease of current liabilities with USD 25.2 million. Other current liabilities decreased by USD 6.2 million in 2021. The account includes project related accruals, taxes and VAT and the promissory loan note in favor of TGS of USD 6.9 million per 31 March 2021.

Cash outflow from operating activities in the first quarter of 2021 was negative USD 0.1 million compared to positive USD 8.5 million at the end of the same period in 2020. There was project activity during the full quarter of Q1 2020.

Cash outflow from investing activities in the first quarter of 2021 was zero compared to investment in seismic equipment in the first quarter 2020 of USD 27 thousand.

Cash outflow from financing activities in first quarter of 2021 was negative USD 1.4 million compared to negative USD 0.8 million in the same period in 2020. Cash outflow from financing activities for both periods are related to debt amortization and interest paid, in addition to payment of office lease liabilities.

FINANCIAL STATEMENTS

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Axxis Geo Solutions Group

USD thousands	Note	Q1 2021	Q1 2020	Full year 2020
Revenue	1/2	**766**	**45 147**	**92 790**
Cost of sales	2	(677)	(30 910)	(52 313)
Personnel expenses	2	(614)	(570)	(3 388)
Other operating expenses	2	(1 087)	(928)	(3 691)
Amortization & impairment multi-client & goodwill		(1 828)	-	(21 620)
Depreciation & impairment		(1 280)	(1 552)	(5 934)
Operating profit (loss) (EBIT)		**(4 721)**	**11 188**	**5 845**
EBIT %		**0,0%**	**0,0%**	**0,0%**
Financial income		0	-	3 848
Financial expenses		(1 773)	(454)	(5 315)
Currency exchange gain (loss)		(8)	1 836	(424)
Profit (loss) before tax		**(6 502)**	**12 570**	**3 953**
Income tax (expense)		(70)	(5 621)	(7 086)
Profit (loss) for the period		**(6 572)**	**6 948**	**(3 133)**
Currency translation adjustments		-	-	-
Other comprehensive income (loss) for the period		-	-	-
Total comprehensive income (loss) for the period		**(6 572)**	**6 948**	**(3 133)**

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Axxis Geo Solutions Group

USD thousands	Note	31.03.2021	31.03.2020	31.12.2020
Assets				
Non-current assets				
Goodwill		-	-	-
Multi-client library	3	34 340	47 213	36 168
Deferred tax asset		-	-	-
Property, plant and equipment		10 514	16 142	11 794
Other non-current assets		-	-	-
Total non-current assets		**44 854**	**63 355**	**47 963**
Current assets				
Inventories		85	1 566	85
Trade receivables		-	9 851	-
Other current assets		616	15 785	531
Bank deposits, cash in hand		4 340	9 186	5 873
Total current assets		**5 041**	**36 388**	**6 490**
Total assets		**49 896**	**99 742**	**54 452**

USD thousands	Note	31.03.2021	31.03.2020	31.12.2020
Equity and Liabilities				
Equity				
Share capital and other paid in capital	5	39 293	50 171	39 293
Other reserves		(53 716)	(47 945)	(47 145)
Total equity		**(14 423)**	**2 226**	**(7 852)**
Non current liabilities				
Interest bearing debt		-	15	17 417
Total non current liabilities		**-**	**15**	**17 417**
Current liabilities				
Interest bearing debt current		34 892	1 871	16 562
Trade payables		13 785	48 546	12 251
Contract liabilities		-	25 247	-
Other current liabilities		15 642	21 838	16 075
Total current liabilities		**64 319**	**97 502**	**44 887**
Total liabilities		**64 319**	**97 516**	**62 305**
Total equity and liabilities		**49 896**	**99 742**	**54 452**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Axxis Geo Solutions Group

USD thousands	Share capital	Additional paid-in capital	Accumulated earnings	Other equity/ Share based programme	Total equity
Balance as of 01.01.2021	**840**	**38 453**	**(47 546)**	**400**	**(7 852)**
Profit (loss) for the period			(6 572)		(6 572)
Other comprehensive income (loss)			-		-
Cost for new shares issued					-
Write down of par value	-		-		-
Share based payment				1	1
Balance as of 31.03.2021	**840**	**38 453**	**(54 117)**	**401**	**(14 423)**

USD	Share capital	Additional paid-in capital	Accumulated earnings	Other equity/ Share based programme	Total equity
Balance as of 01.01.2020	**11 718**	**38 453**	**(55 291)**	**397**	**(4 723)**
Profit (loss) for the period			6 948		6 948
Other comprehensive income (loss)			-		-
Cost for new shares issued					-
Share based payment				0	0
Balance as of 31.03.2020	**11 718**	**38 453**	**(48 343)**	**398**	**2 226**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOW

Axxis Geo Solutions Group				
USD thousands	Note	Q1 2021	Q1 2020	Full Year 2020
Cash flow from operating activities				
Profit (loss) before tax		(6 502)	12 570	3 953
Taxes paid		-	(1 360)	(2 116)
Depreciation and amortization	3	3 108	1 552	27 554
Currency (gain)/loss without cash flow effects		(11)	(142)	(81)
Interest expense		1 268	433	3 995
Share based payment cost		1	0	3
Change in trade receivables		-	2 440	12 291
Change in trade payables		1 534	6 900	(29 396)
Change in inventories		-	(804)	676
Change in other current assets		(85)	(1 370)	13 884
Change in contract liabilities		-	2 518	(22 729)
Other working capital changes		539	(14 191)	10 827
Net cash from operating activities		**(147)**	**8 545**	**18 863**
Cash flow from investing activities				
Investment in property, plant and equipment		-	(27)	(62)
Disposal of property, plant and equipment		-	-	204
Investment in multi-client library	3	-	-	(10 576)
Cash received/paid from merger		-	-	-
Net cash flow from investment activities		**-**	**(27)**	**(10 434)**
Cash flow from financing activities				
Net proceeds from interest bearing debt		-	-	-
Repayment of interest bearing debt		-	(279)	(1 440)
Payment of lease liabilities (recognized under IFRS 16)		(59)	(53)	(220)
Net proceeds from new equity		-	-	-
Interest paid lease liabilities		(1)	(3)	(10)
Interest paid		(1 326)	(432)	(2 321)
Net cash flow from financial activities		**(1 386)**	**(767)**	**(3 991)**
Net change in cash and cash equivalents		**(1 533)**	**7 751**	**4 438**
Cash and cash equivalents balance 1.1		5 873	1 435	1 435
Cash and cash equivalents balance 31.12		**4 340**	**9 186**	**5 873**

* Interest expense in 2020 includes financial cost as a result of the merger with Songa Bulk of USD 1.2 million

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Revenue

USD thousands	Segment reporting			IFRS reporting		
Q1 2021/Q1 2020/Full Year 2020	Q1 2021	Q1 2020	Full year 2020	Q1 2021	Q1 2020	Full year 2020
Operating Revenue						
Contract revenue	-	45 147	64 326	-	45 147	64 326
Multi-client pre-funding revenue	-	798	798	-	-	27 404
Multi-client late sales	-	-	1 060	-	-	1 060
Other revenue	766	-	-	766	-	-
Total revenue	**766**	**45 946**	**66 184**	**766**	**45 147**	**92 790**

NOTE 2 SEGMENT REPORTING

USD thousands	Segment reporting				Adjustments		IFRS reporting	
Q1 2021/2020	Multi-client		Contract					
Income statement	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020
Total revenue	**-**	**798**	**766**	**45 147**	**-**	**(798)**	**766**	**45 147**
Total cost of sales	(172)	(2 599)	(505)	(28 311)	-	-	(677)	(30 910)
Personnel expenses	-	-	(614)	(570)	-	-	(614)	(570)
Other operating expenses	-	-	(1 147)	(984)	59	56	(1 087)	(928)
Total Operating Expenses	**(172)**	**(2 599)**	**(2 265)**	**(29 865)**	**59**	**56**	**(2 378)**	**(32 408)**
Operating profit (loss) before depreciation and amortization (EBITDA)	**(172)**	**(1 800)**	**(1 500)**	**15 282**	**59**	**(742)**	**(1 612)**	**12 740**
Depreciation & Amortization	(1 828)	(503)	(1 224)	(1 496)	(56)	447	(3 108)	(1 552)
Operating profit (loss) (EBIT) Segment	**(2 000)**	**(2 303)**	**(2 724)**	**13 786**	**4**	**(295)**	**(4 721)**	**11 188**

USD thousands	Segment reporting				Adjustments		IFRS reporting	
Full Year 2021/2020	Multi-client		Contract					
Income statement		Full Year 2020		Full Year 2020		Full Year 2020		Full Year 2020
Total revenue		**1 858**		**64 326**		**26 606**		**92 790**
Total cost of sales		(4 045)		(48 513)		245		(52 313)
Personnel expenses		-		(3 388)		-		(3 388)
Other operating expenses		-		(3 919)		229		(3 691)
Total Operating Expenses		**(4 045)**		**(55 820)**		**473**		**(59 392)**
Operating profit (loss) before depreciation and amortization (EBITDA)		**(2 187)**		**8 506**		**27 079**		**33 399**
Depreciation & Amortization		(4 159)		(5 711)		(17 685)		(27 554)
Operating profit (loss) (EBIT) Segment		**(6 346)**		**2 796**		**9 395**		**5 845**

NOTE 3 MULTI-CLIENT LIBRARY

USD thousands	Segment reporting 31.03.2021	Segment reporting 31.03.2020	Segment reporting 31.12.2020	IFRS reporting 31.03.2021	IFRS reporting 31.03.2020	IFRS reporting 31.12.2020
Cost as of 01.01	**92 881**	**82 306**	**82 306**	**92 881**	**82 306**	**82 306**
Capitalized costs	-	-	10 576	-	-	10 576
Cost as of 31.03/31.12	**92 881**	**82 306**	**92 881**	**92 881**	**82 306**	**92 881**
Accumulated amortization and impairment as of 01.01	**(56 713)**	**(52 554)**	**(52 554)**	**(56 713)**	**(35 093)**	**(35 093)**
Amortization for the period	(1 828)	(503)	(4 159)	(1 828)	-	(3 656)
Impairment for the period	-	-	-	-	-	(17 964)
Accumulated amortization and impairment as of 31.03/31.12	**(58 541)**	**(53 057)**	**(56 713)**	**(58 541)**	**(35 093)**	**(56 713)**
Carrying value at 01.01	36 168	29 752	29 752	36 168	47 213	47 213
Carrying value at 31.03/31.12	**34 340**	**29 249**	**36 168**	**34 340**	**47 213**	**36 168**
Net MC revenues	-	798	1 858	-	-	28 464
Amort. in % of net MC revenues		63%				
Change in net book value	-5%	-2%	22%	-5%	0%	-23%

NOTE 4 RELATED PARTIES

The ultimate Parent of the Group is Axxis Geo Solutions ASA.

The Group transactions and balances with related parties in 2021 and 2020 are mainly related to time charter for vessels and consultancy fees. See the figure below for balances with related parties:

Transactions with related parties USD thousands	Q1 2021	Q1 2020	Full Year 2020
Hired vessels:			
Lease payment Havila Fortune - controlled by Havila Holding AS	-	(1 258)	(3 275)
Lease payment Havila Aurora - controlled by Havila Holding AS	-	(1 274)	(3 746)
Lease payment Geo Caspian - controlled by Havila Holding AS	-	(31)	(31)
Ship management and other operating services:			
Consultancy and accounting services:			
Energy Consulting AS controlled by Christian Huseby *	-	-	(159)

Balances with related parties USD thousands	31.03.2021	31.03.2020	31.12.2020
Account payables:			
Havila Ships AS controlled by Havila Holding AS	1 142	8 890	1 116

* At the Annual General Meeting held 30 June 2020, Christian Huseby was elected Chairman of the Board. For the period April 2020 to December 2020, Mr. Huseby received compensation for performing consultancy services to the Company.

NOTE 5 SHAREHOLDERS

The Company's share capital per 31.03.21 include the following:

	Number of shares	Par Value per share	NOK
Ordinary shares (one share = one vote)	58 821 018	0,10	5 882 102

Largest shareholders per 31 March 2021:

	Name	Number of shares	Ownership share
1	HAVILA HOLDING AS	15 549 434	26,4%
2	HENRIKSEN	2 000 000	3,4%
3	NORDNET LIVSFORSIKRING AS	1 802 981	3,1%
4	SESA CONSULTING AS	1 649 466	2,8%
5	JOHS. HANSEN REDERI AS	1 413 345	2,4%
6	Danielsen	1 073 166	1,8%
7	OLSEN	1 000 075	1,7%
8	NGUYEN	765 409	1,3%
9	J.P. Morgan Securities LLC	703 618	1,2%
10	NÆRINGSLIVETS HOVEDORGANISASJON	671 343	1,1%
11	HENRIKSEN BYGGINVEST AS	654 979	1,1%
12	UPADHYAY	623 400	1,1%
13	SKAARE	544 666	0,9%
14	MEROUR	541 531	0,9%
15	Nordnet Bank AB	494 063	0,8%
16	NILSEN	480 000	0,8%
17	The Bank of New York Mellon SA/NV	473 258	0,8%
18	ALCIDES SHIPPING AS	450 712	0,8%
19	SCHIEMANN	400 000	0,7%
20	MADRA INVEST AS	373 734	0,6%
	Total	**31 665 180**	**53,7%**
	Total other shareholders	27 155 838	46,3%
	Total number of shares	**58 821 018**	**100,0%**

Note 6 General information

Axxis Geo Solutions ASA (AGS or the Company) is a public company listed on EURONEXT EXPAND OSLO and traded under the ticker Axxis. The address of its registered office is Strandveien 50, 1366 Lysaker, Norway. For more information, please see www.axxisgeo.com

Note 7 Basis for preparation

The interim consolidated financial statements of AGS have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 Interim Financial Reporting as approved by EU and additional requirements in the Norwegian Securities Trading Act. The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with AGS' annual report for 2020 which is available at www.axxisgeo.com. The same accounting policies and methods of computation are followed in the interim financial statements as in the annual financial statements for 2020, except for the adoption of new standards effective as of 1 January 2021.

The notes are an integral part of the consolidated financial statements.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets financial instruments that have been measured at fair value. 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 thousands of USD.

Presentation and functional currency

The Group presents its consolidated financial reports in USD. For presentation in consolidated accounts, the monetary assets and liabilities has been converted and translated into USD at the rate of exchange prevailing at the reporting date each quarter and historical value has been used for all other balance sheet items. The statement of profit or loss are converted and translated into USD at the average exchange rate for each quarter, except for depreciation and amortization at historical values. Exchange rate differences arising from the translation to presentation currency are recognized in Other Comprehensive Income.

Going concern

The financial statement for Q1 2021 is based on the assumption of going concern.

The Company filed for court protected reconstruction on 16 February 2021. This filing provided protection from bankruptcy and allowed for continued operation under court protection. A reconstruction plan was subsequently put forth, whereafter 106 out of 110 creditors voted in favor of the plan by the deadline of 27 April 2021. In nominal amounts, this represented in excess of 98% of claims eligible to vote. In addition, Axxis obtained acceptance for voluntary debt settlement from the major creditors in the group companies in the US and Egypt.

On 30 April 2021, the District Court of Ringerike, Asker and Bærum confirmed the reconstruction proposal, subject to an appeal period which expires 1 June 2021. The court ruling will become legally binding thereafter (subject to no appeals being made).

An Extraordinary General Meeting on 28 April 2021 approved an equity private placement of NOK 144.5 million from an investor group. The Company has confirmed the private placement and announced the details of a subsequent repair offering of up to NOK 20 million. Following the issue of the New Shares, the New Shares will represent in aggregate about 97% of the total outstanding shares in the Company.

An Extraordinary General Meeting on 21 May approved, subject to the reconstruction proposal and the forced debt settlement becoming legally binding, that Axxis will pay out approximately USD 6 million in cash and issue approximately 424 million shares to its creditors (the "Conversion Shares"). The Company estimates that the forced debt settlement will become legally binding, that payments will be made, and Conversion Shares issued no later than 30 June 2021.

The restructuring will provide the Company with sufficient working capital for continued operation. However, the Company will still be dependent on securing new seismic survey contracts as well as multi-client late sales.

The board of directors and management have used their best judgements in the evaluation of the going concern assumption. Although there are uncertainties listed above related to conditions that might impacts future cash flows, the board of directors and management are of the opinion that the going concern assumption is appropriate and the accounts are prepared under the going concern assumption.

Note 8 Changes in accounting standards

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the Company’s interim condensed consolidated financial statements.

Definition of APM (Alternative Performance Measures)

The European Securities and Markets Authority (“ESMA”) issued guidelines on Alternative Performance Measures (“APMs”) that came into force on 3 July 2016. The Company has defined and explained the purpose of the APMs in the paragraphs below.

The alternative performance measures presented by AGS may be determined or calculated differently by other companies.

EBITDA

EBITDA means earnings before interest, taxes, amortization, depreciation, and impairments. AGS uses EBITDA because it is useful when evaluating operating profitability as it excludes amortization, depreciation and impairments related to investments that occurred in the past. Also, the measure is useful when comparing the Company’s performance to other companies.

	Segment reporting		IFRS reporting	
USD thousands	Q1 2021	Q1 2020	Q1 2021	Q1 2020
Profit (loss) for the period	(6 575)	7 231	(6 572)	6 948
Income tax (expense)	(70)	(5 621)	(70)	(5 621)
Net financial items	(1 780)	1 369	(1 781)	1 382
Depreciation & impairment PPE	(1 224)	(1 496)	(1 280)	(1 552)
Amortization & impairment of multi-client and goodwill	(1 828)	(503)	(1 828)	-
Operating profit (loss) before depreciation and amortization (EBITDA)	**(1 672)**	**13 482**	**(1 612)**	**12 740**

	Segment reporting		IFRS reporting	
USD thousands	Full Year 2021	Full Year 2020	Full Year 2021	Full Year 2020
Profit (loss) for the period		(12 373)		(3 133)
Income tax (expense)		(7 086)		(7 086)
Net financial items		(1 737)		(1 891)
Depreciation & impairment PPE		(5 711)		(5 934)
Amortization & impairment of multi-client and goodwill		(4 159)		(21 620)
Operating profit (loss) before depreciation and amortization (EBITDA)	-	**6 319**	-	**33 399**

For full overview of Segment vs IFRS see note 2 Segment Reporting.

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 according to IFRS. In the segment reporting, there is amortization for the multi-client library equal to percentage of recognized revenue according to budget, while the financial statements are based on a principle where amortization begins when the library is completed.

EBIT (Operating Profit)

Earnings before interest and tax is an important measure for AGS as it provides an indication of the profitability of the operating activities. The EBIT margin presented is defined as EBIT (Operating Profit) divided by net revenues.

Multi-client prefunding percentage

The multi-client prefunding percentage is calculated by dividing the multi-client prefunding revenues, as per segment reporting, by the operational investments in the multi-client library, excluding investments related to projects where payments to the vendors are contingent on sales (risk-sharing investments). The multi-client prefunding percentage is considered an important measure as it indicates how the Company's financial risk is reduced by multi-client investments.

Backlog
Backlog is defined as the total value of future segment revenue on signed customer contracts, letter of awards or where all major contracts terms are agreed. AGS believes that the backlog figure is a useful measure in that it provides an indication of the amount of customer backlog and committed activity in the coming periods.

NOTE 9 SUBSEQUENT EVENTS AND PRO FORMA 31 MARCH 2021

An extraordinary general meeting was held on 28 April 2021, which approved a capital raise through a private placement of NOK 144.5 million and the issuance of 1 445 000 000 news shares. The purpose of the private placement is to strengthen the Company's balance sheet, to finance the reconstruction proposal and for general corporate purposes. The completion of the private placement is conditional upon the creditors having approved the reconstruction proposal presented by the Company in the stock exchange notice as of 7 April 2021 with the required majority, that a proposed debt conversion is approved by the shareholders meeting and that the reconstruction proposal becomes legally binding and enforceable pursuant to the Reconstruction Act § 52.

The Company announced on 29 April 2021 the approval of the final proposal for the Company reconstruction pursuant to the court protected reconstruction process. Out of the 110 creditors voting, 106 creditors voted in favor of the reconstruction proposal. In nominal amounts, this represents in excess of 98% of claims eligible to vote voting in favor. In addition, Company obtained acceptance for a voluntary debt settlement from the creditors in the group companies. On 3 May 2021, the District Court of Ringerike, Asker and Bærum confirmed the reconstruction proposal, subject to appeal period which expires 1 June 2021.

On 3 May 2021, the Company announced its intention to consider a repair offering of up to NOK 20 million or 200 000 000 shares based on a subscription price of NOK 0.10 per share. The repair offering would be available to shareholders of record 4 May 2021. The repair offering is, inter alia, conditional upon (i) the board of directors resolving to initiate the repair offering as described in the stock exchange announcement by the Company on 30 April 2021, (ii) approval by a general meeting in the Company, expected to be held in June 2021, and (iii) the publication of a prospectus approved by the Norwegian Financial Supervisory Authority.

On 7 May 2021, the Company entered into an agreement with Sanco Holding AS ("Sanco") regarding the sale of the vessel "Neptune Naiad" including certain equipment, to Sanco (the "MOA"). Furthermore, Axxis Production AS, a wholly owned subsidiary of Axxis, has entered into a time charterparty for "Sanco Star" with Sanco for the chartering of the vessel (the "Charter Agreement") for use in connection with the contract with an international energy company for an Ocean Bottom Node (OBN) survey as disclosed in the stock exchange announcement on 30 November 2020. Completion of the MOA and Charter Agreement are conditional upon, inter alia, the decision by the District Court of Asker and Bærum becoming legally binding.

An extraordinary general meeting was held on 21 May 2021 which resolved to increase the Company's share capital with NOK 42,439,945.80, from NOK 150,382,101.80 to NOK 192,822,047.60, by issuance of 424,399,458 new shares, each with a nominal value of NOK 0.10. In connection with the reconstruction process which the Company is currently going through, the Board proposed to issue a capital raise through conversion of debt, in order to strengthen the Company's balance sheet, at a subscription price of NOK 0.50 per share. Completion of the debt conversion is conditional upon the reconstruction proposal presented by the Company in the stock exchange notice as of 7 April 2021, which was approved by the Company's creditors, as published in the stock exchange announcement on 29 April 2021, becomes legally binding and enforceable pursuant to the Reconstruction Act § 52.

Adjusting for the events described in this section, select 31 March 2021 reported figures would on a pro forma basis be as follows:

(USD millions)	31 March 21	Adjustments arising from reconstruction activities 1)	Adjustments resulting from sale of property, plant and equipment	Adjustments arising from financing activities 1), 2)	Proforma 31 March 21
Cash	**4.3**	**-6.1**	**0.0**	**15.2**	**13.5**
Bond Loan	24.1	-24.1			0.0
Eksportkreditt	1.2	-1.2			0.0
Loan agreements	9.6	-9.6			0.0
TGS agreement	6.9	-1.0			5.9
Trade payables and other current liabilities	22.5	-13.7			8.8
Total	**64.3**	**-49.5**	**0.0**	**0.0**	**14.8**
Shareholders Equity	**-14.4**	**43.5**	**-4.5**	**15.2**	**39.8**

[1] Proforma table incorporates transaction costs related to restructuring and financing activities.

[2] Effects of potential repair issue is not included in proforma calculation.

Pro forma shares 31 March 2021	Number of shares	%
Ordinary shares as of 31.03.2021	58 821 018	3.1%
Converted shares	424 399 458	22.0%
Private placement	1 445 000 000	74.9%
Pro forma shares	1 928 220 476	100.0%

Above figures does not include repair offering

Lysaker, 26 May 2021

The Board of Directors and CEO of Axxis Geo Solutions ASA

______________________	______________________	______________________
Christian Huseby Chairman	Njål Sævik Director	Vibeke Fængsrud Director

______________________	______________________
Nina Skage Director	Eirin Inderberg Director

____

Ronny Bøhn

CEO

About Axxis
Axxis Geo Solutions (Axxis) is a pure-play ocean bottom node seismic company uniquely positioned to pursue both contract and multi-client seismic. AGS specializes on delivering tailored seismic solutions and flexible project management and execution to oil and gas companies world-wide. Its operations are based on a scalable asset-light setup through chartering of vessels and nodes to complete seismic surveys.

More information on www.axxisgeo.com

The information included herein contains certain forward-looking statements that address activities, events or developments that the Company expects, projects, believes or anticipates will or may occur in the future. These statements are based on various assumptions made by the Company, which are beyond its control and are subject to certain additional risks and uncertainties. The Company is subject to a large number of risk factors including but not limited to the demand for seismic services, the demand for data from our multi-client data library, the attractiveness of our technology, unpredictable changes in governmental regulations affecting our markets and extreme weather conditions. For a further description of other relevant risk factors, we refer to our Annual Report for 2020. As a result of these and other risk factors, actual events and our actual results may differ materially from those indicated in or implied by such forward-looking statements. The reservation is also made that inaccuracies or mistakes may occur in the information given above about current status of the Company or its business. Any reliance on the information above is at the risk of the reader, and AGS disclaims any and all liability in this respect.

Oslo, Norway	**Houston, United States**
Strandveien 50, 1366 Lysaker	14511 Old Katy Road, Suites 150, Houston, TX 77079
+47 480 95 555	+1 281 810 2550

APPENDIX D:

SUBSCRIPTION FORM FOR THE SUBSEQUENT OFFERING

APPENDIX D: SUBSCRIPTION FORM FOR THE SUBSEQUENT OFFERING

AXXIS GEO SOLUTIONS ASA

SUBSEQUENT OFFERING JULY 2021

In order for investors to be certain to participate in the Subsequent Offering, Subscription Forms must be received no later than on **8 July 2021 at 16:30 CET**. The subscriber bears the risk of any delay in the postal communication, busy facsimiles, technical issues and data problems preventing orders from being received by the Managers.

SUBSCRIPTION FORM

Correctly completed Subscription Forms may be delivered to the Managers at the postal or e-mail addresses set out below:

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

Norwegian subscribers domiciled in Norway can in addition subscribe for shares at www.abgsc.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 200,000,000 offer shares (the "Offer Shares") are set out in the prospectus dated 16 June 2021 (the "Prospectus"). Terms defined in the Prospectus shall have the same meaning in this Subscription Form. In case of any discrepancies between the Subscription Form and the Prospectus, the Prospectus shall prevail. All announcements referred to in this Subscription Form will be made through the Oslo Stock Exchange's information system under the Company's ticker "AXXIS". The notice of, and the minutes from, the Company's annual general meeting held on 23 June 2021 (with enclosures), containing the resolution to increase the share capital in connection with the Subsequent Offering, the Company's articles of association and the annual accounts and directors' resports for the last two years are available a the Company's registered office at Strandveien 50, 1366 Bærum, Norway.

Subscription Period: The subscription period commences on 24 June 2021 at 08:00 CET and expires on 8 July 2021 at 16:30 CET (the "Subscription Period"). Neither the Company nor the Managers may be held responsible for postal delays, issues with 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 reserve 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 binding upon execution of a Subscription Form or the registration of a subscription through the VPS online subscription system, 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 0.10.

Right to subscribe: The Subscription Rights will be issued to the Company's shareholders as of close of trading on 30 April 2021 (as registered with the VPS on 4 May 2021, 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 3.4323 non-transferable Subscription Rights for each share recorded as held in the Company as of expiry 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 confirming the number of Offer Shares allotted to the Subscriber and the corresponding subscription amount. This letter is expected to be distributed on or about 12 July 2021. 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 14:00 CET on 12 July 2021. Subscribers who do not have access to investor services through their VPS account manager may contact the Managers from 14:00 CET on 12 July 2021 to obtain information about the number of Offer Shares allocated to them.

Payment: The payment for the Offer Shares falls due on 14 July 2021 (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. 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	**Number of Subscription Rights**	**Number of Offer Shares subscribed (incl. over-subscription):**	**(For broker: Consecutive no.)**
1 SUBSCRIPTION RIGHT GIVES THE RIGHT TO BE ALLOCATED 1 OFFER SHARE	**Σx**	**Subscription price per Offer Share** *NOK 0.10*	**Total Subscription amount to be paid** **NOK**

SUBSCRIPTION RIGHT'S SECURITIES NUMBER: NO 0011017733

IRREVOCABLE AUTHORISATION TO DEBIT ACCOUNT (MUST BE COMPLETED)

My Norwegian bank account to be debited for the consideration for shares allotted (number of 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 and (ii) grant each of the Managers (or someone appointed by them) acting jointly or separately 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 in the VPS, (iii) grant each of the Managers an authorisation to debit (by direct or manual debiting as described above) the specified bank account for the payment of the Offer Shares allocated to me/us, and (iv) confirm and warrant to have read the Prospectus and that I/we are aware of the risks associated 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.

Place and date Must be dated in the Subscription Period	**Binding signature** The subscriber must 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

INFORMATION ABOUT THE SUBSCRIBER (all fields must be completed)

VPS account number		In the case of changes in registered information, the account operator must be contacted. Your account operator is:
First name		
Surname/company		
Street address (for private: home address):		
Post code/district/country		
Personal ID number/Organization number		
Legal Entity Identifier ("LEI") /National Client Identifier ("NID")		
Norwegian Bank Account for dividends		
Nationality		
Daytime telephone number		
E-mail address		

ADDITIONAL INFORMATION FOR THE SUBSCRIBER

Regulatory Issues: In accordance with the Norwegian Securities Trading Act, the Managers must categorize all new clients in one of three customer categories. All subscribers in the Subsequent Offering who are not existing clients of the Managers will be categorized as non-professional clients. Subscribers can, by written request to the Managers, ask to be categorized as a professional client if the subscriber fulfils the applicable requirements of the Norwegian Securities Trading Act. For further information about the categorization, the subscriber may contact one of the Managers. **The subscriber represents that he/she/it is capable of evaluating the merits and risks of an investment decision to invest in the Company by subscribing for Offer Shares, and is able to bear the financial risk, and to withstand a complete loss, of an investment in the Offer Shares.**
The Managers will receive a consideration from the Company and will in conducting its work have to take into consideration the requirements of the Company and the interests of the investors subscribing under the Subsequent Offering and the rules regarding inducements pursuant to the requirements of the Norwegian MiFID II Regulations (implementing the European Directive for Markets in Financial Instruments (MiFID II)).

Selling and Transfer Restrictions: The attention of persons who wish to subscribe for Offer Shares is drawn to section 19 "Selling and Transfer Restrictions" of the Prospectus. The making or acceptance of the Subsequent Offering to or by persons who have registered addresses outside Norway or who are residents in, or citizens of, countries outside Norway, may be affected by the laws of the relevant jurisdiction. The Company is not taking any action to permit a public offering of the Subscription Rights and the Offer Shares in any jurisdiction other than Norway. Receipt of the Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, the Prospectus is for information only and should not be copied or redistributed. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to subscribe for Offer Shares. It is the responsibility of any person outside Norway wishing to subscribe for Offer Shares in the Subsequent Offering to fully observe the laws of any relevant jurisdiction in connection therewith, including obtaining any governmental or other consent which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The Subscription Rights and Offer Shares have not been registered and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or under the securities law of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, delivered or transferred, directly or indirectly, within the United States. There will be no public offer of the Subscription Rights and Offer Shares in the United States. The Subscription Rights and Offer Shares have not been and will not be registered under the applicable securities laws of Australia, Canada, Hong Kong or Japan and may not be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Hong Kong or Japan 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 or Japan. 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 or Japan. 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 and those set out in the Prospectus. 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.

Execution Only: The Managers will treat the Subscription Form as an execution-only instruction. The Managers are not required to determine whether an investment in the Offer Shares is appropriate or not for the subscriber. Hence, the subscriber will not benefit from the protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information Exchange: The subscriber acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Financial Institutions Act and foreign legislation applicable to the Managers, there is a duty of secrecy between the different units of each of the the Managers as well as between the Managers and the other entities in the Managers' group. This may entail that other employees of the Managers or the Managers' groups may have information that may be relevant to the subscriber and to the assessment of the Offer Shares, 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 that offer a broad range of investment services. In order to ensure that assignments undertaken in the Managers' respective corporate finance departments are kept confidential, the Managers' other activities, including equity research and stock broking, are separated from the Managers' corporate finance department by information barriers. The subscriber acknowledges that the Managers' analysis and stock broking activity may act in conflict with the subscriber's interests with regard to transactions in the Shares, including the Offer Shares, as a consequence of such information barriers.

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. 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 Managers' 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.

Terms and Conditions for Payment by Direct Debiting - Securities Trading: Payment by direct debiting is a service the banks in Norway provide in cooperation. In the relationship between the payer and the payer's bank the following standard terms and conditions will 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 and late 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 8.00% per annum. If a subscriber fails to comply with the terms of payment, the Offer Shares will, subject to the restrictions in the Norwegian Public Limited Companies Act and at the discretion of the Managers, not be delivered to the subscriber. The Managers, on behalf of the Company, reserve the right, at the risk and cost of the subscriber to, at any time, cancel the subscription and to re-allocate 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 Managers, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law.

National Client Identifier and Legal Entity Identifier: In order to participate in the Subsequent Offering, subscribers will need a global identification code. Physical persons will need a so-called National Client Identifier ("NCI") and legal entites will need a so-called Legal Entity Identifier ("LEI").
NCI code for physical persons: Physical persons will need a NCI code to participate in a financial market transaction, i.e. a global identification code for physical persons. For physical persons with only a Norwegian citizenship, the NCI code is the 11-digit ID (Nw: *"fødselsnummer"*). If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Subscribers are encouraged to contact their bank for further information.
LEI code for legal entities: Legal entities will need a LEI code to participate in a financial market transaction. A LEI code must be obtained from an authorized LEI issuer, and obtaining the code can take some time. Subscribers should obtain a LEI code in time for the subscription. For further information, visit www.gleif.org. Further information is also included in the Prospectus.