ANNUAL REPORT
2021

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PXGEO Limited (the "Parent Company") and its subsidiaries (the "Group" or "PXGEO") is an innovative marine geophysical service provider combining the strengths of ocean bottom node ("OBN") and marine towed streamer ("MTS") data acquisition techniques to deliver seamless subsurface imaging for a sustainable future. The Parent Company has numerous subsidiaries, many with names that include PXGEO. For convenience and simplicity, the terms such as 'company', 'our', 'we', and 'its' are sometimes used as abbreviated references to specific companies in the Group. The precise meaning depends on the context in which these terms are used.

KEY FINANCIALS

(in thousands of USD apart from ratios and backlog)	**2021**
Revenue	**81,631**
Adjusted EBITDA	**13,277**
EBITDA %	16.3%
Net Income	(1,465)
Net cash flows Generated from Operating Activities	17,499
Total Assets	92,681
Total Equity	58,465
Equity Ratio %	63.1%
Cash and Cash equivalents	7,204
Backlog (mUSD)	226

KEY COMPANY EVENTS AND ACHIEVEMENTS

2021 was an outstanding inaugural year for PXGEO during which the marine seismic market started to recover from the impact of the COVID-19 pandemic. PXGEO delivered consistently high levels of operational service to its clients in both the marine towed streamer ("MTS") and ocean bottom node ("OBN") segments and took great strides in its growth plans by securing valuable market share. PXGEO's project operations commenced on 1 May 2021 with the mobilization of the "PXGEO 2" on a 4D marine seismic streamer project for an international oil and gas company ("IOC") in the Far East.

Significant 2021 events at a glance

24 FEBRUARY, PXGEO Limited was incorporated.

14 MARCH, PXGEO entered into a Transition Services Agreement with Polarcus for providing management and marine acquisition services to the Group.

19 MARCH, PXGEO entered a long term charter for "PXGEO 2" (formerly known as "FA XIAN 6") and took delivery of the vessel on 2 April.

30 APRIL, funds managed by Cairn Capital Limited (formerly known as Bybrook Capital Limited) acquired a majority shareholding in PXGEO.

30 APRIL, PXGEO completed the acquisition of PXGEO 1 Ltd., the owner of "VYACHESLAV TIKHONOV".

1 MAY, PXGEO was launched and its first employees started work under the PXGEO brand.

12 MAY, PXGEO secures a commitment from TGS for 12 months of marine seismic acquisition services over a two year period from October 2021.

9 JUNE, PXGEO US Inc. is added to the Group, providing a subsidiary for US-based employees and business.

BETWEEN 14 MAY AND 28 JUNE, PXGEO raised USD 26 million in new equity to fund the acquisition of Seabed Geosolutions' OBN business and inject working capital.

28 JUNE, PXGEO acquired the Seabed Geosolutions' OBN business including subsidiaries in Brazil and the Netherlands.

BETWEEN 1 MAY AND 25 AUGUST, PXGEO 2 successfully completed the MTS 4D seismic acquisition program for an IOC in the Far East.

BETWEEN 1 JULY AND 31 OCTOBER, the Poseidon OBN crew successfully completed the Sapinhoa 4D baseline acquisition for Petrobras, in the Santos Basin, offshore Brazil.

BETWEEN 25 AUGUST AND 11 NOVEMBER, PXGEO was awarded two OBN projects for commencement in 2022.

15 NOVEMBER, "PXGEO 2" departed Dubai Drydocks after completing maintenance and upgrade works.

22 NOVEMBER, PXGEO commenced a 3D towed streamer project offshore Egypt for TGS. This project was the first call-off from the TGS 12-month commitment.

MESSAGE FROM THE CEO

Delivering excellence in sustainable seismic solutions

In 2021 PXGEO was created and has delivered exceptional financial results and outstanding operational performance against the backdrop of a slowly improving market. The leadership and commitment that I have witnessed from PXGEO employees at every level, both offshore and onshore, is extremely impressive and makes me proud of the fantastic team we have established. This report is also testament to the vision of our shareholders to whom I am particularly thankful for the investment and confidence they have placed in the PXGEO team.

Twelve months ago, we commenced operations as a marine towed streamer (MTS) acquisition specialist, and hit the ground running, immediately acquiring complex projects and safely delivering high quality data for leading exploration and production (E&P) companies in the Far East. This was the first step of PXGEO's strategy to become a diversified global provider of marine seismic acquisition.

On 28 June 2021, we completed the critical second step of our strategy through acquiring the ocean bottom node (OBN) business from Fugro. During the second half of 2021, the newly acquired PXGEO 'Poseidon' OBN crew successfully completed a deep water OBN acquisition project in a challenging environment for Petrobras.

In addition to experienced onshore and offshore OBN operational expertise, PXGEO acquired a range of proprietary OBN technology that is fundamental to achieving our Vision:

To deliver sustainable seismic solutions for the world's energy transition

The combination of OBN with MTS in the PXGEO portfolio of seismic acquisition methodologies provides us with an exciting opportunity to add value to the rejuvenated hydrocarbon production-optimization strategies and investments of E&P companies worldwide. PXGEO's proprietary OBN technology suite also provides a valuable platform for technology collaboration and innovation with clients, suppliers and other strategic partners across the exploration and production industry.

Sustainability of the PXGEO business model, including the fundamental elements of looking after the environment, caring for our people and delivering best business practices, is the foundation for how we do business. This 2021 Annual Report includes a comprehensive section on our sustainability initiatives and ambitions for the future which are fully aligned with the growth strategy for the company going forward.

With the steadily growing pipeline of investment activity we see in the offshore seismic space, particularly in the OBN segment, PXGEO is planning to mobilize a second OBN crew during the second half of 2022. This is another significant step towards maintaining profitable market share in the marine seismic acquisition sector in which PXGEO is continuing to build a very strong reputation and track record with clients worldwide.

I look forward to updating you on our achievements throughout 2022 and beyond as we continue to build the company and create value for both our shareholders and our clients.

Duncan Eley
Chief Executive Officer, 10 May 2022

ABOUT PXGEO

PXGEO is an innovative marine geophysical service provider combining the strengths of MTS and OBN data acquisition techniques to deliver seamless subsurface imaging for a sustainable future.

PXGEO owns 10,000 deep water nodes and operates vessels equipped with advanced maritime and seismic technology to acquire superior quality data in challenging environments.

OBN acquisition is used extensively for reservoir monitoring and production optimization surveys over hydrocarbon-producing basins. These surveys are typically time-lapse (4D) that are repeated periodically (on average every two to three years). So called ‘sparse node’ seismic acquisition is also used for more exploration and appraisal (3D) focused applications.

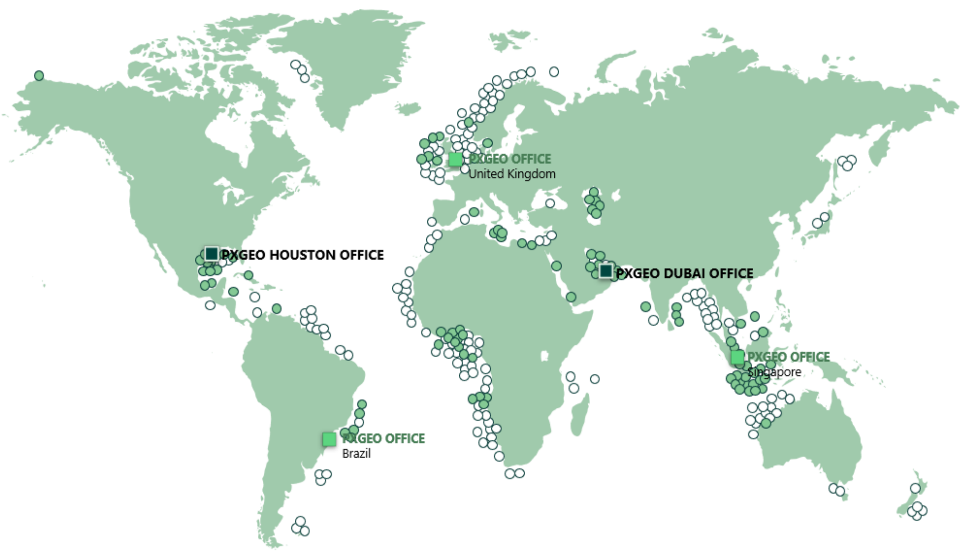
MTS acquisition is primarily suited to 3D exploration and appraisal seismic surveys as well as time-lapse (4D) applications for the purposes of reservoir monitoring. With its in-house MTS and OBN capabilities, PXGEO offers hybrid seismic data acquisition solutions combining both methodologies. This innovative technique provides clients with fit-for-purpose data that optimizes subsurface imaging quality and seismic acquisition economics.

The corporate headquarters of PXGEO is in Dubai, United Arab Emirates which is also the center of excellence for the MTS business and responsible for projects in the eastern hemisphere. The center of excellence for the OBN business and PXGEO’s technology development hub is in Houston, Texas, U.S.A from where projects in the western hemisphere are managed. PXGEO also has regional business units in United Kingdom, Singapore and Brazil where additional commercial, geophysical and technical resources are distributed.

PXGEO’s dual-hub global structure anchored in Houston and Dubai provides comprehensive coverage of our global client base and operational activities.

PXGEO was established in February 2021 and, in April 2021, took delivery of the seismic vessel “PXGEO 2” under a long-term bareboat charter and acquired the seismic vessel “VYACHESLAV TIKHONOV”. In June 2021, the acquisition of the Seabed Geosolutions’ OBN business from Fugro was completed, including ocean bottom nodes, handling equipment, related technology, intellectual property and a customer contract. In addition, several key personnel responsible for the successful delivery of OBN projects accepted employment with PXGEO. These transactions were financially supported by PXGEO’s majority shareholder.

PXGEO commenced MTS operations on 1 May 2021 and by 1 July 2021 was delivering both MTS and OBN seismic acquisition services to exploration and production companies around the world.



PXGEO Vision

"To deliver sustainable seismic solutions for the world's energy transition."

To achieve this Vision, PXGEO has committed to being at the forefront of maritime, subsea and geophysical innovations and their applications to offshore subsurface imaging. From inception, PXGEO set an ambitious environmental agenda that aims to monitor and minimize the environmental footprint of our marine seismic acquisition methodologies through a combination of reduction, recycling and emissions monitoring. PXGEO's broader commitment to sustainability, combined with our industry-leading innovative approach to business, will ensure our operations can excel in any environment around the globe, enabling the current and projected future needs of the industry to be met. Read more about we're doing in our Sustainability Report from page 54.

PXGEO Core Values

The company's Core Values of Innovation, Responsibility and Excellence are embedded in all elements of the business and underpin our efforts to strive towards the PXGEO Vision.

To be **Innovative** in all PXGEO business activities from technology and operational design to business processes and commercial modelling.

To be **Responsible** for our actions, impact to the environment and to ensure the safety, health and wellbeing of all people involved in PXGEO operations.

To be **Excellent** in everything we do operationally and technically, leading by performing to exemplary standards in safety and commitment to the environment.

PXGEO Commitments

The company's seven Commitments set out definitive guidelines for how PXGEO executes its business and operations around the world. These Commitments are reviewed annually to ensure they remain valid in a constantly changing global business context.

At PXGEO, we are:

- Committed to the Environment and Community
- Committed to Health and Safety
- Committed to Security
- Committed to Business Ethics and Avoiding Conflicts of Interest
- Committed to Quality
- Committed to Individual Wellbeing and Human Rights
- Committed to a Drug and Alcohol-Free Workplace

Management

Duncan Eley

CHIEF EXECUTIVE OFFICER

Duncan Eley is our CEO and is responsible for guiding the vision and strategy of the company and leading the management team. Mr. Eley has over 20 years of experience in the oilfield services industry and before joining PXGEO he served as Chief Executive Officer of Polarcus. Prior to joining Polarcus in 2009, Mr. Eley worked for several years with strategy consultancy firm, L.E.K. Consulting, across the energy, transport and natural resources sectors. Prior to that, he worked with Schlumberger supporting marine seismic operations in Europe, West Africa and North America. Mr. Eley has a Bachelor of Science and Bachelor of Engineering from Monash University in Australia and a Master of Business Administration (MBA) from Erasmus University in Holland.

Hans-Peter Burlid

CHIEF FINANCIAL OFFICER

Hans-Peter Burlid is our Chief Financial Officer and is responsible for overseeing the company's financial affairs. He has over 15 years of experience in the seismic industry and before joining PXGEO he served as Chief Financial Officer of Polarcus. He was formerly Senior Manager, Business Development and co-founder of Eastern Echo Ltd and was instrumental in the start-up of Polarcus in 2008. Mr. Burlid holds a B.Sc. in Economics and Business Administration from Blekinge Institute of Technology.

Andy Thom

CHIEF COMMERCIAL OFFICER

Andy Thom joined as our Chief Commercial Officer in May 2022 and is responsible for sales, business development and commercial activity globally. Mr. Thom has over 20 years of experience in the oil and gas industry and before joining PXGEO he served as Managing Director of geotechnical seabed drilling company, Benthic. Prior to this, Mr. Thom held several senior commercial roles in Europe and the Middle East. Mr. Thom has a Masters' Degree in Business Management from Aberdeen University and has completed the INSEAD Executive General Management program.

Caleb Raywood

GENERAL COUNSEL & COMPANY SECRETARY

Caleb Raywood is our General Counsel & Company Secretary, responsible for the company's legal, regulatory and insurance matters. Mr. Raywood has over 25 years of commercial experience, predominantly in offshore oil and gas services and shipping. For over 5 years prior to joining PXGEO, Mr. Raywood held the same position at Polarcus. He previously worked at a blue-chip international law firm, a global payments network and a global offshore oilfield services contractor. Mr. Raywood qualified as a barrister with a leading London commercial set of chambers in 1996 before subsequently qualifying as a solicitor (England & Wales). He holds a Bachelor's Degree in English and European Laws from the University of Essex and a Master's Degree in European Business Law from the University of Nijmegen.

Tamzin Steel

SVP PEOPLE & COMMUNICATION

Tamzin Steel is our SVP People & Communication and oversees all aspects of human resource management and internal communications and responsible for developing and executing PXGEO's people strategy. Mrs. Steel has over 20 years of experience working in global multinational companies in the oil & gas industry and before joining PXGEO, she served as SVP People & Business Services at Polarcus. Prior to that, Mrs. Steel worked for KCA DEUTAG Drilling Group, an international drilling and engineering contractor in various global HR roles and latterly worked for Abu Dhabi National Energy Company (TAQA). Mrs. Steel holds a Bachelor's Degree in Business Studies from Robert Gordon University, Aberdeen.

Charlotte Siffre

SVP PEOPLE & COMMUNICATION

Charlette Siffre joined as our SVP People & Communication in May 2022 replacing Tamzin Steel who will leave PXGEO in June 2022. Mrs. Siffre will oversee all aspects of human resource management and internal communications and be responsible for developing and executing PXGEO's people strategy. Mrs. Siffre has over 20 years of experience in HR and organizational development and, before joining PXGEO, she held several senior HR roles at Al Tayer Group and Al Ghurair Investment, and most recently acted as Organization, People and Culture Advisor to the CEO of CAFU. Mrs. Siffre holds a Masters Degree of Arts (in Applied Coaching) from the University of Derby.

Board of Directors

Mark Nelson-Smith

CHAIRMAN, DIRECTOR

Mark Nelson-Smith is a Chartered Director and a Fellow of the Institute of Directors. He is an experienced Non-Executive Director with a track record in corporate finance, value maximisation, strategy and governance. Prior to focusing on non-executive roles, Mr. Nelson-Smith has over 25 years of experience in corporate finance with UBS and a number of boutique firms.

Carl Peter Zickerman

DIRECTOR

Peter Zickerman was instrumental in founding PXGEO and provides strategic consultancy services to the Group, in addition to sitting on the Board of Directors. Mr. Zickerman has over 25 years of experience in the seismic industry. He was the founder of Eastern Echo Limited where he held the position of Executive Vice President & Business Development and was also a Board member. In 2008, he founded Polarcus Limited where he held the position of Executive Vice President & Head of Strategic Investments until 2016 after which he served as Strategic Advisor and Board member. Mr. Zickerman holds a Bachelor of Science in Marine Engineering from Linnaeus University.

2021 BOARD OF DIRECTORS REPORT

1 OPERATIONS AND MARKET

PXGEO offers the full suite of marine seismic data acquisition services leveraging the strengths of OBN and MTS methodologies. These high quality, efficient acquisition techniques are further optimized through our innovative seismic source solutions incorporating XArray™. The company offers every client a bespoke acquisition solution to address their specific imaging requirements.

During 2021, the company operated one OBN crew which successfully acquired a 4D project in Brazil for Petrobras and the company also acquired two MTS projects for clients in the Far East and the Middle East, in each case demonstrating high levels of productivity and technical uptime.

The utilization for PXGEO's OBN and MTS units for the period was 71% and 55% respectively. MTS utilization excludes VYACHESLAV TIKHONOV.

During 2021, PXGEO operations continued to deliver strong technical performance. Technical downtime for OBN was 4.4% and 0.4% for MTS.

Operating revenues earned from external customers worldwide are grouped as per below based on the operational regions in which PXGEO delivers services to clients:

(In thousands of USD)	**31-Dec-21**
Asia Pacific	28,584
Europe, Africa and Middle East	2,958
North and South Americas	50,089
Revenues	**81,631**

1.1 OBN

OBN acquisition is adaptable to more challenging imaging objectives providing full azimuth, multi-component data sampling. PXGEO offers a range of ocean bottom nodes based on proprietary technology suitable for applications in water depths up to 3,000 meters using efficient and accurate deployment and placement methods.

PXGEO utilizes remote operating vehicles (ROV) to position nodes and is investing in technology development to significantly improve the efficiency of ROV operations. PXGEO nodes are fully compatible with other deployment methods including node-on-a-rope.

The company's Manta® multi-component OBN technology is designed to meet the demands of all survey configurations. These nodes are very well regarded across the industry and hold an established track record for delivering high quality data to clients worldwide.

The company's OBN backlog as of 31 December 2021 including awards after the period up to the date of this report is USD 190 million.

The company anticipates activating a second PXGEO OBN crew in the second half of 2022.

1.2 MTS

MTS acquisition incorporates exceptionally efficient and flexible 4D, 3D and 2D seismic acquisition methodologies, delivering narrow azimuth, wide-azimuth and multi-azimuth data sampling according to project specific imaging objectives.

PXGEO owns one MTS vessel, "VYACHESLAV TIKHONOV", which is on bareboat charter and scheduled to be re-delivered in 2022. The company also operates "PXGEO 2", which is bareboat chartered for 2 years with four x 2-year extension options.

Both vessels are equipped with top of the range commercial-off-the-shelf seismic acquisition equipment based on Sercel Sentinel™ streamer technology, in combination with industry-leading navigation, towing and energy source solutions from renowned technology providers.

The company's MTS backlog as of 31 December 2021 including awards after the period up to the date of this report is USD 30 million. In addition, the company's backlog for "*VYACHESLAV TIKHONOV*" as of 31 December 2021 is USD 6 million.

2 FINANCIAL REVIEW

The Consolidated Financial Statements of PXGEO Limited (the "Parent Company") together with its subsidiaries (the "Group" or "PXGEO") are prepared in accordance with International Financial Reporting Standards.

The financial information is presented in United States Dollars (USD), rounded to the nearest thousand (USD thousand), unless otherwise stated. The Consolidated Financial Statements are presented on a going concern basis, which the Board of Directors concludes is an appropriate assumption.

The Group's financial projections used in its going concern evaluation are based on certain assumptions about the future, including those related to contract pricing, utilization, project execution and timely collections from customers. Based on these assumptions the Group expects to have sufficient liquidity to operate for at least 12 months following the balance sheet date.

As measured at 31 December 2021 the total backlog is estimated to be USD 226 million including awards up to the date of this report.

2.1 Financial performance

Revenues in 2021 amounted to USD 81.6 million.

Cost of Sales in 2021 amounted to USD 66.1 million mainly related to vessel operating cost including bareboat charter, time charter, crew salaries, fuel, depreciation and amortization and other operating cost.

Administrative Costs for 2021 amounted to USD 17.7 million including expensed engineering cost and onshore operational support and overhead costs.

EBITDA for the Period amounted to USD 15.0 million. Adjusted EBITDA for the Period amounted to USD 13.3 million, see note 4 *Segment Information*.

Depreciation amounted to USD 11.2 million mainly driven by the depreciation of the vessel "VYACHESLAV TIKHONOV", the Group's pool of nodes and IFRS 16 lease liabilities for the vessel "PXGEO 2". Amortization amounted to USD 4.0 million driven by the amortization of the intangible asset arising from the customer contract included in the acquisition of Seabed Geosolutions OBN business.

Loss Before Income Tax for 2021 amounted to negative USD 1.2 million. Finance Costs amounted to net USD 1.0 million and Corporate Income Tax expense for 2021 amounted to USD 0.3 million.

The net loss for the Period was USD 1.5 million.

2.2 Cash flow and liquidity

Net cash flows from operating activities amounted to USD 17.5 million.

Net cash flows used in investing activities amounted to USD 8.9 million, mainly driven by the acquisition of seismic equipment.

Net cash flows from financing activities amounted to an outflow of USD 1.1 million. The Group received proceeds of USD 8.7 million from share issues in 2021 and paid USD 9.7 million of lease payments, mainly driven by lease payments for the PXGEO 2.

Total cash held at the end of the Period was USD 7.2 million.

2.3 Financial position

2.3.1 Assets

Total assets at Period end amounted to USD 92.7 million. Non-current assets amounted to USD 68.5 million and Total current assets amounted to USD 24.2 million.

Trade and Other Receivables amounted to USD 7.2 million. The majority of receivables outstanding at the Period end were collected in February 2022.

2.3.2 Liabilities

Total liabilities amounted to USD 34.2 million. Total current liabilities amounted to USD 29.4 million, leaving the company with net current liability position of USD 5.1 million at the end of the Period.

2.3.3 Equity

Equity amounted to USD 58.5 million after a loss for the Period of USD 1.5 million.

3 FINANCIAL RISKS

The financial risks to which the Group's financial assets and financial liabilities are exposed are market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The market risk is that the fair value of future cash flows of the Group's financial instruments fluctuate because of changes in market prices. The exposure to credit risk relates to its financial assets – mainly amounts owed by customers and deposits held at banks – and is the risk that the counterparty defaults and does not meet its financial obligation to the Group. Liquidity risk exists if the Group is not able to meet its current and future cash flow requirements without negatively and materially affecting the Group's daily operations or overall financial position.

3.1 Market risk

3.1.1 Foreign exchange risk

Most of the Group's financial assets and liabilities are determined in USD, the functional currency of the Group. As of 31 December 2021, the Group's financial assets amounted to USD 14.4 million. 15% of the Group's total financial assets are denominated in foreign currencies. USD 2.2 million is Cash and Cash Equivalents and USD 1.5 million is Trade and Other Receivables. Any reasonably possible change in the exchange rate between these currencies and USD, with all other variables held constant, is not expected to have any material impact on the Group's loss before tax.

In addition, the Group has Trade and other Payables of USD 1.5 million denominated in foreign currencies that are under standard credit terms.

Due to the short-term nature of financial assets and liabilities, the foreign currency risk is considered low. The Group's activities are global, and the foreign currency risk related to its operating activities may change from year-to-year depending on the different jurisdictions in which the Group operates.

See more in the Note 27.2 in the Notes to the Consolidated Financial Statements.

3.2 Credit risk

The Group is exposed to credit risk from its operating activities, primarily its trade and other receivables, and from its cash and cash equivalents deposited with banks.

The Group's maximum exposure to credit risk for the components of the balance sheet is as follows:

As of 31 December 2021, the Group had Trade and Other Receivables amounting to USD 7.2 million. USD 1.8 million was due from SCF Sakhalin Supply Limited (Cyprus). The Group's remaining receivables of USD 5.4 million were owed by 4 different customers. An amount of USD 2.7 million of the Trade and Other Receivables was overdue. The majority of balances due from customers were collected post Period end.

3.3 Liquidity risk

Liquidity risk arises from a lack of correlation between cash flow from operations and financial commitments. The Group operates in a capital-intensive industry, meaning that a high level of fixed costs is required to finance on an ongoing basis in order to provide services and products to the customers. Furthermore, the working capital requirements of the Group varies considerably from time to time depending on activity levels and project timing.

The objective of the Group's liquidity risk management is to maintain sufficient cash and have access to funding through an adequate amount of committed credit facilities. Management monitors the risk of shortage of funds using both short-term and long-term cash flow forecasts and other business planning tools.

See more in the Note 27.4 in the Notes to the Consolidated Financial Statements.

4 SUSTAINABILITY

PXGEO reports its contribution to sustainability in alignment with the GRI Standards which represent best practice for sustainability reporting on a range of economic, environmental, and social impacts. PXGEO has identified six of the United Nations Sustainable Development Goals to which the Group actively contributes.

See more in the PXGEO Sustainability Report on page 54.

5 PEOPLE AND THE ORGANIZATION

As of 31 December 2021, the Group had 128 employees offshore and onshore. In addition, a total of 31 employees employed by Polarcus DMCC and PXGEO DMCC (a wholly owned subsidiary of Polarcus DMCC) were providing management services to the Group through the Transition Services Agreement with Polarcus DMCC.

PXGEO is committed to promoting gender diversity throughout its business activities. At the Period end, the female proportion of employees was 30% in the office population and 1% in the field population. Working time arrangements and salary levels across the business do not depend on gender.

Of the four members of the PXGEO Executive Management team as of Period end, one was female. Of the three Directors on the Board as of Period end, none is female. The Board remains diverse in terms of the range of nationality and international experience of its members. The Directors' broad range of experience and expertise covers relevant technical, operational, financial, governance and commercial expertise as well as the valuable experience of operating in the energy industry worldwide.

See more in the PXGEO Sustainability Report on page 54.

6 ENVIRONMENTAL, HEALTH, SAFETY AND QUALITY (EHSQ)

EHSQ is at the core of every operational decision PXGEO makes and PXGEO has established procedures and practices to protect the environment and all people involved during the course of its business activities, both onshore and offshore. PXGEO's EHSQ systems and performance monitoring and management tools are recognized as among the best in the industry.

During 2021, PXGEO successfully completed the requirements for ISO 9001, 14001, ISO 45001 and ISM Code certification, valid until 04 May 2025, including:

- Document of Compliance – ISM Code (Bahamas)
- ISO 9001:2015 – Quality Management
- ISO 14001:2015 – Environmental Management
- ISO 45001:2018 – Occupational Health and Safety Management.

All PXGEO vessels use environmentally friendly fluids and lubricants, including in all open deck hydraulic systems. This significantly reduces the impact of any potential spill to sea in the event of a system failure or difficulty. PXGEO had zero recordable spills in 2021.

In 2021 PXGEO implemented the latest Occupational Health and Safety Management standard (ISO 45001:2018).

See more in the PXGEO Sustainability Report on page 54.

6.1 PXGEO fleet emissions

By adopting the CLEAN-DESIGN notation, PXGEO has acted to limit emissions and pollution by taking proactive steps to responsibly operate and manage PXGEO operational assets. The CLEAN-DESIGN notation stipulates requirements for controlling and limiting emissions and discharges. These requirements cover the most important environmental aspects:

- Protection of fuel tanks from grounding damage
- Handling of sewage and garbage
- Handling of ballast water
- Handling of fuel oil
- Environmentally friendly antifouling & hull coatings
- Combustion machinery emissions (NOx and SOx).

PXGEO's emissions reporting methodology allows PXGEO to predict the exhaust emissions footprint for any project. Fuel consumption is measured and recorded continuously, together with emission gases: Carbon Dioxide (CO2), Nitrogen Oxide (NOx) and Sulfur Oxide (SOx). Fuel efficiency is a key performance indicator for PXGEO, with a target to achieve year-on-year improvement.

The three gaseous emissions from PXGEO operations in 2021 were all significantly within IMO standards. In 2021 PXGEO's fleet average sulfur content of fuel consumed was below 0.1% sulfur by mass, which is approximately 35-times lower sulfur content than current global regulations.

See more in the PXGEO Sustainability Report on page 54.

6.2 Health and safety

To ensure continuous improvement in our operations, all incidents, injuries, near misses, non-conformances and improvement suggestions are recorded within the PXGEO EHSQ reporting system. Reports are rated according to the International Association of Oil and Gas Producer's risk matrix in order to assess actual and potential risk based on realistic expectations. Subsequent to analysis of actual and/or potential risks, root cause investigations are performed. All investigations are followed up by named responsible parties and actions identified within a set time frame.

In 2021, PXGEO's performance on industry-recognized reporting EHSQ measures was as follows:

PXGEO 2021 SAFETY STATISTICS	
First Aid Case (FAC)	5
Lost Time Injury (LTI)	0
LTI Frequency (LTIF)	0
Medical Treatment Case (MTC)	1
Non-Conformance, Corrective Action, Preventive Action (NCCAPA)	3135
Restricted Work Case (RWC)	0
Total Recordable Case Frequency (TRCF)	0.81

See more in the PXGEO Sustainability Report on page 54.

7 CORPORATE GOVERNANCE

PXGEO is committed to maintaining high standards of corporate governance and believes that this is critical to its success and long-term growth. The governance structure of PXGEO is designed to ensure sound and efficient decision-making, appropriate to PXGEO's size and business model, whilst meeting shareholder expectations.

PXGEO Limited adheres to Cayman Islands' law and practice, the Company's Memorandum and Articles of Association, and its shareholders' agreement.

PXGEO's corporate governance is implemented through a comprehensive and efficient framework of commitments, procedures, checklists and audits as well as the promotion of a responsible corporate culture throughout the Group.

The Board of Directors of PXGEO Limited and PXGEO Seismic Services Limited ("Board") have the same members and overall responsibility for the governance of PXGEO and for supervising the Group's executive management and business, including regularly reviewing the performance of the CEO. The Board approves strategic plans and the Group's budget. The Board keeps itself informed about the Group's financial situation and ensures that its operations, accounts and asset management are duly controlled. The Board approves and contributes towards setting the Group's strategic plans.

The Board held 15 meetings in 2021. The Board also held one strategy session with the PXGEO management team.

The attendance by the various directors at the Board meetings during 2021 is reflected in the table below:

Name	No. of meetings	Note
Carl Peter Zickerman	15	Appointed 25 February 2021
Christian Herrmann	14	Appointed on 12 March 2021 and resigned on 17 March 2022
Glen Mifsud	9	Appointed on 12 March 2021, resigned on 14 July 2021
Mark Nelson-Smith	6	Appointed on 14 July 2021

8 OUTLOOK

PXGEO is participating in a transformed competitive landscape, characterized by fewer marine acquisition focused companies providing high-end 3D and 4D seismic OBN and MTS acquisition services for a client base comprising both E&P companies and pure-play multi-client companies.

During 2021 the oil price increased by around 60% from $50 per barrel (Brent) in January to around $80 per barrel by the end of the Period. The message from many clients including International Oil Companies (IOCs) and National Oil Companies (NOCs) became increasingly positive about future investment into the sector. Post-pandemic global economic activity started to increase towards the end of the year, bringing focus on the low levels of investment into hydrocarbon fuel reserves observed over the past five years. Nevertheless, demand for seismic acquisition services remained subdued although pricing levels held up and increased modestly throughout the Period.

Based on discussions with clients, PXGEO holds a positive view on both activity levels and pricing developments in 2022. With oil prices above $80 per barrel, exploration and production investment and pricing in the OBN and MTS seismic acquisition segments are expected to continue to improve over the short to mid-term driven by a continued increase in underlying demand.

PXGEO is well-placed to further capitalize on an improving market with a lean global presence, industry-leading operational expertise and innovative approach to delivering our clients' geophysical requirements.

PXGEO’s backlog at 31 December 2021 including awards announced after the period end before Annual Report signing date is USD 226 million. This level of backlog provides PXGEO with a sound platform to further test pricing in the latter part of 2022 in addition to providing important visibility for planning and successful execution of secured projects. PXGEO plans to deliver improved EBITDA and cashflow in 2022 compared to 2021.

9 CONFIRMATION FROM THE BOARD OF DIRECTORS AND CEO

We confirm, to the best of our knowledge that the Consolidated Financial Statements for the period 24 February 2021 to 31 December 2021 have been prepared in accordance with IFRS and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. We also confirm that this report of the Board of Directors with references to the notes to the accounts includes a true and fair review of the development and performance of the business and the position of PXGEO, together with a description of the principal risks and uncertainties facing the Group.

10 May 2022

/ signed /

Mark Nelson-Smith

Chairman

/ signed /

Carl Peter Zickerman

Board Member

/ signed /

Duncan Eley

CEO

PXGEO Limited

CONSOLIDATED FINANCIAL STATEMENTS

For the period from 24 February to 31 December 2021 (the "Period")

Consolidated Statement of Comprehensive Income

(In thousands of USD)	Notes	**Period from 24 February to 31 December 2021**
Revenues	5	**81,631**
Cost of Sales (includes Depreciation and Amortization)	6	(66,112)
Gross Profit		**15,519**
Administrative Costs	7	(17,738)
Other Losses - Net	8	(2,035)
Gain on Bargain Purchase	3.2	4,071
Operating Loss for the period		**(183)**
Finance Costs	9	**(982)**
Share of Profit from Associate for the Period	10	1
Loss Before Income Tax		**(1,164)**
Income Tax Expense	11.1	(301)
Loss for the Period		**(1,465)**
Other Comprehensive Income		-
Total Comprehensive Loss for the Period		**(1,465)**

The notes from pages 21 to 50 form part of the Consolidated Financial Statements.

Consolidated Statement of Financial Position

(In thousands of USD)	*Notes*	**31-Dec-21**
Property and Equipment	12	44,710
Right-of-Use Assets	13.2	17,401
Intangible Assets	14	1,135
Deferred Tax Assets	11.3	773
Investment in Associate	10	336
Other Non-Current Assets	15	4,105
Total Non-Current Assets		**68,460**
Inventories	16	1,261
Other Current Assets	17	5,083
Tax Assets	11.2	3,487
Trade and Other Receivables	18	7,186
Cash and Cash Equivalents	19	7,204
Total Current Assets		**24,221**
Total Assets		**92,681**
Issued Share Capital	20	1
Share Premium	20.1	59,929
Accumulated Losses		(1,465)
Total Equity		**58,465**
Non-Current Lease Liabilities	13.3	4,605
Deferred Tax Liabilities	11.3	259
Total Non-Current Liabilities		**4,864**
Trade Payables	21	7,815
Tax Liabilities	11.2	815
Current Lease Liabilities	13.3	10,945
Other Accruals and Payables	22	9,777
Total Current Liabilities		**29,352**
Total Liabilities		**34,216**
Total Equity and Liabilities		**92,681**

The notes from pages 21 to 50 form part of the Consolidated Financial Statements.

These consolidated financial statements were approved by the Board of Directors on 10 May 2022 and signed on its behalf by:

/ signed /	*/ signed /*	*/ signed /*
Mark Nelson-Smith	**Carl Peter Zickerman**	**Duncan Eley**
Chairman	Board Member	CEO

PXGEO Limited

Consolidated Statement of Changes in Equity

(In thousands of USD)	**Issued Share capital**	**Share Premium**	**Accumulated Losses**	**Total Equity**
Total Comprehensive Loss for the Period	-	-	(1,465)	(1,465)
Transactions with Owners in their capacity as Owners:				
Issuance of Share Capital (see Note 20)	1	59,929	-	59,930
Balance as of 31 December 2021	**1**	**59,929**	**(1,465)**	**58,465**

The notes from pages 21 to 50 form part of the Consolidated Financial Statements.

PXGEO Limited

Consolidated Statement of Cash Flows

(in thousands of USD)	*Notes*	**31-Dec-21**
Cash Flows from Operating Activities		
Loss Before Income Tax		(1,164)
Adjustment for:		
Depreciation	6,7	11,211
Amortization	6	3,971
Gain on Bargain Purchase	3.2	(4,071)
Share of Profit for the Period from Associate	10	(1)
Net Foreign Exchange Difference		327
Interest on Lease Liabilities	13.3	926
Interest Expense on Borrowings	24	56
Operating Cash Flows Before Tax Paid and Changes in Working Capital		**11,255**
Changes in Working Capital:		
Increase in Trade and Other Receivables		2,313
Increase in Other Non-Current Assets	15	(2,250)
Increase in Inventories	16	(1,261)
Increase in Other Current Assets		(4,368)
Increase in Trade Payables		5,417
Increase in Other Accruals and Payables		9,747
Income Tax Paid		(3,354)
Net Cash Flows Generated from Operating Activities		**17,499**
Cash Flows from Investing Activities		
Payments to Acquire Property and Equipment	12.1	(8,118)
Capital Advance Paid	15	(1,855)
Cash Received on Acquisition of Subsidiaries	3.2	1,898
Payments to Acquire Intangible Assets	14	(85)
Advance Payment for Acquisition of Subsidiary	3.2.5	(715)
Net Cash Flows Used in Investing Activities		**(8,875)**
Cash Flows from Financing Activities		
Proceeds from the Issuance of Ordinary Shares	20.2	8,680
Proceeds from Working Capital Facility	24	3,000
Repayment of Working Capital Facility (including Interest)	24	(3,056)
Lease Payments	13.3	(9,717)
Net Cash Flows Used in Financing Activities		**(1,093)**
Net Increase in Cash and Cash Equivalents		**7,531**
Cash and Cash Equivalents at the Beginning of the Period		-
Effects of Unrealized FX movement on Cash and Cash Equivalents		(327)
Cash and Cash Equivalents at the End of the Period	19	**7,204**

Non-cash Investing and Financing Activities are disclosed in Note 3.2.
The notes from pages 21 to 50 form part of the Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Period ended 31 December 2021.

1 GENERAL INFORMATION

The Consolidated Financial Statements of PXGEO Limited (the "Parent Company") and its subsidiaries and associates (together the "Group" or "PXGEO") for the period from 24 February to 31 December 2021 were authorized for issue in accordance with a resolution of the Board of Directors on 10 May 2022.

PXGEO is an innovative marine geophysical service provider combining the strengths of ocean bottom node ("OBN") and marine towed streamer ("MTS") data acquisition techniques to deliver seamless subsurface imaging for a sustainable future. PXGEO Limited is incorporated on the Cayman Islands with its registered office at 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands. The corporate headquarters of PXGEO is in Dubai, United Arab Emirates which is also the center of excellence for the MTS business and responsible for Group operations in the eastern hemisphere. The center of excellence for the OBN business and PXGEO's technology development hub is located in Houston, Texas, U.S.A and is responsible for PXGEO's operations in the western hemisphere. PXGEO also has regional business units in United Kingdom, Singapore and Brazil where additional commercial, geophysical and technical resources are distributed. PXGEO's dual hub structure in Houston and Dubai provides comprehensive global coverage of our client base and operational geographies.

As of 31 December 2021, the Group had 128 employees offshore and onshore. In addition, a total of 31 employees employed by Polarcus DMCC and PXGEO DMCC (a wholly owned subsidiary of Polarcus DMCC) were providing management services to the Group through a Transition Services Agreement.

During 2021, the Group operated one OBN crew utilizing time-chartered vessels. In addition, PXGEO operated one vessel, *PXGEO 2* which is chartered by the Group on a long-term bareboat charter from a third party. The group also owns one vessel, *Vyacheslav Tikhonov* which is chartered out on a long-term bareboat charter.

The Parent Company was incorporated 24 February 2021 and this is the first period of preparation of consolidated financial statements of the Group; hence, no comparatives are presented.

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. They have all been applied consistently throughout the Period.

2.1 Basis of Preparation

These consolidated financial statements have been prepared on a historical cost basis. The financial information is presented in United States Dollars (USD), rounded to the nearest thousand (USD thousand), unless otherwise stated.

2.2 Statement of Compliance

The consolidated financial statements of the Parent Company have been prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS.

2.3 Going Concern

The consolidated financial statements for the period from 24 February 2021 to 31 December 2021 have been prepared using the going concern assumption. As of 31 December 2021, the Group has incurred a net loss of

USD 1.5 million, and has a net current liability position of USD 5.1 million. The ability of the Group to continue as a going concern is dependent on the Group being able to meet its cash requirements over the next 12 months.

Subsequent to the reporting date, the Group signed a short-term loan facility facility with its majority shareholders and drew down USD 10 million. The working capital facility expires on 30 September 2022. Management has assessed the cash flow forecasts based on backlog and assumptions including contract pricing, utilization, project execution and timely collections from customer, based on which the Directors confirm their assessment that the Group has sufficient liquidity to continue as a going concern, without significant curtailment of the present level of activities of the Group, for a period of not less than 12 months from the date of approval of these Consolidated Financial Statements of the Group.

2.4 Principles of Consolidation

The consolidated financial statements comprise the Parent Company, its subsidiaries and an associate as of 31 December 2021.

2.4.1 Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for the business combinations by the Group (refer to Note 3).

Inter-company transactions, balances and unrealized gains on transactions between Group entities are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Entities in which the Group has non-controlling interests are shown separately in the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Financial Position respectively.

2.4.2 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the associate and the Group's share of movements in other comprehensive income of the associate. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an associate is equal to or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and associates are eliminated to the extent of the Group's interest in associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred

2.5 Functional and Presentation Currency

Items included in the financial statements in each of the entities in the Group are measured using the prevailing currency of the primary economic environment in which the entity operates, "the functional currency". The consolidated financial statements presented have been presented in United States Dollars (USD), which is the functional currency for the Parent Company and all the subsidiaries.

2.6 Transaction and Balances

Foreign currency transactions are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in non-functional currencies are converted into functional currency using spot rate of exchange at the date of the balance sheet. Foreign exchange gains and losses resulting from the settlement of such transactions and from the conversion of monetary assets and liabilities denominated in foreign currencies are recognized within the Consolidated Statement of Comprehensive Income under *Other Losses - Net*.

2.7 Consolidated Statement of Cash Flows

The Group's Consolidated Statement of Cash Flows is prepared using the indirect method.

2.8 Significant Judgements and Critical Estimates

The preparation of the consolidated financial statements in accordance with IFRS requires management to make certain judgements, assumptions and estimates each reporting period that affect the consolidated financial statements. These accounting estimates rarely precisely match actual results and changes in estimates may have a material impact on consolidated financial statements in the period in which the assumptions changed. For the purposes of this reporting period, the management believes the underlying assumptions are appropriate.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in each of the following notes:

- Note 3.2 Business Combinations and Others
- Note 5 Revenues
- Note 11 Income Tax
- Note 12 Property and Equipment
- Note 13 Leases
- Note 16 Inventories
- Note 23 Impairment of Non-Financial Assets

Other significant accounting policies are disclosed in the following notes to the Consolidated Financial Statements.

2.9 Fair Value of Financial Instruments

The fair value of financial assets and liabilities as of 31 December 2021 are approximate to their carrying amounts as reflected in these consolidated financial statements. There are no financial assets and liabilities that are measured at fair value.

3 BUSINESS COMBINATIONS AND GROUP STRUCTURE

3.1 Financial Reporting Principles

The accounting method used for all business combinations is the acquisition method. The identifiable assets and liabilities or any contingent liabilities transferred as part of a business combination are measured at their fair values at the acquisition date. Non-controlling interest in any acquired entity is measured either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Any goodwill resulting from the transaction is recognized as the excess of the consideration less the fair value of the identifiable assets and liabilities. If the consideration is less than the fair value of the net identifiable assets acquired, the variance is recorded directly in the Consolidated Statement of Comprehensive Income as a gain on bargain purchase. All acquisition related costs are expensed as incurred.

3.2 Business Combinations and Others

During its first year of operations, the Group entered into several agreements to acquire entities and business assets. These transactions are summarized in the acquisition dates' chronological order below. The transactions have generated gains on bargain purchase of USD 4.1 million.

(In thousands of USD)	**Gain on Bargain Purchase**
PXGEO US Inc.	56
Seabed Geosolutions Business	4,015
Gain on Bargain Purchase	**4,071**

3.2.1 PXGEO Asia Pte. Ltd.

On 12 March 2021, PXGEO Seismic Services Limited (the "Buyer"), a wholly owned subsidiary of the Parent Company, acquired 100% of the outstanding shares and voting rights of PXGEO Asia Pte. Ltd. (formerly known as Polarcus Asian Operations Pte. Ltd.) from Polarcus Limited (in liquidation) for USD 1. The entity had no net identifiable assets at the acquisition date and therefore no gains or losses were recorded on acquisition.

PXGEO Asia Pte. Ltd. is incorporated and registered in Singapore as per local regulations.

3.2.2 PXGEO 1 Ltd.

On 31 March 2021, PXGEO Seismic Services Limited (the "Buyer"), a wholly owned subsidiary of the Parent Company, entered into an agreement with Polarcus Limited (in liquidation) for the transfer of 100% of the outstanding shares and voting rights for PXGEO 1 Ltd. (formerly known as Polarcus Selma Limited) in exchange for shares in PXGEO Limited. The agreement was completed on behalf of the bondholders of the secured bonds issued by Polarcus Limited (in liquidation) who had a pledge over the shares in PXGEO 1 Ltd. and a mortgage over the vessel *Vyacheslav Tikhonov* ("VT"), owned by PXGEO 1 Ltd. The transfer of 100% of the shares in PXGEO 1 Ltd. to PXGEO Seismic Services Limited was in consideration for the partial release of the bondholders' claims in an amount of USD 33.9 million, being the agreed consideration for the shares in PXGEO 1 Ltd.

The net identifiable assets recognized on the acquisition date are based on the Group's assessment of fair value and summarized below:

(In thousands of USD)	**Fair Value**
Property and Equipment	28,159
Trade and Other Receivables	4,589
Cash and Cash Equivalents	1,724
Trade Payables	(594)
Net Assets	**33,878**

The fair value of the identified assets and liabilities had the same value as the consideration; hence no gains or losses were recorded on acquisition.

3.2.3 PXGEO US Inc.

On 9 June 2021, PXGEO Seismic Services Limited (the "Buyer"), a wholly owned subsidiary of the Parent Company, acquired 100% of the outstanding shares and voting rights of PXGEO US Inc. (formerly known as Polarcus US Inc.) from Polarcus Norway AS (the "Seller") for USD 100 in cash.

The net identifiable assets recognized on the acquisition date are based on the Group's assessment of fair value and summarized below:

(In thousands of USD)	**Fair Value**
Current Tax Asset	133
Cash and Cash Equivalents	7
Trade Payables	(54)
Other Payables	(30)
Net Assets	**56**

The difference between the consideration of USD 100 and the fair value of the identified assets and liabilities of USD 55,955 was recorded as a gain on bargain purchase of USD 55,855 in the Consolidated Statement of Comprehensive Income.

3.2.4 Seabed Geosolutions Business

On 29 March 2021, PXGEO Seismic Services Limited (the "Buyer"), a wholly owned subsidiary of the Parent Company, entered into a transaction agreement with Seabed Geosolutions B.V. (the "Seller") and Fugro N.V. (the "Seller's Parent") for the acquisition of the Seabed Geosolutions Business for a consideration of USD 15.9 million being USD 16 million, less transaction fee of USD 85,000. As part of the acquisition, the Group obtained certain assets, including Property and Equipment (nodes and node handling equipment), an Intangible asset (customer contract), working capital balances and an investment in an associate. The transaction was financed through the issuance of shares to Bybrook funds managed by Cairn Capital ("Majority shareholder"), who in turn paid the Seller directly. The acquisition date was 28 June 2021, when the unconditional acceptance of the offer had been completed.

The net identifiable assets recognized on the acquisition date are based on the Group's assessment of fair value and summarized below:

(In thousands of USD)	**Fair Value**
Property and Equipment	12,418
Investment in Associate	335
Intangibles (customer contract)	5,021
Cash and Cash Equivalents	167
Trade and Other Receivables	4,910
Trade Payables	(2,921)
Net Assets	**19,930**

The difference between the consideration of USD 15.9 million and the fair value of the identified assets and liabilities of USD 19.9 million was recorded as a gain on bargain purchase of USD 4.0 million in the Consolidated Statement of Comprehensive Income.

3.2.5 Polarcus DMCC

PXGEO Seismic Services Limited (the "Buyer"), a wholly owned subsidiary of the Parent Company entered into an agreement with Polarcus Limited (in liquidation) (the "Seller") on 26 November 2021 for the purchase of 100% of the shares and voting rights in Polarcus DMCC. A consideration of USD 715,312 was paid to the Seller in 2021, however, as of the reporting date, the transaction had not completed and Polarcus DMCC was therefore not consolidated as a subsidiary of the Group.

3.3 Significant Judgement and Critical Estimates

Each business combination transaction is reviewed and determined using significant judgement and critical estimates. Significant judgement is applied to determine the nature of the transaction to determine if the transaction constitutes an asset acquisition versus business combination for accounting purposes. Furthermore, significant judgement and critical estimates are required when determining the fair value of the acquired assets and liabilities, especially when relevant market benchmarks and comparable market transactions are not available, in addition to determining the weighted average cost of capital (WACC) used to discount future cash flows since the Parent Company is not publicly listed.

3.4 Group Structure

This set of Consolidated Financial Statements includes PXGEO Limited and the following subsidiaries:

Name of the Entity	Country of Incorporation	Principal Activities	Equity interest
PXGEO Seismic Services Limited	Cayman Islands	Holding company	100%
PXGEO Asia Pte. Ltd.	Singapore	Geophysical services	100%
PXGEO Crewing Pte. Ltd.	Singapore	Crewing services	100%
PXGEO 1 Ltd.	Cayman Islands	Asset leasing	100%
PXGEO Equipment Limited	United Kingdom	Geophysical services and Asset leasing	100%
PXGEO UK Limited	United Kingdom	Geophysical services	100%
PXGEO US Inc.	United States	Geophysical services	100%
Seabed Geosolutions Technology B.V.	Netherlands	Holding company	100%
PXGEO do Brasil Ltda	Brazil	Geophysical services	100%

3.5 Investment in Associate

Through its subsidiary Seabed Geosolutions Technology B.V., PXGEO Seismic Services Limited, a wholly owned subsidiary of the Parent Company, owns 24% of the shares and voting rights in the company Graal Tech S.R.L. incorporated in Italy. This engineering company conducts research and development in addition to product development focusing on high-tech, underwater mechatronic systems. The associate investment in Graal Tech S.R.L is accounted for using the equity method.

3.6 Transactions and Balances with Related Parties

Zickerman Group DMCC, a company wholly owned by Parent Company board member Mr. Carl-Peter Zickerman, has been engaged by PXGEO Limited to perform strategic consultancy services. During 2021, PXGEO Limited incurred cost of USD 371,071 relating to consultancy services from Zickerman Group DMCC. This has been recognized in Administrative Costs in the Consolidated Statement of Comprehensive Income.

In addition, Polarcus DMCC and PXGEO DMCC (a wholly owned subsidiary of Polarcus DMCC), are related parties through the Transition Services Agreement with the Group. A total of 31 employees (including members of the Group's executive management) are employed by Polarcus DMCC solely to provide management services to the Group. Furthermore, the CEO of the Group also serves as Director of Polarcus DMCC. During 2021, the Group incurred management fees amounting to USD 6.4 million from Polarcus DMCC and PXGEO DMCC, which have been recognized as Administrative Costs in the Consolidated Statement of Comprehensive Income. The Group also incurred commission amounting to USD 1.4 million from Polarcus DMCC, which has been recognized as Cost of Sales in the Consolidated Statement of Comprehensive Income. Furthermore, the Group recognized USD 167,343 in management services provided to Polarcus DMCC.

The Group had no other major transactions with related parties during the period from 24 February to 31 December 2021.

3.6.1 Balances due from Related Parties

As of 31 December 2021, a balance of USD 319,531 was due from Polarcus DMCC (affiliate). The balance due from Polarcus DMCC is reported under Trade and Other Receivables in the Consolidated Statement of Financial Position.

3.6.2 Balances due to Related Parties

As of 31 December 2021, a balance of USD 2.7 million was due to PXGEO DMCC, a subsidiary of Polarcus DMCC (affiliate). The balance due to PXGEO DMCC is reported under Trade Payables in the Consolidated Statement of Financial Position.

4 SEGMENT INFORMATION

PXGEO has one operating segment focused on delivery of data acquisition services.

The Group's Executive Management (considered as the Chief Operating Decision Makers), consisting of the Chief Executive Officer, Chief Financial Officer, Chief Commercial Officer, Senior Vice President – People and Business Services and General Counsel, examines the Group's performance primarily using a measure of Adjusted Earnings Before Interest, Tax, Depreciation and Amortization (Adjusted EBITDA).

For internal reporting purposes, payments for long-term lease contracts under IFRS 16 are recognized as operating costs to ensure consistent accounting treatment for payments of short and long-term leases. Under IFRS 16, long-term leases are capitalized, and the cost of leases is shown as depreciation and interest expense. The Group also eliminates start-up and other non-recurring transaction costs, Gain on Bargain Purchase, Other Losses – Net (Foreign Exchange Loss) as well as bonus accruals, to present a more meaningful report of the underlying operating costs.

Adjusted EBITDA reconciles to Loss for the Period as follows:

(In thousands of USD)	**31-Dec-21**
Loss for the Period	**(1,465)**
Income Tax Expense	301
Finance Cost	982
Depreciation and Amortization	15,182
EBITDA	**15,000**
Bonus	2,450
Other Losses – Net	2,035
Gain on Bargain Purchase	(4,071)
Transaction Costs	4,975
Other Non-Recurring Costs[1]	754
IFRS 16 Adjustment	(7,866)
Adjusted EBITDA	**13,277**

[1] PXGEO 2 start-up costs

4.1 Geographic Information

The Group's Revenue from customer contracts earned from external customers worldwide is grouped based on the territory of services provided as per below:

(In thousands of USD)	**31-Dec-21**
Asia Pacific ("APAC")	28,584
Europe, Africa and Middle East ("EAME")	2,958
North and South Americas ("NASA")	50,089
Revenues	**81,631**

The Group provides data acquisition services worldwide to the oil and gas industry and a substantial portion of its Property and Equipment and Right-of-Use Assets are mobile. As of 31 December 2021, the Property and Equipment and Right of-Use Assets were geographically located as per below:

(In thousands of USD)	**Right-of-Use Assets**	**Property and Equipment**	**31-Dec-21**
APAC	17,087	27,128	44,215
EAME	-	7,723	7,723
NASA	314	9,861	10,175
Total Property and Equipment	**17,401**	**44,710**	**62,111**

The Group's Property and Equipment consist of one vessel, seismic equipment, ~10,000 ocean bottom nodes, office equipment and ocean bottom node handling equipment.

4.2 Revenues from Key Customers

During the period from 24 February to 31 December 2021, the Group provided its services to five different customers worldwide. Revenue earned from two of these five customers amounted to 90% of the Group's Revenues earned.

(In thousands of USD)	**31-Dec-21**
Customer A	50,089
Customer B	22,632
Others	8,910
Revenues	**81,631**

5 REVENUES

The Group recognizes revenue from data acquisition services, bareboat charter, reimbursable and management fees in accordance with the five-step model as per IFRS 15. Revenue is measured at the fair value of the consideration received net of discounts, and sales taxes or duty.

(In thousands of USD)	**31-Dec-21**
Revenues	
- Data Acquisition Services	69,300
- Bareboat Charter	10,688
- Reimbursable	732
- Management Fees	911
Revenues	**81,631**

5.1 Data Acquisition Services

PXGEO performs data acquisition services under contract in accordance with customer specifications. Such service contracts are considered to contain one performance obligation which is satisfied over time as the Group performs the service at the customer specification. The acquired data is owned by the customer and the Group has no alternative right to the data.

The Group is often paid a fee by the customer upon mobilizing to and/or demobilizing from the location of a data acquisition project. Any such mobilization/demobilization fee is considered as part of the total revenue of the specific project and is included in the revenue recognized over the term of such project. No mobilization or demobilization revenue was deferred by the Group as of the reporting date.

5.2 Bareboat Charter

The Group has one long-term bareboat charter agreement for *Vyacheslav Tikhonov* and from time-to-time charters out *PXGEO 2* on short-term bareboat charter agreements on a project basis. The Group acts as a lessor, and the lease revenue from bareboat charter agreements is recognized on a straight-line basis over the lease term, refer to note 13.4 *Group as a Lessor*.

5.3 Reimbursable

Reimbursable revenue is repayment of expenses incurred on behalf of customers with an agreed markup, where the Group acts as a principal.

5.4 Management Fees

Management fees are revenues from contractual relationships where the Group acts as an agent, where contractual revenue and costs are recognized net. In addition, the Group provides certain management services to third parties.

5.5 Significant Judgement and Critical Estimates

Significant judgement may be involved when reviewing the deliveries in customer contracts by identifying distinct performance obligations. For most of the identified performance obligations for data acquisition services contracts, control has been assessed to be transferred to the customer over time as the performance obligation is satisfied. Revenue is typically recognized over the project duration. These revenue recognition methods are assessed to best reflect the pattern of transfer of control of goods and services to the customer.

6 COST OF SALES

Operating expenses are recognized in the period in which the associated goods and services are delivered to the Group.

(In thousands of USD)	Notes	**31-Dec-21**
Salaries and Other Employee Benefits	7.1	12,072
Maritime Costs		6,219
Seismic Costs		3,267
Depreciation	12.1, 13.2	11,091
Amortization	14	3,971
Support fleet		23,618
Other Direct Costs		5,874
Cost of Sales		**66,112**

7 ADMINISTRATIVE COSTS

Administrative costs consist of the following:

(In thousands of USD)	Notes	**31-Dec-21**
Salaries and Other Employee Benefits[1]	7.1	4,663
Transaction Costs[2]		4,975
Management fees[3]	3.6	6,820
Legal and Consulting Costs		719
Depreciation		120
Other Administrative Costs		441
Administrative Costs		**17,738**

[1] Expense incurred for contract personnel, counted as full time equivalents.
[2] Includes non-cash consideration of USD 1.5 million settled by way of issuance of ordinary shares, refer Note 20.2
[3] Split between USD 6.4 million DMCC recharges and USD 371,071 relating to consultancy services incurred from Zickerman Group DMCC.

7.1 Salaries and Other Employee Benefits

(In thousands of USD)	**31-Dec-21**
Salaries and Bonuses	13,887
Social Security Costs	211
Pension Costs	156
Other Benefits	2,481
Salaries and Other Employee Benefits	**16,735**

Total Salaries and Other Employee Benefits are split between Cost of Sales and Administrative Costs as follows:

(In thousands of USD)	Notes	**31-Dec-21**
Cost of Sales	6	12,072
Administrative Costs	7	4,663
Salaries and Other Employee Benefits		**16,735**

Salaries and other employee benefits includes wages, salaries, bonuses, personnel related insurance, social security contributions and other employee benefits. The benefits are recognized in the period in which the associated services are rendered by the employee.

As of 31 December 2021, the Group had 128 employees offshore and onshore. In addition, a total of 31 employees employed by Polarcus DMCC and PXGEO DMCC (a wholly owned subsidiary of Polarcus DMCC) were providing management services to the Group through the Transition Services Agreement with Polarcus DMCC. This cost is recognized under *Administrative Costs* (Note 7).

8 OTHER LOSSES – NET

Other Losses consist of the following:

(In thousands of USD)	**31-Dec-21**
Realized Exchange Loss	1,974
Unrealized Exchange Loss [1]	405
Others	(344)
Other Losses – Net	**2,035**

[1] Includes unrealized exchange loss of USD 326,511 relating to unrealized exchange loss on Cash and Cash Equivalents.

9 FINANCE COSTS

Finance Costs consist of the following:

(In thousands of USD)	Notes	**31-Dec-21**
Interest on Lease Liabilities	13.3	926
Interest Charges on Borrowings	24	56
Finance Costs		**982**

10 SHARE OF PROFIT FOR THE PERIOD FROM ASSOCIATE

The Group has an investment in an individually immaterial Associate, which is accounted for using the equity method.

(In thousands of USD)	**31-Dec-21**
Carrying Amount of individually immaterial Associate	336
Amount of the Group's share of:	
Profit for the Period	1
Other Comprehensive Income for the Period	-
Comprehensive Income	**1**

11 INCOME TAX

This note provides an analysis of the Group's income tax expense and shows how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax position.

Income tax consists of current income tax and deferred tax. 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.

11.1 Income Tax Expense

The Group conducted business in various tax jurisdictions which gave rise to tax liabilities.

Income tax expenses recognized by the Group depends on the tax rules and regulations applicable in the source jurisdiction of the income. In 2021, income tax rates imposed by the taxing authorities of the Group's countries of operations ranged from 0% to 34%.

Current income tax assets and liabilities for the Period are therefore measured at the amount expected to be paid or recovered from the tax authorities in the respective jurisdictions for the Period. The tax rates and tax laws used to compute the tax assets and liabilities are enacted (or announced to be enacted) at the reporting date in the countries where PXGEO operates and generate taxable income.

(In thousands of USD)	**31-Dec-21**
Current Tax	
Current Tax on Profits for the Period	815
Deferred Income Tax	
Increase in Deferred Tax Assets	(773)
Increase in Deferred Tax Liabilities	259
Net Deferred Tax Benefit	(514)
Income Tax Expense	**301**

Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable

(In thousands of USD)	**31-Dec-21**
Loss Before Income Tax Expense	**(1,164)**
Tax at Domestic Rates on Accounting Profits	(417)
Net Operating Losses for which Deferred Tax Assets are not Recognized	712
Permanent Differences	70
Impact of Corporate Tax Rate Changes	(64)
Subtotal	**301**

11.2 Tax Assets and Liabilities

11.2.1 Tax Assets

In some jurisdictions of operations, the Group's operating activities are subject to income tax through withholding taxes on revenues.

(In thousands of USD)	**31-Dec-21**
Brazil	3,354
Colombia	133
Tax Assets	**3,487**

A Brazilian client has deducted USD 3.4 million withholding taxes (IRPJ/CSLL) from payments to PXGEO Do Brasil Ltda. in 2021 and a corresponding tax credit has been recognized as a tax asset as this asset can be offset against future tax liabilities.

In addition, the Group has recognized a tax asset of USD 132,820 corresponding to a refundable tax credit in PXGEO US Inc. Sucursal Colombia branch, please refer to note 3.2.3 *Business Combinations and Others*.

11.2.2 Tax Liabilities

The Group has recognized a tax liability of USD 815,104 corresponding to the tax on profits for the Period in the following jurisdictions:

(In thousands of USD)	**31-Dec-21**
US	815
Tax Liability	**815**

11.3 Deferred Tax

Deferred tax liabilities are recognized for all deductible taxable temporary differences and losses, to the extent it is probable that taxable income will be available against deductible temporary difference and losses can be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability settled. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority. The tax rates and tax laws used to compute the deferred tax assets and liabilities are enacted or substantially enacted at the reporting date.

11.3.1 Deferred Tax Assets

The Group has recognized deferred tax assets of USD 773,000. The balance comprises temporary differences attributable to:

(In thousands of USD)	**2021**
Property and Equipment	689
Lease Liabilities	40
Provision for Defined Contribution plan	12
Tax Losses	309
Total Deferred Tax Assets	1,050
Set-off of Deferred Tax Liabilities Pursuant to Set-Off Provisions [1]	(277)
Net Deferred Tax Assets	**773**

[1] *Offsetting relates to deferred tax assets and deferred tax liabilities of entities operating in the same tax jurisdiction.*

The Group has not recognized a deferred tax asset of USD 711,996 pertaining to tax losses carried forward (in equivalent USD) in Brazil due to the uncertainly of the timing and amounts of tax losses that can be utilised in the future, and therefore these tax losses do not meet the criteria for asset recognition.

(In thousands of USD)	**2021**
Current Tax	
Unused tax losses for which no deferred tax asset has been recognized	2,094
Potential tax benefit @ 34%	**712**

11.3.2 Deferred Tax Liabilities

The Group has recognized a deferred tax liabilities of USD 259,461. The balance comprises temporary differences attributable to:

(In thousands of USD)	**2021**
Property and Equipment	21
Lease Liabilities	256
Accrued Expenses	241
Foreign Exchange	18
Total Deferred Tax Liabilities	536
Set-off of Deferred Tax Liabilities Pursuant to Set-Off Provisions[1]	(277)
Net Deferred Tax Liabilities	**259**

11.4 Significant Judgement and Critical Estimates

The Group conducts business in different parts of the world and is therefore subject to income taxes in numerous jurisdictions with increasingly complex tax legislation. Tax positions are subject to uncertainty and are identified and assessed either individually or in groups based on an estimate of the likelihood that the tax authority accept or reject a certain treatment or approach. Judgement may be involved in determining, for instance, whether the Group's presence in a country triggers a taxable presence and, if so, the resulting taxable base. Management's judgement is also required when estimating the value of unused losses, tax credits and other deferred tax assets. Changes in circumstances are assessed and reflected in each reporting period.

12 PROPERTY AND EQUIPMENT

Property and Equipment is recorded at cost less accumulated depreciation and impairment charges. Cost includes expenditure that is directly attributable to the acquisition, construction or installation of the items, including borrowing costs capitalized according to the Group's policy which is described further below.

12.1 Useful Life and Depreciation

Components of Property and Equipment are depreciated as per their respective useful lives. Depreciation is calculated on a straight-line basis over the useful life of the asset once the asset is ready for use. The estimated useful life of major assets is as follows:

Seismic Vessels & Marine Equipment	5-30 Years
Seismic Equipment	3-8 Years
Office Equipment	3-5 Years

Each component of a seismic vessel with a significant cost is separately identified and depreciated on a straight-line basis over that component's useful life, less residual value. Each of the components of an ocean bottom node make up one asset and are not separately identified.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment. All other repairs and maintenance costs are charged to the Consolidated Statement of Comprehensive Income during the period in which they are incurred.

Drydocking and classification costs for owned vessels are capitalized and depreciated over the period until the next expected dry-docking while drydocking and classification costs for leased vessels are capitalized and depreciated over the remaining firm lease period. Drydocking costs amounting to USD 603,267 were capitalized as Seismic Vessels and Marine Equipment additions during the reporting period and they are recognized in the Consolidated Statement of Financial Position as of the reporting date.

The assets' residual values and useful lives are reviewed at least annually and subsequently adjusted if appropriate. Adjustments, where applicable, are made on a prospective basis. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are presented net in the Consolidated Statement of Comprehensive Income.

Assets that are subject to depreciation are reviewed 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 cost to sell and value in use.

As of reporting date, the Group had a number of capital expenditure project ongoing consisting of project milestones and deliverables from various suppliers. Capital Work in Progress represents costs incurred to date on Property and Equipment that it still under construction at the reporting date. The costs incurred on such assets are not recognized as Property and Equipment until they qualify as ready to use assets. Once the Property and Equipment is ready for use, it will be capitalized and depreciated.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

See note 23 for further information on impairment of non-financial assets.

The changes in Property and Equipment are as follows:

(In thousands of USD)	Seismic Vessels & Marine Equipment	Seismic Equipment	Office Equipment	Capital Work in Progress	**Total**
Cost					
Additions arising from business combinations[1]	28,159	12,418	-	-	40,577
Additions[2]	603	6,115	38	1,648	8,404
Cost as of 31 December 2021	**28,762**	**18,533**	**38**	**1,648**	**48,981**
Accumulated Depreciation					
Charge for the period	1,049	3,221	1	-	4,271
Depreciation as of 31 December 2021	**1,049**	**3,221**	**1**	**-**	**4,271**
Balance as of 31 December 2021	**27,713**	**15,312**	**37**	**1,648**	**44,710**

[1] Acquired for non-cash consideration, refer Note 3.2

[2] Includes accrued Capital Expenditure of USD 286,094, Refer Note 22

There were no pledged assets as of 31 December 2021

12.2 Significant Judgement and Critical Estimates

Significant judgement is applied when determining the economic useful life of assets. Factors involved when determining the useful life of tangible assets include the age of the asset when purchased, utilization and risk of technological obsolescence.

13 LEASES

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

13.1 Group as a Lessee

The Group leases seismic vessels, seismic equipment, offices and a warehouse used in its operations. Lease periods are typically made for fixed periods for 1-2 years but may have extension options. The Group 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 in exchange for consideration.

The Group also has certain leases for low-value assets or with duration of 12 months or less. The Group applies the short-term lease recognition exemption to these leases. Lease payments on short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

13.2 Right-Of-Use Assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful life of the asset. The finance cost is recognized in the Consolidated Statement of Comprehensive Income over the lease period to achieve a constant rate of interest on the remaining balance of the liability.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Group depreciates right-of-use assets of seismic equipment over 7 years and all other right-of-use assets over the lease term. The right-of-use assets are also subject to impairment.

(In thousands of USD)	Seismic Vessels and Equipment	Warehouse	**Total**
Carrying Value			
Additions During the Period	23,909	432	24,341
Depreciation[1]	(6,822)	(118)	(6,940)
Balance as of 31 December 2021	**17,087**	**314**	**17,401**

[1] USD 6.8m is included in Cost of Sales and USD 117,642 is included in Administrative Costs

13.3 Lease Liabilities

(In thousands of USD)	**Total**
Carrying Value	
Additions	24,341
Interest on Lease Liabilities (See Note 9)	926
Lease Payments	(9,717)
Balance as of 31 December 2021	**15,550**

(In thousands of USD)	**Total**
Current Portion of Lease Liabilities	10,945
Non-Current Portion of Lease Liabilities	4,605
Lease Liabilities	**15,550**

The Group applies a discount rate of 8% per annum on all its minimum lease payments, which represents its incremental borrowing rate.

13.4 Group as a Lessor

Leases where the Group does not transfer substantially all the risks and reward of ownership of an asset are classified as operating leases. Lease income from operating leases is recognized in the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term and is included in Bareboat Charter revenue.

As of 31 December 2021, the Group had one vessel, *Vyacheslav Tikhonov,* chartered out under a non-cancellable term bareboat charter agreement. The lease period for *Vyacheslav Tikhonov* is scheduled to expire on 16 November 2022.

The future minimum rental receivables (undiscounted) under the aforementioned non-cancellable operating lease as of 31 December 2021 are as follows:

(In thousands of USD)	**31-Dec-21**
Within 2022	6,336
Total	**6,336**

13.5 Significant Judgement and Critical Estimates

Certain right-of-use lease contracts may contain options to purchase the leased asset at the end of a contract lease period. An assessment is made to whether the Group intends to exercise such an option which is subsequently recorded in the tables set out in 13.2 *Right-of-Use Assets*. Furthermore, the assessment as to whether to utilize extension and termination options is made by Management on a contract-by-contract basis in line with the operational requirements for each project. Options to extend are not reflected in the tables set out in 13.2 *Right-of-Use Assets*. Furthermore, significant judgement is used when determining the discount rate representing the incremental borrowing rate.

14 INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Intangible Assets acquired as part of a business combination are measured at fair value as at the date of acquisition. Subsequently, intangible assets are carried at cost less accumulated amortization and impairment if any.

Intangible Assets are mainly related to a customer contract acquired through a business combination; See note 3.2. The customer contract is amortized in line with the specific periods over which the contract generates cash flows.

Intangible Assets also include IT systems which are normally amortized over three years on a straight-line basis. “Software Under Development” was not amortized during the reporting period as it was not yet in use.

Research and development costs are expensed as incurred until a program has completed the concept phase. Development activities involve a plan or design to produce new or substantially improved products and processes. Development cost is only capitalized if the product or process is technically and commercially feasible and the business case shows a positive net present value. As of reporting date, no research and development costs have been capitalized.

(In thousands of USD)

	Notes	Customer Contracts	Software Under Development	**Total**
Costs				
Additions arising from Acquisitions	3.2	5,021	-	5,021
Additions During the Period		-	85	85
Balance as of 31 December 2021		**5,021**	**85**	**5,106**
Amortization				
Amortization for the Period	6	3,971	-	3,971
Balance as of 31 December 2021		**3,971**	**-**	**3,971**
Net Book Amount				
Intangible Assets		**1,050**	**85**	**1,135**

15 OTHER NON-CURRENT ASSETS

During the Period, the Group paid a refundable deposit amounting to USD 2.3 million to the lessor of the vessel, *PXGEO 2* in accordance with the requirements of the long-term bareboat charter hire agreement.

Furthermore, USD 1.9 million was paid as a capital advance to a node manufacturer for long-lead items that will be capitalized during 2022.

(In thousands of USD)	**31-Dec-21**
Deposits	2,250
Capital Advances	1,855
Other Non-Current Assets	**4,105**

16 INVENTORIES

Inventories on-board vessels chartered by the Group are measured at the lower of cost and net realizable value and are recorded on a FIFO (first in, first out) basis.

(In thousands of USD)	**31-Dec-21**
Fuel	421
Others	840
Inventories	**1,261**

Cost of sales reported in the Consolidated Statement of Comprehensive Income comprises USD 1.3 million of inventories consumed during the Period.

16.1 Significant Judgement and Critical Estimates

The assessment of slow-moving and obsolete inventory in order to determine inventory write-downs is subject to management judgement. The net realizable value of the inventories is subject to management estimates.

17 OTHER CURRENT ASSETS

Prepaid expenses, advances to suppliers, deferred transit costs and other current assets are measured at cost.

(In thousands of USD)	**31-Dec-21**
Advances to Suppliers	1,424
Prepaid Expenses	1,744
Deferred Transit Cost	697
Indirect Taxes	1,096
Others	122
Other Current Assets	**5,083**

17.1 Deferred Transit Costs - Assets Recognized from Costs to Fulfil a Contract

Deferred Transit Costs are recognized as an asset in relation to costs incurred to fulfil contractual obligations for data acquisition services. Such costs are only recognized as an asset if they directly relate to a signed contract and are expected to be recovered over the contract duration. Deferred Transit Cost primarily pertains to cost of mobilization, relocation of vessels and project-related costs incurred prior to and during project mobilization. Deferred Transit Costs recognized as an asset are amortized and charged to expenses over the duration of the project.

As of 31 December 2021, Deferred Transit Cost recognized as an asset was USD 697,447.

18 TRADE AND OTHER RECEIVABLES

Trade and Other Receivables consist of Trade Receivables, Other Receivables and Unbilled Revenue.

Trade receivables from customers for goods sold or services rendered in the ordinary course of business are measured at amortized cost using the effective interest method, less loss allowance. Trade Receivables are generally due for payment within 30 days of invoicing. Other receivables are receivables that do not arise from the operating activities of the Group.

Unbilled revenue represents the amount of revenues recognized but not yet invoiced.

(In thousands of USD)	**31-Dec-21**
Trade Receivables	5,313
Unbilled Revenue (accrued, not invoiced to customers)	1,873
Trade and Other Receivables	**7,186**

Overview of Trade Receivable ageing:

(In thousands of USD)	**31-Dec-21**
Not Overdue	2,656
Past Due 0 - 30 days	1,449
Past Due 31 - 120 days	1,208
Total	**5,313**

18.1 Impairment of Trade and Other Receivables

The Group applies the expected credit losses approach which uses a lifetime expected loss allowance for all Trade and Other Receivables. To measure the expected credit losses, Trade Receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on changes in credit risk of the customer, the failure to engage in repayment plan with the Group and failure to make contractual payment for a period greater than 180 days past due and are adjusted, if required, to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade Receivables and contract assets are considered impaired based on adverse changes in credit risk of the customer, the failure to engage in repayment plan with the Group and failure to make contractual payment for a period greater than 180 days past due.

The provision for expected credit losses on trade and other receivables is not considered material for the period.

19 CASH AND CASH EQUIVALENTS

For purposes of presentation in the Consolidated Statement of Cash Flows, Cash and Cash Equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Cash and Cash Equivalents are subject to impairment requirements. However, no credit losses were recorded in 2021.

(In thousands of equivalent USD)	**31-Dec-21**
Cash at the Bank	7,195
Cash in Hand	9
Cash and Cash Equivalents	**7,204**

The Group places its cash with reputable commercial banks. The table below presents an analysis of the Group bank balances by rating agency designation at the end of reporting period based on Moody's rating or its equivalent for the main banking relationship.

(In thousands of equivalent USD)	**Rating**	**31-Dec-21**
Bank A	A1	4,982
Bank B	Not Listed	5
Bank C	AA2	38
Bank D	BA2	2,170
		7,195

20 SHARE CAPITAL

As of 31 December 2021, the Parent Company's issued share capital was USD 593.8081, divided into 59,380,810 shares, each with a nominal or par value of USD 0.00001 each. The share capital is fully paid. All shares are of the same class and carry equal rights in all respects and each share carries one vote. The Parent Company's authorized share capital is USD 50,000 divided into 5,000,000,000 shares of nominal or par value of USD 0.00001 each.

20.1 Share Premium

All shares in the Parent Company were issued for USD 1 each during the reporting period, and the excess of the consideration over the par value (USD 0.00001) amounting to USD 59,929,546 is recognized as Share Premium.

20.2 Ordinary Shares Issued and Fully Paid

Out of the total paid in Equity of USD 59,929,547, USD 8,679,921 was paid in cash and USD 51,249,626 was contributed by the shareholders as non-cash consideration.

(In USD thousand except for number of shares)	**Number of Shares**	**Cash**	**Non-Cash**	**Total**
Issued on incorporation 24 February 2021	1	-	-	-
Share split 1:1000 on 31 March 2021	999	-	-	-
Issued for PXGEO 1 acquisition 30 April 2021[1]	33,877,996	-	33,878	33,878
Incorporation shares cancelled 30 April 2021	(1,000)	-	-	-
Issued 14 May 2021[2]	5,706,623	4,250	1,457	5,707
Issued 2 June 2021	112,004	112	-	112
Issued 10 June 2021	32,923	33	-	33
Issued 28 June 2021	4,285,000	4,285	-	4,285
Issued for Seabed business acquisition 28 June 2021[1]	15,915,000	-	15,915	15,915
Cancelled 31 October 2021	(548,736)	-	-	-
Balance as of 31 December 2021	**59,380,810**	**8,680**	**51,250**	**59,930**

[1] See Note 3.2
[2] See Note 7

20.3 Shareholders

As of 31 December 2021, the Parent Company had four shareholders (Bybrook Funds considered as one shareholder, managed by Cairn Capital Limited):

	Number of Shares	**%**
Bybrook Capital Hazelton Master Fund LP	18,239,772	31%
Bybrook Capital Burton Partnership LP	16,752,813	28%
Bybrook Capital Master Fund LP	12,384,440	21%
Bybrook Capital Badminton Fund LP	8,721,977	15%
Bybrook Capital Badminton 405 Fund LP	2,054,906	3%
Kristian Falnes A/S	776,929	1%
Yale M. Fergang	399,155	1%
North Energy ASA	50,818	0%
Total	**59,380,810**	**100%**

21 TRADE PAYABLES

Trade Payables are non-interest-bearing and are normally settled on 30-days terms. They are recognized at amortized cost.

22 OTHER ACCRUALS AND PAYABLES

(In thousands of USD)	**31-Dec-21**
Accrued Other Expenses	5,139
Accrued Vessel Operating Expenses	2,170
Accrued Annual Bonus Expenses	1,459
Provision for Defined Contribution Plans	487
Accrued Capital Expenditures[1]	286
Accrued Salary	220
Others	16
Other Accruals and Payables	**9,777**

[1] See Note 12

23 IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-Financial Assets with finite useful life are tested for impairment whenever events or changes in circumstances indicate that they might be impaired. An impairment loss is recognized if 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 that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The impairment is based on value-in-use calculations where assumptions about future market development and its impact on future cash flows, the weighted average cost of capital (WACC), growth rate and other relevant factors are subject to Management's judgement.

23.1 Significant Judgement and Critical Estimates

The majority of the Group's Non-Financial Assets were acquired over the course of 2021 through business combination transactions (Note 3.2). The remaining non-financial assets were acquired over the course of the second half of 2021. At the acquisition date, all the acquired Non-Financial Assets were valued at fair value. Between the acquisition date and the reporting date, the management reviewed external and internal impairment indicators such as market condition tender activity and asset backlog using significant judgement with the conclusion that no impairment indictors were noted. Hence, no impairment tests were carried out.

24 BORROWINGS

Interest-bearing debt is initially recognized at fair value less transaction costs. Subsequent to initial recognition, interest-bearing debt is carried at amortized cost. Any variance between the proceeds (net of transaction costs) and the redemption value is recognized in the Consolidated Statement of Comprehensive Income over the period of the borrowing using the effective interest method.

Borrowing costs are recognized as an expense in the period in which they are incurred, except for borrowing costs which are directly attributable to the acquisition, construction, or production of a qualifying asset. Such borrowing costs are capitalized as part of the cost of that asset.

Fees paid on the Group's borrowing facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down, in which case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

During the reporting period, the Group drew down on a Working Capital Facility made available by the majority shareholders. Upon maturity, the Group repaid this funding, together with the related interest.

(In thousands of USD)	**31-Dec-21**
Proceeds from Working Capital Facility	3,000
Interest at 8% per annum	56
Repayment of Working Capital Facility	(3,056)
Balance outstanding as of 31 December 2021	**-**

As of 31 December 2021, the Group had no interest-bearing debt.

25 EMPLOYEE BENEFITS

25.1 Pension Plan

PXGEO operates defined-contribution pension plans in UK, USA (401k) and an International Pension Plan ("IPP") for all employees based internationally onshore (and not eligible to join a local / domestic retirement benefit plan) and offshore as field crew.

The pension plans form part of the Group's overall remuneration and benefits offering and have been designed in line with the Group's compensation strategy to attract, motivate, reward and retain current and future employees.

The Group makes regular contributions to each of the pension plans. However, as of 31 December 2021, no contributions had been made to the IPP. The Group had USD 486,813 accrued pension liability which has been paid into the IPP after the reporting date.

Contributions of USD 155,894 are expensed to the Consolidated Statement of Comprehensive Income as they become payable.

25.2 Short Term Incentive Plan

PXGEO operates a Short-Term Incentive Plan (the "STIP") which has been designed in line with the Group's compensation strategy to drive a performance culture by recognizing and rewarding individual efforts and contribution. The STIP provides an annual bonus opportunity to eligible employees based on PXGEO and individual performance. The STIP is designed to align the overall performance of the employees, and their achievements against agreed performance goals, with the Group's strategy, priorities and goals. The total bonus pay out for the STIP is determined based on Group performance against defined metric(s) for the performance period and is capped, unless specified otherwise, at the amount equal to the maximum target bonus for all eligible employees each performance year. All employees, whether full-time or part-time, are eligible to participate in the STIP once they have completed a minimum of three months' service and achieved their individual Environment, Health, Safety and Quality (EHSQ) targets in full for the performance period.

26 OTHER CURRENT LIABILITIES

26.1 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

All provisions presented are short-term as they are part of the operating cycle.

Contingent liabilities are not recognized in the consolidated financial statements, but if material, are disclosed in the accompanying notes. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

27 FINANCIAL RISK FACTORS

27.1 Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group reviews and agrees policies for managing each of these risks and these policies are summarized below:

The Group's principal financial assets are trade and other receivables, and cash equivalents, which are mainly derived directly from its operations. The group's principal financial liabilities comprise lease liabilities, trade payables, accruals and other payables.

27.2 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The main market price risk that the Group is exposed to is foreign exchange risk.

27.2.1 Foreign Exchange Risk

Most of the Group's revenue is determined in USD or in currencies that are pegged to USD. As the Group has a global footprint, the Group has revenue in other currencies, leaving the Group exposed to foreign currency risks.

The Group seeks to ensure that operations are naturally hedged in terms of currency exposure, meaning that operational costs are matched with revenue in terms of currency. Since the revenue is mainly determined in USD, the Group's liabilities are mainly held in USD. The Group does not use any other instruments to hedge currency risk.

The Group's financial assets and liabilities that are exposed to the risk of changes in foreign exchange rates relates primarily to the following:

(In thousands of USD)	**31-Dec-21**
Financial Assets	
Cash and Cash Equivalents	
Brazilian Reals	2,170
GBP	52
SGD	4
Total Cash and Cash Equivalents denominated in foreign currencies	2,226
Cash and Cash Equivalents denominated in USD	4,978
Total Cash and Cash Equivalents	**7,204**
Trade and Other Receivables	
Denominated in foreign currencies	1,449
Denominated in USD	5,737
Total Trade and Other Receivables	**7,186**
Total Financial Assets	**14,390**

As of 31 December 2021, the Group's financial assets amounted to USD 14.4 million. 15% of the Group's total financial assets are denominated in foreign currencies. USD 2.2 million is Cash and Cash Equivalents and USD 1.5 million is Trade and Other Receivables. Any reasonably possible change in the exchange rate between these currencies and USD, with all other variables held constant, is not expected to have any material impact on the Group's profit before tax.

(In thousands of USD)	**31-Dec-21**
Financial Liabilities	
Trade and other Payables	
Denominated in foreign currencies	1,523
Denominated in USD	6,292
Total Trade and Other Payables	**7,815**

In addition, the Group has Trade and other Payables of USD 1.5 million denominated in foreign currencies that are under standard credit terms.

Due to the short-term nature of financial assets and liabilities, the foreign currency risk is considered low. The Group's activities are global, and the foreign currency risk related to its operating activities may change from year-to-year depending on the different jurisdictions in which the Group operates.

27.2.2 Cash flow and Fair Value Interest Rate Risk

The Group did not have any interest-bearing debt as of the reporting date and therefore is not exposed to any interest rate risk.

27.2.3 Price Risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all the instruments traded in the market. The Group has no significant exposure to price risk.

27.3 Credit Risk

The Group is exposed to credit risk from its operating activities, primarily its trade and other receivables and from its cash and cash equivalents deposited with banks.

The Group provides its services only to recognized clients who are primarily multinational oil and gas companies including companies owned in whole or in part by governments. All customers who wish to trade on credit terms are subject to the Group's credit verification procedures.

Credit risk from balances with banks and financial institutions is managed by the Group's Management.

The Group's maximum exposure to credit risk for the components of the Consolidated Statement of Financial Position is as follows:

(In thousands of USD)	**31-Dec-21**
Trade and Other Receivables	7,186
Cash and Cash Equivalents	7,204
Maximum Credit Risk Exposure	**14,390**

As of 31 December 2021, the Group had Trade and Other Receivables amounting to USD 7.2 million. USD 1.8 million was due from SCF Sakhalin Supply Limited (Cyprus). The Group's remaining receivables of USD 5.4 million were owed by 4 different customers. An amount of USD 2.7 million of the Trade and Other Receivables was overdue. The majority of balances due from customers were collected post Period end. The impact of expected credit losses is considered immaterial for the Period, and as a result, no provision for bad debts was taken as of the reporting date.

27.4 Liquidity Risk

Liquidity risk arises from a lack of correlation between cash flow from operations and financial commitments. The Group operates in a capital-intensive industry, meaning that a high level of fixed costs is required to finance on an ongoing basis in order to provide services and products to the customers. Furthermore, the working capital requirements of the Group varies considerably from time to time depending on activity levels and project timing.

The objective of the Group's liquidity risk management is to maintain sufficient cash and have access to funding through an adequate amount of committed credit facilities. Management monitors the risk of shortage of funds using both short-term and long-term cash flow forecasts and other business planning tools.

The following table shows the maturity profile of the Group's financial liabilities based on contractual payment terms. The amounts disclosed in the table are undiscounted cash flows.

(In thousands of USD)	Carrying Amount	Less than 3 months	3-12 months	1-2 years	>2years	**Contractual Cashflows**
Lease Liabilities	15,550	2,250	9,364	4,592	225	16,431
Trade Payables	7,815	7,815	-	-	-	7,815
Other Accruals and Payables	9,777	9,777	-	-	-	9,777
Financial Liabilities	**33,142**	**19,842**	**9,364**	**4,592**	**225**	**34,023**

28 REMUNERATION TO EXECUTIVE MANAGEMENT, BOARD OF DIRECTORS AND AUDITORS

28.1 Executive Management

The Executive Management is employed by Polarcus DMCC and their services were provided to PXGEO under the Transition Services Agreement.

The remuneration of the Executive Management personnel for the period 1 May 2021 to 31 December 2021 is shown below:

(In thousands of USD)	**Fixed Salary**	**Bonus**	**Other Allowances**	**Total salary and benefits**	**Recognized as pension expense**
Total (5 Executives)	**1,039**	**633**	**399**	**2,071**	**80**

28.2 Board of Directors Fees

The total remuneration recognized by the Group to the Parent Company's Directors was as follows:

(In thousands of USD)	**Period Ended 31-Dec-21**
Peter Zickerman	-
Christian Herrmann	-
Mark Nelson-Smith	19
Total	**19**

28.3 Auditors' Fees

(In thousands of USD)	**Period Ended 31-Dec-21**
PwC	
Group Audit	78
Other Services	14
Total Fees	**92**

29 CONTINGENT LIABILITIES

As of 31 December 2021, the Group had neither submitted any claims, nor was Management aware of any claims submitted against the Group. As a result, no contingent liabilities have been recorded.

30 NEW AND AMENDED FINANCIAL REPORTING STANDARDS

The following new and amended standards have been adopted by the Group with no material impact:

- COVID-19 related rent concessions – amendments to IFRS 16 'Leases'
- Interest rate benchmark reform Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

30.1 New Standards and Interpretations not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. Management is currently reviewing the impact of these standards and interpretations.

Certain new standards, amendments and interpretations of existing standards have been published that are mandatory for the Group's accounting period beginning on 1 January 2022 or later periods, but which the Group has not early adopted. The new standards, amendments, and interpretations relevant for the Group are listed below:

- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28

31 SUBSEQUENT EVENTS

31.1 Vyacheslav Tikhonov

On 24 February 2022, Russian troops invaded Ukraine. In response, multiple jurisdictions, including the EU, UK, Cayman Islands, and US have imposed a series of economic sanctions restricting or prohibiting trade with Russia. On 24 March 2022, the UK designated our client Sovcomflot PAO ("Sovcomflot") for the purpose of an asset freeze. Russia has itself introduced counter-measures which include a prohibition on the export of certain goods including most categories of vessel.

As of the reporting date, PXGEO continued to lease its vessel *Vyacheslav Tikhonov* (in this note, the "**Vessel**") on a long-term bareboat charter agreement to SCF Sakhalin Supply Limited (Cyprus) whose ultimate parent, Sovcomflot is domiciled in Russia. The Vessel was bareboat sub-chartered to another subsidiary of Sovcomflot domiciled in Russia, pursuant to which, the Vessel flies the Russian flag. As of the date of this report, the Vessel was at port in Vladivostok, Russia.

As of reporting date, the Group had USD 1.8 million in outstanding invoices from the charterers for bareboat charter fees. After the reporting date up to the date of this report USD 1.2 million were collected. The recoverability of the remaining USD 0.6 million and the additional charter fees of USD 2.4 million that has accrued since the reporting date in part depend on the resolution of PXGEO's license application referred to below. Once impacted by the economic sanctions, Sovcomflot confirmed its financial ability and willingness to settle all outstanding invoices, past and future.

Following the introduction of economic sanctions against Russia, weekly Board calls have been held with Management and regular communications maintained with Sovcomflot on managing the impact of applicable sanctions. These discussions have included the possibility of a sale of the Vessel. PXGEO has engaged external legal counsel to help the Group remain in compliance with applicable sanctions. On 21 April 2022, PXGEO applied to the Cayman Islands' Financial Reporting Agency for a license to permit the sale of the Vessel and to allow PXGEO to receive funds remitted in respect of outstanding hire.

31.2 Working Capital Facility

Subsequent to the reporting date, the Group entered into an agreement with the majority shareholder to provide a working capital for the Group up to USD 10 million. Since the agreement was signed, the Group has drawn down USD 10 million to meet its financial commitments in the short term.

31.3 Completion of Polarcus DMCC Acquisition

The Sale and Purchase Agreement for Polarcus DMCC and its wholly owned subsidiary, see note 3.2.5 *Business Combinations and Others,* was completed on 31 March 2022.

Independent auditor's report to the shareholders of PXGEO Limited

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of PXGEO Limited ("the Company") and its subsidiaries (together the "Group") as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the period from 24 February 2021 to 31 December 2021 (the "period") in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of comprehensive income for the period from 24 February 2021 to 31 December 2021;
- the consolidated statement of financial position as at 31 December 2021;
- the consolidated statement of changes in equity for the period then ended;
- the consolidated statement of cash flows for the period then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Other information

The directors are responsible for the other information. The other information comprises the "Key Financials, Key Company events and achievements, Message from the CEO, About PXGEO, 2021 Board of Directors' report and Sustainability report" (but does not include the consolidated financial statements and our auditor's report thereon).

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

Independent auditor's report to the shareholders of PXGEO Limited (continued)

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent auditor's report to the shareholders of PXGEO Limited (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

PricewaterhouseCoopers

PricewaterhouseCoopers
Dubai, United Arab Emirates
12 May 2022

SUSTAINABILITY REPORT

PXGEO reports its contribution to sustainability in alignment with the GRI Standards which represent best practice for sustainability reporting on a range of economic, environmental, and social impacts.

With the GRI Standards as a reference point, we periodically conduct a materiality analysis to identify the key themes that PXGEO has the greatest impact upon. Examples of PXGEO's contribution to sustainable development in these areas are detailed throughout this report.

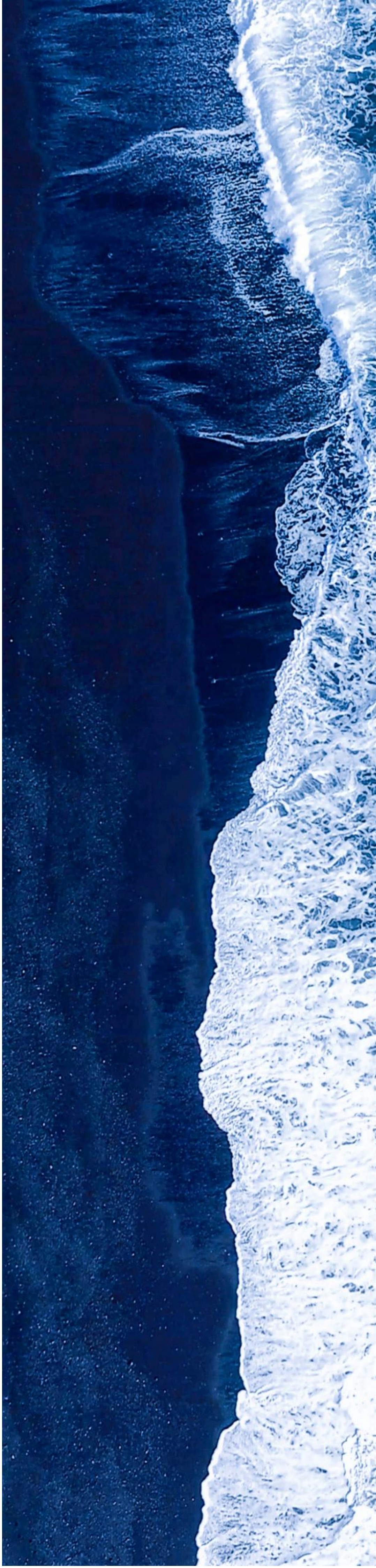
United Nations (UN) Sustainable Development Goals

According to the UN, the Sustainable Development Goals are *"the blueprint to achieve a better and more sustainable future for all"*. They aim to address global challenges related to poverty, inequality, climate change, environmental degradation, peace and justice.

Building on the areas of focus identified from the GRI materiality analysis, PXGEO has identified six UN Sustainable Development Goals to which PXGEO actively contributes. This report describes what PXGEO is doing to minimize the environmental impact of its operations, optimize sustainability of its business and mitigate associated risks. The UN Sustainable Development Goals identified in this report will guide the growth of our business in the years to come.

PXGEO welcomes any questions, feedback or suggestions, which can be directed to:

sustainability@pxgeo.com



LOOKING AFTER THE ENVIRONMENT

PXGEO's Vision emphasizes the important role that the company will play in a responsible energy transition.

Responsible, in this context, means providing affordable access to lower carbon energy for the growing global human population until carbon-free energy is readily available.

The owners, leadership team and all employees of PXGEO place a high value on the operational and environmental excellence demonstrated across our MTS and OBN business units. A key strategic consideration in establishing PXGEO was bringing together complementary marine seismic acquisition technologies:

- MTS to provide an efficient imaging solution for offshore exploration and appraisal; and

- OBN to provide high resolution and quality data to optimize production from existing hydrocarbon reservoirs and further delineate producing basins.

The transition from higher carbon to lower carbon energy sources is heavily reliant on responsibly reducing CO_2 (Carbon Dioxide) emissions at a global level, through initiatives including:

- Accelerating the transition from coal to natural gas

- Enabling carbon capture, utilization and storage (CCUS) as a viable energy transition mitigation

PXGEO is committed to leading the offshore seismic industry in the monitoring and minimization of emissions, both in offshore project delivery and onshore office operations. Here we see a direct alignment for PXGEO between positive environmental contribution and operational efficiency, leading to improved service delivery and overall business performance. We continue to innovate to identify opportunities to further minimize fuel consumption, reduce environmental impacts and increase efficiency across all operations.

To measure PXGEO's contribution to looking after the environment, we reference the following UN Sustainability Development Goals (UNSDG):

UNSDG 7 – Affordable and Clean Energy – PXGEO is committed to deliver sustainable seismic solutions for the world's energy transition.

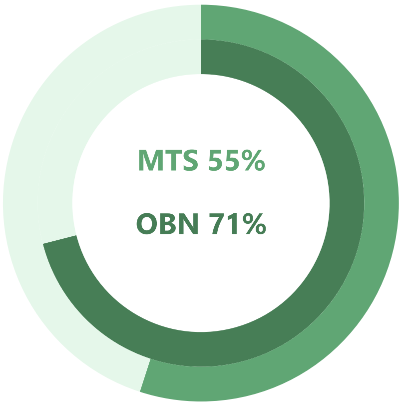
UNSDG 14 – Life Below Water – PXGEO is committed to protect and restore marine ecosystems and reduce pollution and acidification, as well as to participating in knowledge-sharing, research and technology to support ocean health.

UNSDG 12 – Responsible Consumption and Production – PXGEO is committed to continuous efficiency enhancements through Group-wide annual improvement plans and tracking of fuel consumed per sq.km, in addition to the responsible management of chemicals and waste in all PXGEO operations.

SUSTAINABLE DEVELOPMENT GOALS

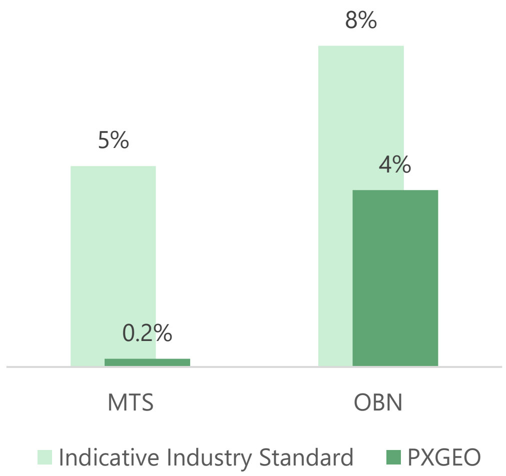
Environmental Score card

UTILIZATION

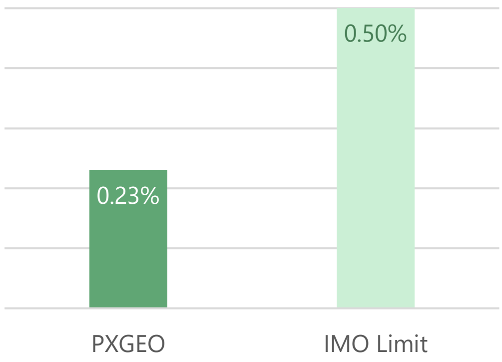


TECHNICAL PERFORMANCE

Technical down-time



SO_X CONTENT IN FUEL



932kg

Ghostnet debris removed from the ocean and recycled.

AIR EMISSIONS		
Scope 1	**MTS**	**OBN**
CO_2 *(kT)*	16.0[1]	11.4
SOx *(kT)*	0.01	0.20
NOx *(kT)*	0.18	0.13
Scope 2		
Office electricity[2] CO_2e *(kT)*	0.018	
Scope 3		
Business travel CO_2e *(kT)*	0.39	

[1]Incuding support fleet. [2]Only including office in Dubai UAE.

Explore Green™

PXGEO is proud of its strong legacy of responsibly leading the marine seismic industry towards a more sustainable future. The Explore Green™ agenda, supported by a substantial and proactive investment in resources, has been a cornerstone in the creation of PXGEO and to ensure PXGEO continues to outperform regulatory requirements around the globe. This has become increasingly important as the industry observes government and non-government organizations placing increased emphasis on prioritizing environmental protection and enforcing more rigorous compliance with emission standards.

PXGEO remains committed and driven to going beyond regulatory requirements to carry out marine seismic operations in the most sustainable manner.

Energy Efficiency

In PXGEO fuel consumption is measured and recorded continuously, together with the emission gases of Carbon Dioxide (CO_{2}), Nitrogen Oxide (NOx) and Sulfur Oxide (Sox). Fuel efficiency is a key performance indicator for PXGEO, with a target to achieve year-on-year improvement.

PXGEO 2 Seismic Vessel

PXGEO has a Ship Energy Efficiency Management Plan (SEEMP), which is a plan unique to each vessel setting out how energy savings can be achieved using the Energy Efficiency Operational Indicator (EEOI) as a monitoring tool and benchmark to save energy and reduce Greenhouse Gases (GHG).

The EEOI provides a mechanism to monitor, compare and reduce GHG emissions from ships in operation, and is an integral part of the SEEMP. EEOI = Mass (t) of CO2 emitted per km² of acquired seismic data.

Inventory of Hazardous Material

PXGEO vessels operate an inventory of hazardous materials in accordance with "IMO resolution MEPC.269 Guidelines for the Development of the Inventory of Hazardous Materials". This requires that all ships over 500GT have a ship-specific Inventory of Hazardous Materials statement of compliance documenting all the materials onboard a ship that are, or that may be hazardous to health or to the environment, and that require careful handling or special awareness.

Managing Emissions to Air

Exhaust emissions, such as sulfur oxides and nitrogen oxides have a detrimental impact on the environment. Carbon dioxide emissions add to the greenhouse effect, impacting the planet's temperature and climate. As a result, air pollution has been declared by the United Nations Environment Program as the greatest environmental risk to human health and the health of our planet.

To fully understand the impact of marine seismic operations on the environment, PXGEO has accurate and reliable tools to monitor, measure and report fuel consumption and associated gaseous emissions generated by PXGEO vessels.

An emissions monitoring and measuring tool, unique to PXGEO, goes beyond normal industry standards of emission reporting, enabling PXGEO to model the predicted emissions footprint for all marine seismic acquisition projects.

Post project analysis facilitates the reporting of actual fuel consumption and emissions calculations against the project model, along with an analysis of the drivers for any deviation to model. For each project, a verified emissions certificate can be produced and presented to the client.

To increase awareness and promote transparency of the environmental impact in the oilfield services industry, PXGEO is committed to regularly and consistently disclosing total airborne emissions generated by its marine seismic acquisition operations.

PXGEO reports its fuel consumption to the International Maritime Organization (IMO) Data Collection System following the MARPOL (International Convention for the Prevention of Pollution from Ships) Annex VI reporting requirements.

Drag reduction on PXGEO vessels

Key drivers of fuel consumption of a seismic vessel in production include the overall efficiency of the operation, the condition of the vessel itself and the technology and techniques used to rig the towed seismic equipment.

Before and after photos of PXGEO 2 at dry dock in Dubai, UAE

Operational efficiency is driven by the technical performance of the equipment utilized by PXGEO. In 2021, the MTS and OBN operations of PXGEO were able to deliver technical performance exceeding both industry standards and PXGEO internal targets for 2021.

Build-up of marine growth on a vessel's hull can increase the resistance generated as a vessel moves through the water, in turn increasing the fuel consumption and associated emissions. Maintaining a clean and smooth hull reduces resistance, saving fuel and reducing emissions to air.

During Q4 2021, the PXGEO 2 was dry-docked in Dubai and underwent a comprehensive scope of work involving maintenance, refurbishments, and general vessel improvements including the cleaning and antifouling of the hull and propellors. As expected, this resulted in a significant improvement in vessel efficiency, with fuel consumption during the subsequent transit and in production reduced by around 25%, with the associated reduction in emissions.

During seismic acquisition projects in tropical and sub-tropical regions, barnacle growth can negatively impact operational efficiency. Such growth can significantly increase drag of the vessel's hull and the in-sea seismic equipment when towed through the water, which has a direct impact on fuel consumption and emissions.

Recognizing the positive impact to be gained from mitigating barnacle growth in warm waters, PXGEO has a proactive barnacle management plan which includes monitoring barnacle growth and regular cleaning of the in-sea equipment. Adherence to this plan has a significant impact on minimizing PXGEO's environmental footprint.

In addition to managing marine growth, optimizing the towing configuration of seismic energy sources and streamers can significantly reduce the fuel consumption of a seismic operation. PXGEO prides itself on minimizing drag of the deployed seismic equipment through additional initiatives including:

- Promoting the minimization of in-sea equipment deployed using XArray™ which requires fewer streamers in the water and creates more point energy sources from the same towed source array
- Applying fairing to all lead-ins and transverse ropes to prevent strumming and reduce drag
- Maintaining all in-sea equipment to ensure no fouling of underwater components
- Using high-performance deflectors, which have an enhanced lift-to-drag ratio, allowing optimization of the towed seismic equipment

Marine Gas Oil (MGO) vs Heavy Fuel Oil (HFO)

HFO is well known for its destructive impact on the environment and, for this reason, PXGEO has never used and will never use HFO in any operations. HFO is classified as carcinogenic by the United Nations (UN).

As an environmentally preferable alternative, PXGEO uses low sulfur MGO across its seismic fleet, and requires the same for third party vessels supporting PXGEO operations.

International Maritime Organization (IMO) 2020 sulfur cap compliant

The IMO 2020 sulfur cap came into effect from 1 January 2020 and has been the most substantial regulatory change to the industry in recent times. This requirement reduces the level of sulfur content permitted in fuel oil used onboard ships operating outside designated emissions-controlled areas from 3.5% (m/m) to 0.5% m/m. The IMO objective is to reduce the amount of SOx emanating from maritime activities globally which will contribute to significant health and environmental improvements, particularly for populations living close to ports and coastlines.

Some companies have resorted to retrofitting sulfur 'scrubbers' to their vessels to comply with the new IMO regulations, while still carrying HFO onboard. PXGEO's commitment to the environment and using ultra low sulfur MGO deals directly with the root cause of sulfur emissions and has enabled PXGEO to stay ahead of the industry curve on sulfur emissions.

Sulfur Oxide (SOx) emissions

SOx is a group of highly reactive gasses containing sulfur and oxygen that are produced during the combustion of hydrocarbon-based fuels. When emitted into the atmosphere SOx may cause 'acid rain' which is harmful to nature and can result in accelerated corrosion of infrastructure in urban areas. In a marine environment, SOx can increase the acidification of the oceans which is known to be harmful to sea life.

The content of SOx in combustion emissions is directly related to the type and quality of fuel being used. The best way to minimize SOx emissions in vessel exhausts is to use the cleanest fuel with the lowest sulfur content possible. PXGEO is committed to using ultra-low sulfur Marine Gas Oil (MGO) with a sulfur content less than 0.1% mass by mass (m/m) when available.

During 2021 the average sulfur content of fuel consumed for MTS operations was 0.21% vs the IMO 2020 requirement of 0.50%. This percentage was higher than the levels PXGEO aims to achieve, due to limited availability of low sulfur fuel in the remote location of PXGEO's first MTS project. During the last MTS project in 2021, the vessel was operating on ultra-low sulfur MGO fuel with tested sulfur level of 0.0007% m/m.

SOx emissions were 8.4kg of sulfur per square kilometer of seismic acquired. This was also higher than PXGEO target levels due to the small streamer spread used during the first MTS project in the Far East, in addition to the higher sulfur content of the fuel available in such a remote area.

The average sulfur content of fuel consumed for OBN operations was 0.25% vs the IMO 2020 requirement of 0.50%. This level was higher than PXGEO target, due again to limited availability of low sulfur fuel in the remote location of operation.

Nitrogen Oxides (NOx) emissions

NOx emissions are also generated during the combustion of hydrocarbons. A combination of nitrogen and oxygen, NOx are key components in ground-level smog and are precursors to the formation of acid rain. Nitrogen dioxide (NO_2) is a major ozone depleting (GHG) that has ~300 times more impact per unit weight than carbon dioxide.

Using newer and well-maintained diesel engines, compliant with the IMO Tier II or III performance standards, can greatly reduce NOx emissions. All PXGEO vessels have at least Tier II diesel engines which significantly reduce NOx emissions to air.

During 2021, NOx emissions from MTS operations amounted to 180 tonnes and 132 tonnes for OBN operations.

PXGEO 2 Seismic Vessel

Carbon Dioxide (CO_2) emissions

CO_2 is produced by the combustion of hydrocarbons including coal, peat, petroleum and natural gas. It is the most significant, long-lived GHG in the Earth's atmosphere. Since the Industrial Revolution, the concentration of CO_2 emissions, primarily from the combined effects of using fossil fuels and deforestation, has rapidly increased in the atmosphere, contributing to global warming. CO_2 also causes ocean acidification, dissolving in water to form carbonic acid.

As CO_2 emissions are directly correlated to fuel consumption, the most effective way for PXGEO to reduce CO_2 emissions, and mitigate the impact to the environment, is to reduce fuel consumption. PXGEO's vessels, equipped with highly efficient combustion engines, operate with industry leading efficiency. PXGEO continues to demonstrate that its vessels consume significantly less fuel than peers per square kilometer of seismic data acquired.

Managing Emissions to Sea

Operating in a marine environment worldwide, PXGEO works hard to ensure that the oceans we operate in are free of pollution from start to finish of every PXGEO project.

All vessels in the PXGEO fleet have been designed with double hulls. This is a design and construction technique where the vessel has two complete watertight layers - the outer hull and the inner hull. No oil-based products are stored in the void between the outer hull and the inner hull which reduces the risk of an environmental spill should a grounding or collision inadvertently occur.

In addition, PXGEO has implemented several procedures, systems and technical features to mitigate the risk of pollution or spills to the world's oceans. These include state-of-the-art ballast water management and bilge water treatment systems.

PXGEO had zero industry-recordable spills in 2021.

Water treatment

All PXGEO vessels hold the DNV CLEAN DESIGN class notation which stipulates that the vessel must have an approved sewage treatment system which is also capable of treating grey water.

All PXGEO vessels also maintain a 'zero discharge' practice relating to untreated sewage water.

The discharge of treated sewage water and gray water is strictly controlled in PXGEO's operational procedures in alignment with current IMO regulations.

To ensure that no fluids are discharged in unpermitted areas, PXGEO operates a strict practice of sealing overboard valves.

Ballast water management

Ballast water is required to ensure the stability, trim and structural integrity of a ship. On a seismic vessel, it is used to replace the weight of consumed fuel and to offset the weight of deployed seismic streamers to maintain stability and efficiency when in acquisition mode.

It is estimated that, in the broader maritime industry, as many as 4,500 invasive species of plants and animals are transported per day in ships' ballasts around the world. The introduction of invasive marine species into new environments by ships' ballasts was identified as one of the greatest threats to the world's oceans and to global biodiversity.

The PXGEO fleet, including chartered OBN vessels, in 2021 used ballast water management systems which are 100% chemical free and eliminate all invasive species from the ballast water by filtration and ultra-violet (UV) treatment.

Biofouling management

Biofouling means the accumulation of aquatic organisms such as micro-organisms, plants and animals on surfaces and structures immersed in, or exposed to, the aquatic environment. Studies have shown that biofouling can be a significant contributor to the transfer of invasive aquatic species.

PXGEO operates a strict Biofouling Management Procedure designed to mitigate the risk of transfer of invasive species, ensuring that the vessel hull is in optimal condition for efficient movement through the water. This is achieved using industry best available technologies for hull cleaning, propeller polishing and regular dry-docking of the vessels. The PXGEO Biofouling Management and record books are key parts of PXGEO's Environmental Protection Plan.

Bilge water treatment systems

Bilge water is a mixture of fresh water, sea water, oil, sludge, chemicals and other ship-board fluids. By design, it collects in the lowest compartment of a ship's hull below the waterline where the two sides of the hull meet at the keel. This area is known as the bilge.

Current IMO regulations mandate that any discharged bilge water shall contain no more than 15 parts per million (ppm) of oil residue.

All PXGEO vessels, including OBN vessels chartered in 2021, use bilge water treatment plants to clean the contaminated water to <5ppm, more than three times less than regulatory requirements.

Ghost net initiative

PXGEO offshore crews are actively participating in the Ghost Net Initiative. Launched by EnerGeo Alliance (previously the International Association of Geophysical Contractors, IAGC), this initiative encourages offshore seismic crews to contribute towards cleaning the world's oceans by safely removing any floating debris from the ocean and disposing of it in an environmentally responsible manner. In the areas which PXGEO operates, this involves actions such as the untangling of wildlife from abandoned fishing nets and releasing them back to the ocean and removing abandoned fishing gear and marine debris.

In 2021, PXGEO crews around the world recorded twelve recoveries of debris totaling 932kg. The debris is mostly identified and collected by the support fleet surrounding the seismic acquisition vessel. The debris is stored onboard until it can be responsibly offloaded and recycled. PXGEO joins EnerGeo Alliance in calling upon all offshore operators to support this movement.

Managing Acoustic Emissions

There have been significant studies, over long periods of time, to evaluate the proximity of seismic operations to marine mammals and the effects that seismic energy sources may have on their wellbeing. While research into this subject is still ongoing, minimization of mammal disturbance continues to be a high priority for PXGEO and the marine seismic industry.

An exclusion zone of minimum 500m radius, centered on the sources, covers an area from the vessel to the outer edges of the front end of the streamer spread. This exclusion zone is closely monitored and if the presence of marine mammals is detected, appropriate action is taken.

Source output is gradually increased using a 'soft start' technique. The initial lower output volumes are used to warn marine mammals and sea turtles of the commencement of seismic operations and allows enough time for those animals to move away from the vicinity. PXGEO's soft start procedures meet the Joint Nature Conservation Committee (JNCC) UK guidelines for minimizing the risk of injury to marine mammals from geophysical surveys.

Seismic energy source

A key driver for minimizing PXGEO's acoustic emissions takes place early in the planning phase of every project. The PXGEO geophysical teams evaluate and recommend the smallest possible source to obtain the best possible geophysical result, with minimum impact to the surrounding environment. These efforts, together with the implementation of XArray™ multiple source configurations, have led to a clear trend in reducing average source size across the marine seismic acquisition industry.

PXGEO closely monitors and documents the maximum sound pressure levels generated by seismic energy sources using a full array of calibrated near field hydrophone. Geophysicists from PXGEO have also been involved in conducting several source acoustic output verification tests for the source arrays using bottom mooring hydrophone systems.

PXGEO is actively engaged with a Joint Industry Project for the commercialization of a marine vibrator source technology. Discussions with E&P partners commenced in 2021, with progress anticipated in 2022 to provide an effective, alternative seismic energy source for the future.

Passive Acoustic Monitoring (PAM)

PAM is a technique used to monitor marine mammal activity, which is more reliably detected acoustically rather than visually, in the vicinity of offshore operations. With the use of specifically deployed hydrophone arrays, a PAM operator can determine if any marine mammals are within the defined exclusion zone before seismic acquisition commences. PXGEO applies the UK Joint Nature Conservation Committee (JNCC) guidelines for use of Passive Acoustic Monitoring.

PXGEO has PAM systems permanently installed on its MTS vessels. Clients are also offered the ability to use a remote PAM system, allowing for a PAM operator to remotely operate the system to monitor activity from onshore.

Innovating to look after the environment

PXGEO's Vision "to deliver sustainable seismic solutions for the worlds energy transition" - is enabled by our approach to Innovation, which is embedded as a Core Value across the PXGEO organization. Technology innovation is driven by our operations, engineering and geophysical teams.

Marine Towed Streamer (MTS) innovation

PXGEO employees have been involved in some of the key evolutions of MTS operations of the last 10 years.

With XArray™ our teams have promoted the use of smaller sources and fewer streamers to optimize survey operations. This supports our Commitment to the Environment by putting less equipment in the water, reducing drag and fuel consumption, while also reducing the exposure of our people by reducing activities to maintain in-sea hardware.

PXGEO XArray™

PXGEO has also been the first seismic acquisition company to deploy the latest deflector technologies to achieve optimized configurations of our towed streamer systems. This enables us to satisfy technical specifications while minimizing the impact on the environment.

With the use of PXGEO Cirrus™ cloud data streaming technology, we can transfer data directly from the vessels to shore based data centers, allowing us to minimize physical data shipments of recording media around the world.

We are also actively involved in innovations through ongoing dialogue and collaboration with industry partners to bring the latest source and streamer technologies to the market.

Ocean Bottom Node (OBN) innovation

OBN acquisition is an important subsurface imaging technique that enables the delineation of producing reservoirs to enhance hydrocarbon production. Traditionally, it has been an expensive and emissions-intensive operation due to the time required to acquire seismic data and the requirement to have multiple vessels involved in the acquisition plan.

Looking ahead, OBN acquisition is expected to become an important tool in defining appropriate reservoirs for carbon capture, utilization and storage (CCUS).

PXGEO is focused on innovating to optimize the efficiency of OBN acquisition and improve the emissions footprint of OBN acquisition projects.

The focus areas of PXGEO's innovation in the OBN acquisition segment includes Remotely Operated Vehicle (ROV) subsea methodologies and node technologies.

PXGEO is actively investing in developing its own proprietary technologies in this space:

- PXGEO X-ROV™
- PXGEO E-ROV™
- PXGEO Free-Dive™
- PXGEO SpiceRack™

PXGEO MANTA® Node

PXGEO's ambition is to realize a step change in OBN acquisition efficiency through the application of automation, robotics, artificial intelligence and remote operating centers onshore.

These applications all play a significant role in improving the efficiency of ROV and node handling operations through reducing the requirement for human intervention and handling in the operational delivery. This will ultimately decrease the time required to acquire seismic data to provide a high-quality sub-surface image and therefore reduce the emissions footprint of OBN acquisition.

PXGEO also applies a modular, containerized approach to its OBN operational equipment. This enables specialized equipment to be locally installed on appropriately selected vessels, in the area of operations, reducing the need for costly and emissions-intensive transits across the globe.

To monitor PXGEO’s commitment to industry innovation, we reference the following UN Sustainability Development Goal (UNSDG):

UNSDG 9 Industry innovation and infrastructure – PXGEO is committed to continuous improvement, to enhance research and to upgrade industrial technologies through innovation.

CARING FOR OUR PEOPLE

The integration of two newly acquired business units saw a significant focus on organization, people and culture during 2021.

A comprehensive integration plan was embarked upon for the second half of 2021, with five workstreams established to monitor and optimize integration in the following areas:

1. Environment, Health, Safety & Quality (EHSQ) and operations
2. People and organization
3. Commercial and supply chain
4. Innovation and technology
5. Business systems and IT infrastructure

The PXGEO MTS and OBN business units benefitted individually from well-established legacy safety cultures, creating a robust platform for integration. The comprehensive effort to fully integrate PXGEO's Management System, incorporating all PXGEO operations offshore and onshore, was completed during December 2021 and audited by a supermajor client with extremely positive feedback.

A single, accessible Management System has provided an important foundation and framework for the PXGEO organization; setting direction, standards and expectations at Leadership level and guiding all processes and behaviors across the organization.

PXGEO leading and lagging EHSQ indicators for 2021 clearly demonstrate the strong EHSQ culture which has been created within PXGEO. However, there were several incidents and associated trends identified during 2021 which highlight the opportunity for further improvement going forward.

In addition to PXGEO's integration challenges during 2021, the whole offshore E&P industry faced significant pressure maintaining safe operations and working environments amidst the COVID-19 pandemic.

PXGEO established extensive COVID protocols to minimize the risk of exposure and to provide a safe and healthy working environment for all employees onshore and offshore. Compliance with these protocols and vigilance from all PXGEO employees have ensured that all PXGEO offshore activities have continued without interruption, and enabled PXGEO offices to function effectively, throughout 2021.

Maintaining business continuity through this challenging time has undoubtedly placed additional pressure on all PXGEO employees. Field crew employees, in particular, have endured extended quarantine periods before and after their time on PXGEO offshore sites, and have spent longer durations of time offshore due to COVID mitigation measures and related travel restrictions. The mental health implications of the pandemic have been recognized by the E&P industry as an area which requires enhanced focus. PXGEO fully supports this and will be an active contributor to address this proactively during 2022 and beyond.

With a clear PXGEO strategy for growth in the coming years, the establishment of a fit-for-purpose professional development environment is a significant priority for PXGEO in 2022, in addition to attracting new talent and retaining existing valued employees to further optimize the performance of PXGEO.

Combining these priority areas of focus, we reference the following UN Sustainability Development Goal (UNSDG):

8 DECENT WORK AND ECONOMIC GROWTH

UNSDG 8 Decent work and economic growth – PXGEO is committed to ensuring a safe and fair working environment with zero harm to PXGEO people and to maintaining a culture which promotes and encourages education and professional growth.

Safety Leadership and Performance

For PXGEO, safety leadership and individual accountability is not a choice, but a requirement. Underpinned by the PXGEO's Commitment to Health and Safety, and the PXGEO Management System, all PXGEO employees, partners, suppliers and contractors have a role to play as leaders in safety and to contribute collectively to the overall safety culture which is visible throughout PXGEO.

All PXGEO leaders demonstrate personal safety leadership by conducting frequent visits to PXGEO locations to engage in safety-focused dialogue. Where in-person opportunities have been limited during 2021, virtual interactions have taken place instead. With continuous performance improvement a strategic priority, raising awareness of potential workplace hazards, building capabilities to prevent such hazards and applying elements of behavioral safety to understand 'why people do the things they do', are important elements of the PXGEO continuous improvement cycle.

PXGEO Team Resource Management (PTRM)

The PXGEO behavioral safety program, PTRM is an integral component of PXGEO operations and an important tool to enable continuous improvement, as well as addressing complacency. PTRM consists of six non-technical skill areas that can contribute to incidents: leadership, decision-making, teamwork, communication, situation awareness and managing stress & fatigue. These underlying human factors refer to environmental and organizational job aspects, and how these can influence behavior at work and potentially impact health and safety.

To optimize the success of the PTRM program, PXGEO engages all employees from the CEO to front-line employees and extends the program to include contractors. Achieving changes in behavioral safety offshore requires engagement and acceptance by everyone involved in a PXGEO operation. PXGEO has an inclusive approach to safety leadership which begins at each project start-up meeting where dedicated time is prioritized for safety dialogues ahead of the project commencement. This collaborative interaction between all parties (clients, PXGEO employees and third-party contractors) is an important contributor to aligning safety priorities and safety culture, and to ensuring the team performs with full focus on safety from day one of every project.

Improving awareness and understanding of human factors, as well as non-technical skill areas, supports PXGEO's belief that all incidents are preventable and that PXGEO's goal of zero harm can be achieved.

2021 safety performance

All incidents, injuries, near misses, non-conformances and improvement suggestions are raised and recorded within InSite®, the PXGEO Environment, Health, Safety and Quality (EHSQ) reporting system. Reports are rated to assess actual and potential risk, based on realistic assumptions.

PXGEO has a robust continuous improvement reporting culture in place in all departments onshore and offshore. This is demonstrated through the solid reporting levels achieved in our first year of operations.

Reporting levels of Non-Conformance, Corrective Action and Preventative Action (NCCAPA) and Improvement Suggestions, all of which are critical to the PXGEO continuous improvement philosophy, exceeded the actual reporting targets set for 2021.

With focus on preventing unplanned incidents and to further drive continuous improvement, PXGEO has set a target to drive active intervention. This target requires 25% of all submitted reports to be based on action taken to immediately improve a situation, activity or process, or to prevent something from happening or getting worse. The full Period target for 2021 was exceeded with 54% of all reports involving an intervention.

PXGEO's safety performance, measured by traditional industry lagging safety indicators, resulted in a Total Recordable Case Frequency (TRCF) of 0.81 which is below the industry average of 1.55 reported by the EnerGeo Alliance for 2020. PXGEO's Lost Time Injury Frequency (LTIF) was Zero for the full Period 2021.

First Aid Cases (FACs) and Near Misses (NMs) are additional important metrics that PXGEO uses as leading indicators. In 2021, PXGEO recorded approximately 1.2 million person hours worked across both onshore and offshore staff, with 5 FACs and 23 NMs recorded.

Of the incidents reported in 2021 and in response to the COVID-19 pandemic, several opportunities for improvement were identified and formed the basis of targeted improvement campaigns. EHSQ awareness efforts were focused on the learning from these incidents and responding to the pandemic, and our related communication efforts targeted all PXGEO employees and contractors.

COVID-19; Fatigue Management, Situational Awareness, Human Factors, Hands and Fingers and PXGEO Principles were the main campaign focus areas in 2021.

PXGEO 2021 SAFETY STATISTICS	
First Aid Case (FAC)	5
Lost Time Injury (LTI)	0
LTI Frequency (LTIF)	0
Medical Treatment Case (MTC)	1
Non-Conformance, Corrective Action, Preventive Action (NCCAPA)	3135
Restricted Work Case (RWC)	0
Total Recordable Case Frequency (TRCF)	0.81

PXGEO Principles

Zero Lost Time Injuries (LTI's) in 2021 highlights that PXGEO is successfully managing the challenges associated with complex offshore seismic acquisition projects taking place in all corners of the globe.

To tackle these challenges effectively and ensure we do not become complacent, PXGEO Principles, a set of non-negotiable PXGEO requirements that all employees and contractors are expected to fully comply with, are embedded throughout the organization. These have been compiled in close cooperation with clients, based on industry best practice and lessons learned, and are closely aligned with PXGEO clients' non-negotiable safety rules.

PXGEO Principles are incorporated and based on the following components:

- Implementing industry best practices and lessons learned through the International Association of Oil & Gas Producers (IOGP) in accordance with 'guidelines for working together in a contract environment' (Report 423). PXGEO contributes to sharing such information from any significant incidents encountered through offshore and onshore operations
- Identifying potential hazards and carrying out thorough risk assessments for every project and every region in which PXGEO operates
- Implementing targeted health and safety initiatives consistent with international standards (e.g. PXGEO quarterly 'Focus on Safety' campaigns)
- Preventing and/or mitigating the health and environmental impacts of air emissions and discharges from PXGEO vessels
- Providing and supporting company-wide EHSQ education, awareness and training
- Holding regular employee-led EHSQ forums (e.g. Leadership Team, Green Protection Team and Field Manager meetings) focused on items affecting the individual work locations and the PXGEO in general

- Providing appropriate personal protective equipment (PPE) and;
- Enabling regular occupational health checks, and access to general health care and appropriate access to emergency services for all employees.

Workplace Security

Security of PXGEO employees, work sites and operational assets is a responsibility that PXGEO takes extremely seriously. The PXGEO Commitment to Security is upheld via the use of the PXGEO's risk management processes, including security hazard identification and security risk assessments prior to, and during, the execution of all seismic projects and business activities.

The global nature of PXGEO's business means exposure to a range of potential security incidents such as piracy, terrorism, organized crime, regional unrest or the threat of activists. PXGEO was the first seismic operator to sign the Gulf of Guinea Declaration on Suppression of Piracy which recognizes the unacceptable toll on seafarers and calls for collaboration to end the threat of piracy.

International Ship and Port Facility Security (ISPS) regulations require PXGEO to continuously evaluate risks and implement appropriate measures to mitigate them. PXGEO ISPS certification is maintained via annual audits carried out by DNV.

To monitor the security aspects of PXGEO's operational activities, and to mitigate identified risks, PXGEO maintains an ongoing overview of security issues affecting the regions in which the PXGEO operates or has plans to pursue business opportunities. Insights are gained via a range of external sources, including expert security advice provided by the ISOS-Control Risk joint venture and other security advisories, and internally through the many years of industry experience within the PXGEO leadership, operational, maritime and EHSQ teams.

For every project, a security risk assessment is carried out and, where necessary, additional detailed information is gathered and analyzed depending on the location of proposed projects and identified security risk.

Additional emphasis is placed on providing support and guidance to all PXGEO employees who undertake business travel, with a comprehensive travel monitoring program which includes a proactive journey-specific advisory function. PXGEO conducts emergency response testing of onshore journey management as part of its continued efforts to raise awareness and ensure the ability to manage support of travelling employees in the event of an incident.

Good Health & Wellbeing

Maintaining good health and wellbeing of PXGEO employees is a fundamental pillar of the way PXGEO operates. This is implemented through PXGEO's Commitment to Health and Safety which applies to every employee and contractor that comes to work at a PXGEO office, vessel or project location.

Managing mental health can be complex and is often not discussed or addressed as openly as it should be. PXGEO encourages all employees to reach out for support if they have concerns about their own mental health, or that of their colleagues. Looking out for each other, rallying together when needed, and feeling able to speak up and ask for help is encouraged at PXGEO. Raising awareness and addressing mental health in the workplace remains an important priority for PXGEO.

PXGEO is committed to supporting employees achieve a healthy lifestyle balance, and to manage family and personal demands, to enable all employees to deliver to the best of their abilities, without compromising health and wellbeing.

Encouraging employees to make time for family, fitness and leisure activities is actively encouraged (onshore and offshore). Social and sporting activities are sponsored by PXGEO to allow employees to interact outside of work. Onshore employees have flexibility to manage their 'normal working day', in conjunction with their manager, and with due consideration to the needs of the business and of fellow colleagues. Offshore, provisions are in place to encourage activities to support health, fitness and relaxation when off shift.

PXGEO has several additional mechanisms in place to allow employees to take paid and unpaid time off work to manage health, wellbeing and family needs.

To ensure the continued provision of robust health support, advice and guidance, PXGEO maintains a strong relationship with its medical and security provider, International SOS (ISOS) to provide comprehensive global assistance on health, security and wellbeing. PXGEO employees onshore and offshore have access to a wealth of tools and resources, available through an online portal and a mobile application, which provide real-time advice and guidance relevant to any geography in which PXGEO is operating, or where PXGEO employees may be travelling to or through.

The task of engaging all PXGEO employees in health and wellbeing initiatives across all offices and in all field locations, is championed by PXGEO's Green Protection Teams (GPT). In addition to flying the flag for PXGEO's environmental agenda, these employee-nominated and employee-led teams review monthly EHSQ statistics and performance, organize events and campaigns focused on environmental, health, safety, social and wellbeing, and work collaboratively to share ideas, initiatives and best practice.

During 2021 the PXGEO GPTs led several successful campaigns including educational campaigns to promote awareness on topics such as breast and prostate cancer.

The PXGEO employee model

PXGEO is proud to be the only marine seismic acquisition company that employs both seismic and maritime crews directly for its MTS operations. This is fundamental to delivering operational excellence and innovative geophysical services to PXGEO clients who have acknowledged PXGEO's 'employee strategy' as a key differentiator.

For PXGEO employees, this model offers a range of career opportunities with paths across and within both seismic and maritime disciplines, and across MTS and OBN operations. This is complemented onshore with integrated technical and geophysical teams, working collaboratively with efficient and agile operational and support functions. Highlighting the loyalty and dedication of the experienced and diverse PXGEO teams from all corners of the world, employee turnover rates remain well below industry norms. PXGEO total voluntary turnover for 2021 was 2.6%.

All PXGEO employees are provided with a range of benefits designed to support and safeguard employees and their families, while in employment with PXGEO and in planning for the future.

PXGEO core benefits include access to private healthcare, regular contributions to a PXGEO retirement or pension plan, and PXGEO-provided insurances to provide security in the event of absence or disability.

Employees are eligible to participate in a range of benefit plans with flexible options to tailor benefits to best suit their lifestyle need and preferences.

PXGEO benefits are offered to full-time and part-time employees.

As the marine seismic industry emerges from a sustained market downturn, PXGEO continues to advocate the professional development and personal growth of all PXGEO employees. Wherever appropriate, PXGEO promotes from within and continues to review and evolve the organization model both offshore and onshore to create opportunities for all employees. While the latest PXGEO geophysical innovations unlock new regions and technologies, they also provide a range of career progression opportunities for PXGEO employees to learn and grow. Maintaining open dialogue and communication with employees, as well as listening and responding to feedback is key to PXGEO' efforts to retain its valued employees. In addition to their health and wellbeing remit, PXGEO's Green Protection Teams (GPT) play a key role in this and are recognized as being the voice of PXGEO employees. Underpinned by the tenets of Being PXGEO, the GPTs are empowered and encouraged to engage and interact with all employees on topics which can make a real difference. The GPTs provide a key link between employee groups at all levels across the organization and are an integral part of PXGEO's communication model.

Communication and discussion with employees during 2021 regarding operational changes was of particular importance due to the continued disruption and impact to travel and operational scheduling form the COVID-19 pandemic. To mitigate the disruption to employees, PXGEO operational, EHSQ and HR teams implemented comprehensive pre-mobilization communication plans to proactively manage the periods of uncertainty which inevitably arose in the weeks prior to crew-change. This enabled field crew employees to be kept informed of the constantly changing restrictions and additional travel protocols necessary to enable travel to continue to and from offshore operations and projects during the COVID-19 pandemic.

Being PXGEO

Being PXGEO is the way we describe 'who we are', 'what we do' and 'how we do things'. Underpinned by Our Core Values and Commitments, it is PXGEO employees that cultivate our unique corporate culture. As a newly integrated organization working across multiple global locations, building on this is a high priority for 2022 and beyond.

Health and well-being, a thriving work environment and enabling career progression and professional development opportunities remain priority areas for PXGEO, and form the core of PXGEO's continued strategy to attract and retain employees.

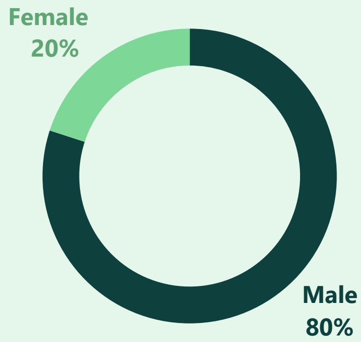
Creating a culture of innovation

As we build on the early foundations of PXGEO, we recognize that it is our people who define who we are and how we do things. We firmly believe that creating a culture of innovation is pivotal to our longer-term success and to the sustainability of PXGEO.

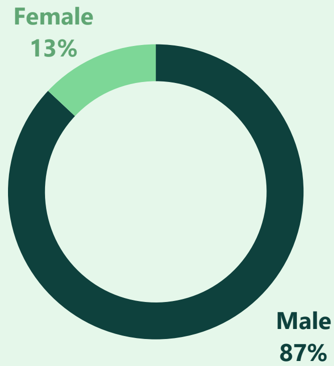
Our talented employees recognize the importance of creating positive social and environmental impact, and are encouraged to actively contribute through forums such as our GPTs but also through the normal course of everyday business. Promoting and facilitating collaboration through our integration workstreams and our cross-functional strategic workgroups, enables innovation to be captured in our efforts to develop new products and services, as well as through our organizational models and ways of working.

Importantly, we acknowledge the significance of diversity and inclusion in the workplace, and of the benefits this can bring to creating a culture of innovation. We will be actively working towards increasing the diversity of PXGEO as we build our employer brand and implement strategies to recruit, develop and retain current and future PXGEO employees.

DIVERSITY OF EXECUTIVE MANAGEMENT TEAM



DIVERSITY OF ALL EMPLOYEES



35

Different nationalities represented

24 Onshore, 23 Offshore

2.6%

Total Voluntary Employee Turnover

12 month annualized

BEST BUSINESS PRACTICE

The establishment of PXGEO as a private company, with a robust balance sheet and excellent reputation for service delivery, has firmly positioned PXGEO to responsibly navigate an unpredictable and complex global economic environment.

In order for PXGEO to continuously improve its overall performance, two important tools are actively used:

1. The PXGEO Company Risk Assessment (CRA) provides a mechanism for reviewing the changing external environment and PXGEO's ability to manage and mitigate identified risks (e.g. demand for services, cyber-attacks, employee attrition)
2. The PXGEO Management System, incorporating the InSite® reporting system is a tool to identify, implement and measure continuous improvement opportunities across PXGEO in both offshore operational and onshore office environments

These tools are critical to optimize the business performance of PXGEO through risk mitigation and implementing improvement opportunities.

Importantly, the PXGEO Management System is accredited by ISM (International Safety Management of ships) with a Document of Compliance (DOC), ISO 9001 (quality), ISO14001 (environment), ISO45001 (workplace health and safety) which validates the effectiveness of our Management System against recognized external benchmarks.

The performance of PXGEO is measured on an annual basis against a balanced scorecard which comprises the following metric categories, with related Group goals for each performance year:

- Financial
- Business process
- External / environmental
- Growth / innovation

Progress against PXGEO goals, which include safety and environmental targets, is measured monthly and communicated regularly across the PXGEO organization.

EnerGeo Alliance

PXGEO is a governing member of the EnerGeo Alliance (formerly known as the International Association of Geophysical Contractors (IAGC). Through EnerGeo's Global Health, Safety, Security and Environment (HSSE) Committee, PXGEO plays an active role in the appropriate information exchange of key participants in our industry regarding best practice and lessons learned. Topics include: license to operate, safety, environment and legislative/regulatory developments.

PXGEO is a strong advocate for maintaining strict business ethics guidelines as per the PXGEO Commitment to Business Ethics and Avoiding Conflicts of Interest which is aligned with the following UN Sustainability Development Goal (UNSDG):

UNSDG 16 Peace, justice and strong institutions – PXGEO is committed to minimizing the risk and exposure of corruption and bribery for the organization and employees, through strict procedures, regular awareness training and a zero corruption and bribery policy.

Risk Assessment

PXGEO regularly assesses business risks, reflecting matters which could have a material impact on any aspect of the business. Mitigating actions are recorded for each risk and additional steps are identified during each review to reduce the likelihood or severity of the risk. A member of the PXGEO leadership team is designated to ensure appropriate resources are allocated to address each identified risk.

PXGEO's practice of obtaining input from its diverse employees (onshore and offshore) and leadership team, led by the CEO and executive management team, along with regular reviews by the Board represents a strong and sustainable process for managing business risks.

Bi-annual formal leadership reviews of the Company Risk Assessment are conducted, and the results presented to the PXGEO Board on an annual basis.

Cyber Security

Maintaining robust controls to mitigate cyber security risks is one of PXGEO's top priorities. The PXGEO IT security strategy to mitigate these risks is anchored around an integrated people, process and technology approach.

PXGEO IT security successfully blocks daily threats through multiple layers of technology and processes which are in place to protect PXGEO systems and data. The effectiveness of these actions is highly dependent on the IT security behavior of PXGEO employees and other parties who have access to PXGEO systems and data. The continued education, training and awareness of all PXGEO employees and contractors therefore forms a critical part of PXGEO's IT security strategy and has successfully increased the cyber security resilience against phishing and ransomware attacks. Employee training progress and performance is tracked through the PXGEO cyber security risk score, to engage and focus the attention of every PXGEO employee on the importance of regular cyber security training.

All PXGEO vessels are compliant with the new IMO regulation that includes maritime cyber security as a risk to be addressed in safety management systems. During 2021 there has been a significant increase in cyber security threats, particularly focused on phishing, ransomware and backdoor attacks.

PXGEO's defense in-depth IT security continues to monitor and protect PXGEO systems and data across all security layers both onshore and offshore.

No cyber security related incidents were recorded during 2021.

Company Management System

The bespoke PXGEO Management System is a critical element of how operations and assets are managed, incorporating the highest levels of quality and safety into all company activities enabling PXGEO to run its global business safely, efficiently and responsibly.

By defining best practice and framing how risk is assessed, the PXGEO Management System also assists in identifying and prioritizing improvement opportunities across the business from personal safety and operational integrity, to efficient and effective use of resources. It enables the continued measurement and improvement of performance year-on-year.

Data recorded to measure performance and to ensure PXGEO meets, or exceeds, both internal and external stakeholder expectations includes:

- Safety statistics
- Environmental data
- Production data
- Technical downtime measurements
- Financial performance
- Efficiency metrics
- Customer satisfaction feedback

PXGEO engages directly and proactively with clients in post-project reviews and ongoing relationship management activities to obtain constructive feedback on its services. This allows PXGEO to identify opportunities for improvement and to capture a more informed understanding of clients' needs and expectations to develop its business offering accordingly.

Stakeholder Engagement

PXGEO deals with over 400 global suppliers and expects these suppliers to maintain the same high standards of business practice that are set for PXGEO employees. Supplier management is therefore a critical part of PXGEO's Management System. We acknowledge the significant risk exposure through suppliers and put all efforts to implement a successful interface to align suppliers' performance and ensure the right processes are in place to maintain adequate control.

A variety of stakeholders that includes suppliers can be present on a seismic operation including direct and indirect suppliers, service providers, client representatives and various visitors.

Our implementation of supplier management focuses on three elements:

1. Selection process

PXGEO evaluates the risks involved where subcontractors are part of the proposed workforce or assets and takes steps to ensure appropriate preparations are in place prior to commencement of operations.

Every new supplier is screened using environmental, social and governance criteria using a pre-qualification questionnaire.

PXGEO also establishes longer-term relationships with key suppliers, in particular for chartered vessels, which enables better overall supplier and EHSQ performance.

2. Management and implementation

PXGEO creates interface documentation stating the appropriate management system or procedure for any activity that is performed by subcontractor personnel. This covers definition of responsibilities in key areas such as training, procedures, reporting, monitoring and review.

Representatives of management and operations from subcontracting companies are systematically invited to attend pre-mobilization planning meetings.

Subcontractor staff and management are also required to attend PXGEO start-up or induction meetings.

3. Local considerations

Within the marine seismic environment, when working in territorial waters of some countries, there is a requirement to use 'temporary' maritime crew. This could result in the replacement of numerous crew members onboard the seismic vessel in a short period of time, which has the potential to significantly increase the risk profile of the operation if not appropriately planned and managed.

This was relevant to PXGEO's first MTS operation in the Far East during 2021. To mitigate any associated risks in such situations, PXGEO assigns additional PXGEO crew in an advisory capacity to maintain a high level of operational and safety experience and oversight onboard.

PXGEO use the Maritime Labour Convention (MLC, 2006) as the main reference document during the initial phases of 'Planning' through 'Execution', as well as full integration into other management systems being used to manage the operations.

Finally, the engagement of local shipping agents to provide in-country support for crew changes and transportation is also managed by local and temporary personnel. These local agents provide other shore-based resources and regularly interact with either the seismic vessel and crew, or support vessels and crews. The strict selection and management processes of local agents are managed in line with other key suppliers.

Local communities

PXGEO is the face of the E&P industry for every acquisition project it conducts around the globe. PXGEO works closely with clients to optimize the onshore and offshore environments during a marine seismic operation and to engage with local community stakeholders.

Onshore efforts in 2021 included targeted efforts to minimize impact to local fisheries, and leveraging utilization of local businesses and expertise.

Business Ethics

PXGEO operates in several areas around the world where concerns exist regarding the standard of ethical commercial behavior. PXGEO remains committed to ensuring employees possess the appropriate training and awareness so that the risk of becoming involved in any inappropriate business practices is comprehensively mitigated.

PXGEO provides training and support for all operations managers, senior field crew, shore representatives and key suppliers.

Any new supplier to PXGEO is issued the 'PXGEO Standard Anti-Corruption Terms' as part of the prequalification process. Suppliers are also screened using Worldcheck One® Compliance Screening, a third-party service designed to provide first line defense against potential compliance risks.

Additionally, to evaluate exposure to such risks and plan ahead, PXGEO ensures that all local logistics agents fully understand PXGEO's requirements in advance of a PXGEO vessel arriving in port. Agents appreciate that a failure to perform in accordance with such standards may lead to termination of the business relationship with PXGEO.

PXGEO maintains an Anti-Corruption Procedure which sets out detailed anti-corruption guidelines and training relating to contractual arrangements, facilitating payments, gifts and entertainment. This procedure is designed to ensure compliance with anti-corruption laws worldwide by PXGEO employees and all PXGEO business partners.

Annual refresher sessions, supplemented by targeted training and mandatory guideline reviews, are conducted with all PXGEO employees to ensure awareness of anti-corruption and broader ethical risks is maintained.

PXGEO supports a culture of transparency and encourages employees to raise concerns on ethical behavior via 'whistle-blower' communication.

No incidents or non-conformance occurred during 2021 in relation to PXGEO's Commitment to Business Ethics and Avoiding Conflicts of Interest and no whistle-blower concerns were raised.

Governance Structure

PXGEO Limited (the "Parent Company") was incorporated as an exempted company with limited liability in the Cayman Islands on 24 February 2021 and has one class of ordinary shares. Pursuant to the written resolutions contained in a Notice of Bondholders' Written Resolution issued by Nordic Trustee AS dated 31 March 2021 (**Resolutions**), all ordinary shares in the Parent Company were issued to the former holders of A Bonds (as defined in the Resolutions) outstanding at that time (represented by ISINs NO0010607435, NO10921398 and NO0010921406). PXGEO commenced operations on 1 May 2021.

The governance of the Parent Company is regulated by its' memorandum and articles of association, a shareholders' agreement (**SHA**) and the laws of the Cayman Islands. The SHA contains detailed provisions concerning (among other matters): business and governance, Directors matters, General Meetings, Shareholder reserved matters, the issue and transfer of shares and disclosure of accounts and other information.

As at the date of this report, over 95% of the Parent Company's issued ordinary shares in aggregate were held by exempted limited partnerships established under the laws of the Cayman Islands, each of which is managed or advised by Cairn Capital Limited of 62 Buckingham Gate, London SW1E 6AJ. According to the Company's articles, PXGEO was not required to hold an annual general meeting in 2021.

The Parent Company's wholly owned subsidiary, PXGEO Seismic Services Limited is the parent company of all other PXGEO companies and subsidiaries (the "Group") and provides management and supervision of the Group's operations. As of the date of this report, the Board of Directors (**Board**) comprises Mr. Mark Nelson-Smith (Chairman and independent director, appointed 14 July 2021) and Mr. Peter Zickerman (appointed 25 February 2021).

The Board sits at the apex of PXGEO's governance framework, providing guidance in setting PXGEO's long-term strategic direction, monitoring business performance and ensuring the integrity of internal controls. In 2021, the Board met on 15 occasions and all serving directors attended all meetings.

External validation is a critical part of PXGEO's process to enable continuous improvement. The PXGEO Commitments are reviewed annually by the Chief Executive Officer (CEO) and by the Board. The PXGEO Management System and all procedures are also reviewed and updated annually and the performance of all parts of the business is frequently assessed by independent and client audits. By fostering a transparent approach to all audit requirements, PXGEO ensures that its Commitments and the PXGEO Management System are objectively and constructively reviewed and measured, allowing improvement suggestions to be effectively implemented.

Certifications and Accreditations

ISO standards support the three pillars of sustainable development - economic, social and environmental. ISO 14001 is the international standard that stipulates requirements for an effective environmental management system (EMS). ISO 9001 is a standard that sets out the requirements for a quality management system (QMS) which drives sustainable business practices whilst promoting good social welfare practices in delivery of our services

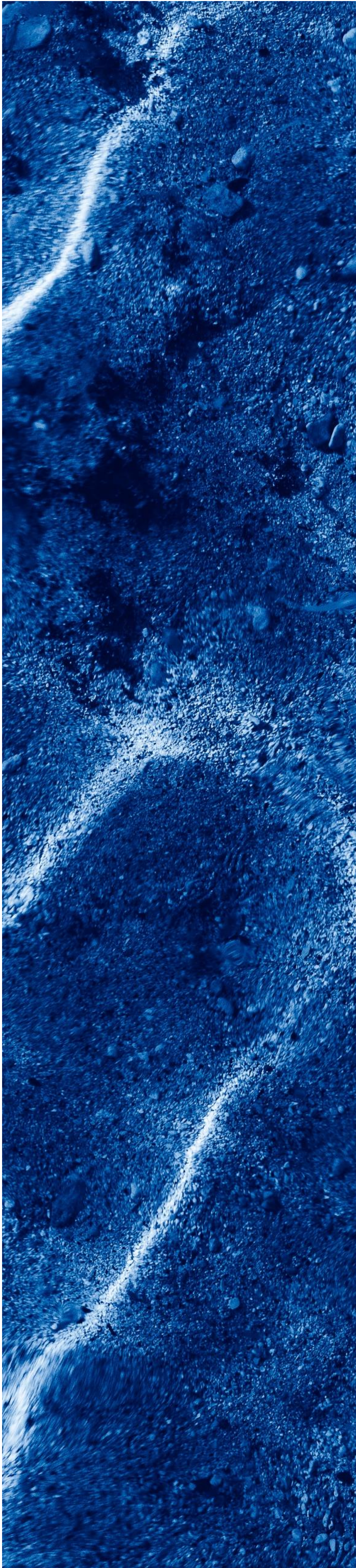
PXGEO operates under the environmental standard ISO 14001:2015 and quality standard ISO 9001:2015. PXGEO also transitioned during 2021 from OHSAS ISO 18001 to the newly released ISO 45001 standard that enables organizations to provide safe and healthy workplaces by preventing work-related injuries, illnesses and fatalities and by proactively improving our Occupational Health & Safety (OH&S) performance.

Innovating for best business practice

To meet the high standards and industry expectations regarding the development of best business practices, PXGEO recognizes the importance of remaining innovative and forward-thinking.

Keeping financial stability through a robust balance sheet and maintaining strong governance through proactive engagement with leading external suppliers on governance-related know-how, including international trade compliance and export controls, will remain top priority.

Through PXGEO's governing membership in EnerGeo Alliance, PXGEO will be able to influence material topics and collaborate with industry peers. Most critically, attracting, developing and retaining the best talent available will ensure PXGEO can continuously, and innovatively, improve the way operations and business is executed.



SUSTAINABILITY FOR THE FUTURE

PXGEO was founded on a vision to change the conventional dynamic of operations through strong sustainability ambitions and innovative technology solutions. In recent years, stakeholders have challenged the progress of sustainability initiatives by the oilfield services industry and scrutinized emissions in all forms. While the global conversation around energy continues to evolve, it is anchored in moving towards true sustainability.

Environmental sustainability, through our Explore Green™ agenda, has been a central pillar for the foundation of PXGEO and, as industry peers react to new environmental demands and regulatory requirements, PXGEO welcomes this pivot of perspective. Sustainability and the role PXGEO plays, beyond a purely environmental agenda, is fundamental to PXGEO's future success and a priority that sits at the core of PXGEO's long-term vision. Educating all PXGEO stakeholders to take ownership, to demonstrate conscious accountability and to work towards common goals underpins the holistic approach PXGEO has adopted to achieve a sustainable future.

PXGEOs 2030 sustainability aspirations are:

1. To significantly lower the emissions intensity of both marine towed streamer and ocean bottom node seismic data acquisition with an ambition to achieve net zero by 2050 using technology and process innovation
2. To be the preferred employer in the marine seismic acquisition industry
3. To be the preferred provider of services in the marine seismic industry as measured by clients, suppliers and the communities in which we work

To work towards these aspirations, we have a goal for 2022 to ensure PXGEO is rated by an industry recognized body for ESG contribution by the end of 2022. During 2022, we have committed to also defining and regularly communicating key industry-recognized sustainability metrics to track and monitor our progress.

In striving for longer term sustainability PXGEO has identified three milestone goals that will enable the realization of our 2030 aspirations.

1

LOOKING AFTER THE ENVIRONMENT

By 2025 PXGEO will demonstrate that it provides the lowest emission marine acquisition services in the industry through the measurement and communication of emissions data.

2

CARING FOR OUR PEOPLE

By 2025 PXGEO will establish three enduring community initiatives in PXGEO areas of operations.

3

BEST BUSINESS PRACTICE

By 2025 PXGEO will implement a stakeholder impact assessment on each seismic acquisition project undertaken. This assessment will document feedback from clients, suppliers and the communities in which we work.

We will share our progress through our social media sites and on our website, as well as annually in our Sustainability Report.

PXGEO Limited
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